



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, September 23 Council Meeting](#).

Item 6: Approval of Contract Amendment Number 3 to Seven Contracts in the amount of \$750,000 for On-Call Services to Provide Expertise for Long-Range Planning Projects, Application Processing, Environmental Review, and Other Planning Analysis in the Planning and Development Services Department. CEQA Status: Not a Project.

- 1. How does extending these contracts without a competitive RFP comply with the city's procurement policies, and what measures are in place to ensure transparency and prevent potential legal challenges related to bypassing competitive bidding?**

Staff response: The proposed Amendment No. 3 is intended as a nine-month extension of existing planning on-call contracts to facilitate the successful transition and completion of projects in progress while a new request for proposals (RFP) is completed. The proposed amendment aligns with the City's purchasing policy; the original June 2020 agreement followed a competitive process. Staff is currently working to prepare a new RFP for professional on-call services with an expanded scope. New contracts will be presented for City Council consideration by the end of FY2025.

- 2. Why was there no engagement with external stakeholders, such as community members or industry experts, in this decision? How can we ensure that the consultants' services align with the needs and expectations of our constituents without their input?**

Staff response: Public engagement and feedback are incorporated in the project development and throughout the project rather than the contracting process, and continuity of these professional services prevent disruptions and delays to ongoing City Council priority projects. Projects worked on through these contracts include initiatives such as the Housing Element, retail zoning strategy, and car-free streets analysis, all of which have been guided by prior and ongoing public input as they progress.

- 3. What risks have been identified with these contract extensions, such as cost overruns or consultant underperformance, and how does the city plan to mitigate these risks without a formal risk assessment or contingency plan in place?**

Staff response: The recommended contracts reflect prudent risk management, in that the City's on-call services allow flexibility in the assignment of tasks to different firms based on qualifications, expertise, and cost-effectiveness, helping to control expenditures and ensure high-quality outcomes. Each firm is tasked with specific

projects and agreed upon scope of work and deliverables where their expertise is most needed, and are monitored through regular progress reports, cost tracking, and staff oversight, with the ability to reassign work if needed. A new competitive RFP, expected by the end of FY 2025, will allow for a reassessment of consultant performance and costs.

4. **Has the city evaluated the long-term benefits of investing in internal staff over continued reliance on external consultants? Why has a cost-benefit analysis not been provided to explore alternatives for building internal capacity and sustainability?**

Staff response: Staffing relative to consultant services is evaluated each year as part of the budget process. As noted in the staff report, the use of on-call professional services offers a flexible solution to the City's evolving needs. The City has the ability to scale services up or down based on workload, staffing level, technical expertise, and economic conditions. This approach ensures the continuity of services during staffing vacancies or peak application volume and provides specialized expertise required for policy consideration as it relates to Council priorities. Annually, the Department assesses staffing levels to determine if the current ratio of professional services to internal staffing ensures operational flexibility, avoids overstaffing for peak application volume, and ensures specialized technical support.