FORTY NINERS STADIUM MANAGEMENT COMPANY

Date: March 20, 2024

To: Jovan Grogan
Executive Director
Santa Clara Stadium Authority

From: Jenti Vandertuig
Procurement Director
Forty Niners Stadium Management Company LLC

Subject: Recommendation to Amend Agreement with Bear Electrical Solutions, Inc. for On-Call Electrical Maintenance and Repair Services at Levi's Stadium

Recommendation

Recommend approval to execute the third amendment to the agreement with Bear Electrical Solutions, Inc., for on-call electrical maintenance and repair services at Levi's Stadium to extend the term of the agreement from May 4, 2024 to May 4, 2025 with an option to extend for one additional year. The amount of the amendment for the fourth contract year shall not exceed $350,000. Total compensation, in the aggregate, shall not exceed $1,770,000 over the four year period. The term for subsequent fiscal years shall be conditioned upon approval of the Stadium Authority budget for the applicable fiscal year that includes the amounts due under this agreement.

Reasons for Recommendation

Forty Niners Stadium Management Company LLC (Stadium Manager) provides management services for the Stadium on a continual, year around basis, including overseeing the day-to-day operations and maintenance of the Stadium. The Stadium is a 1.8 million square foot facility completed in 2014. It utilizes complex electrical components matching the size and age of the facility. Stadium Manager determined that having a list of qualified, experienced bench of contractors to provide electrical and repair services at the Stadium on an on-call, "as needed," basis was necessary to provide the required management services. Therefore, it was determined that it would be in Stadium Manager's best interest to solicit proposals from contractors capable of handling a wide range of electrical repairs and establish term contracts.

Pursuant to a formal solicitation process, on April 20, 2021, Stadium Manager recommended and received approval from the Santa Clara Stadium Authority (SCSA) Board to establish agreements with Bear Electrical Solutions, Inc., and Cupertino Electric, Inc., for on-call electrical maintenance and repair services at Levi's Stadium for a three year period with an option to extend the agreement

for two additional one year periods. The amount of each agreement was not to exceed $250,000 per contract year without prior approval from the SCSA. Total compensation, in the aggregate, was not to exceed $750,000 under each agreement. Stadium Manager executed an agreement with Bear Electrical Solutions, Inc. for a three-year period beginning May 5, 2021 through May 4, 2024 and executed an agreement with Cupertino Electric, Inc. for a three-year period beginning May 1, 2021 through April 30, 2024.

During the term of the agreement, Stadium Manager recommended and received approval from the SCSA Board to issue amendments to augment the compensation to Bear Electrical Solutions, Inc., to complete two SCSA Capital Expenditure projects. The total not to exceed amount of the agreement with Bear Electrical Solutions, Inc. was increased from $750,000 to $1,420,000 for the three year period. Similarly, the agreement with Cupertino Electric, Inc. was also amended to increase the maximum compensation from $750,000 to $1,264,000 to complete a SCSA Capital Expenditure project pursuant to approval from the SCSA Board.

Stadium Manager has a continued need for these services and contacted Bear Electrical Solutions, Inc. and Cupertino Electric, Inc. to exercise the option to extend the agreements for an additional year. Bear Electrical Solutions, Inc. provided a rate increase of 3.2 percent and provided justification for the increase in accordance with the CPI increase for this region. Cupertino Electric, Inc. recommended substantial rate increases ranging from 20 percent to 33 percent increase in hourly rates. Upon review, Stadium Manager determined that it would be in our best interest to exercise the option to extend the agreement with Bear Electrical Solutions, Inc. for an additional year with a not to exceed amount of $350,000 for the contract year. Stadium Manager will request the SCSA for approval to increase the maximum compensation during the contract year if warranted.

Stadium Manager intends to issue a formal solicitation in the coming months to contract with other qualified contractors to maintain a bench of qualified firms to support our needs.

Fiscal Impact

The cost for such service is covered in the FY24/25 SCSA Budget, Engineering Department budget, as a shared expense.

Next Steps

Once approved, Stadium Manager will forward a copy of the executed amendment to the SCSA.

Submitted By: DocuSigned by: Jenti Vandertuig A4B5666F5BF147D... Date: 3/20/2024

Jenti Vandertuig, Procurement Director