

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 3 Council Meeting](#).

Item 4: Approval of Contract Amendment No. 4 to Contract No. C15159248 with Geodesy in the Amount of \$495,000 (for a new not-to-exceed of \$2,425,00) and Extend the Term for Three Years for Encompass GIS Software Maintenance and Support. CEQA status

- 1. What is the comprehensive timeline with specific milestones and deliverables for the transition from the Geodesy GIS system to the ESRI platform? What key risks and potential roadblocks have been identified, and what mitigation strategies are in place to address them? How does the City plan to monitor and report on the progress of this transition to ensure it remains on schedule and within budget?**

Staff response: The Encompass GIS built by Geodesy consists of disparate components and applications. Eighty percent of these components and applications are on the City's new ArcGIS platform. The City's IT GIS team plans to port the remaining components and applications by December 2025, and no risks have been identified for this project. The City GIS team and Geodesy's contractors are working closely on this project. Regular check-in meetings are held to discuss progress and address potential issues. A well-structured project plan provides a clear roadmap for executing and controlling the project phases.

- 2. In light of the \$495,000 expenditure for the extension of Geodesy's contract, what specific performance metrics or key performance indicators (KPIs) will be used to assess the effectiveness of their services during the transition to the ESRI platform? How will Geodesy's support enhance the operational efficiency and accuracy of our GIS capabilities? How will the City ensure continuous performance monitoring and accountability, providing concrete data to justify this expenditure?**

Staff response: Even though the Geodesy Encompass platform will soon be retired, Geodesy will continue to provide valuable professional services to assist with the City's transition to the ESRI ArcGIS platform. Their deep understanding of the City's GIS data and department-specific GIS data workflows is helping to ensure a successful transition to the new ArcGIS platform. Performance metrics and KPIs assess the quality, efficiency, effectiveness, and impact of the GIS business processes that Geodesy will be assisting in porting from the legacy Encompass GIS platform to the new ArcGIS platform. For additional details about performance metrics, please refer to the staff report, Item 4 - "Section 1 – Scope of services," and "Section 2 – Schedule of Performance".

Item 5: Approval of Contract Amendment No. 3 to Contract No. C15152204A with Questica to Increase Compensation by \$168,635 (for a new not-to-exceed of \$1,227,659) and Extend the Term for Two years for a total term of 12 years for the Budget Software System, Support and Maintenance. CEQA status

- 1. What is the comprehensive plan outlining the specific criteria and timeline for evaluating alternative budgeting systems during the two-year extension? How will the city ensure that we do not miss out on more advanced and cost-effective solutions during this period?**

Staff response: The criteria for evaluating budget systems will be determined at the time of issuing an RFP, within the upcoming two-year period and may include such factors as cost, features, application performance and digital versus physical document printing. The most cost-effective solutions will be identified from those solutions that responded to the RFP through evaluation from the Office of Management and Budget, Purchasing, and the IT Department.

- 2. What analysis can constituents reference regarding the improvements or efficiencies achieved through the Questica system in the past, supported by concrete data? How does the city plan to enhance these results moving forward, and what are the projected outcomes over the next two years?**

Staff response: The Questica system is an essential part of producing the annual city budget. The Questica system contributes to the efficient production of the city budget compared to manually using spreadsheets and other non-integrated tools. Examples of the efficiency of the Questica system can be found on the city website in the form of published budget documents. A list of published budget documents [can be found on the website](#). Without such tools the budget process would be less transparent and timely to the public. Annually during the budget preparation process, the city evaluates potential enhancements to the budget preparation process and integrates, where possible, viable enhancements, and the outcomes of those enhancements are integrated into the budget process that ultimately produces the annual budget.

- 3. Considering the proposed two-year extension and additional \$168,635 expenditure, what is the critical role Questica's budgeting software plays in our city's financial operations? Specifically, how does this system enhance our budgeting efficiency, transparency, and strategic planning capabilities compared to alternative solutions? What mechanisms will be put in place to ensure stakeholders, including department heads and the public, understand and appreciate the value and importance of this service in our overall financial management framework?**

Staff response: Questica is critical to the preparation and monitoring of the city budget and thus is crucial to the city's financial operations. It is also used as a forecasting tool for the long range financial forecast, labor negotiation calculations, and capital infrastructure tracking. Questica centrally automates the budget preparation and monitoring activities performed by staff and is therefore efficient compared to disparate and manually created spreadsheet solutions. In this role, Questica offers a transparent view into the city budget through the annually published city

budget examples of which [can be found on the city's website](#). Through Questica's budget planning functionality, the strategic financial plans of the city can be developed.

Item 9: Approval of Construction Contract Number C24189247 with Bear Electrical Solutions, Inc. in the amount Not to Exceed \$600,000 to provide On-Call Services for Traffic Signal and Electrical Services; CEQA status – categorically exempt (CEQA Guidelines Section 15301).

- 1. Given that the city received only one bid for this contract, what specific outreach efforts were made to attract a broader range of competitive bids? What detailed documentation can stakeholders reference on these efforts? What feedback have we received from other potential bidders regarding barriers or deterrents to their participation, and how do we plan to address these issues to enhance future competitiveness?**

Staff response: Staff followed standard practices to attract a broader range of competitive bids by identifying and notifying at least four known traffic signal contractors in the area about the IFB. Additionally, staff verbally informed multiple contractors working on signal-related projects in Palo Alto ahead of the bid release. Despite these efforts, only one bid was received. It is staff's understanding that 18 bid packages were downloaded by prospective contractors or builder's exchanges.

- 2. What is the comprehensive breakdown of the specific tasks included in the scope of work for this contract, along with detailed criteria for prioritizing these tasks? What key performance indicators and metrics will be used to evaluate Bear Electrical Solutions' performance? How will these metrics be monitored, reported, and used to ensure continuous improvement in service delivery?**

Staff response: The scope of work for this contract includes minor improvements to traffic signals, pedestrian warning beacons, electronic speed sign installations, and upgrades to existing traffic signals. Tasks are prioritized based on community service requests, safety needs, and proactive staff determinations. Bear Electrical Solutions' performance will be evaluated based on timeliness, quality of work, compliance with City Standards, and adherence to the California Manual of Uniform Traffic Control Devices. Performance metrics will be monitored through regular progress reports and service request closures. Bear Electrical previously performed successfully within budget and reasonable schedules in Palo Alto and neighboring agencies.

- 3. What is the detailed justification for the necessity of this \$600,000 investment over four years for on-call traffic signal and electrical services? Specifically, what are the current deficiencies in our traffic signal and pedestrian safety infrastructure that warrant this level of expenditure? Can you present data or projections on how these services will enhance public safety, traffic efficiency, and overall infrastructure reliability?**

Staff response: The \$600,000 investment over four years represents a 20% increase from the previous contract, accounting for rising product and labor costs while maintaining service levels. This contract addresses current deficiencies in traffic signal and pedestrian safety infrastructure, including the need to update the Accessible Pedestrian System push buttons and replace aging traffic signal equipment. The services are anticipated to enhance public safety, traffic efficiency,

and infrastructure reliability by addressing these needs through cost-effective, on-call solutions for smaller-scale tasks that do not warrant separate procurement processes.

Item 10: Approval of Professional Services Contract Number C24188409 with ACME Technologies in the Total Amount Not-to Exceed \$838,623 for a New Software Ticketing System for the Palo Alto Junior Museum & Zoo for a Term of Five Years; CEQA Status

- 1. Given the significant expenditure required for the new ticketing system, what detailed analysis compares this investment with other critical projects or services that may be deprioritized? Specifically, what potential benefits are we sacrificing in areas such as public safety, infrastructure maintenance, or community programs? How do we justify this reallocation of funds to constituents who may view these other services as higher priorities?**

Staff response: The procurement of the new ticketing system for the Junior Museum and Zoo has been thoroughly analyzed in comparison to other critical projects and services by the Finance Committee throughout the budget hearings. The new system is expected to enhance the visitor experience, increase operational efficiency, and generate additional revenue, thereby supporting the Junior Museum & Zoo's sustainability and enabling continued high-quality programs and experiences for the community. This fiscal commitment is only part of a full set of recommendations from our business consultant, with the goal to phase in the recommended investments and strategically ensure balanced support across the city when determining allocations for FY25 and beyond.

- 2. What are the measurable targets and benchmarks that will be used to evaluate the success of the new ticketing system at the Junior Museum & Zoo? What is the plan for ongoing performance assessment, including specific metrics for visitor satisfaction, operational efficiency, and revenue generation? How can we assure our constituents that this significant expenditure will deliver the promised improvements and be a worthwhile investment?**

Staff response: To evaluate the success of the new ticketing system at the Junior Museum and Zoo, we will use measurable targets and benchmarks, including increased visitor satisfaction scores, reduced and enhanced operational efficiency. Metrics will include visitor feedback surveys, ticket and membership processing times, enhanced internal interface for staff, and revenue trends. We plan for ongoing performance assessment through quarterly reviews, focusing on these key indicators. By regularly analyzing these metrics and making necessary adjustments, we aim to ensure the system delivers the promised improvements, providing our community with a transparent and worthwhile investment.

- 3. Given the significant expenditure of \$838,623 for the new ticketing system, what are the detailed projections on expected improvements in user experience, operational efficiency, and revenue generation? How will these new metrics demonstrate a substantial improvement over the system implemented last year? How can we justify this expenditure during a period of fiscal prudence without clear data on productivity gains?**

Staff response: The \$838,623 expenditure for the new ticketing system is projected to significantly enhance the user experience by streamlining and simplifying the ticketing process.

The system provides the ability to offer multi-tiered pricing, inventory management, and proper refund processing, thereby improving visitor satisfaction scores. Operational efficiency will benefit from automated processes, provide the ability to connect safely with other city software, and provide better data management, leading to decreased administrative costs and time. Revenue generation is expected to increase through improved attendance tracking, targeted marketing, and the ability to support the streamlined ability to host rental events, such as the very popular birthday party request. Compared to the current system, these new metrics will demonstrate substantial improvements through detailed performance reports. We justify this expenditure during fiscal prudence by emphasizing the long-term cost savings and revenue potential, which provide a strong return on investment.

- 4. What framework outlines how the city plans to measure the economic success of this new system over the next five years? What detailed performance metrics will be used to assess improvements in operational efficiency, visitor satisfaction, and revenue generation? How will these metrics be tracked and reported to ensure transparency and accountability? What benchmarks and targets will be set for each year, and how will the city address potential deviations from expected outcomes?**

Staff response: The city will measure the economic success of the new ticketing system over the next five years using a structured framework that includes key performance metrics such as operational efficiency, visitor satisfaction, and revenue generation. Metrics include reduced processing times, increased visitor feedback scores, and higher revenue figures that are tracked and reported quarterly. Benchmarks and targets will be set annually, with specific goals for each metric to ensure continuous improvement. Fortunately, since the recent completion of the consultant led business analysis, we have a wealth of benchmarking data in multiple facets. Any deviations from expected outcomes will be promptly addressed through corrective action plans, ensuring transparency and accountability to our constituents.