

7.2 Contract 2023/213 - Record Storage and Imaging Services

Executive Summary

Purpose

The purpose of this report is to seek Council approval to award Contract No. 2023/213 Record Storage and Imaging Services to Grace Records Management (Australia) Pty Ltd for the sum of \$1,231,808 excluding GST.

Background

Council requires a suitably qualified organisation to provide records storage and imaging services. The services include:

Record Storage Services

- Facility and records storage requirements
- Migration of records and data
- Records ordering and delivery
- Records disposal
- Secure destruction services

Imaging Services

- Overall imaging requirements
- Programmed scanning
- On-demand imaging service
- Digital Mailroom Services

Specifically, Councils operational business under this contract includes:

- Offsite storage and lodgement of inactive records
- Physical retrieval and delivery
- Secure destruction of inventory items
- Provision and exchange (collection) of secure destruction bins
- Sale of record storage boxes and barcodes
- Scan on demand delivery of files in facility storage
- Corporate Information back-scanning digitisation projects (not on demand) across all formats. I.e. micrographics, tape conversion, paper, plans, photo, and media.
- Digital Library platform including cloud storage and ordering of statutory planning files (paperless office initiative)

This contract will replace an existing MAV (Municipal Association of Victoria) contract which was a sole contractor arrangement awarded to Grace Management in 2011. This contract expired on 31 December 2023 at which time Council entered into a 3-month agreement with Grace Records Management (Contract 2023/222) to enable continuation of critical service delivery whilst an evaluation of the new panel of suppliers was undertaken.

Key Issues

Existing contractor relationship

- Grace Records has held a contractor relationship with Boroondara since 2011 with established relationships and processes
- While there are other vendors who provide a similar service offering to Grace Records, there is a significant operational overhead and exit costs associated with a change to vendor. Exit costs including box retrieval fees and new set up costs for digital platforms were factored into the evaluation.

Next Steps

Upon award of the contract, Council will oversee the management and execution of these services.

Confidentiality

Confidential information is contained in **Confidential Attachment 1**, as circulated in the confidential section of the agenda attachments. The information in this attachment is deemed to be confidential in accordance with Section 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the Local Government Act 2020. The information relates to Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.

If discussion of the confidential information in the attachments to this report is required for Council to make a decision, Council may resolve to discuss the matter in a confidential session or to defer the matter to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2023/213, Record Storage and Imaging Services, to Grace Records ACN 93097110257 at their tendered schedule of rates for an initial contract period of three (3) years plus two (2) optional extension period/s of two (2) years to be exercised at the discretion of Council. The estimated total contract cost over seven (7) years (inclusive of extensions) is \$1,231,808 (excluding GST).
2. To authorise the Director Urban Living or Director Customer and Transformation (as appropriate at the time) to sign and execute the contracts on behalf of the Council and to authorise invoices to an amount not exceeding \$1,231,808 excluding GST.
3. To authorise the Director Urban Living or Director Customer and Transformation (as appropriate at the time) to negotiate and execute optional extension periods.
4. To note that expenditure under this contract has been provided for in Council's adopted budget for the financial year 2023/24 and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: **Scott Walker, Director Urban Living**

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2023/213, Record Storage and Imaging Services.

2. Policy implications and relevance to community plan and council plan

The Boroondara Community Plan (2021-31) is structured around the following seven priority themes:

- Community, Services and Facilities
- Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Moving Around
- Local Economy
- Leadership and Governance

The proposed contract for Record Storage and Imaging Services aligns with Priority Theme 7: Leadership and Governance:

- 7.1 - Decision-making is transparent and accountable through open governance processes with timely communication and reporting.
- 7.2 - Resources are responsibility allocated and used through sound financial and asset planning, procurement and risk management practices.

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

3. Background

Council requires a suitably qualified organisation to provide records storage and imaging services. The services include:

Category 1: Record Storage Services

- Facility and records storage requirements
- Migration of records and data
- Records ordering and delivery
- Records disposal
- Secure destruction services

Category 2: Imaging Services

- Overall imaging requirements
- Programmed scanning
- On-demand imaging service
- Digital Mailroom Services

in accordance with the requirements of the specification.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, the tender was publicly advertised by MAV Procurement on behalf of Victorian Councils in The Age Local Government Tenders on 5 August 2023, and Tenderlink on 4 August 2023. The tender was open for a period of 21 days to the closing date of 2.00pm AEST 25 August 2023.

MAV received tenders from the following eight (8) suppliers:

- Advance Record Management Pty Ltd
- Manford Records Management Pty Ltd t/a Compu-Stor
- Datacom Information Technology Pty Ltd t/s DatacomIT
- Ecloud Business Services Pty Ltd t/a Exedee
- Grace Records Management (Australia) Pty Ltd t/a Grace Information Management
- Iron Mountain Australia Group Services Pty Ltd
- Shaw Enterprise Holdings Pty Ltd t/a Micro Image
- The Information Management Group Pty Ltd

At the completion of the tender, a panel of eight suppliers across the different categories were selected and between the 17 November 2023 and 11 January 2024, the panel supplier profile details with price schedules were progressively made available through VendorPanel.

4. Outline of key issues/options

The specification has been developed to ensure all work under this contract is to be performed by an experienced Contractor that will meet Councils mandatory requirements.

The evaluation panel applied the MAV Tender Evaluation Panel qualitative ranking to ensure a Contractor was chosen with the best ability to meet the specifications and deliver the services, in addition to the best value for money. Specifications include the range of services, capacity, credibility and capability, methodology, customer service and sustainability. Compliance with Public Records Office Victoria (PROV) requirements was also evaluated. Additionally, the evaluation panel assessed the cost of transfer in fees, digital setup and disengagement and exit fees from the current MAV supplier.

5. Collaborative Procurement Opportunities

Due to the specialist nature of the services, there is no opportunity for collaborative procurement for this Contract.

6. Consultation/communication

Contract No. 2023/213, Record Storage and Imaging Services has been informed by an understanding of current and future anticipated records storage services and imaging services. Internal consultation with high usage service departments such as Planning and technical experience from Corporate Information informed the review.

7. Financial and resource implications

Council's 2023-24 adopted budget contains a total allocation of \$429,618 for storage, destruction, and image scanning. This is inclusive of a \$256,618 priority project funding. At the time of writing the report, \$283,762 of the budget amount had been spent or committed to and \$145,856 remains.

Item	Value (excl. GST)
Storage	\$160,000
Destruction	\$13,000
Scan on Demand (Priority Project)	\$256,618
Total adopted budget allocation 2023-24	\$429,618
Funds spent or committed under existing contract	\$283,762
Total remaining adopted budget 2023-24	\$145,856

The estimated value of the contract for the initial three (3) years is \$584,250. The estimated value of two (2), 2-year optional extension periods is \$647,558. The estimated cumulative value over the maximum contract term is \$1,231,808 (excluding GST).

Council does not guarantee the appointed contractors a minimum quantity of work in relation to any of the contract components. The amount of works performed will be in accordance with the need and budgetary allocations each year.

Payment will be made in line with the respective Tenderer's Schedule of Rates.

8. Governance issues

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

No issues were identified.

10. Evaluation and review

The evaluation report is provided as **Confidential Attachment 1**.

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2023/213 Record Storage and Imaging Services to:

- Grace Records Management (Australia) Pty Ltd (ABN 93097110257)

Manager: **Jeanine Nieuwenhuizen, Chief Customer Officer**

Report officer: Cathryn Phillips, Acting Coordinator Corporate Information