



Request for Proposal for the carriage of a Digital Television Programme Service on COM4 on the UK DTT Platform June 2022

SDN Limited ("SDN") is pleased to invite offers from channel providers for a Digital Television Programme Service (a "channel") on COM4 (formerly known as Multiplex A), one of the national multiplexes that forms part of the UK Digital Terrestrial Television (DTT) platform.

SDN is able to provide carriage of a channel on COM4, subject to contract and the grant of an Ofcom DTPS licence, on the following headline terms:

- **Service:** Standard definition television channel
- **Launch Date:** 6 June 2022 onwards
- **Term:** Flexible
- **Hours:** 24 hours per day, 7 days per week
- **Terms:** A copy of SDN's standard form contract will be made available to those successful in getting through to the final stages in this process.

Channel Provider Proposal Content

Proposals should cover, at a minimum, the following:

Proposed Use and Requirements

1. Details of the proposed channel – genre, target audience, a draft 7 day programme schedule. Please include an assessment of the attractiveness of the content to viewers and the ability of the content to attract new viewers to DTT.
2. Proposed launch date.

Company Information

3. Details of the proposed contracting legal entity, registered number and address and, in the case of a subsidiary company, an organisation chart showing its relationship to the parent company.
4. A copy of the proposed contracting legal entity's latest published audited annual accounts. Also required is evidence of the party's ability to meet the cost of the contract throughout the term. If the organisation is part of a group, please provide figures for both subsidiary and group. Please note that SDN may require financial surety in respect of a party's ability to pay the charges payable under the contract (e.g. a bank or parent guarantee or other suitable security may be required).
5. Details on length of time the company has been established and principle areas of business.
6. Details of any significant court actions and/or industrial tribunal hearings outstanding against the company.

Commercial Terms

7. Proposed length of the contract term.
8. A firm price offer, subject to contract, for the annual fees to be paid to SDN over the term of the contract.
9. If a variable or supplementary offer is to be proposed, all supporting information to be included.
10. Details of any qualifications or assumptions made by the channel provider.

All offers are subject to contract.

Additional Obligations of the Channel Provider

Responsibilities of the channel provider will include:

- Responsibility for all data, programming and any other content comprising the channel including the data streams required to transmit it together with appropriate indemnities relating to the channel content
- Delivery, at the channel provider's cost, of the input signals to SDN's point of contribution, currently located at the Arqiva Broadcast Management Centre at Feltham, Middlesex
- To ensure signals will comply in all material respects with SDN's technical requirements and will not cause any damage to any property or equipment (including any software) SDN or any supplier SDN contracts with for the provision of DTT transmission services on Com 4
- Proportional contributions towards any future spectrum charges levied by any applicable regulatory authority
- Comply with and obtain as necessary all applicable laws, leases, clearances, regulations, permits, covenants, registrations, authorisations licences and codes, including the SDN Technical Code, Ofcom's Broadcasting Code and the terms of the Ofcom licence for the channel, in relation to the provision of the proposed channel, use of SDN's services and to otherwise perform all of its obligations under any commercial agreement with the SDN
- Not to infringe or violate the Intellectual Property Rights or any other rights of any third party and the channel shall not contain any material which is defamatory or of a criminally obscene nature

The channel provider will also be required to contract with Digital UK for the logical channel number required for the channel on the DTT platform.

Timetable and Selection Process

Proposals must be submitted by **5pm on Friday 17th June 2022**.

SDN reserves the right to:

- Not enter into a contract, or to change or cancel the RFP process at any time. All parties responding to this RFP shall do so on a purely speculative basis and will remain entirely responsible for any costs they incur throughout the tender process, even if SDN cancels the tender process.
- Extend the RFP process at its sole discretion.
- Create a shortlist following the receipt of the proposals; to seek clarification in respect of the proposals submitted and to negotiate with more than one party.
- Ask selected parties to enter into further bidding rounds (on an open or closed basis) as SDN deems necessary.
- Require a deposit from selected bidders at a later point in the bidding process.
- Eliminate bidders from the RFP process at its sole discretion if it deems a proposal to be non-compliant with its evaluation process.
- Contract with whichever channel provider it deems to have best fulfilled the evaluation criteria.

Evaluation Criteria

Proposals will be evaluated in accordance with SDN's published guidelines (a copy of which is contained in the schedule to this RFP), including the following criteria:

- Attractiveness of proposed commercial terms relative to current and expected future market value of DTT capacity
- Cost differentials
- Commercial risk undertaken by SDN in contracting with the potential channel provider (e.g. affected by certainty of income, scale of the risk in the context of SDN's overall business)

Proposal Submission

Should you wish to respond, please email your response to SDN by no later than **5pm** on **Friday 17th June 2022**, to the following email address:

david.coughtrie@itv.com

SCHEDULE

PRINCIPLES FOR THE FAIR, REASONABLE AND NON-DISCRIMINATORY ALLOCATION OF CAPACITY ON COM4

1. Introduction

- 1.1 When seeking to allocate available capacity on COM4, SDN will follow the principles set out below.

2. Notification of availability

- 2.1 SDN will use reasonable endeavours to:
- (a) notify potential content providers of the availability of such capacity; and
 - (b) give potential content providers sufficient time to express an interest in such capacity, negotiate terms and, where appropriate, prepare a bid for submission to SDN.

3. Selection of content providers and terms offered

- 3.1 SDN will make available proposed terms and conditions to any potential content provider which submits a request for them following the notification of the availability of capacity under paragraph 2.1.
- 3.2 Proposed terms and conditions provided under paragraph 3.1 will be indicative only and SDN will enter into further discussions with potential content providers based on the principles set out in paragraph 3.3 below.
- 3.3 In agreeing terms and conditions, SDN will not unduly discriminate between content providers. Any difference in treatment will be based on objective factors (which may include but not necessarily be limited to) some or all of the following:
- (a) cost differentials;
 - (b) the level of commercial risk to be undertaken by SDN in contracting with the potential content supplier - which will be affected, for example, by certainty of income, the length of the contract and the scale of the risk in the context of SDN's overall business;
 - (c) the attractiveness of content to viewers and the ability of the content to attract new viewers;
 - (d) the provisions of SDN's licence which relate to the capacity of services on the multiplex to appeal to a variety of tastes and interests; and
 - (e) market conditions at the time at which the contract is agreed.

SDN Limited