

## EXECUTIVE SUMMARY

### Direct Negotiation Recommendation of \$500,000 or Greater 58-124E – BECON Channel Move (FCC-Mandated Repack)

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This request is to approve spending authority for BECON to continue the process to adhere to the requirements of the Federal Communications Commission's (FCC) mandate to move The School Board of Broward County, Florida's (SBBC), television (TV) station's channel, WBEC, to a different broadcast frequency (channel). SBBC must purchase and install new broadcast equipment to comply with the move requirement; however, the FCC will reimburse certain costs to the SBBC.

The process is complex. WBEC's equipment (transmitter and antenna) has precise specifications, weighs tons and has an extended lead-time of up to fourteen (14) weeks to manufacture and three (3) weeks to install. In addition, the FCC issued requirements that specific companies be utilized in order to qualify for the funding (reimbursement). On December 19, 2017, the School Board approved agenda item II-1, which is the lease agreement with American Tower Company (ATC), which is where the WBEC broadcast equipment is located. The Tower Company also has rules and regulations for work completed at the Tower site location.

On September 6, 2017, the School Board approved an agreement with T-Mobile wherein T-Mobile will pay SBBC \$645,500 for SBBC's early completion of this project by June 1, 2018. T-Mobile purchased from the FCC the frequency that WBEC will be vacating. This early deadline requires that SBBC move forward with equipment purchase orders as quickly as possible.

In light of the above information, this direct negotiation was performed in accordance with Purchasing Policy 3320, VI (C)(5)(c), and Section 6A-1.012(14), F.A.C., permit the acquisitions of equipment as defined in Section 282.0041(14), Florida Statutes. This request is for spending authority so the SBBC can issue purchase orders as quickly as possible to meet our required deadlines.

#### Financial Impact

The total spending authority requested is \$4,308,080, which represents the cost of the primary transmitter, auxiliary transmitter, custom antenna, engineering services, permits and other anticipated fees.

Total equipment and services costs	\$ 3,590,067
<u>Twenty (20) percent contingency</u>	<u>\$ 718,013</u>
<b><u>Total spend authority (rounded)</u></b>	<b><u>\$ 4,308,080</u></b>

The approval of this recommendation does not mean the full authorized amount will be spent. The FCC will reimburse the majority of these costs. BECON estimates costs of up to \$600,000 that will not qualify for FCC reimbursement. These costs include integration and recertification of a generator and Active Power UPS and replacement of a failing HVAC unit. All of the non-reimbursable costs can be covered by the T-Mobile revenue so that there will be no net cost to the District for the Repack project. Spending authority is required to follow normal Procurement procedures for generating purchase orders. Invoices received will be filed immediately with the FCC for reimbursement. For most if not all equipment orders, reimbursement should be received from the FCC before invoices are due for payment.

**Overall, there is a positive financial impact to the District.**

#### Pricing Structure

All equipment being procured has been vetted through the FCC.