



City of Palo Alto

City Council Staff Report

(ID # 6013)

Report Type: Consent Calendar

Meeting Date: 8/31/2015

Summary Title: Amendment 2 to Metropolitan Group Contract

Title: Approval of Amendment Number 2 to Contract C14153012 with Metropolitan Planning Group for Support of Planning Review of Individual Review and Architectural Review Applications Due to Increased Workload and Unanticipated Staff Vacancies, Increasing the Contract by \$350,000 for a Not to Exceed Amount of \$500,000 over a Three Year Period

From: City Manager

Lead Department: Planning and Community Environment

Recommended Motion

Staff recommends that Council authorize the City Manager or his designee to approve Amendment Number 2 to Contract C14153012 with Metropolitan Planning Group to support Planning review of Individual Review and Architectural Review Applications, increasing the contract limit by \$350,000 to an amount not to exceed \$500,000 over a three year period, and simultaneously terminating three other Planning On-Call Contracts totaling \$156,000.

Executive Summary

The Planning and Community Environment Department (PCE) routinely uses consultants to secure specific expertise and to help when the number of applications received creates an unusual volume of work or staff vacancies are such that assistance is required. The Metropolitan Planning Group has been providing these services and their contract will soon be exhausted if not amended. Simultaneously, staff proposes to terminate three other "on call" contracts which are not being utilized.

The department's workload tends to fluctuate seasonally and is currently at the high point of the year. If the seasonal peak subsides as anticipated, there will be sufficient funding for this contract increase within the Planning and Community Environment (PCE) department's Fiscal Year 2016 Adopted Operating Budget. Should the need for consultant support remain high or increase, the Department may need to return to Council to request additional funding.

Background & Discussion

PCE has historically maintained contracts with several consultants to provide various on-call

planning services. In recent years, the department has relied on on-call service providers to work on special projects requiring particular areas of expertise or to address increases in workload, particularly as development activity increased.

Following a competitive solicitation and selection process, Council approved five on-call environmental and four on-call planning consulting contracts in February, 2014 (Staff Report 4018). These contracts are for a three year period of time, expiring February, 2017. The on-call planning consultation contracts are with: Arnold Mammarella, Architecture and Consulting; The Planning Center/DCE; Dudek; and Metropolitan Planning Group.

On-call planning consultants are used as project managers to manage applications for planning entitlements or as independent technical consultants. Although the contracts are for a period of three years, the department took a cautious approach, limiting contract capacity to modest amounts and carefully increasing them as necessary. This provided the department an opportunity to see which consultant would work best with current workload needs without overextending the City's contracts. When consultant assistance is needed, consultants are chosen from the contracted group based upon their experience, specific expertise, availability, and cost per activity or project. Based upon activity, the Metropolitan Planning Group contract was amended to a capacity of \$150,000 (Staff Report 5478). Since the City's planning department is still not fully staffed and the robust economic climate continues, the department is experiencing a greater need for consultant support with projects for which Metropolitan Planning Group is best suited.

Two of the environmental on-call contracts and one of the planning on-call contracts have not been used. The department has not had need of their expertise and does not anticipate additional need in the foreseeable future. The total of these contracts is \$156,000. The department will terminate these contracts and reallocate available funding to the revised contract with Metropolitan Planning Group.

Based on the types of work and the consultant's experience in these areas, the Metropolitan Planning Group is most suited to provide the support needed by the department at this time. Due to increased development activity and unanticipated staff shortages, the department needs additional Metropolitan Planning Group contract support immediately. The amount of assistance needed will exceed the contract limit unless this contract is amended. Staff requests Council's authorization to amend the contract accordingly.

Resource Impact

With the addition of \$350,000 to the Metropolitan Planning Group contract and the termination of \$156,000 worth of on-call contracts as described above, the net impact in contract support is \$194,000. Since workload shifts seasonally, staff anticipates that the workload is currently at its seasonal peak and will subside such that sufficient funding for this contract increase is available within the Planning and Community Environment department's Fiscal Year 2016 Adopted Operating Budget. Should the need for consultant support remain

high or increase, the department may return to Council to request additional funding.

Attachments:

- Attachment A: MGroup Contract Amendment 2 (PDF)

**AMENDMENT NO. 2 TO CONTRACT NO. C14153012
BETWEEN THE CITY OF PALO ALTO AND
METROPOLITAN PLANNING GROUP, INC.**

This Amendment No. 2 to Contract No. C14153012 ("Contract") is entered into August 31, 2015, by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and METROPOLITAN PLANNING GROUP, INC., a California corporation, located at 579 Clyde Avenue, Ste. 340, Mountain View, California, 94043, Telephone (650)938-1111("CONSULTANT").

RECITALS

A. The Contract was entered into between the parties for the provision of planning and planning review on an on-call basis.

B. City intends to increase compensation from \$150,000.00 by \$350,000.00 to \$500,000.00 for continuation of services as specified in Exhibit "A" Scope of Services.

C. The parties wish to amend the Contract.

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

SECTION 1. Section 4 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 Exhibit "A", including both payment for professional services and reimbursable expenses, shall not exceed Five Hundred Thousand Dollars (\$500,000.00). The applicable rates and schedule of payment are set out in Exhibit "C-1", entitled "HOURLY 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 Exhibit "A".

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

a. Exhibit "C" entitled "COMPENSATION".

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 Amendment on the date first above written.

CITY OF PALO ALTO

METROPOLITAN PLANNING GROUP,
INC.

APPROVED AS TO FORM:

DocuSigned by:
Geoff Bradley
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PRESIDENT

Attachments:

EXHIBIT "C": COMPENSATION

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 C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit "A" ("Services") and reimbursable expenses shall not exceed \$500,000.00. 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 outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto's policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense 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.