



SAN FRANCISCO
DEPARTMENT OF
TECHNOLOGY

Date: October 19, 2020

To: Clerk of the Board of Supervisors

From: Linda Gerull
City CIO, Executive Director
Department of Technology

Re: Approval of 5th Amendment to Master Agreement with AT&T
Supplier ID: 0000026442

The Department of Technology (DT) maintains a citywide master agreement (MA) with AT&T for the provision of wired voice and data telecommunications services. DT is seeking approval of an amendment to this agreement that would extend the term of this agreement by one year, to December 31, 2021, and raise the not to exceed (NTE) amount to \$140,695,756. All pricing and other terms of the agreement would remain the same as in the Third Amendment approved by the Board of Supervisors in Ordinance 26-16. The MA continues to leverage the favorable volume pricing from the State of California's Integrated Telecommunications Network Agreement (CALNET).

This amendment is necessary for two reasons: (1) the State of California has extended the underlying CALNET-3 contract by one year while it negotiates a new agreement with AT&T and (2) the City must raise the NTE amount because the contract value has been depleted. While we understand that this short extension will require DT to seek Board approval of another AT&T contract in another year, this is unavoidable because the pricing and other terms of the next CALNET agreement are likely to differ substantively from the current agreement.

Consequently, DT is requesting that the Board approve the Fifth Amendment to the MA that would:

- 1.) Extend term by 12 months from 12/31/2020 to 12/31/2021, coterminous with the underlying CALNET agreement.
- 2.) Add \$18,266,199 to the NTE for a total of \$140,695,756.

DT is not seeking to waive any Administrative Code or other requirements, so we are seeking approval of this amendment through the accompanying resolution.

To provide context for this Fifth Amendment, here is a brief summary of original MA and its subsequent amendments:

- Original Master Agreement: to consolidate citywide purchases of telecommunications services under one contract, DT entered into the Original MA with AT&T in 2010.
 - The total value of this agreement was \$75,000,000
 - The term of the agreement was 4 years and six months (from March 1, 2010 to August 31, 2014)
 - The Board approved this contract in Ordinance 98-10.
- First Amendment: to allow for project specific rates for special projects, known as Individual Case Basis (ICB) pricing . This amendment did not change the duration or amount of the contract. Board approval was not required.
- Second Amendment: authorized the City to transition from the underlying State CALNET-2 to CALNET-3 contract. In addition, the amendment:
 - Increased the NTE from \$75 million to \$97,953,700;
 - Extended the term by 15 months to December 31,2015;
 - The Board approved this amendment in Ordinance 39-95.
- Third Amendment: extended the term of the 2010 agreement by four years to December 31, 2019, with the option to extend for one additional year. The amendment also:
 - Increased the NTE from \$97,953,700 to \$122,429,557, sufficient for four years of anticipated spending.
 - The Board approved this amendment in Ordinance 26-16.
- Fourth Amendment: exercised the option to extend the contract by one year as authorized by the Third Amendment and Ordinance 26-16.