

1 [Settlement of Claim Against Sprint/Nextel]

2

3 **Ordinance authorizing settlement of a claim by the City and County of San Francisco**
4 **against the Sprint/Nextel Corporation for funding the planning for reconfiguration of**
5 **the City's 800 MHz Radio Communications System.**

6

7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. The City Attorney and the Director of the Department of
9 Telecommunications and Information Services are hereby authorized to settle the claim of the
10 City against Sprint/Nextel Corporation (Sprint) for financial reimbursement for the planning
11 stage of the relocation to a different frequency (also called "reconfiguration") of the City's
12 Radio Communications System pursuant to the Report and Order of the Federal
13 Communications Commission (FCC), WT Docket No. FCC 02-55 (Reconfiguration
14 Proceeding), according to the terms set forth in the Planning Funding Agreement, dated April
15 26, 2007, which is on file with the Clerk of the Board of Supervisors in File No. 070700 and
16 declared to be a part of this ordinance as if fully set forth herein.

17 Section 2. Background to the Settlement.

18 (a) The City operates and maintains a 800 MHz radio communications system that
19 provides radio communications for over 60 City departments, including radio systems of the
20 police and emergency services. The 800 MHz system is the City's primary emergency
21 communications system and consists of over 8723 portable radios, and 30 bi-directional
22 amplifiers. Over the last ten years, public safety radio systems throughout the United States,
23 like the one operated by the City, suffered disruptions because the FCC assigned several
24 radio frequencies in the 800 MHz band to Sprint for its commercial radio network.

25

1 (b) In 2004 the FCC issued an order requiring certain users, including the City, to
2 relocate to other radio frequencies.

3 (c) The FCC Order required Sprint to pay the costs of the reconfiguration itself as
4 well as the costs of creating an effective plan for the reconfiguration that would not impact the
5 reliability of the City's vital services. The FCC appointed a Transitional Administrator (TA) to
6 oversee the reconfiguration and the TA, in turn, appointed a mediator to attempt a resolution
7 of the City's claims against Sprint.

8 (d) The City submitted a proposal to Sprint in February, 2006, to fund the costs for
9 the planning stage of the reconfiguration. Sprint responded with a counter offer and the
10 matter went to mediation. The parties reached settlement in January, 2007. The TA has
11 already approved the settlement.

12 (e) The City will be paid in two stages. Approximately 50% of the monies due to the
13 City for the work of City departments will be paid within 15 days of final approval of the
14 settlement. The remainder will be paid upon reconciliation of actual costs at the close of the
15 reconfiguration planning.

16 Section 3. The terms of the settlement are set forth in the Planning Funding
17 Agreement. The key provisions are as follows:

18 (a) The settlement is worth \$873,744 to the City.

19 (b) The settlement sum is broken down between monies that will be paid to the City
20 directly and monies that will go to vendors selected by the City to perform technical work that
21 cannot be done by the City. City departments will receive just less than 50% of the total and
22 three City vendors will receive portions of the remainder.

23 (c) The settlement will cover the following costs for the planning stage of the
24 reconfiguration: Frequency Analysis, \$10,785.12; System Inventory, \$113,095.14;

25

FILE NO.

ORDINANCE NO.

1 Engineering and Implementation Planning, \$334,858.17; Project Management, \$290,074.28;
2 Legal \$115,056.00 and \$9,875.64 in other costs.

3 Section 4. Funds received by the City from this settlement shall be appropriated in
4 accordance with the terms and conditions set forth herein. The \$873,744 shall be
5 appropriated to Department of Telecommunications and Information Services to cover the
6 costs incurred by the department for planning the reconfiguration of the City's Radio
7 Communications System.

8

9 APPROVED AS TO FORM AND
10 RECOMMENDED:

RECOMMENDED:

11 DENNIS J. HERRERA
12 City Attorney

CHRIS VEIN
Director

13 _____
14 Theresa L. Mueller
Deputy City Attorney

_____ Department of Telecommunications and
Information Services

15

16

17

18

19

20

21

22

23

24

25