

From: [Mercurio, Jim](#)
To: [Christine Jung](#)
Cc: [Deanna Santana](#); [Kenn Lee](#); [Sujata Reuter](#); [Mercurio, Jim](#)
Subject: Re: Architectural and Engineering Professional Services - Recommendation for Award
Date: Thursday, October 28, 2021 11:22:22 AM
Attachments: [image002.png](#)
[image003.png](#)

Hi Christine.

Thanks very much for the input.

We have revised the Recommendation for Award referencing the Master Agreements and Task Orders, making it clear that the aggregate annual compensation across all four vendor agreements will not exceed \$1M per year.

We have also revised the Master Agreements for the four vendors. Please note that the Task Order form for each vendor is included as Exhibit C.

The revised Recommendation for Award and Master Agreements can be accessed via the link below:

[REDACTED]

Password: [REDACTED]

Let us know if you have any further questions.

Thanks,

Jim

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From: Christine Jung <CJung@SantaClaraCA.gov>
Sent: Tuesday, October 26, 2021 4:39:24 PM
To: Mercurio, Jim <jim.mercurio@49ers.com>
Cc: Deanna Santana <DSantana@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>; Sujata Reuter <SReuter@SantaClaraCA.gov>
Subject: RE: Architectural and Engineering Professional Services - Recommendation for Award

Hi Jim,

Thank you for your response. There are different ways to strategically procure services from multiple vendors without over asking for funds, and the City has used the approach that you referenced. We agree with the example you suggested and are pleased that the Stadium Manager is willing to adjust its recommendation for award to this more flexible, but still fiscally prudent approach. Based on this update, we will need an updated master agreement with a task order form that can be used for all four vendors.

Please send the master agreement with task order form and updated Recommendation for Award at your earliest convenience but no later than 12pm this Thursday, October 28. Thank you in advance for expediting these documents, this deadline will allow us to finalize the corresponding reports in time for the November 9 agenda. If you need more time, please send the documents by next Tuesday, November 2 and we will schedule the item for

the November 16 agenda.

Sincerely,
Christine Jung | Assistant to the Executive Director
1500 Warburton Avenue | Santa Clara, CA 95050
D: 408.615.2218 | www.santaclaraca.gov/scsa



From: Mercurio, Jim <jim.mercurio@49ers.com>
Sent: Monday, October 25, 2021 2:18 PM
To: Christine Jung <CJung@SantaClaraCA.gov>
Cc: Deanna Santana <DSantana@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>; Sujata Reuter <SReuter@SantaClaraCA.gov>; Mercurio, Jim <jim.mercurio@49ers.com>
Subject: RE: Architectural and Engineering Professional Services - Recommendation for Award

Hi Christine,

Thank you for your team's review and comments. We believe the appropriate path forward is for the annual not-to-exceed amount of each contract to remain at \$1,000,000 in order to retain flexibility and efficiency in contracting. With that said, we would certainly support a revised recommendation for award establishing a combined single year aggregate not-to-exceed amount of \$1,000,000 for all four contracts absent approval by the Stadium Authority Board.

The example RTC you provided for as-needed traffic engineering consulting support services is not necessarily a comparable scenario. In that case, the City retained consultants for a rather specific and nuanced service presumably understanding each of the three on-call consultants possessed the expert skill and knowledge to perform that specialized service. This in turn allowed the City to operate under the assumption that any of the three consultants could likely perform those services at relatively equal levels thereby mitigating the need to regularly amend all three contracts to shift budget around.

In our submission, there are four firms selected to provide "as-needed" architectural and engineering services, which encompasses an expansive range of services. Each of the firms, of course, possesses areas of specialization within the broader umbrella of architectural and engineering services. In any given year and depending on the sequencing of projects, which must necessarily remain fluid based on variables such as, the dynamic and nature of event scheduling, changes in industry standards, availability of improved products, changes in the competitive landscape from other facilities, evolving customer expectations, and wear and tear that is driven by usage that varies significantly from year to year. This means that the execution of capital projects should remain flexible, despite our maintaining a five year Cap X plan.

In view of these factors, the Stadium Manager may elect to utilize the majority of the annual \$1,000,000 budget for architectural and engineering services on only one or two of the four firms based on each firm's unique area of specialization. It would be needlessly cumbersome to have to

amend multiple agreements anytime the Stadium Manager wishes to adjust the not-to-exceed compensation for one because that firm is being used more frequently during a particular year.

We note your concern related to the Stadium Manager ostensibly seeking approval of up to \$20 million for the five-year term of the four A&E agreements. This is not the Stadium Manager's intent, and we believe our support of limiting language in the recommendation for award setting a hard annual cap of \$1,000,000 in the aggregate for all four agreements subject to amendment by the Stadium Authority Board addresses your concern (i.e., the Stadium Manager is seeking approval of up to \$5,000,000 during the five-year term of the four A&E agreements). As noted above, we only wish to maintain flexibility and reduce unnecessary paperwork and administrative burden that would come with having to frequently amend the agreements to shift funds around.

Our proposed path forward is not unique. The City previously entered into contracts with six consultants to provide software consulting and development support services. Rather than splitting the not-to-exceed compensation amount equally amongst the six consultants as it did for the traffic engineering consulting services agreement, the City instead chose to impose a maximum aggregate compensation on all six consultants with the City able to administratively track and control spending under each contract to ensure the total aggregate amount spent did not exceed that maximum aggregate. This is precisely the solution we propose.

Finally, with respect to your question on the budgeted costs of A&E services: A&E costs are included in the budget in two areas: Capital Expenditure estimates generally include an estimate for A&E costs, and Shared Stadium Expenses includes "Professional Services", such as A&E.

Please let us know if you have any questions. Once we receive your concurrence, we are happy to adjust the recommendation for award accordingly.

Thanks very much,

JIM

JIM MERCURIO

Executive Vice President & General Manager
Forty Niners Stadium Management Company
T 408.562-4944 | M 650 642-4909
Levi's® Stadium
4900 Marie P. DeBartolo Way
Santa Clara, CA 95054



#FTTB
49ers.com

From: Christine Jung <CJung@SantaClaraCA.gov>
Sent: Thursday, October 21, 2021 2:05 PM
To: Mercurio, Jim <jim.mercurio@49ers.com>
Cc: Deanna Santana <DSantana@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>; Sujata Reuter <SReuter@SantaClaraCA.gov>
Subject: RE: Architectural and Engineering Professional Services - Recommendation for Award

Hi Jim,

We reviewed the Stadium Manager's request and noted the Stadium Manager's comment in its Recommendation for Award memo that it does not foresee a situation where it would issue combined task orders to all four firms exceeding \$4M in any single year. Architectural and engineering design services are normally incorporated into a capital project's budget and on average are about 15% of the project's construction cost. Are these architectural and engineering costs already baked into the FY 2021/22 budgeted CapEx projects, planned CapEx projects and applicable Shared Stadium Expense projects for the upcoming five years? If not, please let us know what process the Stadium Manager used to determine the amount of architectural and engineering services required, along with supporting documentation.

The amount being requested for these costs should be reflective of what the Stadium Manager actually anticipates spending. The City follows an approach of requesting delegated authority from the Council to amend agreements to increase and/or defund within an approved aggregate amount when there are multiple vendor agreements for identical services. The aggregate amount is based on the anticipated spend. This approach allows for flexibility, the ability to receive competitive pricing from multiple proposals, streamlines the Council/Board approval process, and does not tie up unnecessary funds. Attached is a copy of an agenda report that demonstrates this process for City services.

In this proposed instance, the Stadium Manager seeks approval for up to \$20 million over five years, when the anticipated spend on capital projects appears to be much lower based on the numbers that were submitted as part of the FY 2021/22 budget process. By using the aggregate amount procurement methodology, it is not necessary to over request public fund expenditure authority and establishes a more transparent and realistic contract authority that is actually required. We propose that the Stadium Manager modify its request so that it reflects the actual anticipated spend.

Please let us know regarding the above questions, provide the requested supporting documentation and the anticipated spend amount for these services for the five years covered by the initial term of the agreements by next Monday, October 25. We are aiming to place this request on the November 9 agenda pending the Stadium Manager's response.

Sincerely,
Christine Jung | Assistant to the Executive Director
1500 Warburton Avenue | Santa Clara, CA 95050
D: 408.615.2218 | www.santaclaraca.gov/scsa



From: Mercurio, Jim <jim.mercurio@49ers.com>
Sent: Tuesday, October 5, 2021 2:14 PM
To: Deanna Santana <DSantana@SantaClaraCA.gov>; Christine Jung <CJung@SantaClaraCA.gov>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>

Cc: Mercurio, Jim <jim.mercurio@49ers.com>

Subject: Architectural and Engineering Professional Services - Recommendation for Award

Hi Deanna,

The recommendation for award for architectural and engineering professional services and supporting documentation can be downloaded here:

A&E Professional Services RFSOQ for SCSA

[REDACTED]

Password: [REDACTED]

Please review and forward to the Board for approval.

Once approved, we will execute the four contracts and forward a copy of each contract to you.

Thank you,

JIM

JIM MERCURIO

Executive Vice President & General Manager

Forty Niners Stadium Management Company

T 408.562-4944 | M 650 642-4909

Levi's® Stadium

4900 Marie P. DeBartolo Way

Santa Clara, CA 95054



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