



SAN FRANCISCO
DEPARTMENT OF
TECHNOLOGY

Agreement with AT&T Fifth Amendment

To: Budget and Finance Committee
March 3, 2021

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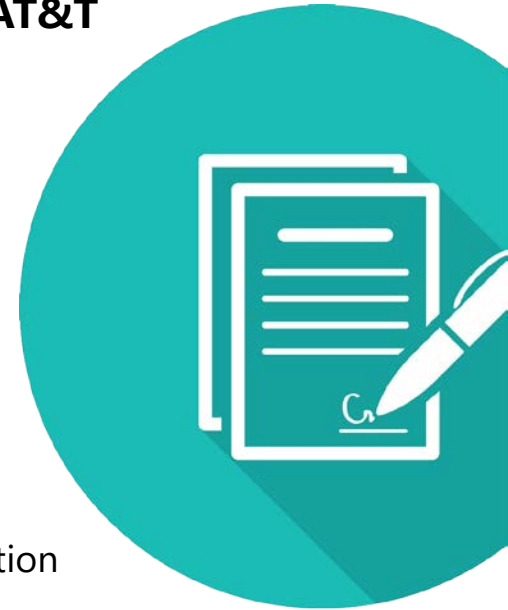
Overview

Fifth Amendment to extend the term of existing Agreement with AT&T

- ❑ Extend the Agreement for one additional year through December 31, 2021
- ❑ Increase the total not-to-exceed amount by \$18.3M
- ❑ No other major change to the existing agreement

Contract for telephone & network services to all City departments

- ❑ Telephone Services (49%): include fixed monthly fees, plus variable cost for teleconference, toll free and long distance
- ❑ Circuits (48%): link two or more locations with dedicated, high-speed connection
- ❑ Incidental Professional Services (<3%): install and maintain networking equipment and circuits



Benefits of Agreement

Savings

- ❑ 65% discount - piggyback on State of California's CALNET 3 volume purchase agreement, leveraging the collective buying power and extensive competitive process of the entire State

Effectiveness

- ❑ Consolidate all purchases under one Citywide master agreement, resulting in better control and vendor management

Support to Local Communities

- ❑ Commitment to First Source Hiring and 10% LBE subcontracting goal
- ❑ 3 stores, 400+ employees in San Francisco
- ❑ 41 open jobs in the City are currently posted on the AT&T website



Questions from the Board on 12/1/2020

Q1: as many employees work from home during the Covid-19 pandemic, should it result in a reduced cost for AT&T services?

Answer: The pandemic did not result in a reduced cost because most employees are still using the AT&T telephony infrastructure when they are telecommuting. In particular, forwarding City calls to personal cell phones or landlines takes up two lines per call, resulting in an increased usage.

Q2: How do we know that the contract pricing, based on the State's Calnet contract, is the best available pricing?

Answer: The Calnet contract contains a Most Favored Nation clause, which guarantees the City the lowest pricing of any public or private entity.

Q3: Can we use other vendors to reduce cost? Should we put these services out to bid?

Answer: Yes. DT is only seeking a one-year extension through this contract amendment, so that we have time to explore different options.



Agreement with AT&T
Fifth Amendment

Any Questions?