

CRESOLUTION 2019-025  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROVING THE PURCHASE OF VIDEO CONTENT LICENSING AND SERVICES  
FROM THE NATIONAL CABLE TELEVISION COOPERATIVE FOR FORT COLLINS  
CONNEXION AS AN EXCEPTION TO THE COMPETITIVE PURCHASING PROCESS

WHEREAS, the City recently completed a competitive purchasing process under Request for Proposals #8720 for broadband video hosting services via sealed proposals; and

WHEREAS, the City is currently finalizing contract negotiations with the selected third-party video hosting and streaming service provider (Video Host) to enable the broadband division of the City's Electric Utility, Fort Collins Connexion ("Connexion"), to deliver video streaming service; and

WHEREAS, in order for the Video Host to deliver video content for distribution by Connexion, the City must secure license rights to video content through a content aggregation service provider; and

WHEREAS, the National Cable Television Cooperative (NCTC) is a non-profit, video content aggregator service organization that negotiates preferential master licensing agreements with video content producers, including traditional cable channel operators, on behalf of its subscribing members; and

WHEREAS, NCTC has secured license rights to an extensive library of video content on more cost-effective, efficient, and better terms than would be otherwise available from those content producers to individual NCTC members; and

WHEREAS, based on review and evaluation of available video content aggregation services, the Purchasing Agent has determined NCTC is able to secure access to substantially all the video content Connexion will require within the next five years on terms not otherwise available to the City; and

WHEREAS, there are certain video content families, including local channels (e.g., Denver affiliates and public broadcasting channels) not available through NCTC, which will also require Connexion to enter independent negotiations to secure content rights; and

WHEREAS, membership in NCTC requires the City to pay a \$1,500 application fee and a one-time membership fee of approximately \$35,600, based on estimates of the potential subscriber premises to be passed during the Connexion network buildout; and

WHEREAS, final license fee totals payable by the City to opt-in to NCTC video content packages are unavailable until the City becomes a member of NCTC, and license fees may vary based on the terms of master licenses between NCTC and video content producers; and

WHEREAS, based on prior content license fee data provided by NCTC and the experience of other NCTC members, current estimated monthly license fees are in the range of \$60 per subscriber for national video content; and

WHEREAS, NCTC members have reported approximately 25% lower monthly expenses for content licensing through NCTC, compared to license fees charged by other content aggregation services or through independent negotiations with content producers; and

WHEREAS, sufficient funds to apply for NCTC membership and pay annual content license fees have been budgeted by Connexion; and

WHEREAS, Section 8-161(d)(1)b. of the Code of the City of Fort Collins authorizes the Purchasing Agent to negotiate the purchase of supplies and service without utilizing a competitive process where the Purchasing Agent determines that although a particular material or service is available from more than one responsible source, a competitive process cannot reasonably be used, or, if used, will result in a substantially higher cost to the City, will otherwise injure the City's financial interests or will substantially impede the city's administrative functions or the delivery of services to the public; and

WHEREAS, the Purchasing Agent has reviewed of the NCTC membership and service options consistent with the requirements of Section 8-161(d)(1)b. of the Code and City practices for exceptions to the competitive process; and

WHEREAS, the Purchasing Agent has determined that due to the numerous advantages offered by NCTC, the existing service compatibility of NCTC's services with the network operated by the Video Host selected under Request for Proposals #8720, and the limited availability of wholesale video content rights for Connexion, a competitive process cannot reasonably be used and, if used, would result in a substantially higher cost to the City and may result in the impairment of the City's delivery of services to the public, requisite justifications for which determinations the Purchasing Agent has submitted to the City Manager for approval; and

WHEREAS, the City Manager has reviewed and approved the justification for the acquisition of video content aggregation services through NCTC; and

WHEREAS, Section 8-161(d)(3) of the Code requires approval of this purchasing method by the City Council for expenditures costing more than Two Hundred Thousand Dollars (\$200,000) prior to procurement.

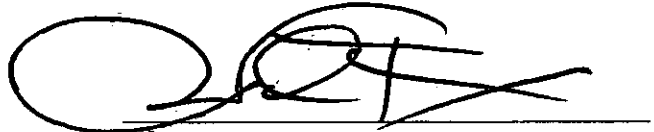
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS, as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the Purchasing Agent is authorized to purchase membership in and video content licensing services through the National Cable Television Cooperative (NCTC) for up to five years as an exception to the competitive purchasing process requirements in the following amounts:

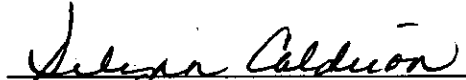
- up to \$35,600 for membership; and
- up to \$70/month in licensing fees per subscriber for national video content.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 19th day of February, A.D. 2019.



Mayor

ATTEST:

  
City Clerk

