



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Planning and Development Services

Meeting Date: June 10, 2024

Report #:2404-2899

TITLE

Approval of Contract Amendment Number 1 to Contract Number C21181223A with Integrated Design 360, LLC. in the Amount of \$100,000 and Extend Term by Six Months for Sustainability Services Related to Green Building, Energy Reach Codes, and Sustainability Climate Action Plan; CEQA Status: Not a Project.

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager or their designee to execute Amendment No. 1 to Contract No. C21181223A (Attachment A) with Integrated Design 360, LLC. for sustainability services in an amount not to exceed \$100,000 and a term extension of six (6) months. This amendment results in a revised total contract not-to-exceed amount of \$850,000 for basic services and reimbursable expenses, through December 31, 2024.

BACKGROUND

On June 21, 2021, the City Council approved¹ Contract Number C21181223A with Integrated Design 360, LLC, and Contract Number C21181223B with Integral Group Holdings, LLC, for a shared not-to-exceed amount of \$750,000 to provide ongoing sustainability services for green building, energy reach code, and the Sustainability Climate Action Plan for a term of three years through June 2024. The City partnered with Integral Group Holdings, LLC, on a limited basis and spent \$71,453 through Spring 2022. The City does not plan to use Integral Group Holdings, LLC's (Integral) services for the remaining duration of the contract period due Integral's internal staffing transitions, which resulted in the lack of expertise required to support this work. The City partners regularly with Integrated Design 360, LLC, and through Contract Number C21181223A has spent \$557,913 to date. These firms were selected from a competitive solicitation (request for proposal, RFP #181223 Green Building Services), conducted in April 2020. Combined, roughly \$630,000 of the shared \$750,000 was utilized to date and will meet the contract threshold by June 2024.

¹ CMR 12322: <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-12322.pdf>

ANALYSIS

The Planning and Development Services Department has two existing contracts with Integrated Design 360, LLC. The primary contract, C21181223A, includes ongoing work related to the development and administration of the Green Building and Energy Reach Code Program, assistance with sustainability and program metrics management and reporting, green building and energy reach code training, green building and energy reach code policy review and creation, ongoing development and administration of the green building special inspector program, and assistance with Sustainability Climate Action Plan implementation. This amendment is considered ongoing daily work associated with green building activities.

On April 1, 2024, City Council approved² a second contract, C24190818, with Integrated Design 360, LLC, for the development of the “One Margin” Reach Code. Although the work is similar, this secondary contract is distinct as the “One Margin” Reach Code work is for a unique specific project on an expedited timeline, with different expectations and deliverables, not included in the original scope of work in the primary contract.

The contract amendment for primary ongoing services with Integrated Design 360, LLC, will align the end date of the ongoing sustainability support services with the broader Development Services On-Call contracts for building inspection, building plan check, project coordination, and other services offered at the Development Center. A RFP is expected to be released in Summer 2024 to secure new on-call contracts, including sustainability services, starting January 1, 2025. The results will be presented to City Council in late Fall 2024. Approval of this amendment will result in further efficiency in the procurement process and allow for continuity in services until updated vendor(s) are secured.

FISCAL/RESOURCE IMPACT

Approval of the recommended contract amendment will allow the department to continue utilizing consultants for specific expertise. The use of consultants provides an efficient and effective means of accessing the technical skills needed quickly. Fiscal Year 2025 contracts are budgeted in the Planning and Development Services Department, subject to City Council approval of the Fiscal Year 2025 Operating Budget. The use of contractors for development services work is contingent on (1) an approved contract with the capacity to support the required scope, and (2) availability of funding in the department’s approved budget. No work will be assigned to consultants under this contract unless there is sufficient operating budget to cover the costs.

² CMR 2403-2709: <https://cityofpaloalto.primegov.com/Portal/viewer?id=0&type=7&uid=7f697cae-2d04-49a0-8ad4-6adb9b459460>

STAKEHOLDER ENGAGEMENT

City staff from various departments contributed to the selection criteria development, RFP drafting, proposal review, and firm interviews for the original contract award. Recommendations for contract awards to multiple firms were made following internal panel assessment and discussion.

ENVIRONMENTAL REVIEW

Approval of these contracts is not a project under the California Environmental Quality Act (CEQA), and therefore, no environmental review is required.

ATTACHMENTS

Attachment A: Amendment No. 1 with Integrated Design 360 (C21181223A)

APPROVED BY:

Jonathan Lait, Planning and Development Services Director