

Agenda Report

February 28, 2000

To: CITY COUNCIL
From: CITY MANAGER
Subject: AUTHORIZATION TO AMEND CONTRACT NUMBER 16,852 WITH COMMUNICATIONS SUPPORT GROUP, INC. FOR CONSULTING SUPPORT FOR CABLE TV FRANCHISE RENEWAL

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to increase Contract Number 16,852 with Communications Support Group, Inc. by \$10,000 for a new not to exceed amount of \$72,500 to provide consulting services for renewal of the City's cable TV franchise.

BACKGROUND

In the Fall of 1998, staff conducted a competitive selection for cable television consulting services to support renewal of the franchise with Charter Communications which expires in June, 2000. Communications Support Group, Inc. submitted the highest rated proposal in response to the City's Request for Proposals. In December, 1998, the City entered into a contract with Communications Support Group, Inc. for \$62,500.

The renewal process has involved more extensive work in two areas than was originally anticipated: compliance review and access issue analysis and resolution.

Compliance Review: An audit of Charter's compliance with the existing franchise agreement and mandated customer service standards was part of the scope of work of the contract. However, the audit revealed significant compliance issues related to underpayment of franchise fees and utility users taxes to the City and provision of an institutional network. Communications Support Group provided analytical and negotiating support to resolve those issues as directed by the City Council. Communications Support Group's involvement helped secure \$95,713 in past due franchise fees and utility users taxes, as well as establishment of a \$95,713 fund to support City use of Charter cable modems.

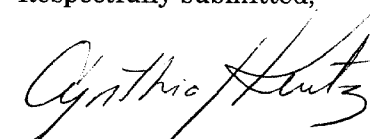
Access Issues Analysis: The scope of work of the contract included minimal time for analysis of Public, Educational and Governmental (PEG) access policy issues and operations of the Pasadena Community Access Corporation (PCAC). Instead, extensive discussion with PEG access entities (PCAC, the Pasadena Unified School District, and Pasadena City College) has been necessary to resolve issues over their various roles and the extent to which PEG entities are supported through the franchise renewal process. This has included several meetings of the Business Enterprise Committee of the City Council that were unanticipated.

Although PCAC has agreed to pay for additional consulting work to resolve PEG access issues while the franchise is being renewed, the City has already incurred significant expense in this area. Given the additional work performed in both areas, there are no longer sufficient monies authorized through the contract with Communications Support Group to complete negotiations with Charter and finalize a franchise agreement.

FISCAL IMPACT

The Information Technology Services Division has sufficient resources in FY2000 budget account 145935 to cover the requested amendment. The full cost of renewal consulting services, however, is anticipated to be reimbursed by Charter Communications through a renewal fee.

Respectfully submitted,




CYNTHIA J. KURTZ
City Manager

Prepared by:



Lori B. Sandoval
Technical Planning Manager

Approved by:



Robert K. Person
Assistant to the City Manager/
Information Technology Administrator