

**RESPONSE TO COUNCIL QUESTION
RE: March 24, 2026 AGENDA**

Item 4.C 26-315: Action on an Amendment No. 1 to the Agreement with West Coast Turf for the Supply, Delivery, and Installation of Sod for the Field at Levi's Stadium to Extend the Term by One Year, Increase the Total Agreement Amount, Update the Compensation and Fee Schedule, and Delegate Authority to the Executive Director for Future Amendments

Question 1: The original RFP conducted in 2023 received only one bid from West Coast Turf. What specific outreach was conducted to identify potential competing vendors at that time, and can staff provide documentation of which vendors were contacted and why they declined to submit proposals?

Response: The original RFP in 2023 was published in Bonfire Interactive, the Stadium Manager's eProcurement portal. In their Recommendation Memo requesting approval of the original agreement with West Coast Turf, the Stadium Manager stated that, in addition to inviting firms on their established supplier list, they also selected suppliers registered on the portal with specific commodity codes offering sod. As part of their 2023 request, the Stadium Manager provided Stadium Authority staff with a list of sod suppliers as part of their supporting documentation. That list included eight vendors in Northern and Central California, including West Coast Turf. Staff does not have any additional documentation on why the other vendors declined to submit proposals to the RFP aside from what the Stadium Manager has shared in their 2023 Recommendation Memo, that "While Stadium Manager reached out to a number of potential suppliers providing sod including delivery and installation services, the type of sod and method to grow and maintain it prior to installation as required by the Stadium Manager is not generally offered by many sod providers."

Question 2: What outreach has the Stadium Manager conducted since 2023 to develop additional qualified vendors capable of meeting the stadium's sod requirements, and is there any documentation of those efforts?

Response: The Stadium Manager did not conduct an additional solicitation for vendors since 2023. This is because there is existing authority from the SCSA Board to utilize West Coast Turf for a total of 5 years (an initial 3-year term from April 1, 2023 to March 31, 2026, and two one-year extensions for the 2026-27 and 2027-2028 fiscal years). That contractual authorization was approved by the Board on April 4, 2023.

Item 4.C 26-315 proposes to retain the 5-year original term and provide for the option to increase it by 6 additional months (only if the Stadium Manager is engaged in an active competitive solicitation process), as well as provide a potential 5% compensation increase beginning in Year 5 of the original contract term and another potential 5% increase in the final 6 months.

Question 3: The staff report requests delegation of authority to the Executive Director to approve Year 5 and the six-month extension totaling up to \$2,520,000 with no further Board action required. Why is Board oversight being removed from future extensions of a sole-source contract rather than requiring each option year to return to the Board for approval?

Response: There are incorrect assumptions in the question.

1) The West Coast Turf contract is not a sole-source contract. It is a contract that was competitively bid, and there was only one bidder from the solicitation. A sole-source contract is a procurement method where a contract is awarded to a single supplier without a competitive bidding process, justified by the unique capabilities of the supplier. The requested 6-month extension would only be authorized if the Stadium Manager is engaged in an active competitive solicitation process for the next contract term. This is a normal and customary process that the City of Santa Clara, the SCSA, and other agencies

utilize. In fact, recognizing the time and expense to conduct competitive solicitation, the City of Santa Clara regularly extends the use of competitive solicitations for 7-10 years.

2) The Stadium Authority Board's prior approval of the Agreement with West Coast Turf included authorizing the Executive Director to approve an annual contract extension for 5 years in an amount not to exceed \$1,600,000 annual. As noted in the staff report and above, Item 4.C 26-315 proposes to retain the 5-year original term and provide for the option to increase it by 6 additional months (only if the Stadium Manager is engaged in an active competitive solicitation process), as well as provide a potential 5% compensation increase beginning in Year 5 of the original contract term and another potential 5% increase in the final 6 months. As such, the additional financial authority that is being requested is \$920,000 (not \$2.5M), broken down as...

- An additional \$80,000 in year 5, for a total of \$1,680,000.
- An additional \$840,000 for the first 6 months of year 6.

Anything beyond the outlined parameters will require additional Board approval. This approach to obtain approval for the full anticipated term of the contract, including the initial and option years, is consistent with City contracting practices, subject to budget appropriations and other required controls.

Question 4: The justification provided for pre-authorizing rate increases of up to 5% is "overall lack of market certainty due to current economic and political factors." What objective benchmark, such as CPI or regional market rates, was used to arrive at 5% specifically, and will that same benchmark be required to justify future rate increases before the Executive Director approves them?

Response: The Consumer Price Index All Urban Consumers in the San Francisco-Oakland region was used as a baseline indicator. Historical data from 2012 through 2025 reflects an average increase of 3.3%, with variability ranging from 1.7% in 2020 to a high of 5.6% in 2022. The most recent annual increase for 2025 was 2.2%. While the CPI reflects a moderate increase, it may not fully capture cost pressures in areas such as housing, food, and services in the Bay Area. Additionally, it is not uncommon for the City to budget and/or receive increases of 5% for goods and services. Accordingly, establishing an allowance of up to 5% for annual increase is considered prudent to account for regional market variability. Any requested increases must be supported by reasonable justification from the Stadium Manager and will be reviewed by staff against the CPI and other relevant factors to determine reasonableness. Under the current recommendation, any requested increases above 5%, even if reasonable, will need to go back to the Board for additional approval. Lastly, staff considered the fact that the 5% contractual authority was only requested for Year 5, which means that Years 1-4 would have been capped at \$1.6M.

Lastly, given current geopolitical factors and rising costs, the Stadium Manager and SCSA staff believe that it is reasonably foreseeable that the future may be higher for sod based on a number of factors, including transportation, fuel, labor, and fertilizer, etc.

Question 5: Staff identified a new line item called "Ready Play Grass" in the amended fee schedule that turned out to be a rebranded name for an existing service already in the contract. Can staff confirm that no other existing services have been repackaged under new names or descriptions in the proposed Amendment No. 1 or updated fee schedules?

Response: There were no additional changes to the updated compensation and fee schedule aside from the identified line item for Ready Play Grass, rate increases that reflected CPI for certain existing line items (for installation), and inclusion of the budget for contract year 4.

Question 6: At approximately \$320,000 per field replacement and nearly five replacements per year,

how is the Stadium Authority independently verifying that the 30/70 cost allocation between the Stadium Authority and StadCo is being correctly applied to each individual field replacement event, and has this specific allocation ever been reviewed by the Stadium Authority's independent auditor?

Response: The Stadium Authority contracts with KPMG to conduct a separate Agreed Upon Procedure (AUP) to sample and review the Shared Expenses, including groundskeeping costs. Part of KPMG's review does include verification of the 70/30 split of costs. Additionally, the KPMG Agreed Upon Procedures work for the SCSA included payments to West Coast Turf in their sample selections for FY21, FY22, FY23, and FY24.

Question 7: The FIFA World Cup begins June 13, 2026, less than three months from now. How many field replacements are anticipated in connection with the transition between the World Cup soccer configuration and the NFL season configuration?

Response: According to the Stadium Manager, the current expectation (consistent with the 2026/27 approved budget) is that there will be one new field required between FIFA and the start of the NFL season. This is updated information that was not available when the staff report was drafted.

Question 8: Under the World Cup Agreements with the Bay Area Host Committee and TeamCo, who is contractually responsible for paying for field replacements required specifically because of the World Cup, and has that cost been separately accounted for and excluded from the Stadium Authority's share of this contract?

Response: The Bay Area Host Committee is responsible for the cost of installing the pitch for World Cup events, and the cost is accounted for separately by ManCo. SCSA staff will continue to review expenses for this fiscal year to ensure that no BAHC costs are charged to the SCSA. This will also be covered in the scope of work for our year-end audits.

Question 9: The staff report states the exact amount for Shared Stadium Expenses groundskeeping under this contract is "currently unknown due to various factors including installation days and grass age." Given that this contract year begins April 1, 2026, nine days from now, why is that amount still unknown and when will the Stadium Authority have a firm estimate?

Response: There are several factors that are not determinable at this time, such as:

- Event scheduling often dictates the specific days on which field work occurs, and as detailed in Exhibit A to the contract, there are different charge rates for installations occurring on Monday to Friday (lower rate), versus weekends and Holidays (higher rate).
- Weather also plays a significant role in the cost of turf replacement. Heavy rains, in particular immediately before or during NFL games, can result in field damage necessitating field work.
- The concert schedule is also a significant factor, and the schedule can change throughout the year.

Question 10: The total not-to-exceed amount for this contract from inception through the six-month extension is \$8,920,000. Can staff confirm that every dollar of this contract has been or will be competitively justified, and if not, what is the Stadium Authority's policy on sole-source contracts of this magnitude and duration?

Response: As noted above in the response to question 3, the West Coast Turf contract is not a sole-source contract. It is a contract that was competitively bid, and there was only one bidder from the solicitation. A sole-source contract is a procurement method where a contract is awarded to a single supplier without a competitive bidding process, justified by the unique capabilities of the supplier. The requested 6-month extension would only be authorized if the Stadium Manager is engaged in an active competitive solicitation process for the next contract term. This is a normal and customary process that the City of Santa Clara, the SCSA, and other agencies utilize. In fact, recognizing the time and expense

to conduct competitive solicitation, the City of Santa Clara regularly extends the use of competitive solicitations for 7-10 years.

Question 11: The staff report states that "the Stadium Manager does not anticipate any charges to FY 2026/27 Non-NFL Event expenses for field replacements; however, that may change as the Non-NFL Event calendar is updated." What is the process by which the Board would be notified if Non-NFL Event field replacement charges are added during the fiscal year, and does that require Board approval or can it be handled administratively?

Response: As noted in the response to question 7, according to the Stadium Manager, the current expectation (consistent with the 2026/27 approved budget) is that there will be one new field required between FIFA and the start of the NFL season. This is updated information that was not available when the staff report was drafted.

Question 12: West Coast Turf's proprietary growing and installation method is cited as justification for limiting competition. Has the Stadium Authority independently verified that no other vendor in the region is capable of providing equivalent sod services, and if not, what prevents us from requiring the Stadium Manager to demonstrate that through a new competitive solicitation before extending this contract further?

Response: The Stadium Manager intends to issue a new RFP prior to the end of the original five-year term (three years plus two one-year options), which ends on March 31, 2028. The requested six-month extension, through September 30, 2028, if needed, will allow sufficient time to complete the RFP process, execute a new agreement, transition services to the new service provider, if applicable. However, if desired, a new RFP may be issued prior to the end of the anticipated term.

Additionally, it is important to note that the term "proprietary" in the staff report referred to the name "Ready Play Grass", which is a registered trademark of West Coast Turf.