



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: City Manager

Meeting Date: June 17, 2024

Report #:2405-3016

TITLE

Approval of Contract Amendment Number 1 to Contract C24189570 with Downtown Streets Team in the Amount of \$548,958 to Combine Contracts to Increase Operational Efficiency for a Revised Total Not-to-Exceed Amount of \$1.1 Million Over Three Years ; CEQA Status: Not a Project

RECOMMENDATION

Staff recommends that the City Council approve and authorize the City Manager or their designee to execute Amendment Number 1 to Contract C24189570 with Downtown Streets Team (Attachment A) in the amount of \$548,958 to combine service contracts and increase operational efficiency. This amendment results in a revised total contract not-to-exceed amount of \$1,077,367.

EXECUTIVE SUMMARY

City staff is recommending amending the C24189570 (cleaning services) agreement to combine two existing contracts with this service provider into one contract to increase operational efficiency. This results in increasing the not-to-exceed amount by \$548,958 to \$1,077,367 to cover the three years of job readiness training and employment services scope previously under a separate contract.

BACKGROUND

The Downtown Streets Team, a program founded in Palo Alto, provides street cleaning services in cities throughout the Bay Area, conducted by individuals who are homeless or in danger of becoming homeless, while also providing those individuals job training, employment opportunities, and case management.

The University Avenue Business District attracts visitors, shoppers, diners, local residents, and employees who expect a positive experience. To ensure this experience remains positive, the district must be maintained in a safe, clean, and appealing manner. Cleanliness is essential to maintaining a healthy and vibrant economic environment.

The City of Palo Alto has partnered with Downtown Streets Team since 2006. In 2010, University Avenue stakeholders, which included the Palo Alto Business Improvement District (BID) and Palo Alto Downtown Professional and Business Association (PADPBA), proposed a combination of enhanced services that would raise the standards of cleanliness in the University Avenue Business District. The enhanced services included reducing trash from overflowing garbage receptacles, reporting graffiti and vandalism, removing litter in the alleyways and in the five parking structures (S & L, R, J, Q and Civic Center), and reporting suspicious vehicles and/or activities.

In 2020, the City developed the Car-Free Streets Program in response to the pandemic. Businesses and residents have raised concerns regarding the cleanliness of the Car-Free Streets locations (Ramona Street and California Avenue).

Besides having participants engage in cleaning services, the DST model strives to reduce homelessness by encouraging participants to take an active role in their own development, model positive behavior, and create long-term solutions for their participants. This portion of the DST model incorporates both job readiness training and employment opportunities, services previously provided under contract C23188369. In return, participants can work with a case manager to obtain housing and other supportive services. Each participant is evaluated on their individual performance and recognized for their accomplishments. The skills acquired through this program can then be used to seek further employment.

The current not-to-exceed amount for Contract C24189570 (cleaning services) is \$548,958 with an expiration date of January 11, 2027.¹ The current not-to-exceed amount for Contract C23188369 (job readiness and employment opportunities) is \$163,340 and set to expire shortly, on June 30, 2024.²

Additionally, DST was awarded a Human Services Resource Allocation Process (HSRAP) grant in the amount of \$82,717 for peer-to-peer outreach with an expiration date of June 30, 2025. HSRAP is a competitive process and non-profits propose various activities each granting a period and are awarded varying sums of money. This differs from both current and historic cleaning services contracts and job readiness and employment opportunities contracts, which have been consistent over time and align with the integral program components that DST provides to the Palo Alto community.

Under Palo Alto Municipal Code (PAMC) 2.30.360(b)(2), the City Manager has approved an exemption from competitive solicitation as DST is the only local all-in-one service provider that employs individuals who are homeless and at-risk of homelessness, providing job training and

¹ City Council Staff Report, February 12, 2024, <https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=4177&meetingTemplateType=2&compiledMeetingDocumentId=9079>

² City Council Staff Report, June 19, 2023, <https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=2632&meetingTemplateType=2>.

employment opportunities, case management and outreach while also providing cleaning services.

ANALYSIS

The City has previously held separate contracts for (1) street cleaning and (2) job training and employment opportunities with different contract managers, expiration dates, and performance measures. As Downtown Streets Team does not operate these as discrete activities, but as integrated aspects of its program, it can be challenging to oversee and manage as separate contracts. Having contracts managed by different people in different departments and different end dates adds layers of administrative work, with each administrator only “seeing” a portion of the service delivery. Amending the existing street cleaning contract to incorporate the other program aspects allows the City to better manage this relationship and eliminate duplicative administrative work. It also enables the parties to negotiate contract terms with a clearer understanding of the total dollar amount being spent.

Additionally, after some comments and questions from the public and at Council, City staff closely monitored DST service provision, reviewed DST contracts in Palo Alto and other cities and consulted with colleagues. From this effort, staff identified opportunities for clarifying the contract language relating to street cleaning tasks and improving performance measures. The proposed amended contract includes these clarifications and improved performance measures.

FISCAL/RESOURCE IMPACT

The recommended amendment reduces administrative burdens by decreasing contract processing and staff time associated with multiple contracts leading to more efficient vendor management. Funding for this amendment is included in the FY 2025 Proposed Operating Budget as part of the non-departmental section of the General Fund. No additional resources are required at this time. Funding for future years will be subject to the appropriation of funds through the annual budget process.

STAKEHOLDER ENGAGEMENT

City staff coordinated meetings with all department staff who have managed agreements with DST, including staff from Community Services, Planning and Development Services, Public Works, and Economic Development to understand the various contracts and related experiences.

Staff has also held discussions with University Avenue Business District Stakeholders regarding the efforts of Downtown Streets Team to understand areas of success and potential areas for improvement. Former DST staff, Santa Clara County staff, and colleagues from other cities were contacted to discuss their experiences and what services DST provided for their respective organizations.

ENVIRONMENTAL REVIEW

The approval of this amendment is CEQA-exempt pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment.

ATTACHMENTS

Attachment A: Downtown Streets Team C24189570 Amendment #1

APPROVED BY:

Ed Shikada, City Manager