

FILE NO. 151278

LEGISLATIVE DIGEST

[Agreement Amendment - AT&T Corporation - Telecommunications Services - Not to Exceed \$122,429,557]

Ordinance retroactively authorizing the Department of Technology and the Department of Contract Administration to enter into the Third Amendment of an Agreement between the City and the AT&T Corporation, for the City's telecommunications services, by extending the term of the agreement for an additional five years through December 31, 2020, and increasing the total not-to-exceed amount of the agreement from \$97,953,700 to \$122,429,557.

Existing Law

In 2010, the City entered into an agreement with AT&T for a broad array of telecommunications services. The City's agreement is based on the State of California's rate agreement with AT&T, and the initial term was for four and a half years through August 2014. On March 24, 2015, the Board approved an extension of the Agreement until December 31, 2015.

Background Information

This Ordinance would authorize the Department of Technology (DT) and the Office of Contract Administration to extend the agreement with AT&T through December 31, 2020 and increase the current not to exceed amount by \$24,475,857. This amount reflects the change to the expenditure recommended by the Board Budget Analyst at the Budget Committee on January 27, 2016.

The 2010 Contract allowed the City to purchase services under the State of California's Integrated Telecommunications Network rate agreement known as CALNET, which provides the best pricing available to public entities in California. The Agreement also allows City non-profits to purchase telecommunications services directly from AT&T at the preferred pricing available to the City.

DT has reviewed the terms and pricing available under the current CALNET agreement and it has determined it is in the best interests of the City to continue to purchase services from AT&T under the CALNET Contract for the additional years permitted under the contract. DT has determined the cost of continuing to purchase the current services under the agreement through December 31, 2020 to be an additional \$24,475,857.