



City of Palo Alto

City Council Staff Report

(ID # 6028)

Report Type: Consent Calendar

Meeting Date: 9/15/2015

Summary Title: Placeworks Contract Amendment 4

Title: Approval of Amendment Number 4 to Contract C08125506 With the Planning Center | DCE, now Known as Placeworks, to Increase the Contract by \$482,612 to an Amount Not to Exceed \$2,377,343 and Adoption of a Related Budget Amendment Ordinance

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that Council authorize the City Manager or his designee to execute Amendment No. 4 (Attachment A) to Contract C08125506 with The Planning Center | DCE (now known as Placeworks) to increase the contract limit by \$482,612 to an amount not to exceed \$2,377,343 to provide additional services associated with the Comprehensive Plan Update, including support for the ongoing Citizen Advisory Committee (CAC) meetings, and approve a Budget Amendment Ordinance in the amount of \$482,612 in the General Fund offset with a reduction in the General Fund Budget Stabilization Reserve (Attachment B).

Executive Summary

The 1998-2010 Palo Alto Comprehensive Plan (Comp Plan) guides land use and development decisions in Palo Alto and contains the City's official policies on land use and community design, transportation, housing, natural environment, business and economics, and community services. Many sections of the plan are required by State law and the State recommends that local jurisdictions update their plan every ten years. Palo Alto embarked on an update of its Comprehensive Plan and contracted with the firm DCE (now known as Placeworks) in 2008. A contract amendment is needed to allow for the following:

1. Supporting the activities of the newly-created Citizens Advisory Committee (CAC) which will provide suggestions to the City Council during the Comprehensive Plan update, including drafting staff reports, producing "Online City Hall" documents used by residents to provide feedback, drafting preliminary elements to be re-reviewed by the CAC, and staffing all CAC and CAC planning meetings

2. Drafting of a revised Comprehensive Plan and providing all needed support thru adoption of the plan, including preparation for and attending public and City Council meetings as needed.

Background

The 1998-2010 Palo Alto Comprehensive Plan's policies apply to both public and private properties and its focus is on the physical form of the City. The Plan is used by the City Council and the Planning and Transportation Commission to evaluate land use changes and to make funding and budgeting decisions. It is used by City staff to evaluate building and development and to make recommendations on projects. It is used by citizens and neighborhood groups to understand the City's long-range plans and proposals for geographic areas. The Comprehensive Plan provides the basis for the City's development regulations and the foundation for its capital improvements.

The City has been working with Placeworks to update the Comprehensive Plan since 2008. Under the initial contract, DCE conducted a preliminary review of each existing Comprehensive Plan element, provided suggestions for revisions to modernize and improve elements based on current General Plan/Comprehensive Plan standards, and recommended the addition of sustainability policies and program concepts that would be appropriate for each element.

Amendment Number 1 added work on the California Avenue Concept Plan, preparation of the Citywide Travel Demand Forecasting Model, creation of the Comprehensive Plan Amendment Implementation Matrix, and additional website administration.

In March 2014, Staff identified a revised approach for the Comprehensive Update process (Staff Report 4554) that included community discussion of alternative development scenarios, along with baseline data, potential impacts and mitigation.

Amendment Number 2 included preparation of "Our Plan so Far" along with initiation of the environmental review process with a "Notice of Preparation," scoping, alternatives development. (Preparation of the Draft EIR is currently underway.) With this modification, the contract was intended to fund all activities that were then anticipated up to and including plan adoption.

Amendment Number 3 provided a fiscal analysis to better inform the community and decision makers about the opportunities and challenges inherent in the issues that are being considered as part of the Comprehensive Plan update. The fiscal analysis is currently underway.

Since 2014, the City Council has emphasized the need to bring together a diverse range of voices from throughout the community to discuss the myriad choices that will define Palo Alto in the years to come. As part of this effort, “The Summit” was held on May 30th and was attended by hundreds of Palo Alto residents. Feedback from the event will inform the Comprehensive Plan Update and preface a new phase of “open sourcing” comments that will be used in the planning process.

The City Council also decided in March to form a Citizens Advisory Committee (CAC) to inform the ongoing update process and provide a vehicle for community input to the City Council. The CAC has begun meeting and discussing elements of the existing Comprehensive Plan.

These City Council decisions altered the then-timeframe for completion of the Comprehensive Plan update work, and required a reallocation of funds to support the Summit and the CAC, which were not part of the previous contract or subsequent amendments. Resources reallocated included those originally identified for completion of the update work. Contract Amendment 4 restores resources to complete these tasks.

Staff is requesting an amendment to the DCE contract to include funding for the final phase of the Comprehensive Plan update process. Support for the CAC meetings is critical, as their work will be a primary source of public input to the ongoing process, as well as a clear need to support the drafting and production of the final work products, including a draft Comprehensive Plan. Staff requests Council’s authorization to amend the contract accordingly. *(Note: the City Council’s August 17, 2015 request for a somewhat longer schedule and for the use of subcommittees in the CAC process occurred after this staff report and contract amendment were prepared. As a result, an additional amendment may be required in the future.)*

Resource Impact

Amendment Number 4 (Attachment A) requests an addition of \$482,612 to the contract titled “Comprehensive Plan Amendment Services, Contract C08125506. The Planning and Community Environment Department’s Adopted Operating Budget for Fiscal Year 2016 does not contain sufficient resources to support the increased contract amount. Staff requests approval of the attached Budget Amendment Ordinance (BAO) to increase the departments Fiscal Year 2016 Operating Budget by this amount offset with a reduction to the General Fund Budget Stabilization Reserve. Upon approval of the contract amendment and BAO, the Department will encumber the funds required for the contract amendment. The total cost of the project, including Amendment Number 4, is summarized in the following table.

Staff will analyze the contract impact of Council recommendations made at the August 17, 2015 meeting and may need to request additional contract resources to support that work.

Comprehensive Plan updates are by definition, costly endeavors and many jurisdictions spend substantial sums on these types of projects. The time involved in the planning process is directly related to the cost and Palo Alto's protracted planning process, with an emphasis on community input, contributes to a higher cost than is typical. A small fraction of these costs are offset by the Comprehensive Plan maintenance fee charged on all building permits.

Summary Breakdown	Total Cost
Original Contract total w/Contingency (CMR:193:08)	\$849,981
Amendment #1 w/Contingency (Staff Report 3756) which included additional work: <ul style="list-style-type: none"> • Completion of the Cal Ave Concept Area Plan • Preparation of the Citywide Travel Demand Forecasting Model • Creation of the Comp Plan Amendment Implementation Matrix • Additional website administration 	\$290,019
Amendment #2 (Staff Report 4554) <ul style="list-style-type: none"> • Preparation of "Our Plan so Far" and "Notice of Preparation" • Scoping and Alternatives Development 	\$597,206
Amendment #3 (Staff Report 5562) <ul style="list-style-type: none"> • Fiscal Analysis study 	\$157,525
Exhibit A (Amendment #4 total) <ul style="list-style-type: none"> • Citizen Advisory Committee support • Comp Plan Preparation and Adoption • Open Sourcing the Comp Plan • Earth Day Report Consultation • Council meeting support • Contract management support, labor and reimbursable expenses 	\$482,612 \$182,060 \$161,553 \$30,510 \$25,130 \$32,740 \$50,619
Revised Contract Grand Total	\$2,377,343

Policy Implications

Updating the City's Comprehensive Plan has been identified as a key priority by this Council. Contract Amendment Number 4 does not represent a change to existing policies.

It is worth noting that costs associated with the adoption of a revised Comprehensive Plan will continue to rise, the longer it takes to complete. Contract Amendment 4, along with all project timelines have been designed to allow for the completion of work in 2016, per the City Council's direction.

Environmental Review

Work related to the CAC is not a project under the California Environmental Quality Act. A Draft Environmental Impact Report is being prepared in tandem with the work detailed above as required by CEQA and is already funded.

Attachments:

- Attachment A: Placeworks Contract Amendment 4 to Contract Number C08125506 (PDF)
- Attachment B: Budget Amendment Ordinance (DOCX)

**AMENDMENT NO. 4 TO CONTRACT NO. C08125506
BETWEEN THE CITY OF PALO ALTO AND PLACEWORKS, INC.,**

This Amendment No. 4 ("Fourth Amendment") to Contract No. C08125506 ("Contract") is entered into September 15, 2015 ("Amendment Effective Date"), by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and PLACEWORKS, INC., located at 3 MacArthur Place, Suite 1100, Santa Ana, California, 92707 ("CONSULTANT")

RECITALS:

A. The Contract dated effective June 1, 2008 was entered into between the Parties for Consultant to provide planning services for the development of a work plan to amend the existing comprehensive plan to a planning horizon no later than year 2020.

B. On March 2, 2015 the parties entered into Amendment No. 3 to change the CONSULTANT's name from DESIGN COMMUNITY & ENVIRONMENT, INC., a California corporation, located 1625 Shattuck Avenue, Suite 300, Berkeley, CA. 94709 to PLACEWORKS, INC., a California corporation, located at 3 MacArthur Place, Suite 1100, Santa Ana, California, 92707. Amendment No. 3 also increased the "Not to Exceed Compensation" by \$157,525.00 from \$1,737,206.00 to \$1,894,731.00, for additional services as specified in Exhibit "A3" Additional Scope of Services.

C. On March 3, 2014 the parties entered into Amendment No. 2 to extend the term to June 30, 2016 and increase the compensation to \$1,737,206.00 for additional services as specified in Exhibit "A1".

D. On June 28, 2013 the parties entered into Amendment No. 1 to extend the term to June 30, 2014 and increase the compensation to \$1,124,073.00 for additional services as specified in Exhibit "A1".

E. CITY intends to increase the compensation by \$482,612.00 from \$1,894,731.00 to 2,377,343.00 for additional services as specified in Exhibit "A4" Additional Scope of Services.

F. To accomplish this purpose, the Parties wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Fourth Amendment, the Parties agree:

SECTION 1. Section 4. NOT TO EXCEED COMPENSATION is hereby amended to read as follows:

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibits “A”, “A1”, “A2”, A3 & “A4”, including both payment for professional services and reimbursable expenses, shall not exceed Two Million Three Hundred Seventy Seven Thousand Three Hundred Forty Three Dollars (\$ 2,377,343.00) The applicable rates and schedule of payment are set out in Exhibit “C5”, entitled “RATE SCHEDULE,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibits “A”, “A1”, “A2” & “A3”.”

SECTION 2. The following exhibits to the Contract are hereby amended to read as set forth in the attachment(s) to this Third Amendment, which are incorporated in full by this reference:

- a. Exhibit “A4” entitled “SCOPE OF SERVICES”
- b. Exhibit “C” entitled “COMPENSATION”
- c. Exhibit “C5” entitled “RATE SCHEDULE FOR AMENDMENT NO. 4”

SECTION 3. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this First Amendment on the Amendment Effective Date.

CITY OF PALO ALTO

PLACEWORKS, INC

DocuSigned by:
David Early
45D4F370141B4B8...

APPROVED AS TO FORM:

David Early

ATTACHMENTS:
Exhibit “A4” “SCOPE OF SERVICES”
Exhibit “C” “COMPENSATION”
Exhibit “C5” “RATE SCHEDULE

EXHIBIT A4 ADDITIONAL SCOPE OF WORK

I. CITIZENS' ADVISORY COMMITTEE MEETING SUPPORT

CONSULTANT shall support City staff in preparing materials for and facilitating 9 meetings of the Citizens' Advisory Committee. Specifically, CONSULTANT shall:

- a. Prepare Comp Plan policies and programs for CAC review and discussion by:
 - i. Working with City staff to identify major policy issues in each Element.
 - ii. Compiling past input on each Element from the City Council vision and goals discussions, Planning and Transportation Committee reviews, previous stakeholder meetings, The Summit, and staff and consultant review.
 - iii. Annotating each Element with questions to focus CAC discussion on the key policy topics and background context summarizing prior input.
 - iv. Formatting each Element for clarity and readability.
 - v. Providing content for 1- to 2-page cover memos guiding CAC members on how to prepare for each upcoming meeting.
 - vi. Preparing a PowerPoint presentation orienting the CAC to each Element and the major policy topics to be discussed at the meeting.
- b. Attend 9 meetings of the CAC. This scope and budget assume meetings will be up to 4 hours long. CONSULTANT role shall primarily be to present background information and an overview of the material to be discussed, and to be available to answer technical questions. CONSULTANT's Project Manager will attend all CAC meetings; CONSULTANT's Principal-in-Charge will attend up to 6 meetings.
- c. Revise Comp Plan policies and programs to reflect CAC input; add narratives, graphics, and data to the policies and programs; and format the documents to create a draft Element for subsequent CAC review. This scope and budget anticipates that the Comp Plan will consist of the six Elements currently identified: Land Use and Community Design, Transportation, Natural Environment, Community Services and Facilities, Safety and Noise, and Business and Economics.

II. OPEN SOURCING THE COMP PLAN

CONSULTANT shall provide technical support and content to enable the City to "open source" community input on the Comp Plan as it is drafted and reviewed. Specifically, CONSULTANT shall:

- a. Have primary responsibility for coordinating with Peak Democracy, provider of the City's Open City Hall tool, to develop and maintain a new Digital Commenter tool that will allow the public to comment on Comp Plan content at the level of individual policies or programs.
- b. Create and format policy and program documents for each Element to post on the Digital Commenter tool no less than 3 weeks in advance of each CAC meeting.

III. CITY COUNCIL MEETING SUPPORT

CONSULTANT shall support staff in preparing for City Council meetings to discuss Comp Plan and EIR contents, including, for example, the overall structure and goals of the Comp Plan, retail preservation strategies, approaches to a development cap, analysis of the fiscal impacts of the Comp Plan scenarios, and the conclusions of the Draft EIR. Specifically, CONSULTANT shall:

- a. Attend up to 7 Council meetings
- b. Prepare relevant sections of staff reports and presentations

IV. ENVIRONMENTAL AND POLICY ANALYSIS

CONSULTANT shall:

- a. Provide a summary of 2014 GHG emissions for the City's annual Earth Day report.
- b. Coordinate closely with the City's Sustainability/Climate Action Plan team to ensure the highest possible level of data sharing and congruency between the two processes and documents.
- c. Include an analysis of the S/CAP document in the Comp Plan EIR to fulfill the CEQA review requirements for the S/CAP.
- d. Revise buildout estimates for the Comp Plan scenarios to reflect City Council direction regarding approaches to growth management received at the March 24, 2015 Council meeting.

V. COMPREHENSIVE PLAN PREPARATION AND ADOPTION

CONSULTANT shall support the City through the preparation, public review, and adoption of the Comp Plan. Specifically, CONSULTANT shall:

- a. Prepare an Administrative Draft Plan, including an Introduction and an Implementation Plan. The Administrative Draft Plan will incorporate the material prepared during the CAC and Open Source process to create full elements with narratives, photos, and graphs for City review. In addition, the Administrative Draft Plan will reflect the Preferred Land Use Alternative identified by the City Council. Upon completion of City review, the Consultant shall prepare a screen check Draft Plan, followed by the completion and release of a Public Review Draft Comprehensive Plan.
- b. Have primary responsibility for coordinating with Peak Democracy, provider of the City's Open City Hall tool, for online review and input on the Public Review Draft Comprehensive Plan, using existing Open City Hall tools.
- c. Track all comments on the Draft Plan received during the public review phase, and summarize all changes made to the Plan in response to public comments.
- d. Support staff in preparing for, and attend, up to 6 hearings with the Planning and Transportation Commission and the City Council to consider the Public Review Draft Comprehensive Plan.
- e. Incorporate revisions received during the public review phase into the Public Review Draft Comprehensive Plan to prepare a Revised Draft Comprehensive Plan.
- f. Support staff in preparing for, and attend, up to 6 hearings with the Planning and Transportation Commission and the City Council to consider adoption of the Comprehensive Plan.
- g. Prepare a Final Comprehensive Plan document reflecting any additional Council direction received during the adoption hearings. Coordinate printing and delivery of the Final Comprehensive Plan.

VI. ONGOING PROJECT MANAGEMENT

CONSULTANT shall participate in regular weekly calls with the City Comp Plan team to report on progress and resolve any outstanding issues. CONSULTANT shall be responsible for providing agendas and materials for each meeting in advance.

In addition, CONSULTANT shall attend periodic on-site check-in meetings with City staff throughout the remainder of the Comp Plan and EIR process. This scope and budget assumes 8 staff-level check-in meetings between August 2015 and June 2016.

EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit “C5”.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibits “A”, “A1”, “A2”, “A3” & “A4” (“Services”) and reimbursable expenses shall not exceed \$2,377,343.00. CONSULTANT agrees to complete all Services, including reimbursable expenses, within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

- A. Travel (including within the San Francisco Bay Area – at actual cost
- B. Report printing and reproduction – at actual cost
- C. Deliveries – at actual cost
- D. Data purchase – at actual cost

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$500.00 shall be approved in advance by the CITY’s project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT’s proposed maximum compensation, including reimbursable expenses, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.

**EXHIBIT C5
RATE SCHEDULE**

STAFF LEVEL	HOURLY BILL RATE
Principal	\$190–\$250
Associate Principal	\$175–\$200
Senior Associate/Senior Scientist	\$145–\$180
Associate/Scientist	\$110–\$150
Project Planner/Project Scientist	\$90–\$115
Planner/Assistant Scientist	\$75–\$95
Graphics Specialist	\$60–\$100
Clerical/Word Processing	\$40–\$110
Intern	\$50–\$70
Subconsultants are billed at cost plus 10%. Mileage reimbursement rate is the standard IRS-approved rate.	

Ordinance No. xxxx

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING
THE BUDGET FOR FISCAL YEAR 2016 TO PROVIDE AN ADDITIONAL
APPROPRIATION OF \$482,612 FROM THE GENERAL FUND BUDGET
STABILIZATION RESERVE TO THE PLANNING AND COMMUNITY
ENVIRONMENT DEPARTMENT FOR ADDITIONAL FUNDING TO SUPPORT
THE COMPREHENSIVE PLAN UPDATE

The Council of the City of Palo Alto does ordain as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 15, 2015 did adopt a budget for Fiscal Year 2016; and

B. The 1998-2010 Palo Alto Comprehensive Plan (Comp Plan) guides land use and development decisions in Palo Alto and contains the City's official policies on land use and community design, transportation, housing, natural environment, business and economics, and community services. Many sections of the plan are required by State law and the State recommends that local jurisdictions update their plan every ten years; and

C. Palo Alto embarked on an update of its Comprehensive Plan and contracted with the firm DCE (now known as Placeworks) in 2008; and

D. The City Council decided in March 2015 to form a Citizens Advisory Committee (CAC) to inform the ongoing update process and provide a vehicle for community input to the City Council. The CAC has begun meeting and discussing elements of the existing Comprehensive Plan; and

E. This action will support an amendment to the DCE contract to include funding for the final phase of the Comprehensive Plan update process. An additional appropriation of \$482,612 is requested to support the completion of the Comprehensive Plan Update.

SECTION 2. Therefore, Four Hundred Eighty-Two Thousand Six Hundred Twelve (\$482,612) is hereby appropriated to the Planning and Community Environment Department and the ending fund balance in the General Fund Budget Stabilization Reserve is hereby reduced by Four Hundred Eighty-Two Thousand Six Hundred Twelve (\$482,612).

SECTION 3. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 4. The actions taken in this ordinance do not constitute a project requiring environmental review under the California Environmental Quality Act (CEQA).

INTRODUCED AND PASSED: Enter Date Here

AYES:

NOES:

ABSENT:

ABSTENTIONS:

NOT PARTICIPATING:

ATTEST:

City Clerk

APPROVED AS TO FORM:

Senior Assistant City Attorney

Mayor

APPROVED:

City Manager

Director of Administrative Services

Director of Planning and Community
Environment