

Lunt, Kimberly

From: Rice, Danille
Sent: Thursday, October 31, 2019 3:44 PM
To: Council, City; Council Agenda Email
Cc: Executive Leadership Team; ORG - Clerk's Office
Subject: November 4 Council Agenda Consent Questions for Items 3 and 4



Council Question Response

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to inquiry made by Council Member Tanaka in regard to the November 4, 2019 Council Meeting agenda.

- **Item 3: Approval to Increase Compensation of Construction Management Contract for Sludge Dewatering**
- **Item 4: Item 4: Amendment to Lexington Planning Contract to Increase Not to-Exceed Fee by \$114,440**

Item 3: Approval to Increase Compensation of Construction Management Contract for Sludge Dewatering

1. **What were the management staff doing that necessitated us paying them, if the work itself was delayed?**
During periods of construction acceleration and during extensions and delays, Tanner staff was supporting staffing as appropriate to provide inspection, quality control, cost control, and record control. Progress on the construction project continued generally unabated throughout the full 27 months of work without any significant pauses in the work that would have allowed for a temporary reduction in construction management contract expenses. In those times when no work was taking place, Tanner assigned staff to other projects.

Item 4: Amendment to Lexington Planning Contract to Increase Not to-Exceed Fee by \$114,440

1. **If we do approve the contract, does it guarantee the work/goals will be accomplished? What does the city specifically benefit from spending the money?**
Under Senate Bill (SB)35, a developer must comply when the project is consistent with objective zoning standards and objective design review standards. For Palo Alto, this means the City must identify and revise subjective guidelines to apply to qualifying housing projects. The City lacks the staff resources to complete this work, which includes reviewing Title 18 of the Municipal Codes, creating objective standards, and

refining design guidelines based on use and district type. Approving the contract provides the City with the resources and expertise to undertake this work, resulting in more local control over projects than might otherwise be possible under SB35. The consultant will be paid over time as work is accomplished.

2. **Why are they asking for \$114,440? Is it a reasonable budget? Is there any extra budget for the possible mistakes in the contract period?**

The requested \$114,440 covers the cost of the work anticipated at this time. As specified in the contract amendment, the consultant is being tasked with reviewing checklists created by City staff to prepare for the impacts of Senate Bill (SB) 35, reviewing Title 18 of the City's Municipal Code, working with the Architectural Review Board (ARB) on design guidelines and ordinance approach, presenting the ARB's recommendation to the Planning and Transportation Commission (PTC), presenting to Council, and drafting the ordinance to update Title 18 as desired. Staff has reviewed the budget and concluded the amount is reasonable for the work anticipated and expertise required. The budget breakout for this amendment can be found on the last page of the contract amendment (Attachment A). There is no budget specified for mistakes; the budget is based on an assumption of three meetings with the ARB, two with PTC, and two with City Council and includes a contingency of \$14,750 should additional tasks or meetings be required.

Thank you.



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