



FORTY NINERS STADIUM MANAGEMENT COMPANY

December 21, 2018

VIA EMAIL

Deanna Santana
Executive Director
Santa Clara Stadium Authority
1500 Warburton Avenue
Santa Clara, CA 95050

Subject: Response to November 9 Letter - Outstanding Procurement

Dear Deanna,

In response to your November 9, 2018 letter, this letter confirms that Forty Niners Stadium Management Company ("ManCo") has no outstanding procurement agreements at this time with a value between \$100,000 to \$250,000 that would require providing notice to the Executive Director under the First Amendment to the Stadium Management Agreement, dated November 13, 2012. As we have done in the past, including most recently on October 30, 2018, we will notify the Executive Director of future contracts with a value between \$100,000 and \$250,000.

Furthermore, with the exception of the NEx Systems agreement, which we notified you of during our November 29 monthly meeting and again in writing on December 3, there are no other procurement contracts requiring Board approval under Section 17.30.120 of the City's Municipal Code or otherwise at this time.

Per our December 3 letter, NEx Systems is a specialty coating company that has been engaged to polish terrazzo flooring and to coat the concrete flooring in certain service areas within Levi's® Stadium, with a total cost of \$643,567.50. This amount is below the budgeted line item for this project, approved as part of the 2018 Authority Cap Ex: "Coat service tunnel with epoxy coatings and fill any cracks to protect against slips, trips and falls" - \$1,385,000.

Consistent with our standard procedure, we solicited bids for the work, conducted pre-bid diligence and meetings to discuss the scope, obtained three written bids from qualified contractors (one of the bidders later dropped out), and selected the contractor that provided the best value for this scope of work.

NEx Systems was selected using a variety of criteria, including their stellar reputation in the industry, quality of service, excellent safety record, their commitment to complete the work within a tight timeframe driven by the busy Stadium event schedule, and the

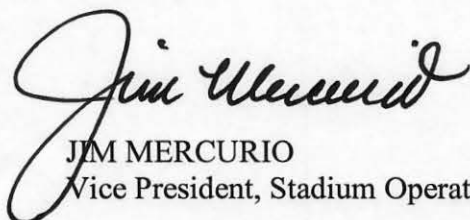
fact that they were the lowest responsible bidder. In addition, NEx Systems was uniquely qualified to perform this particular scope of work based on their prior work at Levi's Stadium, their use of certain specialized and proprietary material, and their highly qualified and specialized labor necessary to install the product in this highly trafficked area. NEx Systems certainly satisfies the requirements of Section 17.30.120 of the City's Municipal Code having demonstrated the competence and professional qualifications necessary for the "satisfactory performance of the services required."

As a result of the Levi's® Stadium schedule of events and the urgency of certain elements of the project, NEx Systems temporarily began work at the Stadium on August 6, 2018, with an expected completion date of January 31, 2019. Work has been suspended subject to final approval of the contract by the Board.

We look forward to finalizing this contract at your earliest opportunity so we can direct NEx Systems to complete the project on-time and on-budget, while accommodating Levi's Stadium's® events and preventative maintenance schedules.

If you have any further questions, please do not hesitate to contact me to discuss.

Sincerely,

A handwritten signature in black ink, reading "Jim Mercurio". The signature is fluid and cursive, with the first name "Jim" being larger and more prominent than the last name "Mercurio".

JIM MERCURIO

Vice President, Stadium Operations & General Manager