



Report of the Commissioner of Corporate Services Offsite Records Storage Services Contract

1. Recommendations

1. Council authorize the award of an approximately ten-year contract with Iron Mountain Canada for the provision of records storage services, pursuant to the Ontario Shared Services (OSS) Vendor of Record (VOR) agreement, expiring on July 27, 2034, at a total cost of \$2,382,882.00, with the option to renew the contract for an additional term of up to five (5) years, contingent on the Province exercising the renewal option.
2. Council delegate authority to execute the renewal term of the contract to the Commissioner, Corporate Services.

2. Purpose

This report seeks authority to enter into an agreement with Iron Mountain for offsite physical records storage services. Council approval is required pursuant to Section 18.1(c) of the Procurement Bylaw 2021-103 because the term of the proposed term contract is for a period greater than five (5) years. Attachment 1 is private under section 239(2)(i) as it contains information of a commercial or financial nature supplied in confidence which could reasonably be expected to interfere significantly with the contractual or other negotiations of an organization.

Key Points

- Region's Purchasing Bylaw permits participation in co-operative purchasing with other government agencies or public authorities
- Pursuing the VOR option, available only to the storage of physical records, would result in savings for the organization over ten years compared with the cost of renewing the existing contract

3. Background

Region is required to manage records and information in accordance with legislation

Records and information management at the Region is governed by Section 254(1) of the *Municipal Act, 2001* and *Municipal Freedom of Information and Protection of Privacy Act, 1990*. The Region must retain records for the periods set out in the Region's Records Retention Bylaw 2023-39 and prevent unauthorized access or destruction of its records. Retention periods are based on assessing operational needs, legislative requirements and risk. Physical records, such as paper, are generally kept in Regional offices while they have current value. Afterward, records are moved to offsite storage until their retention period is complete. Benefits of using an offsite storage provider include robust security, fire safety, and environmental controls, along with auditable chain of custody transfer procedures. The Region currently has close to 40,000 boxes of records in offsite storage.

The Region has an additional, separate contract with Iron Mountain for the provision of tape backup and offsite vaulting services, which fall within a separate line of business for data storage.

Region has a long-standing contract history with Iron Mountain for offsite records storage services

The Region has used the services of Iron Mountain for over twenty years. Records storage services encompass storage, retrieval, and transfer. The Region's former records storage company, Pierce Leahy, was acquired by Iron Mountain in 2000. Subsequent Request for Proposals (RFPs) in 2009 and 2013 were awarded to Iron Mountain, with the 2013 award having a ten-year term, with a renewal option for an additional ten years.

The long-term award was due to the significant risk, cost and time associated with transferring the Region's holdings from one service provider to another. The estimated cost to transfer boxes from one service provider to another comprises 25% of the cost of the overall contract award.

As part of evaluating the terms of the contract renewal, staff considered potential participation in cooperative purchasing with the Ontario Shared Services Vendor of Record (OSS VOR).

Region's Procurement Bylaw permits participation in cooperative purchasing with other government agencies or public authorities

Section 23.1 of the Procurement Bylaw 2021-103 permits the Region to participate with other levels of government, municipalities, agencies or public authorities, and other entities in cooperative purchasing where the Commissioner or Director of the Procurement Office determines it is in the best interests of the Region.

A VOR arrangement is a procurement arrangement, typically established through a competitive bid process, permitting one or more vendors to provide goods and services to specified agencies using the terms and conditions, including pricing, set out in the arrangement. The OSS VOR with Iron Mountain was acquired by the Province via an open, competitive Request for Proposals (RFP). The OSS VOR offers value to the Region because the Province receives a greater volume discount than is available to the Region.

4. Analysis

Provincial Vendor of Record (VOR) contract offers favourable pricing to the Region

While assessing options for extending the Region's contract with Iron Mountain, staff determined the services offered in the VOR contract fell within the scope of the services required by the Region for offsite physical records management (including storage, transfer and retrieval, and destructions), although data storage services are out of scope. Further analysis of the pricing structure confirmed the VOR option results in savings for the Region over ten years compared with the cost of negotiating a new contract.

The term of the VOR extends to July 27, 2034. It also contains a renewal option for an additional five years. If the Province exercises its renewal option, it would also be available to the Region. Private Attachment 1 provides more detail on financial advantages of the VOR over the initial ten year term.

Remaining with Iron Mountain for offsite storage services is also generally more cost-effective than an alternative due to the risk and cost of transferring almost 40,000 boxes of paper records.

Offsite records storage services remain necessary even with current digital transformation initiatives

The Region continues to take steps towards a more digital workplace, however digital conversion of paper records into electronic format can be time consuming and costly and only makes sense if the records are frequently accessed. The Region must retain its paper records for the periods outlined in the Records Retention Bylaw 2023-39. However, staff will continue to analyze the Region's holdings and reduce them where appropriate. For example, an initiative in 2023 resulted in an 11% reduction in the total number of boxes in offsite storage.

While staff expect an eventual plateau and a gradual decrease of records in offsite storage as retention periods are met and dispositions are processed, long-term storage remains necessary. Therefore, a ten-year term with Iron Mountain makes sense for the Region's business requirements.

5. Financial Considerations

The total estimated cost for Iron Mountain services over the proposed contract and renewal period is \$2,382,882.00 excluding taxes and is included in the departmental operating budget. This amount includes records storage services, records transfer and retrievals, records destructions, and miscellaneous supplies.

The end date for the initial term of the contract is July 27, 2034. If the renewal term is executed, the end date will be on or before July 27, 2039.

6. Local Impact

The Town of Aurora and the Cities of Markham, Richmond Hill and Vaughan had opted to award their own contracts through a piggyback clause in the Region's original Iron Mountain contract. Staff have advised these municipalities of the Region's intent to use the OSS VOR, subject to Council approval of this contract, which is also available to the local municipalities subject to their local purchasing bylaw provisions.

7. Conclusion

The Region is required to manage its records in accordance with the *Municipal Act, 2001* and its own Records Retention Bylaw 2023-39. Under these requirements, the Region cannot dispose of records until they have met their defined retention periods. Retention periods are established in accordance with legislative and business requirements.

The majority of the Region's paper records are stored offsite at Iron Mountain. The Region has a longstanding service arrangement with them and they store approximately 40,000 boxes of Regional paper records. Dedicated offsite storage is required to ensure the Region's paper records are properly maintained in climate-controlled facilities with auditable chains of custody.

While negotiating to extend the existing service contract, staff considered the option of using the terms of the Ontario Shared Services Vendor of Record agreement. A cost analysis shows the favourable pricing structure of the Ontario Shared Services VOR agreement with Iron Mountain is the best option for the Region to pursue. Continuing to use Iron Mountain as a service provider also avoids the cost associated with transferring 40,000 boxes to an alternative service provider.

While the Region continues to progress to a more digital workplace, paper records still need to be stored until they reach the end of their retention periods. Consequently, staff is seeking Council authorization to enter into an agreement with Iron Mountain Canada for a term of ten years with the option to renew for an additional term of five (5) years.

For more information on this report, please contact Christopher Raynor at 1-877-464-9675 ext. 71300. Accessible formats or communication supports are available upon request.



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Approved for Submission:

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Private Attachment 1 – Pricing analysis comparison (eDOCS 15959872)