

PURCHASE / CONTRACT / CONSENT FORM

City of Hagerstown Mayor and Council

Regular Session Date: September 27, 2022 Special Session Date: _____

Originating Department: Administration Division (if applicable): _____

Department Director or Manager: Scott Nicewarner, City Administrator

Account/Project Name: Cable Franchise Negotiations

Account No: 0103004.5305 CIP Control No. C0001

Budget Amount: \$0 Account Balance: \$0 Unbudgeted Amount: \$20,000

Fiscal Year: FY23 Source of Funds: *See Below

Quantity	Description	Value
	Cable Franchise Negotiations - Contract Amendment No. 1	\$ 20,000.00
	*This was not originally included during FY23 budget but	
	there is funding available from GF Budget Contingency line	
	item to cover this service.	
TOTAL VALUE OF PROJECT		\$ 20,000.00

ABOVE TO BE USED FOR: To continue negotiations for competitive cable franchise with Comcast. This would be a change to existing PO20221022.

RECOMMENDED VENDOR: Business Name: CBG Communications
Business Address: 1597 Race Street
City/State/Zip: St. Paul, MN 55102

Bid/Proposal/Quote No.: _____ Sole Source? X Yes No

[illegible]

PLEASE INDICATE WHICH FOCUS AREA OF THE MAYOR & COUNCIL'S STRATEGIC PLAN THIS PURCHASE/CONTRACT APPLIES TO		
Indicate with an X	FOCUS AREA	GOAL STATEMENT
	NEIGHBORHOODS REVITALIZATION & SUSTAINABILITY	The citizens of Hagerstown will experience a high quality of life.
	PUBLIC SAFETY	The City of Hagerstown ensures that all who live, work, and play in the City of Hagerstown will be healthy and safe.
	PUBLIC FACILITIES & INFRASTRUCTURE	The City of Hagerstown will maintain quality services and infrastructure that support residents and businesses in a cost-effective manner.
	ECONOMIC DEVELOPMENT	The City of Hagerstown will continue to grow a diverse, business-friendly economy that supports the community's needs.
	CITIZEN-BASED GOVERNMENT	The City of Hagerstown is an ethical and financial responsible government.
	FISCAL ACCOUNTABILITY	The City of Hagerstown will strive for continuous improvement of fiscal responsible decision making.
	PARKS & RECREATION FOR ACTIVE/HEALTHY LIVING	The City of Hagerstown supports a culturally vibrant community.
X	INNOVATIVE/PROGRESSIVE GOVERNMENT	The City of Hagerstown is committed to employee development, excellence in services, and adapting to meet the needs of the community and organization.
	COMMUNITY PROMOTION/PRIDE	The City of Hagerstown will improve our community image.
	ECONOMIC DEVELOPMENT THROUGH SPORTS AND TOURISM	The City of Hagerstown will be creative and diversify opportunities for economic development through non-traditional means.
	MISC. PROJECTS, GOALS AND LEGISLATIVE PRIORITIES	The City of Hagerstown takes a creative approach at finding solutions.

REVIEWED AND APPROVED AS FOLLOWS:

(1) Department Director and Division Manager

COMMENTS Additional budgetary funds are needed for additional task hours to continue to negotiations with Comcast that meets the requirements of Federal law, complies with the Hagerstown City Code, and maintains competitive equity with the existing Antietam Franchise.

Scott A
Nicewarner

Digitally signed by Scott A
Nicewarner
Date: 2022.09.22 12:44:01 -04'00'

Signature / Date

Signature / Date

(2) Purchasing Agent

COMMENTS

Recommend approval.

Joan M. [Signature] 9/22/22

Signature / Date

(3) Chief Financial Officer

COMMENTS

Approve - adequate funding has been identified to cover this increased and additional time for services needed.

Michelle [Signature] 9/22/22

Signature / Date

(4) City Administrator

COMMENTS

Recommend Approval

[Signature] 9/22/22

Signature / Date



*St. Paul Office: 1597 Race Street, St. Paul, MN 55102 P/651-340-5300
Philadelphia Office: 73 Chestnut Road, Suite 203, Paoli, PA 19301 P/610-889-7470
New York Office: 404-408 Main Street, Suite 501, Boonton, NJ 07005 P/973-794-3171
www.cbgcommunications.com*

MEMORANDUM

To: Scott Nicewarner, City Administrator
City of Hagerstown, Maryland

From: Tom Robinson, President & CEO
CBG Communications, Inc.

Date: September 7, 2022

**RE: Contract Amendment and Additional Budget Concerning Cable Franchise
Negotiations**

As a follow-up to our discussion, CBG Communications, Inc (CBG) and River Oaks Communications Corporation (River Oaks) have been working diligently along with input from pertinent City staff to negotiate a competitive cable franchise with Comcast that meets the requirements of Federal law, complies with the Hagerstown City Code and maintains competitive equity with the existing Antietam Franchise. These negotiations have proceeded to the point where the final key issues are under detailed discussions and multiple redlines of the draft franchise agreement have been exchanged back and forth. Per our discussion, we anticipate that these key issues will be resolved this Fall such that a Franchise Agreement can be ready for consideration by the City Council before the end of 2022.

Consistent with our original discussions, we anticipated that if the timeframe for the negotiations became elongated, that additional task hours would be needed to complete franchise negotiations and the development of the new Comcast Franchise. Accordingly, CBG and River Oaks have determined the need for additional budgetary funds for additional task hours, in the amount of \$20,000 beyond the original amount of the project. This would increase the amount of compensation payable under the current Contract amount from \$40,000 to \$60,000, in order to continue to provide franchise negotiation and development services as specified in the Contract.

We understand that an amendment to the contract is needed to provide such additional services and funds, and have prepared a contract amendment that encompasses the additional budget needed, which is attached to this Memorandum.

Per our review of current task hours utilized to-date to support the franchise negotiations, CBG and River Oaks are near the project budget cap. This will be apparent when the City receives our August-time bill next week. Accordingly, the additional \$20,000 budgetary amendment request will go to support the additional task hours needed for the remaining franchise negotiations and Agreement finalization. We anticipate that this will be sufficient funding needed to complete the franchise negotiation and development process (as long as we reach an agreement on the final key issues without any intransigence on Comcast's part that could only be resolved through litigation).

As we discussed, the City Code requires in Chapter 70-6(A.) that Comcast pay an application fee that covers the City's cost of developing an initial franchise agreement.

Don't hesitate to contact me if you have any questions concerning any of the information provided herein or if you need any additional information. We appreciate the opportunity to continue working with the City on this very important Cable Franchise Agreement Development Project.

cc: Bob Duchen, River Oaks

**AMENDMENT NO. 1
TO THE
FEBRUARY 1, 2022
HAGERSTOWN, MARYLAND
AGREEMENT TO FURNISH CONSULTING SERVICES WITH
CBG COMMUNICATIONS, INC.**

THIS AMENDMENT is made and entered into the 1st day of September 2022 by and between the City of Hagerstown, Maryland, hereinafter referred to as "City", and CBG Communications, Inc., hereinafter referred to as "Consultant," to revise the February 1, 2022 Agreement to Furnish Consulting Services as follows:

1. Section 3 – Additional Services.

Pursuant to Section 4 – Consultant's Fees is amended to read:

Total Task Costs increased by \$20,000.

Total Not to Exceed Cost is increased from \$40,000 to \$60,000.

2. Effective Date of Amendment – September 1, 2022.

All other terms of the February 1, 2022 Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereunto have executed this Amendment No. 1 on the date first above written.

**THE CITY:
HAGERSTOWN, MARYLAND**

By: _____
Scott Nicewarner, City Administrator

**CONSULTANT:
CBG COMMUNICATIONS, INC.**

By: _____
Thomas Robinson
President & CEO