

Memorandum



CITY OF DALLAS

DATE April 18, 2014

TO Honorable Members of the Arts, Culture & Libraries Committee:
Philip T. Kingston (Chair), Monica R. Alonzo (Vice Chair), Vonciel
Jones Hill, Jerry R. Allen, Carolyn R. Davis, Jennifer Staubach
Gates

SUBJECT Cultural Services Contracts Process

The attached briefing will be presented to the Arts, Culture & Libraries Committee on Monday, April 21, 2014. The briefing will provide an overview of the Cultural Services Contracts application and award process.

If you have questions or need additional information, please contact me.

A handwritten signature in blue ink that reads "Joey Zapata".

Joey Zapata
Assistant City Manager

Attachment

C: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager, Mayor and Council
Maria Muñoz-Blanco, Director of Cultural Affairs



Cultural Services Contracts Process

Briefing to the Arts, Culture & Libraries Committee
April 21, 2014



Office of Cultural Affairs
CITY OF DALLAS

Purpose of the Briefing

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- To provide the Arts, Culture & Libraries Committee with an overview of the Cultural Contracts policy, procedures and outcomes.
- To request the Committee's input to guide the Cultural Affairs Commission's review and updates to the Cultural Contracts policy for FY15-16.

Cultural Contracts Program

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- Through the Cultural Contracts Program, the City contracts annually with emerging, mid-size and large cultural organizations to provide arts and cultural services to the community.
 - ▣ Contracted organizations are required to match the City support with private funds (earned or contributed).
- The Cultural Contracts Program is one of the strategies used by the City to support its mission of establishing a cultural system that ensures that all Dallas citizens and visitors have an opportunity to experience the finest in arts and culture. Other strategies include facility support, cultural center programs, public art and classical radio.

Cultural Contracts Program (cont.)

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- Since FY10-11, the Cultural Contracts Program has been operated on a two-year cycle to streamline the review process, reduce the burden on the applicants, and provide the groups with preliminary funding information for their planning purposes.
- The process for FY14-15 began in January 2014 and any changes adopted by Council to the policy would be implemented in FY15-16.

Cultural Contracts Program (cont.)

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- Cultural Contracts are awarded through an annual application and review process:
 - ▣ Peer review panels are held every other fiscal year to evaluate and rank the applications.
 - Peer review panels are appointed by the Cultural Affairs Commission Allocations Committee and includes volunteers with expertise in the arts and nonprofit management and business people.
 - ▣ On the off-year, the Cultural Affairs Commission's Allocations Committee conducts the review of the applications.
 - ▣ Cultural Affairs Commission makes funding recommendation.
 - ▣ City Council authorizes contract with organizations for cultural services.
 - ▣ Periodic reports and a final report are required as part of the contract.

Cultural Contracts Categories

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- Cultural Organizations Program (COP)
 - ▣ Operating support for established arts and cultural organizations
 - ▣ FY13-14 supported 32 organizations
- Cultural Projects Program (CPP)
 - ▣ Project support for emerging and mid-size arts and cultural organizations and other nonprofits
 - ▣ FY13-14 supported 39 organizations

Multi-step Process

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Step	FY14-15 Timeline
Allocations Committee reviews annual application and guidelines	January-February 2014
OCA posts guidelines and application information	January 31, 2014
Online application goes live	February 21, 2014
OCA hosts information workshops and provides one-on-one phone consultations with prospective applicants	December-January
Application deadlines	April 14, 2014 (COP) April 21, 2014 (CPP)
OCA reviews applications for eligibility and completeness	April 15-22, 2014
Volunteers are recruited and invited to serve in the Peer review panels	February-April 2014
Peer review panels receive access to the online system to review the application prior to their meeting	April 21, 2014 (COP) April 28, 2014 (CPP)

Multi-step Process (cont.)

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Step	Timeline
Peer review panels convene; applicants make a brief presentation and answer questions from the panel	May 12-23, 2014
Applications are scored based on criteria (Panel Score and Compliance Score)	May 27-30, 2014
Allocations Committee uses the application score to allocate funding; their funding recommendation is reviewed and adopted by the Cultural Affairs Commission	June-September 2014
City approves funding recommendation and awards contracts Cultural Organizations Program (COP) contracts are approved by City Council Resolution Cultural Projects Program (CPP) contracts are approved through Administrative Action	October 23, 2014 (COP) November 2014 (CPP)
Organizations submit periodic reports and final reports; City makes payments per contract terms	November 2014-September 2015

Two-Year Application Process

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- **Year 1 (FY14-15)**
 - Full application
 - Peer review panel
 - Cultural Affairs Allocation Committee funding recommendation
 - Cultural Affairs Commission funding recommendation
 - Adjusted scores include:
 - FY14 Panel review (75 points): This is the score given by the peer review panels based on the group's application and presentation
 - FY14 Administrative review (25 points): This is a score that is updated annually by staff based on criteria for staff and board diversity and ethnicity and fulfillment of contract requirements for financial audits
- **Year 2 (FY15-16)**
 - Full application
 - Cultural Affairs Allocation Committee review and funding recommendation
 - Cultural Affairs Commission funding recommendation
 - Adjusted scores include:
 - FY14 Panel review (75 points): This is the score given by the peer review panels the prior year
 - FY15 Administrative review (25 points): This is a score that is updated annually by staff based on criteria for staff and board diversity and ethnicity and fulfillment of contract requirements for financial audits

Application Scores

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Cultural Organizations Program (COP)

Panel Score

- Quality of Services = 25 pts
- Management = 15 pts
- Impact = 15 pts
- Cultural Diversity = 10 pts
- Overall = 10 pts
- Subtotal = 75 pts

Administrative Score

- Contract Compliance = 5 pts
- Fiscal Management = 10 pts
- Staff Diversity = 5 pts
- Board Diversity = 5 pts
- Subtotal = 25 pts

Total = 100 pts

Cultural Projects Program (CPP)

Panel Score

- Quality of Services = 25 pts
- Management = 20 pts
- Impact = 15 pts
- Cultural Diversity = 10 pts
- Overall = 10 pts
- Subtotal = 80 pts

Administrative Score

- Board diversity = 5 pts
- Staff Diversity = 5 pts
- Fiscal Management = 10 pts
- Subtotal = 20 pts

Total = 100 pts

Funding Allocation

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- Allocations Committee develops the annual funding allocation process
- Determines the cut-off score for funding
- Based on increase / decrease in the department's budget, a matrix is developed for the distribution of funding
 - ▣ For COP, the prior year's funding level is the starting point (baseline funding) for an increase or decrease in the allocation.
 - ▣ For CPP, all applicants begin at \$0 (no baseline funding). This is done because projects can change from year-to-year, unlike operating support which is more constant through time.

Example – FY13-14 Funding Allocation

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- City Manager's budget included \$100,000 increase for cultural contracts (\$75,000 for COP)
- For Round 1 of allocations, the following matrix was used to distribute funds to organizations in Tiers I and II receiving less than \$25,000 with cost-per-person under \$3
- Tiers I and II are organizations with audited revenues under \$1 million

Score	Amount to Increase
90-100	\$10,000
80-89	\$9,000
70-79	\$8,000
60-69	\$6,000

Example – FY13-14 Funding Allocation (cont.)

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- Additional funds from Council budget amendment (\$179,000 to COP)
- For Round 2 of allocations, the following matrix was used to distribute funds to organizations in Tiers I, II and IV with audited revenue under \$1 million

Score	Amount to Increase
90-100	\$13,000
80-89	\$10,100
70-79	\$6,750
60-69	\$4,500

Example – FY13-14 Funding Allocation (cont.)

Matrix for CULTURAL PROJECTS PROGRAM “Season Support”

Round 1

Adjusted Score	Tier I \$10,000 and Under	Tier II \$10,001- \$100,000	Tier III \$100,001- \$500,000	Tier IV \$500,001 & above
90-100	\$3,250	\$6,000	\$8,000	\$10,000
80-89	\$2,500	\$4,500	\$6,000	\$7,000
70-79	\$2,000	\$3,000	\$4,000	\$5,000
60-69	\$1,500	\$2,000	\$3,000	\$4,000

Round 2

Adjusted Score	Tier I \$10,000 and Under	Tier II \$10,001- \$100,000	Tier III \$100,001- \$500,000	Tier IV \$500,001 & above
90-100	\$1,000	\$3,000	\$4,000	\$5,000
80-89	\$900	\$2,500	\$3,000	\$4,000
70-79	\$800	\$1,500	\$2,500	\$3,000
60-69	\$700	\$1,000	\$1,250	\$1,500

Example – FY13-14 Funding Allocation (cont.)

Matrix for CULTURAL PROJECTS PROGRAM “Specific Project Support”

Round 1

Round 2

Panel Score	Tier I \$10,000 and Under	Tier II \$10,001- \$100,000	Tier III \$100,001- \$500,000	Tier IV \$500,001 & above
90-100	\$2,500	\$5,000	\$7,000	\$9,000
80-89	\$2,000	\$3,000	\$4,000	\$5,000
70-79	\$1,500	\$2,000	\$3,000	\$4,000
60-69	\$1,000	\$1,500	\$2,000	\$3,000

Panel Score	Tier I \$10,000 and Under	Tier II \$10,001- \$100,000	Tier III \$100,001- \$500,000	Tier IV \$500,001 & above
90-100	\$750	\$2,500	\$3,000	\$3,500
80-89	\$500	\$2,000	\$2,500	\$3,000
70-79	\$250	\$1,250	\$1,500	\$2,000
60-69	\$200	\$550	\$1,000	\$1,250

Appendices

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- Information on FY14-15 Guidelines and Application Forms
- Conflict of Interest Rule
- Sample Evaluation Form
- Cultural Contracts Funding History
- Cultural Facilities Summary

FY14-15 Guidelines and Applications

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- The guidelines and application forms for the Cultural Organizations Program (COP) and Cultural Projects Program (CPP) are available online:
 - <http://www.dallasculture.org/culturalcontracts/COP/2012/14-15%20COP%20Guidelines.pdf>
 - <http://www.dallasculture.org/culturalcontracts/CPP/2012/FY14-15%20CPP%20Guidelines.pdf>

Conflict of Interest Rule

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Cultural Affairs Commissioners or Panelists that may have a conflict of interest with any of the organizations recommended for funding will need to declare a conflict and leave the room during deliberations on the funding for that particular organization

- Service on the board of organization by the person or immediate relative (does not include liaison appointments)
- Financial relationship with organization (contract, vendor, employee, etc.) by person or immediate relative
- Adversarial relationship
- Perception of conflict of interest

OFFICE OF CULTURAL AFFAIRS
CONFLICT OF INTEREST DISCLOSURE FORM
CULTURAL ORGANIZATION PROGRAM
2014-05 Funding Year

Attached is a list of organizations that have submitted applications for funding through the Cultural Organization Program for 2014-15. These applications are subject to the Review Panel on which you are serving. Please review the list and indicate any areas where a conflict of interest exists.

A conflict of interest exists if you are a director, trustee, salaried employee, client or otherwise benefit financially from your association with any of the listed organizations.

A reviewer who is a director or trustee of a cultural organization board must abstain from evaluating their organization.

A reviewer who is paid by a cultural organization (staff or contract work) has a direct financial interest in that organization and should not participate in the evaluation or discussion on the particular organization.

The following guidelines are provided for specific circumstances:

Affiliated Organizations
A reviewer shall not participate in the review of an application submitted by an organization with which the reviewer is affiliated, (staff, board members, paid contractor, spouse, ongoing volunteer, etc.) and shall avoid affecting or appearing to affect the deliberation for that application in any way.

Adversarial Relationships
A reviewer who is in an adversarial relationship with an applicant must excuse herself or himself from deliberation on the application.

Economic Relationships
If a reviewer or an organization with which the reviewer is affiliated is in any way engaged in a financial relationship with an applicant (contractual, partnership, etc.), the reviewer must excuse herself or himself from deliberation for that application.

CHECK ONE

I certify that I have a conflict of interest involving the following organizations (please indicate the nature of the conflict, i.e., board member, employee, etc.):

I certify that I have no conflict of interest involving any of the listed organizations.

SIGNATURE

DATE

PRINT NAME

Sample Evaluation Form

- Evaluation form is used by the panels to assess each application based on specific criteria.
- Pages 1 and 2 are filled by the panel and add up to the Panel Score.
- Page 3 represents the Administrative Score calculated based on specific benchmarks developed by the Allocations Committee (slide 21).

**2014-15 Cultural Organization Program (COP)
Panel Evaluation Form / Office of Cultural Affairs**

Evaluator Name: _____

Organization Name: _____

Organization Tier: _____

On a scale of 1-5 (1=weak, 5=excellent) Rate the applicant based on the following criteria:

Quality of Services = 25 Total Points

	Weak	Fair	Good	Very Good	Excellent
The organization exhibits a commitment to high quality standards in its artistic and cultural services					
Mission statement clearly describes organization and programs/activities fully support mission	1	2	3	4	5
Organization's narrative clearly describes the programs and services that will be provided and exhibits the ability to deliver	1	2	3	4	5
Has excellent qualified staff/artistic or cultural leadership to accomplish its goals and mission	1	2	3	4	5
Education and Outreach components fully serve the citizens of Dallas and are appropriate for the organization	1	2	3	4	5
Clearly reflects excellence in marketing ability and audience development	1	2	3	4	5
Comments:					
SECTION TOTAL:					

Impact = 15 Total Points

	Weak	Fair	Good	Very Good	Excellent
Provides direct impact of cultural services to the citizens of Dallas					
Identifies clear goals for the project(s) and fully measurable objectives and activities	1	2	3	4	5
The number of individuals benefiting from the organization is appropriate with the program/activities stated by the organization	1	2	3	4	5
Demonstrates a definite cultural impact on the Dallas Community	1	2	3	4	5
Comments:					
SECTION TOTAL:					

Sample Evaluation Form (cont.)

Cultural Diversity = 10 Total Points

The organization exhibits a commitment to cultural diversity in all aspects of operation	Weak	Fair	Good	Very Good	Excellent
Clearly shows an intention and commitment to include ethnic and diverse programming	1	2	3	4	5
Has been successful in reaching ethnic and diverse audiences	1	2	3	4	5
Comments:					
SECTION TOTAL:					

Management = 15 Total Points

The organization has the capacity to perform the proposed services in a reliable manner, as evidenced in its financial history and budgets.	Weak	Fair	Good	Very Good	Excellent
Organization has the fiscal stability to carry out the proposed activities and programs successfully within the operating budget	1	2	3	4	5
Organization has a good balance of revenue from a variety of sources	1	2	3	4	5
Organization utilizes its resources effectively and efficiently	1	2	3	4	5
Comments:					
SECTION TOTAL:					

Overall = 10 Total Points

Overall evaluation of the organization	Weak	Fair	Good	Very Good	Excellent
Organization performs in an excellent and professional manner and provides an important cultural presence in the City of Dallas	1	2	3	4	5
Citizens of Dallas will benefit from this cultural organization	1	2	3	4	5
Comments:					
SECTION TOTAL:					

FOR COMMISSION / ADMINISTRATIVE USE ONLY

CULTURAL AFFAIRS COMMISSION / ADMINISTRATIVE SCORING: Contract Compliance / Stability	Weak	Fair	Good	Very Good	Excellent
Contract Compliance: Applicant has shown a past capacity to comply with contract requirements for COP organizations	1	2	3	4	5
Fiscal Management: The organization has performed in a reliable manner in the past year in terms of fiscal management	2	4	6	8	10
15 Total					SECTION TOTAL:

CULTURAL AFFAIRS COMMISSION / ADMINISTRATIVE SCORING: CULTURAL DIVERSITY	Weak	Fair	Good	Very Good	Excellent
Cultural Diversity: Staff Ethnic Diversity	1	2	3	4	5
Cultural Diversity: Board Ethnic Diversity	1	2	3	4	5
10 Total					SECTION TOTAL:

SCORING SECTION

Definition of maximum points for Panel and Commission scoring

PANEL SCORING:	TOTAL POINTS
Quality of Services	Maximum of 25
Impact	Maximum of 15
Cultural Diversity	Maximum of 10
Management	Maximum of 15
Overall	Maximum of 10
PANEL SUBTOTAL:	Maximum of 75

COMMISSION / ADMINISTRATIVE SCORING:	TOTAL POINTS
Fiscal Management	Maximum of 15
Cultural Diversity – Board and Staff	Maximum of 10
COMMISSION / ADMINISTRATIVE SUBTOTAL:	Maximum of 25
TOTAL OF PANEL AND COMMISSION / ADMINISTRATIVE POINTS	Maximum of 100

Sample Evaluation Form (cont.)

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2014-15 COP Commission Scorecard Sheet

Contract Compliance: 5 Points Total

Applicant has shown a past capacity to comply with contract requirements for COP organizations – measured from the last complete fiscal year.

2 Points: Monthly Reports (Submitted by the 15th of each month)

2 = 75% - 100%
1 = 51% - 74%
0 = 50% or below

2 Points: Audit Submitted by Deadline

(6 months after the close of the organization's fiscal year)

2 = 100% Audit submitted on time
1 = Audit submitted within 30 Days
0 = Audit submitted after 30 days

1 Point: Insurance Valid

1 = 100% insurance renewal submitted on time
0 = Insurance renewal submitted after deadline

Fiscal Management: 10 points Total

The organization has performed in a reliable manner in the past year in terms of fiscal condition and sustainability.

3 Points: Operating Performance (averaged over a three year audit period)

3 = Revenue exceeded Expenditures
0 = Expenditures exceeded Revenue

5 Point: Financial Health

5 = Organization is actively working to improve financial health
3 = Organization is holding steady
0 = Organization is in financial decline

2 Points: Risk Tolerance

Working Capital and Liquidity – (averaged over a three year audit period)

2= Organization has 3 months or more of liquid net assets to cover operating expenses.
1= Organization has 1 month of liquid assets to cover operating expenses.
0= Organization has no liquid operating expenses

Board and Staff Diversity: 10 Points Total

For each rating (Board and Staff), 5 points total are divided between Cultural Diversity and Minority Participation. Of those 5 points:

- 3 points for Cultural Diversity (balance of ethnic and gender makeup of Board and Staff)
- 2 points for Minority Participation (percentage of minority members of Board and Staff)

Cultural Contracts Funding History

Fiscal Year	COP Contract Awards \$	# of COP Organizations Funded	CPP Contract Awards \$	# of CPP Organizations Funded
FY09	\$4,246,933	41	\$328,504	44
FY10	\$3,210,712	40	\$160,802	35
FY11	\$3,242,938	38	\$129,664	35
FY12	\$3,237,804	34	\$109,500	30
FY13	\$3,280,726	33	\$118,250	32
FY14	\$3,649,724	32	\$204,250	39

Cultural Facilities Summary

Cultural Facility	City Operated	City Provides Routine Maintenance	City Provides MM*	PPP*	City Pays Electricity	Energy Projects Over Past 5 Years	Agreement End Date	Renewal Options
African American Museum		X	X	X	X	X	2012	Y
Annette Strauss Square				X	X		2045	Y
Bath House Cultural Center	X	X	X		X		N/A	N/A
Black Academy of Arts & Letters		X	X	X	X	X	2014	Y
Dallas Black Dance Theater			X	X	X		2048	N
Dallas City Performance Hall	X	X	X		X			N
Dallas Heritage Village			X	X	X	X	2013	Y
Dallas Museum of Art		X	X	X	X	X	2021	N
Dee & Charles Wylie Theater				X	X		2045	Y
Hall of State (Dallas Historical Society)		X	X	X	X	X	2034	Y
Juanita Craft Civil Rights House	X	X	X		X		N/A	N/A
Kalita Humphreys Theater (Dallas Theater Center)		X	X	X	X	X	2013	N
Kalita Humphreys Theater / Heldt Administration Building (Dallas Theater Center)		X	X	X	X		2013	N
Latino Cultural Center	X	X	X		X	X	N/A	N/A
Majestic Theater	X	X	X		X	X	N/A	N/A
Margot & Bill Winspear Opera House				X	X		2045	Y
Morton H. Meyerson Symphony Center	X	X	X		X	X	N/A	N/A
Morton H. Meyerson Symphony Center (Dallas Symphony Association)							2049	Y
Museum of Natural History Building (Perot Museum)		X	X	X	X	X	2013	Y
Music Hall at Fair Park (DSM Management Group Inc.)			X	X		X	2029	Y
Oak Cliff Cultural Center	X	X	X		X		N/A	N/A
Sammons Center for the Arts				X			2034	N
Science Place / IMAX (Perot Museum)		X	X	X	X	X	2021	N
South Dallas Cultural Center	X	X	X		X		N/A	N/A

*MM = Major Maintenance; PPP = Public/Private Partnership; N/A= Not Applicable, City Operated Facility