

1 [Settlement of Anticipated Litigation Against Office Depot - Receipt of \$4,250,000/Payment of
2 \$48,915.40]

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4 **Resolution approving the settlement of anticipated litigation by the City and County of**
5 **San Francisco against Office Depot for contract overcharges; The material terms of**
6 **said settlement are: (1) the City to receive the sum of \$3,750,000 in the form of a check;**
7 **(2) the City to receive from Office Depot credit in the amount of \$500,000 toward future**
8 **purchases by the City over the next 5 years; (3) payment to Office Depot of the sum of**
9 **\$48,915.40 as full and complete satisfaction of all outstanding balances owed by the**
10 **City under its office supplies contract with Office Depot.**

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12 WHEREAS, on December 18, 2009, the San Francisco Office of Controller, City
13 Services Auditor issued its audit report of the office supplies contract between the City and
14 County of San Francisco and Office Depot, which report concluded that Office Depot had
15 overcharged the City and County of San Francisco for office supplies by at least \$5.75 million;
16 and

17 WHEREAS, Office Depot has claimed that the City and County of San Francisco owes
18 an outstanding balance of \$61,144.25 under the office supplies contract; and

19 WHEREAS, the Controller, the Director of Purchasing and the City Attorney of the City
20 and County of San Francisco all have recommended that the City and County of San
21 Francisco settle its claim against Office Depot on terms under which the City is to receive a
22 check in the amount of \$3.75 million, and credits in the amount of \$500,000 toward future
23 purchases over the next 5 years, and that the City pay the sum of \$48,915 to resolve all
24 outstanding balances owed by it to Office Depot under the office supplies contract; and

1 RESOLVED, That pursuant to Section 10.22 of the San Francisco Administrative Code,
2 settlement and compromise of said anticipated litigation by terms under which the City is to
3 receive a check in the amount of \$3.75 million and credits in the amount of \$500,000 toward
4 future purchases, and the City is to pay \$48,915.40 as full satisfaction of outstanding balances
5 owed to Office Depot under the office supplies contract is hereby approved.

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7 APPROVED:

RECOMMENDED:

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9 DENNIS J. HERRERA
City Attorney

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11 _____
DANNY CHOU
Chief of Complex and Special Litigation

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NAOMI KELLY
Deputy City Administrator

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BEN ROSENFELD
Controller

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