



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, April 1 Council Meeting](#).

Item 5: Approval of Contract Amendment Number 1 to Contract Number S24190818 with Integrated Design 360 in the Amount of \$82,200 and Extension of the Contract Term through December 30, 2024 for development of a “One Margin” Reach Code. CEQA Status: Exempt Under CEQA Guidelines Section 15308

- 1. What specific numerical measure or quantitative description can be used to determine whether the increase in compensation for the contract aligns with the increase in the scope of work for Integrated Design 360's contract, excluding the increase in financial compensation, compared to the initial scope of the contract?**

Staff Response: This scope was prepared using a deliverables-based approach. To expedite work, staff prepared an initial contract with ID360. Recent Council direction to expedite and expand the initial scope requires the subject amendment. Should there be an interest in using an alternative measure of quantitative approach to renegotiate hourly rates or total costs, this action will take time and delay returning to Council before the summer recess.

- 2. How do you plan to introduce these reach codes amid the growing concerns raised by city council members, developers, and residents regarding the potential increase in housing costs and the construction industry, especially in the context of Silicon Valley's existing housing crisis?**

Staff Response: This contract amendment advances prior, unanimous, City Council direction from February 26, 2024. With the contract amendment staff will continue its Council-directed analysis of the One Margin standard. It is anticipated that in June, the City Council will have an opportunity to balance identified policy questions with the City's expressed sustainability and carbon reduction interests.

- 3. What steps is the city taking to lessen the initial financial burden of the new building codes on ADUs and affordable housing, and to address concerns about the electrical grid and the higher costs of electric appliances?**

Staff Response: (Please see the staff response to Question 2). This contract amendment advances prior, unanimous, City Council direction from February 26, 2024. With the contract amendment staff will continue its Council-directed analysis of the One Margin standard. It is anticipated that in June, the City Council will have an opportunity to balance identified policy questions with the City's expressed sustainability and carbon reduction interests.

Item 6: Approval of Amendments with Professional Account Management LLC, dba Duncan Solutions for Contracts C17164727 and C19171363A for a Combined Additional Amount of \$60,000 (Total not to exceed of \$860,000 and \$767,000 respectively) and to Extend the Contract Terms to December 31, 2024 (total term of eight and five years respectively), for Parking Permitting and Citation Management Services; CEQA Status – Not a Project.

- 1. Considering the significant impact of parking citation processing and collection services on our community members, what specific actions, if at all, has the city taken to engage constituents in the decision-making process regarding the extension of Duncan Solutions' contract?**

Staff Response: Historically, contract extensions requiring council approval, related to regular ongoing city operations, are reported on the City Council meeting agenda ten days in advance of the public meeting along with a staff report with context. The City uses the standard engagement process for community members to write in about the agenda topics or speak during public comment for these kinds of matters. As written in the staff report, the City is currently in the process of releasing a request for proposal to consolidate parking citation services to a single payment portal in the future.

- 2. How has the city ensured that our residents' and businesses' feedback and concerns have been adequately considered and addressed before moving forward with this extension?**

Staff Response: (Please see the staff response to Question 1). Historically, contract extensions requiring council approval, related to regular ongoing city operations, are reported on the City Council meeting agenda ten days in advance of the public meeting along with a staff report with context. The City uses the standard engagement process for community members to write-in about the agenda topics or speak during public comment for these kinds of matters. As written in the staff report, the City is currently in the process of releasing a request for proposal to consolidate parking citation services to a single payment portal in the future.

- 3. Given the importance of ensuring value and efficiency in public contracts, particularly in parking management services where companies like Duncan Solutions and its numerous competitors operate, explain the rationale behind the city's decision-making process for not engaging in a competitive bidding process for this contract extension.**

Staff Response: As written in the staff report, contract extensions recommended relate to extending existing engagements and align the end dates for the two contracts to provide sufficient time to implement the next contract for a consolidated engagement. The City is currently in the process of releasing a request for proposal to consolidate parking citation services to a single payment portal in the future.

4. **What data and empirical evidence can residents of Palo Alto rely on to ensure confidence that this approach secures the best possible deal for our constituents, considering the potential for technological innovation, service quality, and cost-effectiveness offered by other firms in the industry?**

Staff Response: As written in the staff report, not approving the extensions would jeopardize the City's ability to enforce its parking polices and issue parking citations having an operational and financial ramifications. These limited extensions of less than one year provide sufficient time to implement the next contract for a consolidated engagement. The City is currently in the process of releasing a request for proposal to consolidate parking citation services to a single payment portal in the future which includes a solicitation process through a web-based solicitation platform followed by a regimented evaluation process.

Item 8: SECOND READING: Adopt a Revised Interim Ordinance to Extend the Interim Parklet Program to July 31, 2024 (from March 31, 2024) and Phase-in Enforcement of the Ongoing Parklet Program through November 1, 2024; and Extend Parking Lot Eating/Drinking Uses to December 31, 2024; CEQA Status- Categorically Exempt (Sections 15301 and 15304(e)) (FIRST READING: March 11, 2024 PASSED 7-0)

1. **Given the importance of maintaining traffic flow and ensuring prompt access for emergency services, how does the city plan to mitigate the potential negative impacts on local traffic and emergency response times and public space availability resulting from the increased use of street spaces for dining and retail activities, especially in areas where parklets might significantly reduce road width or obstruct emergency vehicle routes?**

Staff Response: The parklet areas are limited to the existing parking spaces and do not encroach on the travel lanes, therefore they are not expected to impact traffic flow or access for emergency services.

2. **What plans are in place to address situations where emergency vehicles cannot navigate densely populated parklet areas, which could be exacerbated in emergency scenarios not fully anticipated by the current planning process?**

Staff Response: As stated in the response to Question #1, parklet areas on streets that have car traffic are limited to the existing parking spaces, so emergency vehicles will continue to have access. On the portion of Ramona Street that is closed to vehicular traffic and the parklet program applies, an emergency access lane has been painted down the center to allow access for emergency vehicles.

- 3. How does the city plan to ensure fairness and equal opportunity for all businesses under the proposed parklet program extension, especially for those businesses that lack immediate access to outdoor spaces or are situated in areas where setting up parklets is not feasible due to space constraints, zoning regulations, or other logistical challenges?**

Staff Response: The use of street parking spaces for parklets or sidewalks for outdoor dining is enabled through the issuance of encroachment permits allowing the use of the City's public right of way (ROW). Although outdoor dining benefits restaurants and the Palo Alto community, these benefits must be balanced with prioritizing the primary uses of the public ROW, which are to enable the safe passage of vehicles, bikes, and pedestrians; site essential street infrastructure such as streetlights, traffic signals, and signs; and allow access to utilities, fire hydrants, and emergency vehicles. Not every business location is suitable for siting a parklet, which is reflected in the guidelines. Some businesses unable to build parklets may be able to explore alternatives such as limited use on the sidewalk. The City is also currently working on long-term improvements which will not only allow more outdoor dining opportunities but also create a vibrant walkable downtown that will attract more patrons for all downtown businesses.

- 4. What specific measures or support mechanisms are being considered to assist these businesses in overcoming the inherent disadvantages posed by the policy, ensuring that the economic benefits of outdoor operations are distributed more equitably across the community?**

Staff Response: As noted in the response to question 3, the City is currently working on long-term improvements which will not only allow more outdoor dining opportunities but also create a vibrant walkable downtown that will attract more patrons for all downtown businesses.