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[Settlement of Anticipated Litigation Against Office Depot - Receipt of \$4,250,000/Payment of \$48,915.40]

Resolution approving the settlement of anticipated litigation by the City and County of San Francisco against Office Depot for contract overcharges; The material terms of said settlement are: (1) the City to receive the sum of \$3,750,000 in the form of a check; (2) the City to receive from Office Depot credit in the amount of \$500,000 toward future purchases by the City over the next 5 years; (3) payment to Office Depot of the sum of \$48,915.40 as full and complete satisfaction of all outstanding balances owed by the City under its office supplies contract with Office Depot.

WHEREAS, on December 18, 2009, the San Francisco Office of Controller, City Services Auditor issued its audit report of the office supplies contract between the City and County of San Francisco and Office Depot, which report concluded that Office Depot had overcharged the City and County of San Francisco for office supplies by at least \$5.75 million; and

WHEREAS, Office Depot has claimed that the City and County of San Francisco owes an outstanding balance of \$61,144.25 under the office supplies contract; and

WHEREAS, the Controller, the Director of Purchasing and the City Attorney of the City and County of San Francisco all have recommended that the City and County of San Francisco settle its claim against Office Depot on terms under which the City is to receive a check in the amount of \$3.75 million, and credits in the amount of \$500,000 toward future purchases over the next 5 years, and that the City pay the sum of \$48,915 to resolve all outstanding balances owed by it to Office Depot under the office supplies contract; and

1 RESOLVED, That pursuant to Section 10.22 of the San Francisco Administrative Code,
2 settlement and compromise of said anticipated litigation by terms under which the City is to
3 receive a check in the amount of \$3.75 million and credits in the amount of \$500,000 toward
4 future purchases, and the City is to pay \$48,915.40 as full satisfaction of outstanding balances
5 owed to Office Depot under the office supplies contract is hereby approved.
6

7 APPROVED:


RECOMMENDED:

8 DENNIS J. HERRERA
9 City Attorney

10 

11 DANNY CHOU
12 Chief of Complex and Special Litigation

13 
14 NAOMI KELLY
15 Deputy City Administrator

16 
17 BEN ROSENFELD
18 Controller



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 110056

Date Passed: March 01, 2011

Resolution approving the settlement of anticipated litigation by the City and County of San Francisco against Office Depot for contract overcharge; the material terms of said settlement are: (1) the City to receive the sum of \$3,750,000 in the form of a check; (2) the City to receive from Office Depot credit in the amount of \$500,000 toward future purchases by the City over the next 5 years; and (3) payment to Office Depot of the sum of \$48,915.40 as full and complete satisfaction of all outstanding balances owed by the City under its office supplies contract with Office Depot.

February 17, 2011 Rules Committee - RECOMMENDED..

March 01, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110056

I hereby certify that the foregoing
Resolution was ADOPTED on 3/1/2011 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

3/1/11

Date Approved