



Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to questions made by Councilmembers Tanaka and Cormack regarding the [Monday, January 10 Council Meeting](#) consent agenda items:

Item 3, Approval of Contract C22181106 with Universal Site Services Inc. for a Total Not-to-Exceed Amount of \$1,214,373 Over a Five Year Term for Scheduled and On-Call Steam Cleaning Services at Various City Locations

Item 5, Adopt a Park Improvement Ordinance for the Replacement of the Palo Alto Flood Basin Tide Gate Structure in the City's Baylands

Item 6, Adoption of Two Resolutions Authorizing Participation in the California Arrearage Payment Program (CAPP) for Gas and Electric Utilities, and the California Water and Wastewater Arrearage Payment Program (CWWAPP), Including Acceptance of Funds and Crediting Eligible Utility Accounts; and Approval of Amendments to the Fiscal Year 2022 Budget Appropriation Ordinance for the Electric, Gas, and Water Funds to Account for CWWAPP and CAPP Funds

Councilmember question and Staff response are below:

Item 3

1. **How much of a disruption will steam cleaning services provide to residents and restaurants/businesses?**

Answer: Steam cleaning operations are well-established and not generated complaints from residents or businesses in the recent past. Steam cleaning locations are generally within business districts, or at community centers, libraries, plazas and garages limited to the hours of 10:00pm-7:00am, and the contractor is required to adhere to the City's noise ordinance, Palo Alto Municipal Code Chapter 9.10.

2. **What were the qualifications needed for each of the bids for the steam cleaning services?**

Answer: The contractor must be a Recognized Surface Cleaner by the Bay Area Stormwater Management Agencies Association (BASMAA), provide a pollution prevention BMP plan which must be reviewed and approved by the City's Watershed Protection Group, and have the proper equipment to complete the scope of work within the allotted time.

3. **Why was the previous contract for steam cleaning services not renewed? Were there issues with the contractor?**

Answer: The previous contract was for a term of three years. As is the City's standard procurement practice, a new solicitation was conducted rather than renewing an existing contract. There were no issues with the contractor.

4. **Was the public/the City unsatisfied with the quality of the cleanings?**

Answer: The City was satisfied with the quality of the work.

5. **What justifies the switch from the previous steam cleaning contract to Universal Site Services Inc, with almost double the increase in price?**

Answer: There are additional tasks in this contract, such as the cleaning of the (5) parking garages (ceiling to floor) and the New California Ave Parking Garage which were not in the previous contract. The proposed pricing in this new contract accounts for these additional tasks, and the adjustments needed to reflect the increase in minimum wage, staff retention, job market competitiveness in the Bay Area, and higher costs to insure and maintain equipment.

6. **Why is the City unable to provide cleaning services without the approval of the Universal Site Services Inc. contract?**

Answer: The City does not have the staff resources to provide steam cleaning services.

Item 5

1. **How meaningful were the proposed trail surface improvements that have been removed from the scope of work? Could the City pay for this work to be done?**

Answer: The proposed trail surface improvements, which were removed from the scope of work, were intended to be performed before the project started as a preventative measure to protect the levee trail from damage from the heavy construction equipment. The proposed improvements included adding geotech fabric and extra gravel. Even if those trail improvements were implemented, some levee trail repair work would likely need to be performed by Valley Water's contractor. Without the trail improvement work, Valley Water's contractor will likely have to do more repair work.

Valley Water is confident that their contractor will be able to make any necessary trail repairs without impacting the project schedule. They have also committed to make repairs between construction seasons to ensure that the surface is safe for trail users, and to ensure that at the end of the project that levee trail is in the same or better condition than before the project started.

Item 6

1. **In what priority will delinquent accounts be paid out? Are there accounts of higher priority? If so, why are they deemed so?**

Answer: As mentioned in the staff report (packet page 109 under "Funding"), CAPP has specific guidelines on how to distribute the grant funding to customer classes. The City must distribute the funds according to CAPP's priority groups (1-4). The City does not have any discretion on how to apply the funds.

As specified under California Government Code Section 16429.5 (Assembly Bill 135, Chapter 85, Statutes of 2021), energy utilities will prioritize CAPP assistance to eligible customer accounts in accordance in the following order:

- Priority 1 - Active residential customers with past due balances who are at risk of disconnection due to nonpayment. (100% covered)
- Priority 2 - Active residential customers with past due balances. (100% covered)

- Priority 3 - Inactive residential customers with past due balances. (100% covered)
- Priority 4 - Commercial customers with past due balances. (49% covered)

2. **Does the CPAU plan to implement measures to try to ensure that these delinquent accounts keep up with payments? If not, what action needs to be taken to prevent further arrearages?**

Answer: As mentioned in the staff report (packet page 109 under “Customer Protection”), CAPP has mandated Customer Protections as condition for applying and receiving program funds. The same customer protections will be applied to CWWAPP funding recipients.

Government Code Section 16429.5 requires energy utilities that receive a CAPP allocation to provide the following customer protections:

- Service shall not be discontinued due to nonpayment for those customers with arrearages accrued during the COVID-19 pandemic bill relief period while CSD reviews and approves all pending CAPP applications.
- Any associated late fees and accrued interest for customers that are awarded CAPP benefits shall be waived.
- No disconnections of a CAPP recipient’s utility service are allowed, regardless of balance owed after applying a CAPP benefit, for 90 days after a CAPP benefit is applied.
- Customers that received a CAPP benefit and have a remaining balance after that benefit is applied must be notified of the option to enter into an extended payment plan with late fees and penalties waived.

CPAU will notify customers that have remaining balances and offer an extended payment plan with late fees and penalties waived in order to help manage their billing arrearages.

Thank you,
Joanna



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