

Dear Mayor and Council Members,

On behalf of City Manager Ed Shikada, please see staff responses below for questions from Council Member Tanaka on the [Monday, June 17 Council Meeting](#) and [Tuesday, June 18 Council Meeting](#).

Monday, June 17th Council Meeting Questions

Item 15: Approval of a Funding Agreement with Federal Railroad Administration to Receive \$6 Million for the Preliminary Engineering and Environmental Documentation Phase for the Grade Separation Projects at Churchill Avenue, Meadow Drive, and Charleston Road crossings. CEQA status – statutorily exempt per CEQA section 15262; this funding agreement will partially fund CEQA/NEPA review of the grade separation projects.

- 1. Given the projected total expenditure of over \$500 million, what specific measures are in place to secure the remaining funding beyond the initial \$20 million? Please outline the timeline and plan for managing financial risks, including potential cost overruns, and how the city will ensure transparency and accountability in fund management.**

Staff response: The city plans to secure additional funding for future phases through continuous grant applications, phased funding, partnerships with VTA and PCJPB, and budget appropriations. The timeline for this funding agreement includes phased completion by June 2027 with regular updates to the Rail Committee and City Council.

- 2. What analyses of alternative solutions to grade separation, such as advanced traffic management systems or improved public transportation, have been conducted? Please provide detailed findings and comparative data, including the criteria and metrics used to determine that grade separation is the most viable solution. What were the key limitations or drawbacks of these alternatives?**

Staff response: Several years of work and analyses have been conducted and details can be found on connectingpaloalto.com.

- 3. With reliance on \$14 million from Measure B funding, what contingency plans are in place should these funds be delayed or insufficient? How can the city avoid reallocating budgets from other critical services and projects? Additionally, what analyses have been done to assess the long-term impact on the city's overall budget and resource allocation, and how will the city ensure minimal disruption to essential services?**

Staff response: The \$14 million from Measure B funding is already programmed into the VTA budget and \$6 million in FRA funding is already committed and awarded. Contingency plans include seeking additional grants and phased implementation.

Item 19: Authorization for the City Manager or Designee to Negotiate and Execute a Line of Credit totaling \$31 Million to Address Regional Wastewater Treatment Fund Cashflow as Recommended by the Finance Committee; CEQA Status – Not a Project

1. **While the \$31 million line of credit addresses immediate cash flow issues, what are our long-term strategies to resolve the underlying financial problems causing these shortfalls? What strategies can ensure sustainable financial health?**

Staff response: The long-term strategy will be to continue using the low-interest rate State Revolving Fund to the greatest extent possible and leverage secondary financing when cash flow is required. Ongoing monitoring, project and fiscal planning, and stakeholder engagement enable the development of strategies for sustainable fiscal health.

2. **How does this line of credit fit into Palo Alto's overall long-term financial strategy? What plans are in place to prevent similar cash flow issues in the future, and how will this LOC impact our financial sustainability over the next decade?**

Staff response: This LOC enables the Wastewater Treatment Enterprise Fund to leverage SRF funding, continue critical capital repairs and improvements and collaborate with partner agencies while avoiding impacts upon the City's treasury. As a part of the 5-year CIP planning, staff works with various State program(s) and our fiscal advisor in concert with the Finance Committee and Council to develop long-term financial strategies.

3. **Considering our existing debt obligations, what are the projections for how this additional \$31 million line of credit will affect our future borrowing terms and costs? Can you provide a comparative analysis of borrowing scenarios with and without the LOC, and explain how we plan to justify these costs to our constituents?**

Staff response: The LOC debt service is around one percent or less of the Wastewater Treatment Enterprise Fund annual operating budget and is not anticipated to impact the borrowing capacity of the Wastewater Treatment Fund. The comparative scenario is to not issue the \$31 million LOC and instead leverage the City's treasury, which is not in the best interest of the City and does not align with the partner agency collaborations for this regional utility enterprise. Costs will be covered by the City and respective partner agencies for the purpose of financing utility project repairs and improvements.

Item 25: Approval of a Professional Services Contract Number C24188127 with Telecommunications Engineering Associates (TEA) in an Amount Not to Exceed \$834,882 for Public Safety Radio Network Maintenance and Construction for a Period of Five (5) Years; CEQA Status: Not a Project

1. **Given the critical importance of communication systems for the Police and Fire Departments, elaborate on the stakeholder engagement process undertaken. What detailed feedback was gathered from these departments regarding their satisfaction with TEA's past services, and**

how did this influence the decision to renew the contract?

Staff response: The primary stakeholders for this contract are technical staff in Public Safety departments and Public Works. Meetings were conducted with the stakeholders and feedback was gathered by staff that work with the vendor. The feedback was one input used to evaluate the suitability of the vendor selected for the projects.

Item 27: Approval of: (1) Contract No. C24187724 with LensLock, Inc (Lenslock) for replacement of the police public contact audio/video system for a five (5) year term in an amount not to exceed \$1,128,225; and (2) Police Audio/Video Technology Surveillance Use Policy; CEQA status – categorically exempt

- 1. Given the expenditure of \$1,128,225, what specific technological improvements does this system offer over our current equipment? How will these enhancements directly impact the quality and reliability of police-public interactions in measurable terms? Without explicit data, what assurances can we offer regarding the tangible benefits justifying this expenditure?**

Staff response: Due to extenuating circumstances, the report from staff to the City Council and public is being released on Thursday, June 13, 2024. As outlined in the report, the current technology is at the end of its useful and supported life and replacement is necessary. This new equipment ensures continued operable and supported equipment for daily business of police officers. Audio and video equipment is used for officer safety, liability and internal control, training and education, and transparency and community trust providing reliable police-public interaction recordings. Recordings are used to support investigations, prevent misconduct, and in limited instances corrective behavior as necessary including administrative reviews such as those evaluated by the Council's Independent Police Auditor.

- 2. Specify the privacy protections and data security measures the new LensLock system will implement compared to our existing system. What protocols will prevent unauthorized access and ensure data integrity? What assurances can we provide that these measures will be robust and effective?**

Staff response: Consistent with both the Surveillance Use Policy and the Information Technology Department security policies, this provider meets required levels of security and staff have outlined access authorities as required by the surveillance use policy as well. The Constitution, state laws, City policy, and professional standards balance the use of this technology for civil liberties and privacy. PAPD also has an established policy to ensure the technology is only used for legitimate law-enforcement purposes

- 3. Provide evidence on how the new LensLock system will aid our police department in improving operational outcomes and meeting community needs and expectations. How will this system enhance police efficiency, public safety, and community trust compared to our current technologies? Without concrete evidence, how can we advocate for its adoption, ensuring it aligns with our community's standards and requirements?**

Staff response: Use of audio/video technology has evolved through policy directives driven by City Council expectations and industry policing standards. This contract authorizes the purchase of a tool, replacing an outdated legacy product, that supports the daily operations of policing in the City while ensuring community trust and alignment with the community's expectations.

Tuesday, June 18th Council Meeting Questions

Item 4: Approval of Amendment Number 5 to Contract Number C20176363 With Magellan in the Amount of \$1,122,121 to Incorporate Additional Design and Technical Services for the Fiber-to-the-Premises (FTTP) Pilot Project for a Revised Total Not-to-Exceed of \$6,807,412 Over a Five-and-a-Half-Year Term; CEQA Status – Not a Project

- 1. In the event of resource constraints, what criteria will be used to prioritize between FTTP and grid modernization projects? What decision-making framework and examples of successful prioritization protocols are in place? How will these decisions be communicated to stakeholders to ensure transparency and accountability?**

Staff response: For the pilot, grid mod will take priority over FTTP since construction work will be sequential. The electric construction contractor will perform both power and telecommunication make-ready work on the utility pole before fiber can be lashed on the poles. Some metrics of success include increased load capacity, adoption of distributed energy resources (EV, PV, energy storage), number of homes passed/served, and 100% home electrification.

- 2. What comprehensive plan does the city have to mitigate disruptions during FTTP and grid modernization projects? What benchmarks or metrics will measure the success of these mitigation efforts?**

Staff response: The project's phased approach allows for adjustments in response to disruptions. By issuing new solicitations for subsequent phases, the City can adapt and mitigate disruptions. Success metrics can be measured by adherence to project timeline and budget, cost savings from joint work, and duration of neighborhood construction.

- 3. Provide examples where similar dual projects were successfully implemented. What key technical challenges were faced, particularly in integration, and how were they overcome? What specific metrics and benchmarks were used to evaluate their success?**

Staff response: Palo Alto's Upgrade Downtown was a multi-phase and multi-year project including utility improvements (gas, fiber, water), traffic signal enhancements, parking wayfinding signage, and pedestrian safety improvements. Coordinating construction activities amongst the various contractors was one of the key challenges. Recurring project meetings and open communication amongst departments, contractors, and businesses were critical to keep the project within budget and timeline.

Item 5: Approval of General Services Contract Number C25188309 with Cintas Corporation in the Amount of \$2,124,293 to Provide for Rental and Laundering of Work Uniforms and Miscellaneous Items for a Period of Five Years; CEQA Status – Not a Project.

- 1. Given the expenditure of \$2,124,293, how can the city simplify the price comparison process for constituents? What competitive bids were evaluated, what benchmarks and criteria were used, and how did Cintas Corporation meet these compared to other vendors? Can you justify this selection without detailed price comparison data in the staff report?**

Staff response: The City may take advantage of cooperative purchasing agreements per the municipal code (2.30.360). The agreement is with Omnia Partners which used a competitive bid process that ensures competitiveness. This simplifies the comparison process by using an established competitive schedule and streamlines the procurement process requiring less staff time to complete.

- 2. Considering Cintas Corporation's history of customer complaints and legal challenges, what specific performance metrics from their previous contracts were reviewed? What examples of past issue resolutions can assure us that similar problems will not occur with this contract? How do we address the risk of service failures and justify this vendor choice to our constituents?**

Staff response: The City works closely with Cintas to ensure that the City's requirements are met. By providing timely feedback to Cintas the City ensures its requirements are met, such as when a change in delivery or uniform standard is needed. The contract allows for termination should service failures occur.

- 3. With the provision for an additional 20% in services potentially increasing the contract value, what financial controls are in place to monitor and approve these expenditures? What predefined criteria are used for utilizing this additional service provision, and how will we ensure rigorous oversight to prevent budget overruns? How will these financial controls be communicated to maintain transparency and fiscal responsibility?**

Staff response: The Cintas contract is entered into the City's enterprise resource planning (ERP) system as a purchase order (PO). The PO has automated controls that prevent expenditures from exceeding the contract amount. Invoices are paid against the PO after being reviewed by staff to ensure compliance with performance standards. These controls are communicated to staff to ensure transparency and fiscal responsibility. The PO is tied to the available budget that is reviewed and if additional services are required, an amended PO would be processed. This includes budget review and ensures fiscal control.