

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 20, 2016

Item 13, Report No. 9, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on September 20, 2016.

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OFF-SITE RECORDS SERVICES CONTRACT

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the City Clerk, dated September 6, 2016:

Recommendation

The City Clerk, in consultation with the Director of Procurement Services, recommends:

1. That Off-Site Records Services for the City of Vaughan be awarded to Iron Mountain Canada Corporation through the York Purchasing Co-operative agreement P13-54 facilitated by the Regional Municipality of York, for an upset amount of \$150,000 per annum plus applicable taxes for a contract term of seven (7) years, ending December 31, 2023;
2. That the award agreement include an option to renew the contract for an additional ten (10) year term commencing January 1, 2024; and
3. That the Mayor and City Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

Ensuring secure, efficient and ongoing access to Corporate records is fundamental to all City business activities and operations. Achieving these objectives in a cost effective manner contributes to financial sustainability.

Economic Impact

Funds for off-site records services are allocated in the annual operating budget of the Office of the City Clerk. The total annual budget for these services is \$150,000. Projected cost savings resulting from participation in the York Purchasing Co-operative are approximately \$24,500 per annum, for total projected savings of approximately \$171,500 for the term of the proposed contract. Maintenance of a contract with the City's current records service provider also avoids the substantial costs associated with transferring records to a potential new vendor.

The rates applicable to any additional term will be negotiated between the Contractor and the Region (on behalf of the York Purchasing Co-operative) at the time of contract renewal, subject to the Region's Purchasing By-law and any other relevant legislation.

Communications Plan

This report will be available as part of the Council record.

Purpose

The purpose of this report is to seek Council approval to enter into an agreement for Off-Site Records Services with the City's current service provider, Iron Mountain Inc., through a co-operative purchasing arrangement with the Regional Municipality of York. The York Purchasing Co-operative provides an opportunity to continue the service with the City's current provider under new terms that will decrease the City's records storage fees to the same level as the Regional Municipality of York and result in savings to the City.

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Background – Analysis and Options

One of the key functions of the Archives and Records Management Services Division of the Office of the City Clerk is to provide efficient records storage and retrieval services.

The management, preservation, security and provision of access to Corporate records and information in all media are central to municipal business efficiency, public accountability, and government transparency. This is achieved at the City through a comprehensive Archives and Records Management Program. Despite the program's recent focus on electronic records, the need to provide efficient and secure storage for those paper-based records required to support the City's business and legal requirements is significant and will be ongoing into the foreseeable future.

Approximately 52% of the City inactive records are secured off-site through external contracted records services.

The City currently has 30,548 cubic feet of inactive records that must be retained to support operational, strategic, and legal needs (1 cu ft. is the equivalent of 1 standard records storage box). Of this total, 13,359 cubic feet are housed at the City's Records Centre at the JOC. Due to space limitations at this facility, 17,189 cubic feet are stored with the City's off-site records services provider, Iron Mountain Inc. Iron Mountain Inc. is one of the largest records management service vendors in North America and has provided high quality records storage and retrieval service to the City for over 20 years.

The City has the opportunity to continue engaging its current records service provider at reduced rates through a co-operative purchasing arrangement with the Regional Municipality of York.

Under Section 11.1 of the City's Purchasing Policy, relating to co-operative purchasing activities and ventures, the City "may participate with other levels of government, municipalities, boards, agencies, commissions, or public sector entities where such plans are determined to be in the best interests of the City".

The terms of the Regional Municipality of York's records services contract with the service provider Iron Mountain Inc. includes a "piggy back" clause. Under this provision, any member agency of the York Purchasing Co-operative (YPC) wishing to purchase off-site records services is entitled to obtain the same price from the contractor as the Region. The members of the YPC include: the Township of King, Town of Aurora, the Town of East Gwillimbury, Town of Georgina, City of Markham, Town of Newmarket, Town of Richmond Hill, Town of Whitchurch-Stouffville, City of Vaughan, City of Markham, York Region District School Board, York Catholic District School Board, and York Regional Police Service. Several of these municipalities and agencies have taken advantage of the subject joint purchasing opportunity.

Participation in the noted co-operative purchasing agreement will result in savings for the City of Vaughan

The City of Vaughan annually budgets approximately \$150,000 for external records services including records storage, retrieval, and destruction. Of this amount, approximately \$63,000 is allocated for records storage, based on an annually renewable contract with a monthly records storage rate of \$0.307 per cubic foot. As a result of reduced fees associated with a ten-year contract, the monthly Iron Mountain records storage rate received by the Regional Municipality of York amounts to \$0.188 per cubic foot. Based on the acceptance of a seven year contract (the

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remainder of York Region's 10 year contract which spans 2013-2023 – i.e. 2016-2023), the City of Vaughan's monthly rate will be decreased to that of the Region (i.e. \$0.188). Given a total of 17,189 boxes of records currently housed at Iron Mountain, the City will accrue net annual records storage cost savings of approximately \$24,547 or approximately \$171,829 over the term of the proposed contract. The preceding projections are subject to annual increases by the vendor, as permitted under either version of the contract.

Financial Summary		
York Region Records Storage Rate	\$0.188/cu ft (per month)	
Current COV Records Storage Rate	\$0.307/cu ft (per month)	
New COV Records Storage Rate	\$0.188/cu ft (per month)	
Current COV Records Storage Costs	Monthly: \$5,277	Annual: \$63,324
Projected COV Records Storage Costs	Monthly: \$3,231	Annual: \$38,772
Total Projected COV Savings*:	Monthly: \$2,045	Annual: \$24,547
*Savings are subject to annual vendor storage rate increases		

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This report supports the following priorities/initiatives set forth in the Term of Council Service Excellence Strategy:

Priorities

- Invest, renew, and manage infrastructure and assets
- Meet Council tax targets (no more than 3%)

Initiatives

- Continuous Improvement – Implement continuous improvement initiatives to improve our service and business processes

Conclusion

The Regional Municipality of York's records services contract with the records management service provider Iron Mountain Inc. includes a "piggy-back" clause entitling members of the York Purchasing Co-operative to receive reduced records storage rates. By leveraging the subject clause and entering into a 7-year contract with Iron Mountain, the City will accrue projected cost savings in the amount of approximately \$24,500 annually and \$171,500 over the term of the proposed contract. Participation in this contract will ensure secure and efficient service and result in budgetary savings for the City.

Attachments

None

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