



City of Hermosa Beach

Information Item

DATE: February 26, 2019
TO: Honorable Mayor and Members of the City Council
FROM: Nico De Anda-Scaia, Assistant to the City Manager
SUBJECT: File Keepers, LLC Contract Amendment and Midyear Budget Action

Introduction

This memo provides an update on the City's document scanning project. In October 2017, the City entered into a two-year agreement not to exceed \$263,942 with American Microimaging, Inc. (AMI), to scan approximately 1,000 file boxes of paper records into the Laserfiche electronic content management system. In April 2018, as a result of a corporate merger, the City approved assignment of the agreement from AMI to File Keepers, LLC under the same terms and conditions. Due to anticipated exceedance of the approved contract amount, staff had planned to bring a contract amendment before Council for approval on February 26th in combination with a concurrent Midyear budget appropriation. However, based on ongoing negotiations with the vendor, staff will defer the contract amendment Midyear budget appropriation and will return to Council on March 12th with a revised amendment and budget appropriation request to cover project services.

Discussion

Scanning of the City's paper records into a centralized Laserfiche electronic repository will improve document search and retrieval times, free up City office and storage space occupied by file boxes, and allow for recycling and disposal of unneeded records as permissible by the City's records retention policy.

As of February 2019, File Keepers, LLC has completed scanning most of the 937 file boxes delivered from the City to date, with another 113 boxes pending pick up from City offices. Costs have exceeded expectations due to additional scanning required (per-box image counts were higher than expected along with the total project box count of 1,050 exceeding the initial estimate of 1,000 boxes). The City also had an unanticipated amount of large-file format documents such as plans and maps which are billed at a higher rate than standard letter size, legal or 11" x 17" pages.

As of invoices received for services through January 2019, the City has exceeded the authorized File Keepers, LLC contract amount by \$3,434. The amendment to be brought before Council on March 12th will cover remaining project scanning, document storage/shredding, and additional professional services hours for staff Laserfiche system



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training, and programming costs to pilot automation of City paper processes including public records requests made to the City Clerk and event permit applications managed by the Community Resources Department. In light of ongoing vendor negotiations and identification of new and existing project funding sources, staff believes it is in the best interest of the City to defer the contract amendment until City Council's following regular meeting on March 12th. At this meeting, Staff will also return with an updated budget appropriation recommendation in parallel with Council's consideration/adoption of the City's mid-year budget.