



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Text File

File Number: K-1213-128

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Status: Consent Item

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File Type: Contract

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Title

CONTRACT NO. K-1213-128: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN AND SOUTHWESTERN BELL TELEPHONE COMPANY D/B/A AT&T OKLAHOMA TO PROVIDE U-VERSE SERVICES FOR THE CITY OF NORMAN FOR A PERIOD OF FIVE YEARS.

Body

BACKGROUND: In 2007, AT&T approached the City of Norman about a new service it had developed called U-Verse. U-Verse is an Internet Protocol (IP) based service that is offered over existing telephone network facilities. The service includes high speed internet access, IP-video features with more than 300 channels, video on demand, digital video recorders, and parental controls, in addition to other features. Unlike a traditional cable service provider, AT&T already has access to the public rights-of-way via its statewide franchise for telephone service. Since expanding into the IP service market, AT&T has been willing to negotiate a fee with cities that is similar to a franchise fee even though it already has access to public rights-of-way. The original contract (K-0708-47) was for a five (5) year period and provided that AT&T would pay to the City a fee equal to 5% of its gross revenues. Additionally, AT&T agreed to provide capacity for six (6) "streams" or "channels" for noncommercial educational and governmental programming should the City provide content in a compatible format. As AT&T has rolled out the U-Verse service, the franchise fee remitted to the City has steadily increased to a high in fiscal year 2012 of \$248,345.04.

DESCRIPTION: Contract No. K-1213-128 with AT&T contains the same terms as the 2007 contract. AT&T will continue to pay a fee equal to 5% of its gross revenues to the City. AT&T will also continue to provide six (6) "streams" or "channels" for noncommercial educational and governmental programming. The term of the new contract is also five (5) years.

RECOMMENDATION: Staff recommends approval of Contract No. K-1213-128.