

**City and County of San Francisco
Office of Contract Administration
Purchasing Division**

First Amendment

THIS **FIRST AMENDMENT** (“Amendment”) is made as of **July**, **2026**, in San Francisco, California, by and between **Zones, LLC** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

Recitals

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period, increase the contract amount, and update standard contractual clauses; and

Whereas, Contractor was competitively selected pursuant to an Invitation for Bids entitled Microsoft Enterprise Licenses issued through Sourcing Event ID #0000008278 and this Amendment is consistent with the terms of the IFB and the awarded Contract; and

WHEREAS, this Contract is deemed exempt from Chapter 14B of the San Francisco Administrative Code because this is a commodities contract for software licenses and, as such, there is no Local Business Enterprise (“LBE”) subcontracting participation requirement for this Agreement; and

WHEREAS, this Amendment is consistent with an approval obtained on May 18, 2026 from the Civil Service Commission under PSC number DHRPSC004019 v1.01 (formerly PSC number 45005 – 22/23) in the amount of \$55,000,000 for the period of 73 months; and

WHEREAS, this Amendment is consistent with an approval obtained from the City’s Board of Supervisors under **[insert resolution number]** approved on **[insert date of Commission or Board action]** in the amount of \$115,000,000 for the period commencing September 1, 2023 and ending August 31, 2029; and

WHEREAS, the Department has filed Ethics Form 126f4 (Notification of Contract Approval) because this Agreement, as amended herein, has a value of \$100,000 or more in a fiscal year and will require the approval of the Board of Supervisors.

Now, THEREFORE, the parties agree as follows:

Article 1 Preface

The following definitions shall apply to this Amendment:

1.1 Agreement. The term “Agreement” shall mean the Agreement dated August 1, 2023 between Contractor and City

1.2 Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

1.3 San Francisco Labor and Employment Code. As of January 4, 2024, San Francisco Administrative Code Chapters 21C (Miscellaneous Prevailing Wage Requirements), 12B (Nondiscrimination in Contracts), 12C (Nondiscrimination in Property Contracts), 12P (Minimum Compensation), 12Q (Health Care Accountability), and 12U (Sweatfree Contracting) are redesignated as Articles 102 (Miscellaneous Prevailing Wage Requirements), 131 (Nondiscrimination in Contracts), 132 (Nondiscrimination in Property Contracts), 111 (Minimum Compensation), 121 (Health Care Accountability), and 151 (Sweatfree Contracting) of the San Francisco Labor and Employment Code, respectively. Wherever this Agreement refers to San Francisco Administrative Code Chapters 21C, 12B, 12C, 12P, 12Q, and 12U, it shall be construed to mean San Francisco Labor and Employment Code Articles 102, 131, 132, 111, 121, and 151, respectively.

1.4 Open For Business Legislative Changes. In October 2025, San Francisco enacted legislation that reduced obligations City places on contractors. These changes went into effect January 1, 2026. Articles 141 and 142 were repealed, to the extent those conditions appear in this Agreement, they should be treated as nullified. The dollar value threshold for application for Administrative Code Chapters 12F, 12N, 12L, 12Y, and 101 and Labor and Employment Code Article 151 were increased. If the Agreement is valued at less than \$230,000, 12N, 12Y and 101 are not in effect. If the Agreement is valued at \$230,000 or less, 12F and 151 are not in effect. If the Agreement is valued at less than \$1,000,000, Chapter 12L is not in effect. Any clause in the Agreement concerning a condition referenced above that is not in effect shall be treated as nullified.

Article 2 Modifications of Scope to the Agreement

The Agreement is hereby modified as follows:

2.1 Article 2 Term of the Agreement. Section 2.1 of the Agreement currently reads as follows:

2.1 The term of this Agreement shall commence on September 1, 2023 and expire on August 31, 2026, unless earlier terminated as otherwise provided herein. The City at its sole, absolute discretion, shall have the option to extend the term for six (6) additional years for a total of nine (9) years.

Such section is hereby amended in its entirety to read as follows:

2.1 The term of this Agreement shall commence on September 1, 2023 and expire on August 31, 2029, unless earlier terminated as otherwise provided herein. The City at its sole, absolute discretion, shall have the option to extend the term for three (3) additional years for a total of nine (9) years.

2.2 **Section 3.3 Compensation.** Section 3.3.1 Calculation of Charges of the Agreement currently reads as follows:

3.3.1 Calculation of Charges. Contractor shall provide an invoice to the City on a monthly basis for Products, Services and/or Licensed Software completed in the immediately preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for Products, Services and/or Licensed Software identified in the invoice that the Director of the Department of Technology, or her designee, in his or her sole discretion, concludes has been satisfactorily performed. Payment shall be made within 30 calendar days of receipt of the invoice, unless the City notifies the Contractor that a dispute as to the invoice exists. In no event shall the amount of this Agreement exceed fifty-five million dollars and no cents [\$55,000,000]. The breakdown of charges and payment terms associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. Contractor shall provide a minimum discount on all products and services purchased through this Agreement, a list of the discount applied to each Microsoft category is in Appendix B, "Minimum Discounts Below Manufacturer's Price." In no event shall City be liable for interest or late charges for any late payments.

Such section is hereby amended in its entirety to read as follows:

3.3.1 Calculation of Charges. Contractor shall provide an invoice to the City on a monthly basis for Products, Services and/or Licensed Software completed in the immediately preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for Products, Services and/or Licensed Software identified in the invoice that the Director of the Department of Technology, or her designee, in his or her sole discretion, concludes has been satisfactorily performed. Payment shall be made within 30 calendar days of receipt of the invoice, unless the City notifies the Contractor that a dispute as to the invoice exists. In no event shall the amount of this Agreement exceed one hundred fifteen million dollars and no cents \$115,000,000. The breakdown of charges and payment terms associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. Contractor shall provide a minimum discount on all products and services purchased through this Agreement, a list of the discount applied to each Microsoft category is in Appendix B, "Minimum Discounts Below Manufacturer's Price." In no event shall City be liable for interest or late charges for any late payments.

2.3 **Section 3.3.8 Payment Terms.** Section 3.3.8(b) Payment for Enterprise Licenses and Section 3.3.8(c) Payment for As-needed Products of the Agreement currently reads as follows:

(b) **Payments for Enterprise Licenses.** Pricing for Enterprise Licenses shall be fixed and not subject to increases in Years 1, 2 and 3. City and Contractor may agree to negotiate pricing for Years 4 through 9, should City extend the Agreement beyond its initial three-year term. Payment for each year shall be due annually.

(c) **Payments for As-needed Products:** Contractor's 0.50% Mark Up above Manufacturer's Level D Price for as-needed products shall remain fixed for Years 1, 2 and 3. However, City and Contractor may agree to negotiate a lower % Mark Up above Manufacturer's Level D Price for Years 4 through 9, should City extend the Agreement beyond its initial three-year term.

Such sections are hereby amended in their entirety to read as follows:

(b) **Payments for Enterprise Licenses.** Pricing for Enterprise Licenses shall be fixed and not subject to increases in Years 4, 5 and 6. City and Contractor may agree to negotiate pricing for Years 7 through 9, should City extend the Agreement beyond the six-year term. Payment for each year shall be due annually.

(c) **Payments for As-needed Products:** Contractor's 0.50% Mark Up above Manufacturer's Level D Price for as-needed products shall remain fixed for Years 4, 5 and 6. However, City and Contractor may agree to negotiate a lower % Mark Up above Manufacturer's Level D Price for Years 7 through 9, should City extend the Agreement beyond the six-year term.

2.4 **Appendix A3 - Amended.** Appendix A3 Enterprise Enrollment Custom Terms is hereby replaced in its entirety by Appendix A3 - Amended, attached to this Amendment and fully incorporated within the Agreement. To the extent the Agreement refers to Appendix A3 in any place, the true meaning shall be Appendix A3 - Amended, which is a correct and updated version.

2.5 **Appendix B - Amended.** Appendix B Calculation of Charges is hereby replaced in its entirety by Appendix B - Amended, attached to this Amendment and fully incorporated within the Agreement. To the extent the Agreement refers to Appendix B in any place, the true meaning shall be Appendix B - Amended, which is a correct and updated version.

Article 3 Updates of Standard Terms to the Agreement

The Agreement is hereby modified as follows:

3.1 **Article 1 Definitions.** *The following definitions are hereby added to the Agreement in Article 1 Definitions. If the terms are currently defined in the Agreement, then the included terms below supersede and expressly replace the existing definitions:*

“Artificial Intelligence” or “Artificial Intelligence Model” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

“Artificial Intelligence System” means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs

such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

“City Data” means all data collected, used, maintained, processed, stored, and/or generated by or on behalf of City in connection with this Agreement. City Data includes, without limitation, Confidential Information and Deliverable Data.

“Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information. Confidential Information includes, without limitation, City Data.

“Deliverable Data” means any data that is required to be delivered to City as a Deliverable, or as a part of a Deliverable, under this Agreement.

“Generative Artificial Intelligence” means artificial intelligence that can generate derived synthetic content, such as text, images, video, and audio, that emulates the structure and characteristics of the artificial intelligence’s training data.

“Personal Identifiable Information (PII)” means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information includes, but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular individual or household as further defined in the California Consumer Privacy Act.

“Business Associate” or “BAA” has the meaning given to such term under HIPAA and its implementing regulations, including 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103, as may be amended from time to time.

“Health Care Component” has the meaning given to such term under HIPAA and its implementing regulations, including 45 C.F.R. Section 164.103, as may be amended from time to time.

“Hybrid Entity” has the meaning given to such term under HIPAA and its implementing regulations, including 45 C.F.R. Section 164.103, as may be amended from time to time.

3.2 Section 4.3 Qualified Personnel. Section 4.3 of the Agreement is hereby replaced in its entirety to read as follows:

4.3 Qualified Personnel. Contractor represents and warrants that it is qualified to perform the Services required by City, and that all Services will be performed by competent personnel with the degree of skill and care required by current and sound professional procedures and practices. Contractor will comply with City’s reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City’s request, must be supervised by Contractor. Contractor shall commit sufficient resources for timely completion within the project schedule.

3.3 **Article 13 Data and Security.** Article 13 is hereby replaced where applicable to read as follows:

13.1 **Nondisclosure of Private, Proprietary or Confidential Information.**

13.1.1 **Protection of Private Information.** If this Agreement requires City to disclose “Private Information” to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

13.1.2 **City Data; Confidential Information.** In the performance of Services, Contractor may have access to, or collect on City’s behalf, City Data, which may include proprietary or Confidential Information that if disclosed to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City’s behalf, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

13.2 **Reserved (Payment Card Industry (“PCI”) Requirements).**

13.3 **Reserved (Business Associate Agreement).**

13.4 **Management of City Data.**

13.4.1 **Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of, City, in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the United States is prohibited, absent prior written authorization by City. Access to City Data must be strictly controlled and limited to Contractor’s staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use City Data solely for performing its obligations under the Agreement and not for Contractor’s own purposes or later use, provided, however, that no City Data may be used by Contractor to train, modify or improve any Artificial Intelligence Systems or Models without City’s prior written consent, which may be withheld or withdrawn at City’s sole discretion. Nothing herein shall be construed to confer any license or right to City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase “unauthorized use” means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

13.4.2 **Use of Generative Artificial Intelligence in Deliverables.**

Contractor is prohibited from using Generative Artificial Intelligence in the development of Deliverables without City’s prior written consent. Contractor represents and warrants to City that Deliverables will not be developed in a manner that conflicts with the City’s rights in and to the

Deliverables under Article 9, “Rights in Deliverables,” or the City Data confidentiality and security requirements under Article 13, “Data and Security,” of this Agreement.

13.4.3 Disposition of City Data. Except as otherwise provided for in this Agreement, upon City’s request, termination or expiration of this Agreement, or the expiration of any required document retention period or litigation hold, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City Data given to, or collected or created by Contractor on City’s behalf, which includes all original media. Once Contractor has received written confirmation from City that the City Data has been successfully transferred to City, Contractor shall, within ten (10) business days, securely dispose, clear, purge, and/or physically destroy, all copies of all City Data from its servers, files, hosted environments used in performance of this Agreement (including subcontractors’ environments), work stations used to process or produce the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such secure disposal occurred within five (5) business days of the disposal. Secure disposal shall be accomplished by “clearing,” “purging” or “physical destruction,” in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

13.5 Ownership of City Data. The Parties agree that as between them, all rights, including all intellectual property rights, in and to City Data and any derivative works of City Data is the exclusive property of City.

13.6 Loss or Unauthorized Access to City’s Data; Security Breach Notification. Contractor shall comply with all applicable laws that require the notification to individuals in the event of unauthorized release of PII, PHI, or other event requiring notification. Contractor shall notify City of any actual or potential exposure or misappropriation of City Data (any “Leak”) within twenty-four (24) hours of the discovery of such, but within twelve (12) hours if the Data Leak involved PII or PHI. Contractor, at its own expense, will reasonably cooperate with City and law enforcement authorities to investigate any such Leak and to notify injured or potentially injured parties. The remedies and obligations set forth in this subsection are in addition to any other City may have. City shall conduct all media communications related to such Leak.

13.7 Cybersecurity Risk Assessment. If a Cybersecurity Risk Assessment (“CRA”) was required before entering the Agreement, Contractor must complete an annual CRA to demonstrate that it has maintained the data privacy and information security program required for City contractors. If Contractor does not satisfactorily complete an annual CRA, the City shall have the right, without further obligation or liability to Contractor, to terminate this Agreement or exercise any of its other remedies hereunder. Any failure by Contractor to comply with this Section shall be a material breach of this Agreement.

Article 4 Effective Date

Each of the modifications set forth in this Amendment shall be effective on and after the date of this Amendment.

Article 5 Legal Effect

Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY

Recommended by:

Michael Makstman
City Chief Information Officer & Executive
Director, Department of Technology

Date: _____

Approved as to Form:

David Chiu
City Attorney

By: _____
Margarita Gutierrez
Deputy City Attorney

Date: _____

Approved:
Sailaja Kurella
Director of the Office of Contract
Administration and City Purchaser

By: _____
Sailaja Kurella
Authorized Signer

Date: _____

CONTRACTOR

ZONES, LLC

Derek De Baker
General Counsel

Date: _____

City Supplier Number: **0000038064**

Appendix A3 - Amended
Enterprise Enrollment Custom Terms

Amendment to Contract Documents

Enrollment Number

AMD000494985

These amendments are entered into between the parties identified on the attached program signature form. They amend the Enrollment or Agreement identified above. All terms used but not defined in these amendments will have the same meanings provided in that Enrollment or Agreement.

Enterprise Enrollment Multi-Tenant Enrollment Amendment M130

1. *Definitions.*

- a. "Lead Enrollment" means the Enrollment number listed at the top of this Amendment.
- b. "Tenant" means the environment established by Microsoft on its multi-tenant servers from which Online Services are hosted for Enrolled Affiliate's Enterprise.
- c. More information about Tenants may be found in the applicable Services Descriptions posted to the following or a successor site Microsoft identifies: <http://technet.microsoft.com/en-us/library/jj819284.aspx>
- d. "Tenant Administrator" means any licensed user of a Tenant that has their role set to "Global Administrator" in their profile settings in the Tenant User Administration page of the tenant portal. A Tenant can have multiple users configured as "Global Administrator" and in this case there is no differentiation of technical capabilities between them, they are each Tenant Administrators for that Tenant and can perform their technical functions unilaterally. The login credentials must be unique across the entire global system for each user, including but not limited to, users that are configured as Tenant Administrators. Each Tenant will require Tenant Administrator(s).

2. *Tenant Enrollment terms.*

- a. Customer Data in each Tenant is logically isolated from Customer Data in other Tenants, and each Tenant is managed separately by Tenant Administrator(s) using entirely different login credentials. Two Tenants may not share Tenant Administrator(s) with the same login credentials or share data objects such as address lists or SharePoint Online sites.
- b. To enable multiple Tenants for Online Services Plans, as identified in the Product Terms, Enrolled Affiliate can request assignment of an enrollment number ("Tenant Enrollment") for each Affiliate (or a department or division thereof), or subset of Affiliates, included in its Enterprise, or a department or division of Enrolled Affiliate, that require separate Tenants ("Tenant Affiliate"). Tenant Enrollments may only be established for Affiliates (or a department or division thereof) included in the Enrolled Affiliate's Enterprise in the "Enrolled Affiliate's Enterprise" section of the Enrollment or for a department or division of Enrolled Affiliate.

- c. To facilitate Tenant Enrollments for Tenant Affiliates, the parties agree that an enrollment number will be assigned for each Tenant Affiliate listed in the Tenant Information Excel Form attached as an Appendix to this Amendment. Enrolled Affiliate hereby accepts the terms and conditions of the Lead Enrollment on behalf of each Tenant Affiliate. Enrolled Affiliates represents and warrants that it has the right, power, and authority to accept on behalf of Tenant Affiliate.
- d. Notwithstanding that the Tenant Affiliates listed in the Tenant Information Excel Form attached as an Appendix will appear as Enrolled Affiliates in Microsoft's Volume Licensing Servicing Center ("VLSC"), Enrolled Affiliate acknowledges and agrees that it is the sole Enrolled Affiliate, and sole Licensee, with respect to each Tenant Enrollment, and Enrolled Affiliate will be solely responsible for each Tenant Enrollment's compliance with the terms and conditions of the Lead Enrollment and the associated Enterprise Agreement.
- e. Price level under each Tenant Enrollment will be the same level that is reflected on the Product Selection Form and is based upon the aggregate of License and Software Assurance quantity of the Lead Enrollment and each Tenant Enrollment as described in the Product Selection Form or as described in other agreement documents.
- f. The effective date, term, anniversary dates and payment dates for each Tenant Enrollment shall coincide with the Lead Enrollment identified above.
- g. All Product Licenses that are not covered in the scope of the Online Services must be purchased under the Lead Enrollment, including Enterprise Products and Additional Products.
- h. Enrolled Affiliate must submit an annual order (EAS Enrollments) or annual True Up order (EA Enrollments) for each Tenant Enrollment as per the terms of the Lead Enrollment and (if applicable) the submission of an Update Statement under each Tenant Enrollment. The initial order and all subsequent orders will be submitted separately for each respective Tenant Enrollment. For any included Affiliate that remains licensed with on-premise Licenses and does not require a separate Tenant Enrollment, orders must be placed under the Lead Enrollment.
- i. Tenant Enrollment is exempt from the minimum order requirement in section 2.a of the Lead Enrollment.
- j. If the Enrolled Affiliate is Transitioning Licenses (as contemplated in the Lead Enrollment), Licenses from which the Enrolled Affiliate is Transitioning will be reduced from the Lead Enrollment identified above and the Licenses to which the Enrolled Affiliate is Transitioning will be ordered under the specific Tenant Enrollment(s).
- k. Each Tenant Enrollment may be managed separately in VLSC (or a successor site) by the individuals whose names and contact information are identified in Tenant Information Excel Form attached as an Appendix to the Amendment, or by other individuals to whom each Tenant Affiliate may delegate such management responsibilities, to the same extent as if such Tenant Affiliate had enrolled separately as an Enrolled Affiliate under the Enterprise Agreement pursuant to its own Enrollment.
- l. Enrollment acceptance and order reminders will be sent to contact(s) identified on the Lead Enrollment only.

3. Technical considerations for multi-Tenant deployment.

Each Tenant Affiliate will be assigned a separate Tenant, provided that it complies with the terms and conditions of this Amendment.

Each Tenant Affiliate will manage its Tenant separately in the administrator console. This will permit and require each Tenant Affiliate to be managed and operated independently of the other.

Due to the independent nature of each Affiliate Tenant from the other, there will be a number of technical boundaries associated with managing or using the tenants together, including but not limited to those in the following list:

- a. No ability to provide consolidated administrative reporting or control across Tenants, no automated ability to move users between Tenants. For example, if a user moves from one Tenant Affiliate to another, this will require Tenant Administrators to manually create new User accounts, download mail to PST files and import, and delete old user.
- b. No consolidated Global Address List for all Tenants.
- c. No ability for a single individual with the same Tenant Administrator login credentials to manage more than one Tenant. However, it is possible for a single person to have unique login credentials for each tenant as long as they track their own login credentials.
- d. No ability to share domain names across Tenants, no ability to share SIP domains (each Tenant will have a separate Skype for Business Online SIP domain).
- e. Separate Licenses required if users in one Tenant need to access SharePoint Online in another Tenant, no master SharePoint content index combining all Tenants (each Tenant's index will be restricted to that Tenant).
- f. Additional on-premise configuration required for directory synchronization; some scenarios may not be possible. Affiliate is advised to consult with technical specialists prior to signing this Amendment to determine if their proposed configuration will work.

4. Contact Information for Tenant Enrollment

- a. Primary Contact. For purposes of delineating enrollments, Tenant Enrollments will be delineated uniquely in the enrollment details to be displayed on VLSC with the following format "Tenant-Lead Enrollment number-Tenant Affiliate Name". This name must be provided in the Tenant Information Excel Form attached as an Appendix for this Amendment under Tenant Affiliate Name. The individual contact identified as Primary contact will be the same individual with the same physical address across all Tenant Enrollments as identified on the Lead Enrollment.
- b. For each Tenant Enrollment, an Online Services Manager must be provided in the Tenant Information Excel Form attached as an Appendix to this Amendment.
- c. Microsoft may, from time to time, contact the Online Services Manager regarding the Tenant(s).
- d. Warning: If the Online service Manager Contact is a third party (not Enrolled Affiliate) please be aware that this contact receives personally identifiable information of the Customer and its Affiliates.

This Amendment must be attached to a signature form and accompanied by the *Tenant Information – Excel Form* to be valid. The Number of tenant(s) listed in the *Tenant Information – Excel Form* file is: 2.

Appendix
Tenant Information – Excel Form attached

Enterprise Enrollment Custom Terms CTM-B

1. The definition for “Combined Enrollments” in the “Custom Terms CTM” amendment effective on September 1, 2023 with Proposal ID MB72123CCSFDT is hereby amended as follows:

“Combined Enrollments” means the aggregate of all Enrollments signed with the City Department entity names or successor entity names identified in the table below, and the respective sub billing tenant enrollments, and with an effective date of September 1, 2026.

Combined Enrollments
Department of Technology
San Francisco Sheriff's Department
City and County of San Francisco Public Health
San Francisco International Airport - ITT
San Francisco Department of Children, Youth & Their Families (DCYF)
Human Services Agency
City and County of San Francisco-DPW
San Francisco Police Department
CCSF - Planning Department
CCSF - DBI
City and County of San Francisco
San Francisco Public Utilities Commission
SF City Attorneys Office

Enterprise Enrollment Multiple Azure Billing Tenants Under a Single Enrollment Amendment ID M423

1. Definitions.

“Azure Billing Tenant” means the environment established by Microsoft on its multi-tenant servers from which a customer accesses Microsoft Azure Services.

“Lead Enrollment” means the Enrollment identified above.

“Billing Tenant Enrollment” means the enrollment associated with an Azure Billing Tenant established for a Tenant Affiliate under this Amendment.

“Tenant Administrator” means any licensed user of an Azure Billing Tenant that has its role set to “Global Administrator” in the profile settings in the Tenant User Administration page of the tenant portal.

“Tenant Affiliate” means an Affiliate, department, or any user group included in the Enrolled Affiliate’s Enterprise who will access the Azure Billing Tenant that is identified in the Tenant Information Excel Form attached as an Appendix to this Amendment.

2. The parties agree to the following Billing Tenant Enrollment Terms as follows:

- a. **Tenant Affiliate Access and Enrolled Affiliate Obligations.** Each Tenant Affiliate may access each Azure Billing Tenant and its corresponding Billing Tenant Enrollment identified in the Tenant Information Excel Form attached as an Appendix to this Amendment. Enrolled Affiliate acknowledges and agrees that: (i) it is the sole Enrolled Affiliate; (ii) it is the sole Licensee with respect to each Billing Tenant Enrollment; and, (iii) it is solely responsible for ensuring that each of its Tenant Affiliate’s comply with the terms and conditions set forth in the Lead Enrollment and any subsequent amendment hereof.
- b. **Tenant Administrator User Credentials.** Each Tenant Administrator must have its own, unique, login credential and shall manage each Azure Billing Tenant separately. No two Azure Billing Tenants may share one Tenant Administrator login credential or data object(s).
- c. **Azure Prepayment.** Each Tenant Affiliate can purchase an Azure Prepayment; however, the allocated funds for such commitment cannot be transferred between Azure Billing Tenants and Tenant Affiliates.
- d. **Purchasing**
 - (i) Purchase eligibility. Billing Tenant Enrollments may only be used to purchase Microsoft Azure Services and Microsoft Azure Services Plans.
 - (ii) Pricing. The price for Microsoft Azure Services and Microsoft Azure Services Plans purchased under a Billing Tenant Enrollment will be based on the pricelist current as of the Billing Tenant Enrollment Effective Date. Any price adjustment to a Billing Tenant Enrollment will be applicable only to that Billing Tenant Enrollment.
 - (iii) Initial Order. Each Billing Tenant Enrollment must include an initial order.
 - (iv) Billing Tenant Enrollment Effective Date. The effective date of a Billing Tenant Enrollment will be the processing date of the initial order.
- e. **Orders.** Enrolled Affiliate must submit separate orders, on behalf of each Billing Tenant Enrollment. Orders shall be governed by the terms set forth in the Lead Enrollment, except as specified in this Amendment. Orders are not transferrable between Billing Tenant Enrollments.

Billing Tenant Enrollment acceptance and order reminders will be sent to the contact(s) identified on the Lead Enrollment only.

- f. **Notices Contact and Online Services Manager.** Each Billing Tenant Enrollment, shall have its own Notices Contact and Online Services Manager as listed in the Tenant Information Excel Form attached as an Appendix to this Amendment. The Notices Contact and Online Services Manager is authorized to manage the Microsoft Azure Services obtained under the related Billing Tenant Enrollment.
- g. The expiration date, anniversary dates, payment dates and applicable taxes for each Billing Tenant Enrollment shall be the same as in the Lead Enrollment.
- h. Warning: If the Online service Manager Contact is third party (not Enrolled Affiliate) please be aware that this contact receives personally identifiable information of the Customer and it Affiliates.

This Amendment must be attached to a signature form and accompanies by the Tenant Information Excel Form to be valid. The Number of Tenant (s) listed in the Tenant Information Excel form file is:2

Appendix Tenant Information Excel Form is attached

Except for changes made by these amendments, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in these amendments and any provision in the Enrollment or Agreement identified above, these amendments shall control.

This Amendment must be attached to a signature form to be valid.

Microsoft Internal Use Only:

"(M130)EnrAmend(MultiTenantEnrollment)(WW)(ENG)(Oct2025)(IU).docx"		M130	Lime
CCSF CTM-B Amend	CTM	CTM-CTM-B	BD-LE
"(M423)EnrMultiTenant(MultipleAzureBillingTenantsUnderASingleEnrollment)(WW)(ENG)(Oct2025)(IU).docx"		M423	Lime

**Appendix B - Amended
Calculation of Charges**

I. Calculation of Charges

Total Estimated Cost - Summary	
Description	TOTAL
Year 4: Estimated Spend – All Departments	\$ 18,000,000
Year 5: Estimated Spend – All Departments	\$ 18,000,000
Year 6: Estimated Spend – All Departments	\$ 18,000,000
Year 4: Estimated True Ups – All Departments	\$ 2,000,000
Year 5: Estimated True Ups – All Departments	\$ 2,000,000
Year 6: Estimated True Ups – All Departments	\$ 2,000,000
TOTAL ESTIMATED SPEND:	\$ 60,000,000.00

Contractor shall provide invoices to the City on an annual basis for the Licensed Software.

II. Affiliate Enrollments

The City has 14 separate Microsoft enrollments. Thirteen of the enrollments are for specific City departments. The remaining enrollment will include 9 smaller City departments. The 13 City departments with their own separate enrollments and the 9 smaller City departments rolled into a single enrollment, will each issue separate Purchase Orders for the goods covered by the contract and shall be released against this contract during the contract term. Contractor shall accept Purchase Orders from 22 separate City departments and will invoice each accordingly.

The total estimated cost of the enrollments when combined, equals the estimated spend and true-up identified above. Contractor shall facilitate the execution of all required enrollment documents for each affiliate.

III. Additional As-Needed Purchase Pricing:

MAXIMUM MARK-UP TO MANUFACTURER’S PRICE

For all Microsoft products purchased through this contract, Supplier shall not mark-up the price above the percentage rate identified herein:

Microsoft Category	Category Description	Pricing Level	Maximum Supplier Markup Percentage
Enterprise Online Services	Full USLs, From SA USLs, Add-ons and Step Ups. M365 E3 and E5, Enterprise Mobility + Security E3 and E5, Office 365 Enterprise E1 or E3, Windows 10 Enterprise E3 or E5.	Government Level D	0.50%
Enterprise Products	Office 365 Pro Plus, Windows 10 Enterprise, Core CAL Suite, Enterprise CAL Suite.	Government Level D	0.50%
Additional Products	M365 F1, M365 E5 Compliance, M365 E5 Security, Office 365 Enterprise F1, Project Online, Visio Online Plan 1 or Plan 2, Dynamics 365, Azure, SQL Server, Windows Server, etc.	Government Level D	0.50%
Server and Tools Product (applies to Server and Cloud Enrollments only)	SharePoint Server, SQL Server, BizTalk Server, Visual Studio, Core Infrastructure Suites, etc.	Government Level D	0.50%
All products for Select Plus Agreement No. 7756479		Government Level D	0.50%