

DATE ISSUED: May 31, 2000

REPORT NO. 00-110

ATTENTION: Honorable Mayor and City Council  
Docket of June 6, 2000

SUBJECT: Request for Sponsorship for Banking Services for the City of San Diego.

### SUMMARY

Issue - Should the City of San Diego utilize the Request for Sponsorship process to obtain proposals for banking services?

Manager's Recommendation - Direct staff to develop a Request for Sponsorship to obtain banking services.

Other Recommendations - None.

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Fiscal Impact - No fiscal impact with this action and no future fiscal impacts at the time the City enters into contractual agreements with the company(s). By entering into a partnership arrangement with a company(s) to provide the required services, rather than obtaining them through the traditional bidding process, the City may experience a significant savings in the cost for these services.

### BACKGROUND

The City of San Diego has been purchasing banking services for many years, which has been coordinated through the City Treasurer's Office of the Financial Management Department. Purchases have traditionally been made through a Request For Proposal process where the City requires that each banking service category be independently bid.

As part of the City's Municipal Marketing Partnership Program (MMPP) approved on June 8, 1999 by the City Council, the City has been identifying specific projects that would be

appropriate for the MMPP. On May 1, 2000, the City Council unanimously approved the use of the Request for Sponsorship process to seek proposals to purchase wireless communications goods and services. The RFP for those services was released on May 8, 2000, and proposals are due by June 15, 2000.

## DISCUSSION

The San Diego City Treasurer is seeking proposals to furnish banking services for the City of San Diego. The scope of banking services needed includes three broad categories: deposit services, disbursement services and securities clearance and safekeeping services. These services are needed for the period commencing January, 2001.

Staff working on the Marketing Partnership Program, along with staff from the Treasurer's Office have concluded that the purchase of banking services is a viable candidate for the Request for Sponsorship (RFS) process through the MMPP. The attributes which make banking services appropriate for a RFS process are the competitiveness of the banking marketplace and the extensive sponsorship activities of financial institutions.

The RFS process is identical to the Request For Proposal (RFP) process except that the Marketing Partnership Policy guidelines must be followed, and the following language about the City's Municipal Marketing Partnership Program will be included: "This Request for Proposal is issued in conjunction with the City's Municipal Marketing Partnership Program (MMPP). The MMPP seeks opportunities for the City to generate revenue from partnerships with the corporate community. Respondents to this RFP are encouraged to consider furnishing the goods and services based on a Marketing Partnership with the City. The City defines a Marketing Partnership as a mutually beneficial business arrangement between the City and a third person, wherein the third person provides cash and/or in-kind services to the City in return for access to the commercial marketing potential associated with the City."

The RFS process will utilize the RFP advertising procedure, follow established selection criteria and guarantee a fair and equal opportunity for all interested companies. Furthermore, the RFS process allows for considerably more flexibility in arriving at a mutually beneficial business arrangement. Once the City Treasurer has selected the banking service provider(s), the City Manager will negotiate the partnership agreement subject to final review and approval by City Council.

## CONCLUSION

The City Treasurer is prepared to search the marketplace for companies to provide a vast array of banking services. Purchases of these services can be achieved through a traditional Request for Proposal or the Request for Sponsorship process. Given the competitive nature of the banking

industry, the City may experience substantial savings by obtaining these services through a Request For Sponsorship (RFS) process, while ensuring fairness and equal opportunity for all interested companies.

ALTERNATIVE

Do not approve this request to obtain banking services through a Request For Sponsorship process.

Respectfully submitted,

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Mary L. Braunwarth  
Director of Development

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Approved: Bruce A. Herring  
Deputy City Manager

HERRING/MLB