



Date: January 20, 2023

To: Clerk of the Board of Supervisors

From: Linda Gerull
City CIO, Executive Director
Department of Technology

**Re: Approval of 1st amendment to the citywide Master Agreement with AT&T Mobility for Commercial Cellular Service and Equipment
Supplier ID: 0000024955; Contract ID: 1000017986**

The Department of Technology (DT) manages a citywide master agreement (MA) with AT&T Mobility for the purchase of cellular voice & data services and equipment, with an initial term of three years (June 1, 2020 to May 22, 2023) and a not-to-exceed (NTE) amount of \$9,500,000, using the favorable pricing and terms of California Network and Telecommunications (CALNET) program.

Benefits of the State of California's CALNET Contract:

- 1.) No commitment for a minimum purchase in dollars, quantity of services or any other measure.
- 2.) No fees to terminate service.
- 3.) Includes "Most Favored Nation" clause
no other similarly situated public customer will receive rates, for a substantially similar service, lower than the statewide rates provided in CALNET contract

Ordering of cellular service and equipment is decentralized and determined by individual departments. DT administers the contract and is responsible for the payment of the citywide cellular service costs. Each individual City department is responsible for the payment of the costs of its equipment.

The number of AT&T commercial wireless devices has increased by 55%, or 22% per year, since the start of the pandemic. As of June 30, 2022, approximately \$4.75 million or 50% of the existing \$9.5 million contract NTE amount has been depleted, leaving a contract balance of \$4.75 million. DT is seeking approval of an amendment to this agreement that would extend the term of the agreement for four additional years and one month (from May 23, 2023 to June 30, 2027)¹, and increase the NTE by an additional \$9,082,078² to \$18,582,078. All pricing and other terms of the MA would remain in effect.

¹ If CALNET chooses not to extend its underlying contract, the City contract will terminate at the same time.

² DT assumes the annual growth rate will reduce by half to 11% after the pandemic, and the estimated cost for the additional four years and one month (June 2023 – June 2027) would be \$11.6M. DT asks for \$9.1M after deducting \$2.5M that is expected to remain in the original agreement when it expires on May 22, 2023.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Gerull". The signature is fluid and cursive, with a large initial "L" and a stylized "G".

/s/ Linda Gerull
City CIO | Executive Director
Department of Technology