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**City and County of San Francisco**

**Request for Qualifications for**

**Office of the Treasurer & Tax Collector  
Municipal Bank Feasibility Quantitative Analysis**



Date issued:

**March 19, 2018**

Proposal due:

**March 30, 2018 by 5:00PM PST**



## I. BACKGROUND

**Introduction:** In April 2017, the City and County of San Francisco’s Board of Supervisors passed a resolution requesting “the Office of the Treasurer & Tax Collector (“TTX”) to convene a task force, and the City Attorney to advise the Treasurer in this effort, for the purpose of advising the Mayor, the Board of Supervisors, and relevant City Departments regarding the creation of a Municipal Public Bank, either as a new City Department or a separate Enterprise Department.” Based on this resolution, Treasurer José Cisneros convened the Municipal Bank Feasibility Task Force (“Task Force”) starting in February 2018 to research the viability and advisability of a municipal bank and to recommend opportunities to leverage the City’s banking and investment portfolios to meet policy goals.

## II. SCOPE OF WORK

**Objective:** The overall objective of this solicitation is to receive assistance on quantitative analysis related to municipal bank formation and operation for the City and County of San Francisco, including research regarding capitalization, start-up costs, operational needs, potential products and services as well as general costs and benefits.

**Details:** The consultant will be responsible for performing analytical work including the following tasks:

- Evaluate structure and formation options for a municipal bank, including a detailed analysis regarding capital requirements, approaches to capitalization, start-up and ongoing operational costs, collateral and reserve requirements and insurance options;
  - Explore management and oversight structures for a municipal bank;
  - Determine requirements and cost associated with municipal bank operations, such as personnel, information technology for various banking structures;
- Identify the types of services and products that a municipal bank could provide, analyzing costs and benefits of these services as well as how these services fit into the overall business plan; where feasible, ground analysis in data from existing credit union, community banks and community development financial institutions (including data from Federal Financial Institutions Examination Council, Consolidated Reports of Condition and Income);
- Perform cost-benefit analysis to determine the relative costs and benefits of a municipal bank compared with other strategies to achieve the Task Force’s goals; where possible use concrete examples from existing programs and financial institutions; and
- Assist with design and production of report and any associated web content.

Specifically, it is expected that the consultant will work with TTX staff to model, analyze and concretely answer the following questions for a variety of public bank models:

- What is the cost of capitalizing a municipal bank?
- What are the start-up costs to create a municipal bank? How are these costs broken down?



- What is an approximate timeline to create a municipal bank?
- What are the operating costs for a municipal bank? How are these costs broken down? Do these costs vary over time?
- What is the staffing level necessary to operate a municipal bank?
- What is the estimated output of the municipal bank given these costs (e.g. products and services such as loan offerings, accounts etc.)?

TTX staff will work with the consultant to identify various public banking models and to create assumptions about these models. The final product should have sufficient detail to allow a policymaker to determine whether to pursue a municipal bank and which model of banking to pursue.

**Timeline:** The Municipal Bank Feasibility Task Force is meeting for six months from February through August 2018. It is expected that the consultant will collaborate with TTX staff while the Task Force is ongoing and will finalize their work in consultation with TTX staff after the Task Force completes its work. Consultant will submit the final report no later than **September 30, 2018**.

**Contract Details:** The contract is not to exceed \$90,000 (billed hourly) and has a one-year term.

### III. SUBMISSION REQUIREMENTS

**Responses:** In your solicitation response, please provide the following information:

- Resume
- Scope of work (not to exceed 5 pages)
- Qualifications (not to exceed 3 pages)
- Work references (from within the last 3 years)

**Evaluation Criteria:** The following will be used as the criteria to evaluate various responses:

- Number of years of experience in the financial services world;
- Relevant experience around bank formation and operation as well as bank services and products, including consulting work for other financial sector clients;
- Quantitative research and modeling skills; and
- Interest and insight around issues of municipal finance and municipal banking.

**Requirements:** Due to the tight timeline for this project, all respondents should be ready, willing and able to sign the contract in Appendix A **as-is**. Please review the document prior to submitting your response.

**Deadline:** To be considered for this contract, please submit your bid by **March 30, 2018 at 5:00PM PT**. Proposals must be submitted electronically before this date and time to [molly.cohen@sfgov.org](mailto:molly.cohen@sfgov.org).

**Questions:** Please direct all questions to Molly Cohen at [molly.cohen@sfgov.org](mailto:molly.cohen@sfgov.org) or 415-554-4786 at least 3 business days before the bid due date.