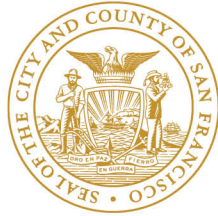


City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Michael Makstman, CIO & Executive Director
Department of Technology

To: Clerk of the Board of Supervisors
From: Brian Roberts, Policy Analyst
Date: August 22, 2024

Subject: Contract-Retroactive-Corporation for Network Initiatives in California (“CENIC”),
Fiber Optic Network Installation, Occupancy, and Maintenance-anticipated
revenue \$6,970,000

The current resolution is retroactive because the Department of Technology (DT) did not seek approval for the original contract which had an expected value below \$1 million. City Charter Section 9.118 on Contract and Lease Limitation and Approvals requires Board of Supervisors approval for revenue contracts with an anticipated revenue of \$1 million dollars or having a term in excess of ten years.

The original contract connected three University of California, San Francisco sites with a \$51,000 non-recurring charge and a \$32,500 annual recurring charge. Over time, additional locations were added to the contract and the application of an inflation factor increased the value so that the most recent annual recurring charge was \$412,789 in 2024. DT should have sought approval as the scope of the contract expanded.

For future revenue contracts, DT will seek Board Approval when the revenue exceeds \$1 million either in its original scope or as it expands through amendment or when the agreement will last over ten years. DT has had limited experience with revenue contracts in the past, but will seek to manage with greater diligence going forward.