



CITY OF PALO ALTO OFFICE OF THE CITY AUDITOR

June 26, 2007

The Honorable City Council
ATTN: Policy and Services Committee
Palo Alto, California

Consideration of a Policy Concerning Communications with the City Council and City Council Candidates Concerning the Upcoming Bid for Refuse Hauling

RECOMMENDATION

- Recommend to the City Council that the City Council adopt a code of conduct
- requiring elected officials to disclose potential conflicts of interest regarding potential proposers for solid waste services;
 - discouraging and requiring disclosure by City Council candidates of contributions by potential proposers during and after the upcoming campaign cycle; and
 - discouraging and requiring disclosure of non-public meetings between elected officials and potential proposers during the solid waste solicitation process.

DISCUSSION AND ANALYSIS

On May 7, 2007, the City Council voted 5-3 to refer to the Policy and Services Committee consideration of a policy concerning Council and Council candidate conduct during the bidding of the upcoming refuse hauling contract. Attached is a copy of the colleagues memo and an excerpt from the City Council minutes of May 7, 2007. Also attached is a copy of the relevant finding and recommendation from the Audit of the PASCO Contract, and an excerpt from the Finance Committee minutes of April 10, 2007.

Such a policy is not uncommon. The recommendation in the audit report follows the example of guidelines adopted by the City of Campbell. The City of Sunnyvale also adopted communication guidelines during the SMaRT Station contractor selection process.

Regulation in this area must not infringe on First Amendment rights. Generally, policies discouraging private communication and requiring **disclosure** of such communication are preferable to outright **prohibitions** on contacts and/or campaign contributions. It should be noted that the issue of City Council campaign contribution limits is tentatively scheduled for the July 17th Policy and Service meeting.

Respectfully submitted,

Sharon W. Erickson

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City Auditor

Attachments