



8 Points to Demand From Your Off-Site Records Vendor

We regularly help law firms negotiate advantageous terms from their off-site records storage vendor. Not surprisingly, many contracts are worded to benefit the vendor, and law firms simply don't have the record-storage industry expertise to know there's opportunity in revising some of those terms.

Here are eight (8) points we suggest you insist upon from your off-site records vendor:

- 1. Detailed termination language:** An often-overlooked area is what happens if you elect to terminate your contract and remove your boxes. How many boxes can you transfer? How are the permanent withdrawal fees paid? Do you still pay storage after the permanent withdrawal fees are paid?
- 2. No Price Escalation:** Price escalations are the year-over-year increase in the storage and service fees of the contract. Competitive pricing and good negotiators can install a requirement to maintain pricing for several years.
- 3. Low permanent withdrawal fee:** These fees are akin to hostage fees and can be as much as \$10 per cubic foot, if you want to go elsewhere. Insist these fees meet or beat industry benchmarks or get rid of them altogether.
- 4. Annual document destruction allowances:** You may be leaving money on the table if you agree to pay for document destruction. Insist the agreed upon destruction allowance is in line with your firm's records management policy and have a way to get credit if the destruction doesn't take place.
- 5. Low per cubic foot storage fee:** This is usually based on total and potential storage. Remember to look at all your sites from the perspective of the contract price to ensure you're getting the best deal.
- 6. The vendor molds the contract to fit your firm:** Oftentimes the vendor will use a boilerplate contract that doesn't consider the specifics of your firm. Start by defining your firm's unique needs and what's in your firm's best interests, otherwise the vendor will define them for you.
- 7. Break out service fees:** When the vendor includes a line item, "service fees", you're left wondering what all was included. By stipulating that these fees are itemized in the contract and the invoice, you know exactly where your money is going and can adjust to save.
- 8. Annual compliance reports:** The larger the firm, the harder it is to stay on top of vendor compliance, especially with offices in multiple cities. By insisting the vendor monitor their own services: 1) your staff doesn't have to do that work; 2) the vendor is forced to constantly compare their performance with what they agreed to deliver, ensuring better service. Assign penalties if these service levels are not met.

With these eight terms addressed properly, you can expect not only better service long-term but reduced contract costs as a result. If you would like to learn how we help law firms with actual negotiations like this—please email info@matternassoc.com.