Partnering with the City:
Commission for Arts and Culture

The City of
SAN DIEGO

MISSION

Vitalize the community by integrating arts and culture into community life, supporting the region's cultural assets, and showcasing San Diego as an international cultural tourism destination

VISION

Expanding our world by celebrating creativity in San Diego

Jean Isaacs San Diego Dance Theatre, *Trolley Dances*

ORGANIZATIONAL SUPPORT PROGRAM (OSP)

Provides general operating support with an emphasis on the delivery of programs and services that impact San Diego's quality of life and tourism.

OSP allows for:

- General operating support for arts and culture nonprofits
- Types of applicants: Theaters, Museums, Dance, Music, Heritage and Cultural, Arts Service Organization, etc.
- Delivery of arts and culture programs and services that engage residents and visitors
- Impact on San Diego's quality of life and tourism

CREATIVE COMMUNITIES SAN DIEGO (CCSD)

Provides sponsorship for projects, such as community-based festivals, parades, and celebrations. Projects promote neighborhood pride and community reinvestment; make arts and culture activities more available and accessible in San Diego neighborhoods; and encourage people of diverse backgrounds to share their heritage and culture.

CCSD allows for:
- Project specific support for nonprofits
- Types of projects: Festivals, parades, and celebrations
- Promote neighborhood pride and community reinvestment
- Arts and culture activities more available and accessible in neighborhoods
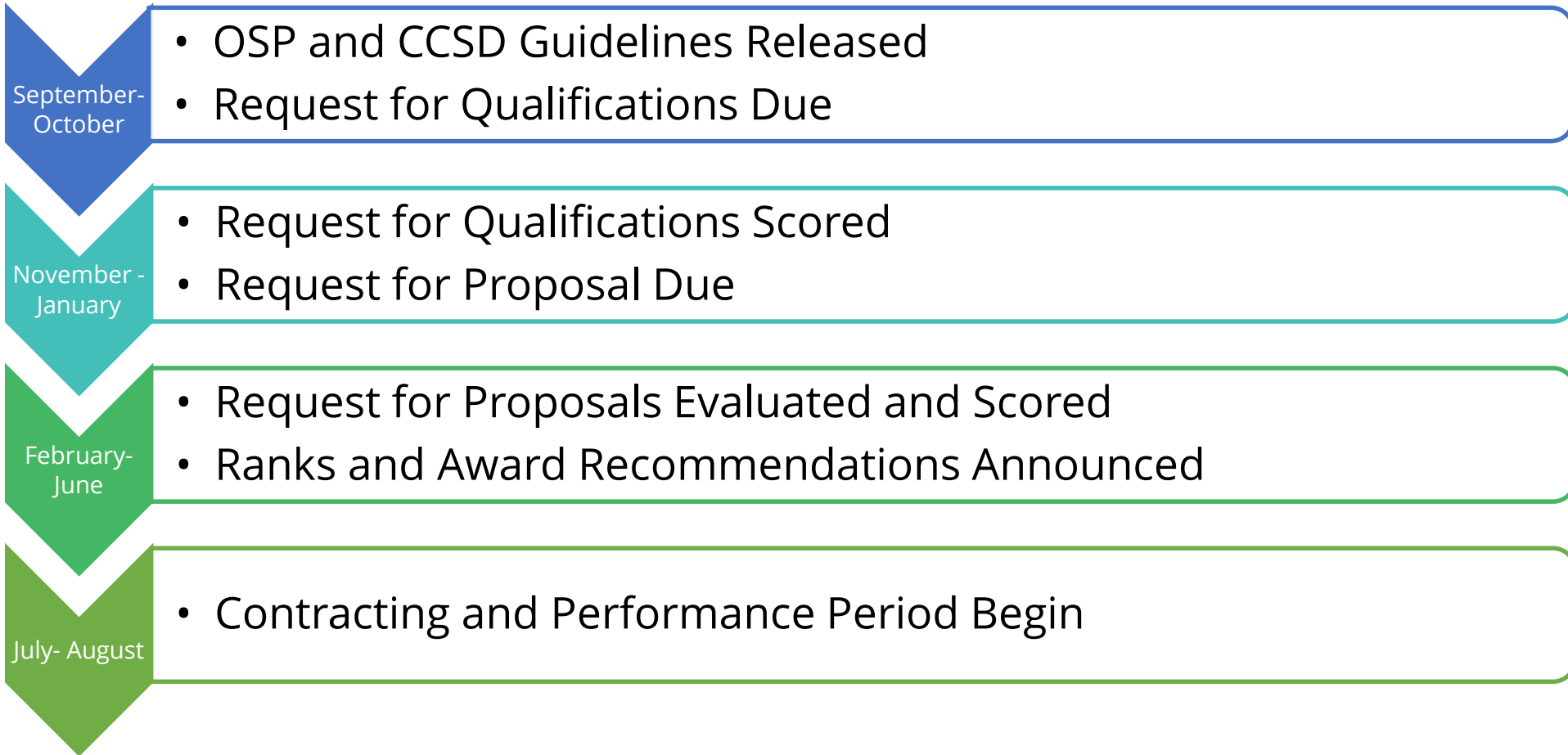- Allows projects via Fiscal Sponsorships

$$$$$$

The Commission receives a portion of the City's Transient Occupancy Tax (TOT) Special Promotional Program, paid by tourists and other visitors to San Diego.

- **OSP** Funding Awards can range **$5,000–$600,000***

- **CCSD** Funding Awards can range **$5,000–$140,000***

*Depends on funding program, TOT revenue projections, Mayoral and City Council allocation, application rank, and organization's budget or project size.

Schedule of Opportunities

September-October
- OSP and CCSD Guidelines Released
- Request for Qualifications Due

November - January
- Request for Qualifications Scored
- Request for Proposal Due

February-June
- Request for Proposals Evaluated and Scored
- Ranks and Award Recommendations Announced

July- August
- Contracting and Performance Period Begin

The City of San Diego's fiscal year runs from July 1 to June 30.

MISSION ALIGNMENT

Your organization operates to fulfill a mission that aligns with the purpose of the Arts, Culture, and Community Festivals category of TOT funding, which is:

1. To **enhance** the economy;
2. To **contribute** to San Diego's international reputation as a cultural destination;
3. To **provide** access to excellence in culture and the arts for residents and visitors;
4. To **enrich** the lives of the people of San Diego; and
5. To **build** healthy, vital neighborhoods

The Application is a two-Phase Process

RFQ ➡ **RFP**

The City's **Request for Qualifications**. The RFQ allows the City to evaluate if an organization is eligible to apply.

The City's **Request for Proposal**. The RFP allows the City evaluate the degree to which each applicant's programs/ services align with the City's goals

DEFINING RFQ

The process of assessing if an applicant is "Qualified" or "Not Qualified" to contract with the City.

Criteria include:
- Meeting eligibility requirements
- Accountability through governance and financial practice
- Bandwidth to manage the details of a City contract

WHO EVALUATES THE RFQ?

Through a contract with the University of San Diego, an outside team of nonprofit financial experts trained specifically in City contracting processes along with City staff evaluate the strength of each applicant's ability to deliver the obligations of a City contract using the information provided in the RFQ.

DEFINING RFP

The process of accessing how well programs and services provided to citizens and visitors align with the City's goals.

Assessment areas include:
- Programs and services
- Community engagement
- Organizational capacity
- Emphasis areas (OSP) or project budget (CCSD).

WHO EVALUATES THE RFP?

Reviewed by Commission Advisory Panels composed of diverse members of the San Diego community and experienced arts and nonprofit professionals from the greater San Diego/Southern California region.

The City of San Diego
Commission for Arts and Culture

FY21 Arts and Culture Funding Request for Qualifications (RFQ)

The City of
SAN
DIEGO

Request for Qualifications (RFQ)

APPLICATION SECTIONS

1. Organizational Information

2. Eligibility Requirements

3. Service Area

4. Administrative Capacity

5. Governance Practices

6. Financial Management

7. Past Performance on City Contracts

8. Conditions for Submission

9. Option to Renew for Returning Applicants

- Legal Name, and DBA, if applicable

- Organization Address(es) & Council Districts

- Contact Information

- Mission Statement

- Fiscal Year End Date

- Annual Operating Income (AOI) (for OSP applicants)*

- Project Budget (for CCSD applicants) *

GENERAL INFORMATION ABOUT THE ORGANIZATION.

THIS IS THE ONLY SECTION THAT IS NOT SCORED.

*AOI and Project Budget submitted in RFQ
will be used to calculate award amount

Amounts to be subtracted from Line 1.	
2. Unrestricted income used for the purchase of fixed assets or for capital improvements **If you used any unrestricted income for *fixed assets* or for *capital improvements*, subtract that amount here.**	$
3. Temporarily or Permanently Restricted Income **If you did include temporarily or permanently restricted income in the line item for unrestricted income, subtract that amount here.**	$
4. Unrestricted income used to for the purchase of appreciable works of art **If you used any unrestricted income for the purchase of appreciable works of art, subtract that amount here.**	$
5. Unrealized Unrestricted Investment Gains **If line 1 includes any unrealized unrestricted investment gains – including gains arising from changes in the fair value of investment property including appreciable works of art, or sales of fixed assets – subtract that amount here.**	$
6. Any portion of a multi-year grant or donation recorded as unrestricted income but not received **If line 1 includes any portion of a contribution or grant that was not received during the year, subtract that amount here.**	$
7. Other amounts to subtract	$
Amounts to be added to Line 1.	
8. Unrealized Unrestricted Investment Losses **If line 1 includes any investment losses or losses on the sale of assets, add that amount here.**	$
9. Other Additions	$
TOTAL Annual Operating Income (AOI)	$

Find this template and a glossary of terms at
www.sandiego.gov/arts-culture/funding

Your Organization Name — **Project Budget**

This budget should reflect income and expenses for the proposed FY21 CCSD project — **Project Name**

Revenue

Contributed Revenue	FY21
Local Government Income	
State Governement Income	
Federal Income	
Foundation Grants	
Corporate Sponsorships	
Individual and Board Contributions	
In-Kind*	
Total Contributed Revenue	-

Earned Revenue	FY21
Membership Dues	
Tickets Sales / Admissions	
Sales of Merchandise	
Food & Beverage Revenue	
Rental Revenue	
Fundraising Events	
Education Programs, Classes, and Events	
Other*	
Total Earned Revenue	-

Total Revenue	$0.00

Operating Expenses

Operating Expenses	FY21
Salaries and Wages	
Facilities/Space Rental	
Artistic Expenses	
Entertainment Expenses	
Marketing	
Supplies	
Equipment Rental	
Printing & Copying	
Permits	
Insurance	
Event Expenses (portapotties, fencing, etc)	
Security	
Travel and Transportation	
Food & Beverage	
Other*	
Total operating expenses	-

Total Expenses	$0.00

Net Surplus/(Deficit)	$0.00

* Budget Narrative

1. Please explain sources and amounts of In-kind contributions

2. Please Explain "Other" Earned Revenue

3. Please Explain "Other" Operating Expenses

Find this template and a glossary of terms at
www.sandiego.gov/arts-culture/funding

ASSESSES IF THE ORGANIZATION MEETS THE

ELIGIBILITY REQUIREMENTS.

- Tax exempt status

- Three year history of operations as a nonprofit

- The majority of the organization's activities must take place within the limits of the city of San Diego and/or benefit San Diego residents

- Primary mission is to provide professional development and support artists and/ or arts and culture experiences

- Produce programs or services that create, preserve and/or present arts and culture experiences

- Align with the purpose of TOT funding

- Have not applied to other sources of TOT funding from the City of San Diego

- Exclusions: lobbying, religious or political activities, educational institutions, and re-granting organizations

ASSESSES IF THE ORGANIZATION MEETS
THE CRITERIA SET FORTH IN COUNCIL
POLICY 100-03

Section 3: Service Area

- San Diego- based organization

- If no, evidence provided that the majority of activities take place in San Diego and/or benefit residents (OSP)

- If no, attach letter of commitment from site(s) where project will take place (CCSD)

ASSESS IF THE ORGANIZATION HAS THE ADMINISTRATIVE BANDWIDTH TO MANAGE A CITY CONTRACT

- Organizational chart

- Qualifications of contract administrators

- Insurance requirements
    Liability
    Automobile
    Worker's Compensation

A Basic Nonprofit Organization Chart

ASSESSING WHETHER OR NOT THE ORGANIZATION'S BOARD HAS SUFFICIENT OVERSIGHT
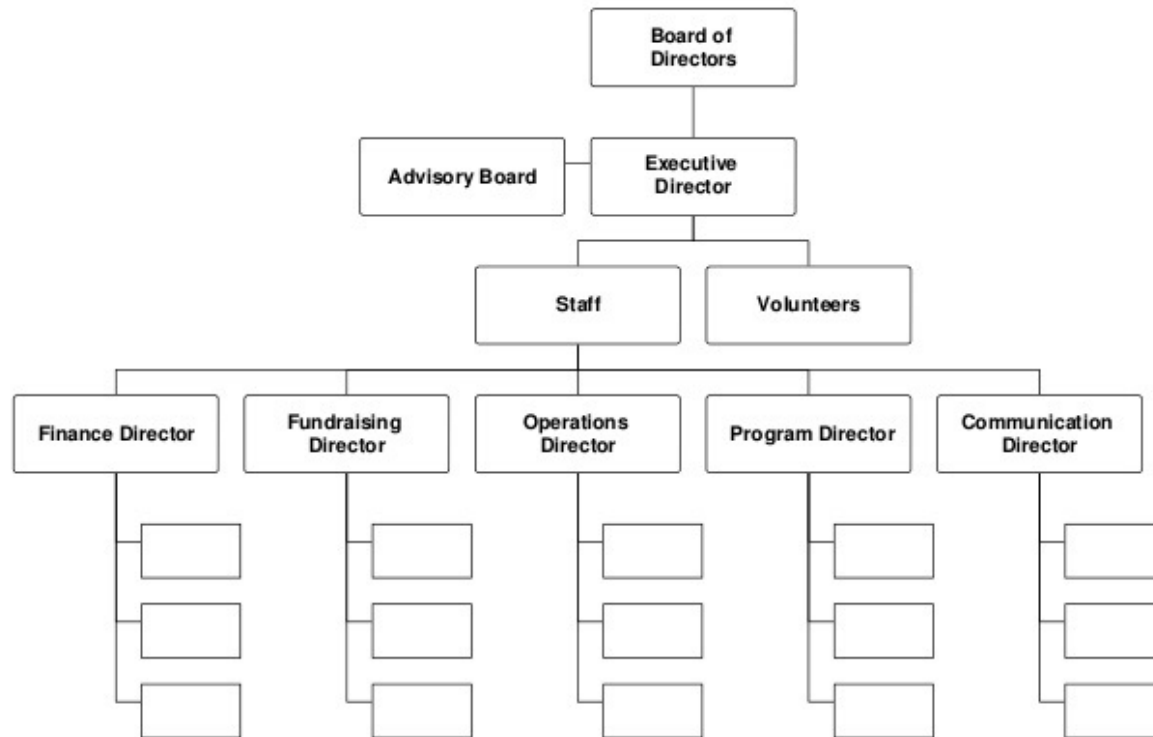
Section 5: Governance Practices

- Frequency of board meetings

- Boards oversight of budgets and compensation agreements

- Board's evaluation of the organization's top executive or key volunteer

- Conflict of Interest policies and enforcement

ASSESSES IF THE ORGANIZATION IS PREPARED TO STEWARD AND MANAGE TAX PAYER DOLLARS

Section 6: Financial Management

- Liquidity (LUNA)

- Organization's financial plan to address liquidity issues

- Organization preparedness to submit a board-approved annual operating budget

- Qualifications of the primary financial management staff/volunteer

DEFINING LUNA

LUNA: Liquid Unrestricted Net Assets

<u>What does liquidity mean?</u>
The availability of liquid assets that can be converted to cash to meet short-term obligations.

<u>Why does it matter?</u>
A financial plan for addressing liquidity issues is important in this process because these contracts are on a reimbursement basis and it can sometimes take between 6-9 months before expenses are reimbursed.

If your organization has less than 1 month of liquidity, you will need to demonstrate a feasible plan for managing budget shortfalls.

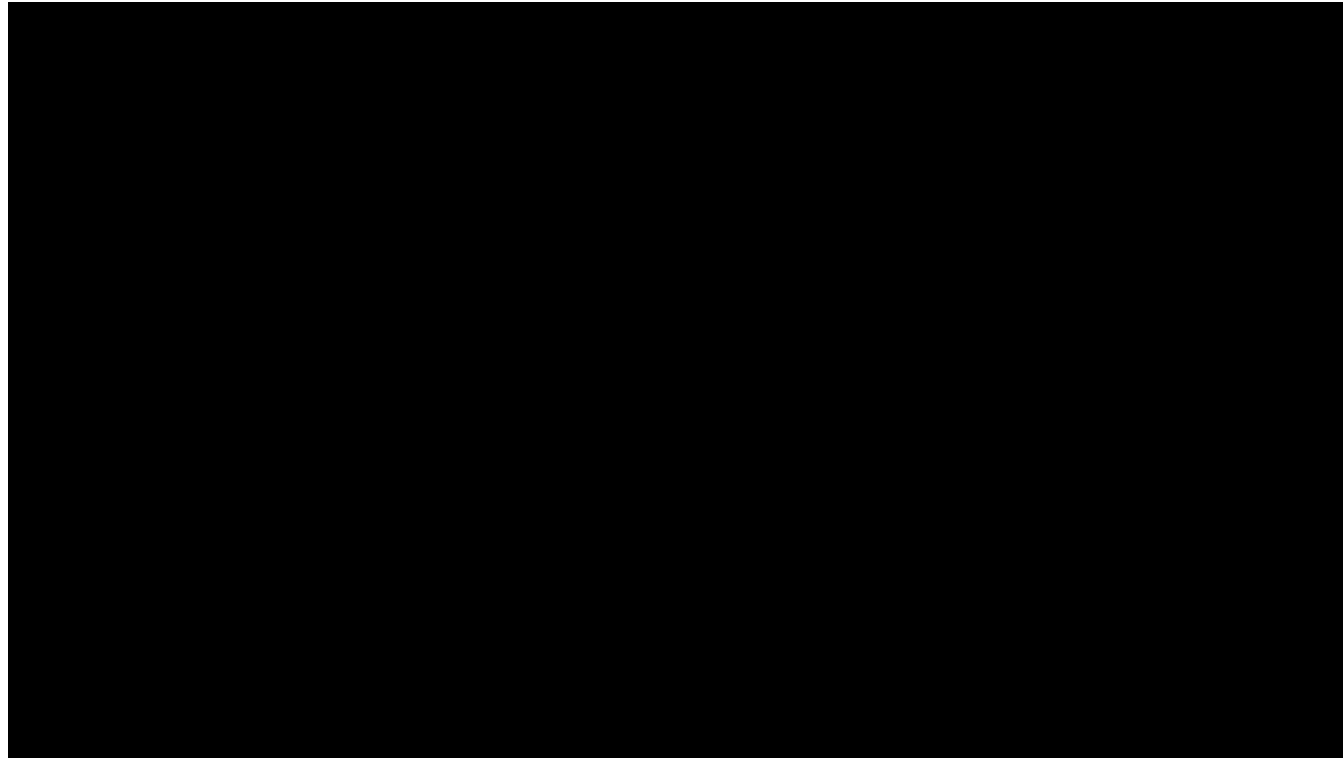## LUNA: Liquid Unrestricted Net Assets

Calculation Formula:

LUNA = (Unrestricted Net Assets – Fixed Assets) + Liabilities Related to Fixed Assets

These figures can be found here:
- Balance sheet from your organization's financial statements
- Board approved annual operating budget

NEW! LUNA: Liquid Unrestricted Net Assets Tutorial

https://www.sandiego.gov/sites/default/files/luna_calculation_rfq_tutorial.pdf

ASSESES WHETHER OR NOT THE ORGANIZATION HAS BEEN IN COMPLIANCE DURING PREVIOUSLY AWARDED CONTRACTS

Section 7: Past Performance on City Contracts

- Organization submitted late contract kit.

- Organization did not perform the agreed upon scope of services.

- Organization withdrew from contracting after award allocation.

- Organization did not claim full award amount.

- Organization submitted late final performance report.

- Organization did not submit the final performance report.

- City terminated contract with organization for cause.

Responses in this section will be provided by staff using data collected from past performance on City contracts from FY19 forward.

ALL ORGANIZATIONS WILL READ THE CONDITIONS AND SIGN, ACKNOWLEDGING THEY UNDERSTAND THE CONDITIONS

Check out the FY21 Funding Guidelines for a full list of conditions.

ORGANIZATIONS WILL SELECT WHETHER THEY:

- ARE NOT A RETURNING APPLICANT
- PREFER AN OPTION TO RENEW
- PREFER TO SUBMIT A RFP (REQUEST FOR PROPOSAL/ PHASE 2)

DEFINING RETURNING APPLICANT

An applicant awarded a Fiscal Year 2020 contract or contract renewal who is seeking an FY21 contract.

A returning applicant whose RFQ is deemed "qualified" may select one of the following:

Request the Option to Renew: Returning applicants may request the City to renew their current contract. If the request meets the eligibility criteria and is accepted by the City, the returning applicant will not have to submit a response to the FY20 RFP for panel evaluation. Their prior rank will carry over to be used as a factor to calculate the FY21 award amount.

Submit a Response to the RFP: Returning applicants may choose to submit a response to the FY21 RFP for panel evaluation. The rank given after the panel evaluation will be used as a factor to calculate the FY21 award amount. There is no guarantee the returning applicant will receive a higher rank than their prior-year rank through panel evaluation.

WHO EVALUATES THE RFQ?

A team will evaluate the strength of each applicant's ability to deliver the obligations of a City contract using the information provided in the RFQ. The team will use a standardized evaluation criteria.

All applications will be scored:
- "Qualified" or
- "Not Qualified"

Evaluation criteria is available on the RFQ Scoring Tool, included in the FY21 Funding Guidelines.

Evaluation Criteria and Scoring

Section	Evaluation Criteria
1. Applicant Profile	Must be complete.
2. Eligibility Survey	Meets all requirements per Council Policy 100-03
3. Administrative Capacity	Meets requirements of City procurement authorities and provides evidence of organizational structure and management systems
4. Governance Practices	Ensures good stewardship of public confidence to fulfill City contracts, board supports proper stewardship of funds and organizational accountability. Policies are designed to prevent self-dealing and corruption.
5. Financial Management	Completed and correct LUNA calculations and board-approved current annual operating budget. Organizations with less than two months of liquidity provide feasible plans for covering unexpected shortfalls. Appropriate financial management experience of staff/volunteer/contractor
6. Past Performance on City Contracts	History of deficiencies (e.g. late contract kits, late final reports, etc.)
7. Conditions for Submission	Must be complete.

Evaluation Criteria and Scoring

FISCAL YEAR 2020 CREATIVE COMMUNITIES SAN DIEGO (CCSD)

| RFQ APPLICATION QUESTION	GRADING	RATIONALE
5. Each organization awarded funding will be offered a contract for services. A requirement of the contract is that your organization must provide proof of a Workers' Compensation insurance policy if your organization has at least one paid employee. Will your organization be able to provide this proof at the time the contract is issued?	Yes = Qualified N/A = Qualified No = Not Qualified	Required by City procurement authorities
RFQ SECTION 4: GOVERNANCE PRACTICES		
1. How often does the board of your organization formally meet to conduct the business of the organization?	Monthly = Qualified Bi Monthly = Qualified Quarterly = Qualified Annually = Not Qualified	To ensure good stewardship and public confidence in City contracts and to fulfill procurement requirements, a nonprofit board must meet at least quarterly.
2. Does the board of your organization approve annual budgets for the organization?	Yes = Qualified No = Not Qualified	Annual board approval of budgets is evidence of appropriate fiscal oversight and organizational accountability.
3. Are compensation arrangements for officers, directors, trustees, and key employees approved by the board?	Yes = Qualified N/A = Qualfied No = Not Qualified	Ongoing evaluation of compensation arrangements supports proper stewardship of funds and organizational accountability.
4. Does the board of your organization conduct an annual performance evaluation of the organization's top executive?	Yes = Qualified N/A = Qualified No = Not Qualified	Ongoing evaluation of the organization's top executive on at least an annual basis promotes accountability.
5. How often is the board provided with financial statements that include budgeted vs. actual revenues and expenses?	Monthly = Qualified Bi Monthly = Qualified Quarterly = Qualified Annually = Not Qualified	To ensure good stewardship and public confidence in City contracts, nonprofit boards provide ongoing oversight of finances on at least a quarterly basis.
6. Can your organization provide proof of having a conflict of interest policy that is 1) signed annually by officers, directors, or trustees, and key employees and 2) has specific language to prevent self-dealing?	Yes = Qualified No = Not Qualified	To ensure good stewardship and public confidence in City contracts, conflict of interest policies are designed to prevent self-dealing and corruption.
7. Can your organization provide proof that officers, directors, or trustees, and key employees are required to annually disclose interests that could give rise to conflicts?	Yes = Qualified No = Not Qualified	To ensure stewardship and public confidence in City contracts, conflict of interest policies are designed to prevent self-dealing and corruption. Proof can be provided in documents such as board minutes, conflict of interest disclosure forms, or other official documents.
8. Describe any other significant measures the board takes to perform its governance responsibilities.	Answers to this question are not graded	
RFQ SECTION 5: FINANCIAL MANAGEMENT		
1. Provide your organization's current board-approved annual operating budget, which shows the projected revenue and expenses for your organization's current fiscal year.	Attached = Qualified Not Attached = Not Qualified	Board-approved budgets demonstrate oversight in planning and monitoring the organization's income and expenditures.

Applicants scored "Not Qualified" will enter a 5-day Cure phase.

City staff will identify issues in the RFQ and the organization will have 5 working days to address the issues in question.

If an applicant is able to correct or provide clarifying information which is sufficient to move their score to "Qualified" they will be moved to the Request for Proposals phase.

If they are not able to correct or clarify the issues in question, then the applicant will be directed to resources to help improve their competitiveness for future funding cycles.

**RFQ scored:
Not Qualified**

↓

5 Day Cure Period

Able to Cure   Not Able to Cure

↓   ↓

Request for Proposals

Offered TA for Future Cycles
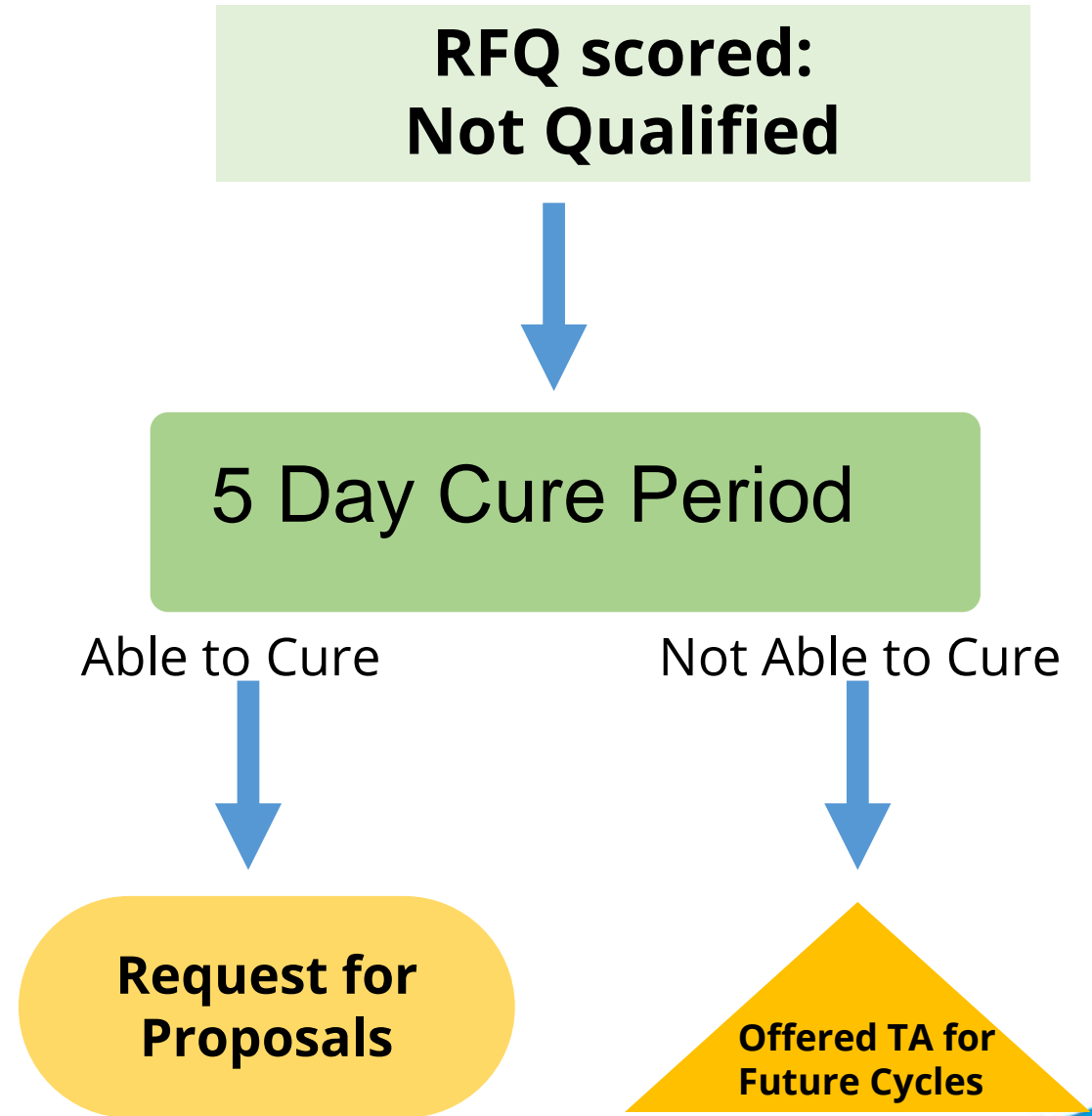
Applicants scored "Qualified" will be given access to the Request for Proposals of they selected to submit an RFP.

RFQ Score: "Qualified" - Ready to Contract

→

Request for Proposal (RFP)

Commission for Arts and Culture

Leticia Gomez Franco,
Interim Senior Arts and Culture
Funding Manager
e: gomezl@sandiego.gov
p: 619.236.6778

Karla Centeno,
Arts and Culture Project Manager
e: kcentenoagui@sandiego.gov
p: 619.236.6849

www.sandiego.gov/arts-culture/funding