



CITY OF CARSON

Legislation Text

File #: 2020-560, Version: 1

Report to Mayor and City Council

Tuesday, August 18, 2020

Consent

SUBJECT:

CONSIDER APPROVAL OF A CUSTOMER AGREEMENT WITH IRON MOUNTAIN INFORMATION MANAGEMENT, LLC FOR CONTINUED DOCUMENT STORAGE AND RETRIEVAL SERVICES

I. SUMMARY

Since the City of Carson's incorporation in 1968, there has been a need for storage of documents in addition to what is provided at City Hall. In 1986, the City retained a document storage provider known as Metro Business Archives ("MBA") to provide this service, as reflected by a partially-executed "Storage and Service Contract" between the City and MBA dated February 14, 1986 (Exhibit No. 1) (the "1986 agreement"). However, the contract on file with the City is executed by the vendor but not the City.

MBA's interest in the 1986 agreement was subsequently acquired by Iron Mountain Information Management, LLC ("IM"), a global leader in storage and information management services. Since then, IM has been providing reliable document storage services to the City. However, the City has no record of assignment of the 1986 agreement to IM, nor of any notice to the City of such assignment. City staff only recently became aware of the lack of a fully-executed agreement after the Purchasing Manager discovered the issue while processing Purchase Orders for services.

Even though IM considers the 1986 agreement a valid contract between IM and the City and the contract is automatically renewed every year, there is a need for a more current, formalized, and properly-executed agreement to govern the relationship between the City and IM relative to the City's off-site storage of documents and records. The proposed Agreement will serve this purpose.

Staff recommends that the Council approve the proposed Agreement with IM (Exhibit No. 2) for the foregoing purpose and to allow for continuity of service while the City explores more permanent options for retention of documents. The cost to provide this service is approximately \$16,000 annually.

II. RECOMMENDATION

TAKE the following actions:

1. **APPROVE** the proposed Customer Agreement with Iron Mountain Information Management, LLC, for continued document storage and retrieval services.
2. **AUTHORIZE** the Mayor to execute the agreement after approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE any other action that the City Council deems appropriate.

IV. BACKGROUND

IM was founded in 1951 and has in excess of 225,000 accounts in over 50 countries around the world, with clients in both public and private sectors. The City has been doing business with IM for many years and currently has a large volume (1,761 cubic feet) of records in storage with IM which is equivalent to at least 2 trucks or 37 pallets of material. IM has consistently provided reliable and efficient document storage services to the City. Between the Planning Division and the Housing Division under Community Development, and the Public Safety Division under Community Services, the total expenditure with Iron Mountain in Fiscal Year 2019-2020 totaled under \$16,000. Community Development's portion was just under \$14,000 and Community Services' portion was just under \$2,000.

City staff anticipates that within the next three to five years, as the City reviews its document retention policies and explores its technological options for digital document retention, the need for physical off-site storage of City documents will be reduced, if not eliminated. If any need remains after such time period, the City will issue an RFP to identify any other responsible providers of document and retrieval services and ensure the best value to the City. If a different provider than IM is selected through the RFP process, it is estimated that the cost to move the City's current volume of documents would be \$40,000 to \$45,000, not including transportation and fuel costs.

Staff has been in contact with IM regarding use of a City-provided contract form for the new agreement, but IM has declined due to the relatively small size of the City's account with IM. The City's annual expenditures with Iron Mountain are currently approximately \$16,000. IM has a minimum threshold of \$25,000 per year in aggregate business to review a county or city-provided agreement. The minimum threshold standard is intended to offset IM's costs of reviewing such contract forms. According to IM, many of its clients who meet the minimum threshold still use the IM form, as it is more closely directed at the specific services IM provides, rather than using a standard city or county professional services agreement form and having to tailor it to IM's unique services. Recently, City staff has

experienced that large companies have their own standard contracts and forms and are not willing to use City's standard contracts and forms.

The 1986 agreement contains an automatic annual renewal provision which states that the Agreement shall automatically renew for successive one-year terms until either party cancels it by giving at least 90 days' written notice prior to the expiration of the then-existing term. For IM contracts, automatic renewal of the contract term is standard, primarily due to complications that can arise when IM is holding a client's deposits and the client neglects to notify IM of its intention to discontinue services. This circumstance can lead to billing disputes, with the client stating that they will not pay for services as they are not in a contract. The proposed Agreement includes automatic one-year renewal extensions with a 30-day notice period for non-renewal. The Agreement includes by reference the "Schedule A, Program Pricing Schedule, Records Management" (Exhibit No. 3) which sets forth the pricing rates for services under the Agreement. Rates will remain fixed for the first year, and then may be increased upon 30 days' written notice.

V. FISCAL IMPACT

There is no additional fiscal impact to the General Fund. Budget Authority for this service was included in the Council adopted Fiscal Year 2020-2021 budget.

VI. EXHIBITS

1. Partially-executed Metro Business Archives Storage and Service contract, February 14, 1986. (pgs. 6-7)
2. Proposed Iron Mountain Customer Agreement. (pgs. 8-11)
3. Iron Mountain Schedule A, Pricing Schedule, Records Management. (pgs. 12-17)

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