

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

BUDGET AND FINANCE SUB-COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Mark Farrell, Chair
Budget and Finance Sub-Committee

FROM: Linda Wong, Assistant Clerk

DATE: July 27, 2016

SUBJECT: **COMMITTEE REPORT, SPECIAL BOARD MEETING**
Thursday, July 28, 2016

The following file should be presented as a **COMMITTEE REPORT** at the Special Board meeting on Thursday, July 28, 2016, at 8:40 a.m. This item was acted upon at the Budget and Finance Sub-Committee Meeting today, July 27, 2016, at 10:00 a.m., by the votes indicated.

Item No. 5 File No. 160827

Ordinance approving two agreements to enable the City to obtain access to fiber-optic facilities owned by Pacific Bell located on the San Francisco-Oakland Bay Bridge: an agreement between the City and the Bay Bridge Consortium for a term potentially in excess of ten years, and an agreement between the City and Pacific Bell for a term potentially in excess of ten years; and, with respect to both agreements, waiving the requirements of Administrative Code, Section 21.9, prohibiting automatic renewal provision in contracts.

RECOMMENDED AS COMMITTEE REPORT

Vote: Supervisor Mark Farrell - Excused
Supervisor Katy Tang - Aye
Supervisor Norman Yee - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Jon Givner, Deputy City Attorney
Alisa Somera, Legislative Deputy Director

File No. 160827

Committee Item No. 14
Board Item No. 5

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 27, 2016

Board of Supervisors Meeting

Date July 28, 2016

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

Completed by: Linda Wong Date July 22, 2016

Completed by: Linda Wong Date July 27, 2016

1 [Agreements - Access to Fiber-Optic Facilities - Bay Bridge Consortium and Pacific Bell]

2
3 Ordinance approving two agreements to enable the City to obtain access to fiber-optic
4 facilities owned by Pacific Bell located on the San Francisco-Oakland Bay Bridge: an
5 agreement between the City and the Bay Bridge Consortium for a term potentially in
6 excess of ten years, and an agreement between the City and Pacific Bell for a term
7 potentially in excess of ten years; and, with respect to both agreements, waiving the
8 requirements of Administrative Code, Section 21.9, prohibiting automatic renewal
9 provision in contracts.

10 Note: Additions are single-underline italics Times New Roman;
11 deletions are ~~strikethrough italics Times New Roman~~.
12 Board amendment additions are double underlined.
13 Board amendment deletions are ~~strikethrough-normal~~.

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

15 Section 1. Findings.

16 (a) The State of California Department of Transportation ("Caltrans") authorized
17 Pacific Bell to install fiber-optic facilities on the San Francisco-Oakland Bay Bridge ("Bay
18 Bridge").

19 (b) As a condition of that permit, Caltrans required Pacific Bell to offer access to
20 those fiber-optic facilities to other telecommunications providers.

21 (c) The Bay Bridge Consortium ("Consortium") was formed by certain
22 telecommunications providers (known as "Joint Users") for the purpose of entering into an
23 agreement with Pacific Bell, entitled Agreement Regarding Joint Ownership and Use of Fiber
24 on the San Francisco Bay Bridge, dated June 1, 1997 ("Pacific Bell Agreement").

25 (d) Under this agreement, Joint Users can obtain access to Pacific Bell's fiber-optic
facilities on the Bay Bridge.

1 (e) In the "Bay Bridge Consortium Agreement" dated August 28, 1997, as
2 supplemented by a November 22, 2000 agreement (collectively the "Consortium Agreement"),
3 the Consortium established the terms and conditions under which Joint Users would share the
4 Consortium's responsibilities and obligations under the Pacific Bell Agreement.

5 (f) The Consortium recently offered the City access to these fiber-optic facilities.

6 (g) The Department of Technology ("DT") has determined that accessing these
7 fiber-optic facilities, which can only be obtained through the Consortium, would benefit City
8 departments by providing high speed data connections for public safety, Wi-Fi and other
9 related services.

10 (h) DT expects that through the Consortium, the City would be able to access
11 Pacific Bell's fiber-optic facilities on the Bay Bridge at a minimal cost.

12 (i) The Consortium Agreement is a standard agreement that all Joint Users must
13 execute. The Consortium is unwilling to modify the terms and conditions of the agreement to
14 include standard City contract provisions.

15 (j) DT expects the City's membership in the Consortium to continue, unless the City
16 elects to terminate either the Consortium Agreement or the Pacific Bell Agreement, or the
17 other Joint Users terminate the City's participation due to a material breach by the City.

18 (k) To become a party to the Consortium Agreement and access the fiber-optic
19 facilities, the City will be required to agree to mutual indemnity provisions required of each
20 Consortium member with respect to all other Consortium members, and to indemnify
21 obligations pertaining to all Consortium members with respect to the Consortium Manager for
22 the Consortium Manager's performance under the Consortium Agreement, unless the
23 Consortium Manager has been negligent or exercised willful misconduct.

24 (l) In addition, to become a party to the Consortium Agreement and access the
25 fiber-optic facilities, the City would be required to satisfy the insurance provision of the

1 Consortium Agreement. The City has informed the Consortium Manager that the City is self-
2 insured, which the Consortium Manager has agreed satisfies the insurance requirement.

3 (m) In 2013, the City paid \$5,000 to join the Consortium. There are no annual fees
4 for joining the Consortium. The City's recurring costs will be solely in connection with the
5 City's access to fiber-optic facilities pursuant to the Pacific Bell Agreement, and will depend on
6 the number of fibers the City uses. DT expects that these funds will be available in its budget.

7 (n) To access Pacific Bell's fiber-optic facilities, the City would also have to execute
8 the Pacific Bell Agreement. This is a standard agreement that all Joint Users must execute.
9 Pacific Bell is unwilling to modify the terms and conditions of the agreement to include
10 standard City contract provisions.

11 (o) The Pacific Bell Agreement parallels the Consortium Agreement. As long as the
12 City is a Joint User under the Consortium Agreement, the City will be a party to the Pacific
13 Bell Agreement.

14 (p) The Risk Manager has reviewed the insurance and indemnity provisions of the
15 proposed agreements and supports the department's decision to proceed with these
16 contracts.

17
18 Section 2. Authorization to Enter into Contract with the Consortium.

19 (a) Pursuant to its authority under Charter Section 9.118, the Board of Supervisors
20 authorizes the Executive Director of DT to execute the Consortium Agreement for a term in
21 excess of 10 years. The Executive Director of DT shall take all steps necessary for the City to
22 join the Consortium and obtain access to fiber-optic facilities on the Bay Bridge pursuant to
23 the Pacific Bell Agreement. A copy of the Consortium Agreement is on file with the Clerk of
24 the Board of Supervisors in File No. 160827.

1 (b) The Board of Supervisors finds that it is reasonable and in the public interest to
2 waive the requirement in Administrative Code Section 21.9 that contracts not include an
3 automatic renewal provision. The City's need to be a member of the Consortium will likely
4 coincide with the continued existence of the Consortium. If not, the City can elect to terminate
5 its participation in the Consortium. Accordingly, the requirement in Administrative Code
6 Section 21.9 that contracts not include an automatic renewal provision is hereby waived for
7 the Consortium Agreement.
8

9 **Section 3. Authorization to Enter into Contract with Pacific Bell.**

10 (a) Pursuant to its authority under Charter Section 9.118, the Board of Supervisors
11 authorizes the Executive Director of DT to execute the Pacific Bell Agreement for a term in
12 excess of 10 years. The Executive Director of DT shall take all steps necessary for the City to
13 obtain access to fiber-optic facilities on the Bay Bridge pursuant to the Pacific Bell Agreement.
14 A copy of the Pacific Bell Agreement is on file with the Clerk of the Board of Supervisors in
15 File No. 166821.

16 (b) The Board of Supervisors finds that it is reasonable and in the public interest to
17 waive the requirement in Administrative Code Section 21.9 that contracts not include an
18 automatic renewal provision. The City's participation in this agreement is necessary for the
19 City to continue to access Pacific Bell's fiber-optic facilities. If the City no longer needs to use
20 those facilities, the City can elect to terminate its participation in the agreement. Accordingly,
21 the requirement in Administrative Code Section 21.9 that contracts not include an automatic
22 renewal provision is hereby waived for the Consortium Agreement.
23
24
25

1 APPROVED AS TO FORM:
2 DENNIS J. HERRERA, City Attorney

3
4 By:


Austin M. Yang
Deputy City Attorney

5
6 n:\telcom\as2016\9700242\01121858.docx

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

LEGISLATIVE DIGEST

[Agreements - Access to Fiber-Optic Facilities - Bay Bridge Consortium and Pacific Bell]

Ordinance approving two agreements to enable the City to obtain access to fiber-optic facilities owned by Pacific Bell located on the San Francisco-Oakland Bay Bridge: an agreement between the City and the Bay Bridge Consortium for a term potentially in excess of ten years, and an agreement between the City and Pacific Bell for a term potentially in excess of ten years; and, with respect to both agreements, waiving the requirements of Administrative Code, Section 21.9, prohibiting automatic renewal provision in contracts.

Existing Law

Not applicable.

Amendments to Current Law

The ordinance approves the City and County of San Francisco ("City") entering into an agreement with the Bay Bridge Consortium ("Consortium") and a separate but related agreement with Pacific Bell. The purpose of both agreements is to enable the City to obtain access to certain fiber-optic facilities that Pacific Bell owns on the San Francisco Bay Bridge at a low cost.

Background Information

The State of California Department of Transportation ("Caltrans") authorized Pacific Bell to install fiber-optic facilities on the San Francisco Bay Bridge. As a condition of this authorization, Caltrans required Pacific Bell to offer access to those fiber-optic facilities to other telecommunications carriers.

The Consortium was formed by certain telecommunications providers (known as "Joint Users") for the purpose of entering into an agreement with Pacific Bell so that the Joint Users may access Pacific Bell's fiber-optic facilities.

The Joint Users also entered into a Bay Bridge Consortium Agreement (the "Consortium Agreement"), which describes the terms and conditions of the Joint Users participation in the Consortium and under which Joint Users would share the Consortium's responsibilities and obligations under the Pacific Bell Agreement.

The Consortium recently offered the City the opportunity to access these fiber-optic facilities. As a Joint User, the City will be permitted to access Pacific Bell's fiber-optic facilities crossing the Bay Bridge at a minimal cost. In order to access the fiber-optic facilities, the City must execute both of these agreements.

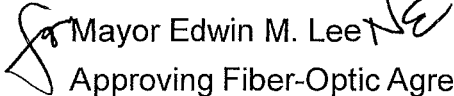
FILE NO. 160827

The Department of Technology has determined that access to these fiber-optic facilities would benefit City departments by providing low cost access to fiber-optic resources. The Department paid the \$5000 cost to join the Consortium in 2013. Ongoing costs will be based on the facilities actually used by the City; these costs will be paid out of the Department's annual budget, but are estimated to be no greater than \$50,000 per year.

OFFICE OF THE MAYOR
SAN FRANCISCO



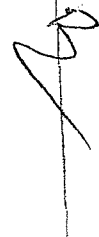
EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM:  Mayor Edwin M. Lee
RE: Approving Fiber-Optic Agreements with Bay Bridge Consortium and Pacific Bell
DATE: July 19, 2016

Attached for introduction to the Board of Supervisors is an ordinance approving two agreements to enable the City to obtain access to fiber-optic facilities owned by Pacific Bell located on the San Francisco-Oakland Bay Bridge: an agreement between the City and the Bay Bridge Consortium for a term potentially in excess of ten years, and an agreement between the City and Pacific Bell for a term potentially in excess of ten years; and, with respect to both agreements, waiving the requirements of Administrative Code section 21.9 prohibiting automatic renewal provision in contracts.

I respectfully request a waiver of the 30 day hold and that this item be heard in Budget & Finance Committee on July 27, 2016 and sent forward as a committee report to the full Board on July 29, 2016.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

BY  2016 JUL 19 PM 4:38
OFFICE OF THE MAYOR
SAN FRANCISCO

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Bay Bridge Consortium	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i> Robert Sackett	
Contractor address: 36311 Vi El Pais Bonita Temecula, CA. 92592	
Date that contract was approved:	Amount of contracts: Approximately \$20,000 per year
Describe the nature of the contract that was approved: Fiber Strand Service in Conduit	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

