

## Mattern Helps Phelps Dunbar LLP Stop Unrealistic Rate Increases and Reduce Offsite Records Storage Contract Costs by 10%.

### Background

Phelps Dunbar LLP, a 360-attorney firm based in New Orleans, was experiencing a challenge common to many firms: unnecessary fees, unrealistic rate increases, and unmet service levels of the firm's offsite records storage service provider. At the time, Phelps was engaged with three (3) service providers to service storage needs for their five (5) offices across the south. Not only were there inefficiencies in managing multiple sites, but there were no economies of scale of which to take advantage. When it came time to renew the contract with one of the service providers, leadership sought to improve its situation with contract terms that better protected the firm, including best in market rates.

### Objectives

Phelps had a long-standing relationship with Mattern and, based on the success of the last Request for Proposal (RFP) that Mattern led for the firm and knowing the comprehensive nature of a Mattern analysis and benchmarking exercise via the Mattern Method®, firm leadership asked Mattern to lead the RFP process for the firm's offsite records storage business. After Mattern created the RFP, and the firm approved it, the RFP was sent to the four service providers Phelps had selected including the 3 incumbents. The firm's objectives included:

- Addressing appropriate projected levels of destruction required over the next 10 years
- Reducing overall storage expenses and improve contractual terms (i.e., minimum storage requirements)
- Updating service delivery schedules per office
- Vendor consolidation
- Securing any potential unused destruction/withdrawal credits if an existing provider is awarded new contract

The project started with a thorough analysis of the firm's current monthly cost, volume, and contract terms. As a result of the current state analysis, Mattern proposed contract modifications and offered digitization objectives as part of a data migration to electronic records. The analysis also uncovered contract terms and service level agreements that needed improvement and proposed ways to assist in an "electronic first" firm-mindset. Some of Mattern's key recommendations included:

- Obtain allowances for destruction and permanent withdrawal as well as negotiate reasonable rates for both
- Improve pricing by consolidating to one storage provider and enhanced terms for annual increases and performance penalties
- Adopt a firmwide records policy with retention schedules that apply to all records, regardless of format (hard copy or digital) or location and monitor compliance
- Make electronic the official record and create a plan for data migration to electronic, minimizing the amount of paper records being sent offsite

Once the recommendations were established, Mattern managed the entire RFP process of the four (4) chosen service providers. After all proposals were submitted and interviews completed, Mattern presented the summary of RFP results.

#### Mattern

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## Outcomes

Phelps elected to consolidate storage with one offsite service provider and chose to go with a 5-year agreement.

The new single contract allows for, most importantly, an annual allotment of destruction and permanent withdrawal amounts, and capped annual fee increases. Should the firm take advantage of these allotments, the projected savings for the project will be close to 10%.

In addition, upon execution of the new offsite records storage contract Phelps will realize in savings all fees and expenses projected at the time of the new service provider contract(s) within the initial twenty-four months of the new contract.

Leadership requested Mattern's continued involvement (Phase III – monitoring and maintenance) by managing all box transfers to the new storage provider. Mattern will also review invoices and manage the firm-provider relationship to ensure all contract terms and pricing are being adhered to throughout the life of the contract.

Craig A. Oakman, the firm's Director of Office Services & Facilities comments:

*"Mattern did a great job of consolidating our offsite records contracts. They negotiated excellent terms that will allow Phelps to begin to reduce their offsite storage in a cost-effective manner."*

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