



Legislation Text

File #: 22-1226, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: June 8, 2022

COUNCIL DISTRICT(S): N/A

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize (1) an application to the Federal Communications Commission and all related documents necessary to convert the City's license for WRR 101.1 FM to a non-commercial license; (2) rescinding Council Resolution No. 78-0309, which provides for radio coverage of City Council meetings on WRR 101.1 FM, to discontinue future City Council meeting broadcasts on WRR 101.1 FM; and (3) a seven-year management and facility agreement, with two eight-year renewal options, for the management and operation of WRR 101.1 FM and Fair Park studio for the Office of Arts and Culture with North Texas Public Broadcasting dba KERA, most advantageous proposer of two - Annual Estimated Revenue (Reimbursements) of \$452,077

BACKGROUND

This action will authorize an application to the Federal Communications Commission to convert the City's license for 101.1 FM to a non-commercial license, rescind Council Resolution No. 78-0309, which provides for radio coverage of City Council meetings on WRR, to discontinue future City Council meeting broadcasts on WRR-FM and a seven-year management agreement with two eight-year renewal options for the management and operation of the WRR and Fair Park studio for the Office of Arts and Culture.

Staff recommends a non-commercial license as the best approach to sustainability for WRR 101.1 FM as a classical station. More than 80 percent of classical radio stations are operated on a non-commercial license with support coming from a blend of listeners, businesses, and foundations.

In order to expand classical programming hours, KERA has requested that the City Council consider rescinding the 1978 resolution mandating WRR broadcast of City Council meetings. Historically, WRR has had the statistical equivalent of zero listeners during 87 percent of the City Council broadcast times. Since the transition to WebEx in 2020, City Council meetings have not been broadcast on WRR due to sound quality insufficient for radio broadcast, and residents having additional dial-in options to listen to the meetings through the WebEx platform. The Office of Arts and Culture, WRR, and the Communications, Outreach, and Marketing Department have received zero

complaints about the lack of City Council broadcasts on WRR.

The seven-year management agreement with two eight-year renewal options will provide complete management and operation of the WRR and Fair Park studio. KERA will be responsible for all classical format broadcasting of the WRR radio station, maintenance and capital expenses of the studio facility, advertising and promotion of WRR, and all other associated tasks related to the successful operation of the radio station. Under the proposed agreement KERA is contractually obligated to reimburse all City expenses associated with WRR, and the fund's revenues will match or exceed operating expenses each year during the contract.

Additionally, KERA will provide to the City 14 to 17 Public Service Announcements every day in peak hours on WRR or KERA's other platforms. If these spots were made available by KERA to other organizations, they would have a value of approximately \$200,000-\$250,000 each year. KERA's platforms reach approximately 2.6 million people each week, and include FM radio stations 90.1 and 91.7, TV channel 13, and multiple online websites and streaming services, including artandseek.org, keranews.org, and learn.kera.org. These announcements can be used to promote arts organizations in accordance with the Communications Priority of the Dallas Cultural Plan, and to promote City educational and engagement initiatives such as the Comprehensive Environment and Climate Action Plan (CECAP), the developing Racial Equity Plan, and Budget Town Halls.

As owner of WRR, the City will retain certain responsibilities - such as one full-time employee, radio tower rent in Cedar Hill, and broadcast engineering (all of which KERA is obligated to reimburse the City for). The estimated annual revenue of \$452,077 in contractually obligated reimbursements from KERA will be utilized by the City to pay for all remaining expenses related to the City's station ownership responsibilities, as mandated by the Federal Communications Commission (FCC). Consequently, this item will incur no net cost consideration to the City at minimum, ending the recent history of WRR's operating losses. This agreement adds the potential to earn new sources of revenue through KERA as well.

Potential additional considerations to be provided by KERA include:

- 1) A third-party continuity fund of at least \$500,000, to be turned over the City for continued WRR operations at end of the agreement or in the event of an early termination by KERA.
- 2) Assumption all maintenance and capital responsibilities for the City-owned Fair Park Studio, with building capital improvements to be owned by the City.
- 3) Public service announcements for the City of Dallas and its arts partners:
 - a. Year 1: 14 announcements daily on WRR or equivalent on other KERA platforms
 - b. Subsequent years: 17 announcements daily on WRR or equivalent on other KERA platforms

KERA has proven experience to market and operate radio stations and has committed to continuing locally-managed classical programming on 101.1 FM with no request for any taxpayer funds. KERA's scale and experience will enable audience growth, new initiatives, including diversification of the on-air talent and composers played, new services to Dallas based artists and arts groups, and the expansion of KERA's educational opportunities for children to 101.1 FM.

If approved, the contract seeks to reverse the trend of City losses in the municipal radio enterprise fund; the station has not had an operating profit in nine of the past 10 years, and the pandemic and competing technologies have worsened the forecast going forward. The most recent Annual

Comprehensive Financial Report listed WRR's deficit net position at \$5.6 million.

A four-member committee from the following departments reviewed and evaluated the qualifications:

- Communications, Outreach, and Marketing (1)
- Office of Arts and Culture (2)
- Department of Sanitation Services (1)

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Approach 35 points
- Experience and qualifications 30 points
- Financial benefit to the City 25 points
- Service to the Dallas Arts Community 10 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$12.38; the selected vendors meet this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[The Quality of Life, Arts and Culture Committee was briefed by memorandum regarding this matter on May 16, 2022. <http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=87889e21-a7d0-4b87-8440-42d0145679f0.pdf>](http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=87889e21-a7d0-4b87-8440-42d0145679f0.pdf)

FISCAL INFORMATION

No cost consideration to the City (All remaining expenses to the City will be reimbursed by KERA under agreement.)

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal	M/WBE %	M/WBE \$
\$452,077.00	Revenue	N/A	N/A	N/A
<ul style="list-style-type: none"> • The Business Inclusion and Development Policy does not apply to Revenue contracts. • North Texas Public Broadcasting dba. KERA - Local; Workforce - 99.07% Local 				

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

Request for Competitive	<ul style="list-style-type: none"> • Utilized for high technology procurements, insurance procurements, and other goods and services
Sealed Proposal	<ul style="list-style-type: none"> • Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications
	<ul style="list-style-type: none"> • Always involves a team evaluation
	<ul style="list-style-type: none"> • Allows for negotiation on contract terms, including price

The Office of Procurement Services received the following proposals from solicitation number BYZ21-00015658. We opened them on August 13, 2021. We recommend the City Council award this management agreement in its entirety to the most advantageous proposer.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
*North Texas Public Broadcasting dba. KERA	3000 Harry Hines Boulevard Dallas, TX 75201	71.25
Dallas Symphony	2301 Flora St. Dallas, TX 75201	51.00

OWNER

North Texas Public Broadcasting dba. KERA

William M. Addy, Board Chair
 Nico Leone, President
 Christopher Wagley, Chief Operating Officer