

## NORTHEASTERN LAW FIRM

### THE CHALLENGE

A law firm based in Northeast U.S. engaged Reliance Information Consulting (RIC) to bring their extensive industry knowledge and expertise to help the firm reduce costs for their offsite storage program.

The firm had two separate agreements with two separate records storage vendors with 78% of their 45,000 cubic feet of inventory with one vendor. With a growing inventory, annual price increases, unfavorable terms and conditions, and unnecessary charges, the firm knew they had to manage their rising costs.



### THE SOLUTION

RIC did a complete analysis of both storage accounts by evaluating the firm's contracts, spending patterns, termination costs, and pricing schedules. During the initial review, RIC was able to produce immediate savings for the client by negotiating and **reducing an incorrect contingent liability quote by 34%** from one of their vendors. This quote had noncontractual charges, such as a dock access fee and additional permanent removal charges to the client.

With a combined **average annual spend of \$100k**, which increased an average of 3.5% annually, RIC knew they could substantially help the firm reduce costs for Storage & Services and help align the firm's pricing with market rates. The next step was to execute a Request for Proposal (RFP) for both of the firm's current vendors.

### THE RESULTS

After a thorough RFP process, RIC was able to present the firm with a new 10-year proposal with their current vendor, which held 78% of their inventory, that resulted in **over \$300k (26%) in savings** over the new contract period. This consolidation of two separate accounts to one vendor helped create a streamlined and efficient process for the client.

Also, RIC successfully negotiated the removal of unnecessary charges such as fuel surcharges, minimum orders, account maintenance fees, account closing fees, and dock access fees. In addition, the proposal had fixed rates for the contract term; the client will not get price increases.

#### Key Negotiations:

- Contingent Liability quote reducing cost from \$280k to \$185k (34%)
- RIC negotiated **no Permanent Removal charges** on new boxes and boxes already in storage with the vendor. And the **elimination of Permanent Removal charges** on all inventory by the end of the contract term. **(Client only pays retrieval)**
- Average **18% reduction** on storage rates
- New average annual spend: **\$85k** vs previous spend of \$100k

#### Savings Include:

- Total Direct savings over new contract term: **\$300k**
- Contingent Liability/Dock Access Savings: **\$252k**
- RIC got the client transferred to one vendor and negotiated a free move of 9,214.88/CF: **\$31k**
- TOTAL SAVINGS: **>\$583k**