

**Topic: Comparative Cost Of Storing Paper Records At The State Records Center Versus Office Space**

Agencies can choose to store inactive records in office space or use the State Records Center. Using a methodology developed by the federal government, off site storage of inactive records at the State Records Center provides a statewide annualized **cost avoidance of \$ 3.3 million dollars** for the State of Wisconsin.

This estimate understates the actual savings. Unlike most records retained in agency office space, records stored at the Records Center are managed by a database and subject to policies and procedures that facilitate their periodic destruction or transfer per established retention time periods and disposition criteria.

**How Is This Savings Derived?**

Vertical file cabinets are less efficient than lateral filing units. Therefore, this comparative analysis will provide estimates for both types of storage. Both types of filing cabinets are in use throughout state government.

A typical vertical 5-drawer filing cabinet holds 7.5 cubic feet of records and occupies 7.5 square feet of floor space including room to stand while pulling out a drawer. Therefore **1 square foot of floor space is needed to store 1 cubic foot of records.**

A typical 5 drawer 42" wide lateral filing unit provides 195 linear inches of file capacity or 13.0 cubic feet. It also occupies 7.5 square feet of floor space. **Therefore 1 square foot of floor space is needed to store 1.73 cubic feet of records.** Lateral filing in this example is 73% more space efficient.

The State Building Commission establishes rental rates for office space each fiscal year. In FY 2006 the annual cost per square foot of first class office space is \$19.60.

Since an inexpensive vertical file cabinet costs \$475 (note), the equipment cost for a cubic foot of records, when amortized over 10 years, is \$6.33 per year. An inexpensive lateral file cabinet costs \$670 (note). Therefore the equipment cost for a cubic foot of records, when amortized over 10 years is \$5.15 per year.

Therefore the cost for storing a cubic foot of records in office space is:

	<b>Vertical File</b>	<b>Lateral File</b>
Office space	\$19.60	\$5.29
Filing equipment	\$6.33	\$5.15
<b>Total</b>	<b>\$25.93 CF/YR</b>	<b>\$10.44 CF/YR</b>

On the other hand, because records are stored more densely at the State Records Center, **1 square foot of Records Center floor space can store 4.8 cubic feet of records.** Since records center space costs \$5.37 per square foot (\$6.43 at state owned and \$4.30 at leased space), the cost for storing 1 cubic foot of records is \$1.12. Other operating costs, primarily labor associated with transporting/handling records and maintaining inventory control, account for the balance of the \$3.48 per cubic foot per year cost to agencies.

A records center carton costs \$0.93 to purchase. When this is amortized over 10 years, the annual cost for records center filing equipment is \$0.09 per cubic foot.

Therefore the cost of State Records Center storage is:

SRC storage space	\$3.48 FY 2005 CF/YR
SRC carton	.09
<b>TOTAL</b>	<b>\$3.57 PER CF/YR</b>

In summary the cost of storing records at the State Records Center versus storing them in office space is:

In office space using Vertical Filing Cabinets	\$25.93
In SRC SPACE	\$ 3.57
<b>COST SAVING PER CUBIC FOOT/YEAR</b>	<b>\$22.36</b>
In office space using Lateral Filing Cabinets	\$10.44
In SRC SPACE	\$ 3.57
<b>COST SAVING PER CUBIC FOOT/YEAR</b>	<b>\$ 6.87</b>

Actual cost savings will vary by agency depending on the proportion of vertical and lateral files in each agencies office areas. Assuming a 50/50 split the two numbers can be averaged and an estimated **\$14.62** cost saving per cubic foot per year derived.

By estimating the average annual amount of records stored at the State Records Center agency Records officers and program managers can easily calculate the cost savings.

To obtain these savings, agency program managers, working with their records management officer, must determine on a case by case basis when their records have migrated from the active to the inactive stage in the records life cycle.

During the active stage, records reference is high and therefore the records must be immediately accessible. Most records are referenced frequently for a relatively short time following their creation or receipt. Within months, most records migrate from the active to the inactive life cycle stage. At this point the records need to be retained for legal, audit or other program related reasons, but immediate access is not needed.

When records reach their inactive stage they are good candidates for off site storage at the State Records Center. If needed during the inactive life cycle stage, records can be retrieved from Records Center storage and delivered to your Madison area office within 24-72 hours.

The State Records Center will, on average, store 228,000 cubic feet of records in FY2005. Calculating the **\$14.62 cost saving per cubic foot against this average volume yields a statewide annualized cost avoidance of \$3,333,360.**

## **Want More Information?**

Contact your assigned agency records officer for internal agency procedures governing use of the State Records Center.

Visit the DOA Records Management WEB site at

<http://www.doa.state.wi.us/Divisions/Enterprise-Operations/Bureau-of-Enterprise-Fleet/State-Records-Center>.

Notes:

Prices for filing equipment were obtained from the Badger State Industries web site for units with a basic configuration in September 2005.

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