

1 [Agreement Amendment - AT&T Corporation - Telecommunications Services - Not to Exceed  
2 \$121,764,312]

3 **Ordinance retroactively authorizing the Department of Technology and the Department**  
4 **of Contract Administration to enter into the Third Amendment of an Agreement**  
5 **between the City and the AT&T Corporation, for the City's telecommunications**  
6 **services, allowing certain non-profit agencies in the City to purchase**  
7 **telecommunications services directly from AT&T at the preferred pricing available to**  
8 **the City, by extending the term of the agreement for an additional five years through**  
9 **December 31, 2020, and increasing the total not-to-exceed amount of the agreement**  
10 **from \$97,953,700 to \$121,764,312.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

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

19 **Section 1. Background.** The Department of Technology (the "Department") procures  
20 local and long distance telephone and data services for the City under an agreement with  
21 AT&T (the "Agreement") that incorporates the State of California's CALNET3 agreement. The  
22 CALNET3 Agreement offers California public entities a purchasing vehicle for  
23 telecommunications services at lower prices than the entities might be able to secure for  
24 themselves individually.

25 The Agreement allows the City to purchase telecommunications services under the  
best pricing available to public entities. The Agreement also allows non-profit agencies in San

1 Francisco to purchase telecommunications services directly from AT&T at the preferred  
2 pricing available to the City.

3 By Ordinance 98-10, the City approved the Agreement for a term of four and one-half  
4 years, beginning on March 1, 2010 and a maximum amount of \$75,000,000. Ordinance 98-10  
5 is on file with the Clerk of the Board of Supervisors in File No.100251 and is also available on  
6 the Board's website.

7 By Ordinance 39-15, the City approved an extension of the agreement to December  
8 31, 2015 and a maximum amount of \$97,953,700. Ordinance 39-15 is on file with the Clerk of  
9 the Board of Supervisors in File No.141208 and is also available on the Board's website.

10 **Section 2. The Third Amendment.** The Third Amendment to the Agreement is on file  
11 with the Clerk of the Board of Supervisors in File No. 151278. The Third Amendment would  
12 extend the term of the Agreement through December 31, 2019 with a one year option to  
13 extend through December 31, 2020. The Department has evaluated the needs of City  
14 Departments through 2020 and has determined the five year extension will increase the not to  
15 exceed amount of the Agreement by an additional \$23,810,612.

16 **Section 3. Authorizations:** Section 9.118 of the San Francisco Charter requires  
17 approval by the Board of Supervisors for leases with a term of ten years or more, and for  
18 contracts in excess of ten years or requiring expenditures above ten million dollars.

19 (a) The Board of Supervisors authorizes the Department and the Office of  
20 Contract Administration to execute the Third Amendment in substantially the form on file with  
21 the Clerk of the Board of Supervisors, in File No. 151278, extending the term of the  
22 agreement to December 31, 2020 and increasing the total not-to-exceed amount of the  
23 agreement to \$121,764,312.

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1           **Section 4. Effective Date.** This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
4 of Supervisors overrides the Mayor’s veto of the ordinance.

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9 APPROVED AS TO FORM:  
10 DENNIS J. HERRERA, City Attorney

11 By: \_\_\_\_\_  
12 MARGARITA GUTIERREZ  
13 Deputy City Attorney  
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