



Thursday, October 22, 2020

Finance and Governance Chairperson Black
Finance and Governance Vice-Chairperson Kniech

RE: Proposed ordinance authorizing a donation of surplus equipment to Open Media Foundation

Denver Marketing and Media Services has submitted an ordinance request to commence the process of seeking City Council authorization to donate surplus equipment to Open Media Foundation. We submit this briefing to provide background information on this proposal and an analysis of the reasons for this request.

The City currently has fully executed cable franchise agreements with Comcast and CenturyLink. As part of these agreements, Comcast and CenturyLink tender to the city \$1.05 per subscriber in support of Public, Education and Government (PEG) Access channels. These PEG funds are to be used solely for capital expenses in support of PEG television programming.

In 2005, Open Media Foundation (“OMF”) was contracted by the City to serve as its public access provider. During term of this contract, the City purchased capital equipment for public use to be housed and managed at OMF’s 700 Kalamath Street facility. This equipment is owned by the City and its sole purpose was for community use in the production of PEG programming and the public access work program.

The contract between the City and OMF came to a natural end on December 19, 2018. Pursuant to the agreement, OMF had ninety days after the contract’s expiration date in which to exercise an option to purchase the city owned equipment housed at its location. OMF informed the City that it would not exercise its right to purchase the subject equipment. The City retrieved a portion of the equipment that was housed at OMF for use by the new public access contractor, Denver Community Media. The rest of the subject equipment remained and is still housed at OMF.

In an effort to foster collaboration with a community organization and to allow that group to continue to provide services to its members, the City seeks to donate the equipment that remained at 700 Kalamath to OMF. According to OMF’s current materials, the organization is still providing equipment access to community members, and as such, a donation of the subject equipment would allow for this continued community benefit.

As a procedural matter, the Manager of General Services has declared as surplus all City owned equipment currently located at OMF and determined that such equipment is eligible for donation. The value of the equipment proposed to be donated is \$159,194.65 as of May 13, 2020.

The City has transitioned to a new community media model for providing public access programming and services. As stated previously, Denver Community Media is the new model for these services and is in the process of growing a robust community engagement and media literacy program. The subject equipment is not vital to Denver Community Media and its



operations would not be impacted by this donation. While the City transitioned away from OMF, this equipment donation would allow OMF to continue providing services to the community.

The alternative to this proposal is for the City to retrieve the remaining equipment from Open Media Foundation and seek to find other community organizations that could benefit from its usage. While there are likely many organization who would find constructive use of this equipment, this route would be a costly and time-consuming measure. Rather, it is a more efficient use of resources to allow this equipment to permanently remain with Open Media Foundation.

In consultation with the City Attorney's Office, it is also recommended that the equipment be granted to OMF as a donation rather than through a service agreement or memorandum of understanding. The City has moved to a new model for community access and an agreement with an additional contractor would not be beneficial. OMF has stated that this surplus equipment will be used for the community benefit, and as such a donation is appropriate at this time.

If you have any questions regarding this proposal or seek additional information, please let us know at your earliest convenience. We are happy to transmit any supporting documentation or to meet virtually should your schedule allow.

Alberto Garcia
Legislative Administrator
Denver Marketing and Media Services