



January 29, 2020

Mr. Jim Mercurio, VP/General Manager
Forty Niners Stadium Management Company, LLC
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Agreements Executed by ManCo Prior to November 8, 2019

Dear Mr. Mercurio:

The purpose of this letter is to advise the Forty Niners Stadium Management Company (ManCo) of the results of our initial review of the procurement matrix referenced in your email dated December 6, 2019 (Attachment 1). To date, the City has 19 out of the 44 agreements in the matrix.

We must advise you of the following serious defects:

Violations of Municipal Code Sections 17.30.010 and 17.30.070 -- Purchase orders and agreements issued for Project #s 10001, 10002, 10011, 10012 and 10013 total approximately \$700,000 in annual spend and all have agreement effective dates starting on April 1, 2020 or August 1, 2020. Funding for any agreements must be appropriated and approved by the Santa Clara Stadium Authority Board prior to signature. Section 17.30.010 of the City Code states:

The procurement performed by the contractor must be **within the limits of a budget approved by the Stadium Authority Board for the year in which the contract is awarded.**

Any of the Executive Director's authority may be delegated to contractors with the Stadium Authority; provided, that the contract delegating such authority is approved by the Stadium Authority Board and the procurement performed by the contractor is **within the limits of a budget approved by the Stadium Authority Board for the year** in which the contract is awarded.

Section 17.30.070 states:

The purchasing officer shall not issue any purchase order or award any contract for supplies, materials, or equipment **unless there exists an unencumbered appropriation in the proper account of the Stadium Authority** to which the purchase is to be charged.

RFQ Solicitation Period -- Request for quotation (RFQ) solicitation documents were solicited via email from three vendors. In most cases, there was a very short notice period where vendors had only three to ten days to respond. For multi-year agreements totaling hundreds of thousands of dollars for the Stadium Authority alone (not including the Forty Niners), this is too short of a notice period and may be the reason why less than three bids were received for several of the quotes. The use of an e-procurement tool may

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increase bid exposure to the vendor community and is considered a best practice in obtaining full and open competition.

True Value of Agreements -- The aggregate value should be used when establishing bid thresholds for determining the proper bid process (formal, informal, etc.).

Absence of Dated Contracts -- Several of the contracts have no date of execution in the agreement. It is difficult to determine whether these agreements were executed prior to November 8, 2019. As the Stadium Authority has already advised the Stadium Manager not to create contracts after the fact to fit the timeline desired by ManCo.

Supporting Documentation -- Not all contracts have documentation that a competitive procurement was used. As directed by the Stadium Authority Board, ManCo is to submit all supporting documentation for the procurement of each contract, including statements that the contracts were executed free from conflict of interest.

Any contract that has been executed outside of the delegated authority will be invalidated and any request for payment of Stadium Authority funds will be rejected.

Sincerely,



Deanna J. Santana
Executive Director

CC: Santa Clara Stadium Authority Board
Brian Doyle, Stadium Authority Counsel

From: Mercurio, Jim
To: [Deanna Santana](#); [Ruth Shikada](#); [Catlin Ivanetich](#); [Christine Jung](#); [Brian Doyle](#)
Cc: [Compliance Manager](#); [Mercurio, Jim](#)
Subject: List of Executive Agreements SCSA Report 2019
Date: Friday, December 6, 2019 1:28:00 PM
Attachments: [List of Executed Agreements SCSA Report 2019.pdf](#)

Hi Deanna:

We are writing to provide formal notice that we have executed contracts prior to the November 8th effective date of the action taken by the City Council to remove your authority to execute contracts on behalf of the SCSA. A list of those agreements is attached to this email. The list contains agreements for goods and services at Levi's Stadium, participation in cooperative agreements, and Non-NFL Event service agreements. In each case, the agreements have a maximum cost threshold to the SCSA of less than \$250,000.00 in any fiscal year, in compliance with the Stadium Authority Procurement Policy effective at the time of their execution.

Of the contracts that were executed, five projects were for maintenance services at Levi's Stadium that required registration with the DIR. Those projects were registered on December 4, 2019.

As a courtesy, we have compiled the procurement materials, contracts, and other relevant documentation into PDF packets. Given the file size of the documentation, please provide us with your preferred method of delivery.

Should you have any questions, I am available to discuss at your convenience.

Thanks,

JIM

JIM MERCURIO

Executive Vice President & General Manager

Levi's Stadium

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

FAITHFUL THEN, FAITHFUL NOW

LevisStadium.com

Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY
1	10001	Advanced Integrated Pest Management	Pest control services	4/1/20	3/31/23	\$100,000
2	10002	Gachina Landscape Management	Landscape services	8/1/20	3/31/23	\$100,000
3	10003	Waxie's Enterprises, Inc.	Janitorial supplies	11/1/19	3/31/23	\$100,000
4	10004	Red Hawk Fire & Security, LLC	Fire sprinkler inspection & testing	11/1/19	3/31/23	\$100,000
5	10005	Valley Oil Company	Fuel and related services	11/1/19	No end date	\$100,000
6	10006	Assured Aggregate Company, Inc.	Topdressing sand	11/1/19	3/31/23	\$100,000
7	10007	Sustainable Turf Science, Inc.	Liquid fertilizer	11/1/19	3/31/23	\$100,000
8	10008	West Coast Turf	Seed	11/1/19	3/31/23	\$100,000
9	10009	World Class Athletic Surfaces, Inc.	Field paint and stencils	11/1/19	3/31/23	\$100,000
10	10010	Sierra Pacific Turf Supply, Inc.	Granular fertilizer	11/1/19	3/31/23	\$100,000
11	10011	Garratt Callahan Company	Water treatment and related services	8/1/20	3/31/23	\$100,000
12	10012	West Coast Turf	Sod supply and installation services	4/1/20	3/31/23	\$240,000
13	10013	Colony Landscape & Maintenance, Inc.	Sod removal services	4/1/20	3/31/23	\$150,000
14	10014	ICS Integrated Communication Systems	Fire alarm testing, inspection & maintenance services	11/1/19	3/31/23	\$100,000
15	10016	Turf Equipment Services, Inc.	Onsite reel sharpening services	11/1/19	3/31/23	\$100,000
16	10017	Herc Rentals Inc.	Light tower equipment rental	11/1/19	3/31/23	\$100,000
17	10018	Ferrellgas, Inc.	Propane	11/1/19	3/31/23	\$100,000
18	10019	United Rentals, Inc.	Big lift to lighting and electrical equipment rental	11/1/19	3/31/23	\$100,000
19	10020	Healthright 360 (Rock Med)	Daily medical services	11/1/19	3/31/23	\$100,000
20	10021	Advance Stores Company, Inc. & Affiliates	Automobile parts and supplies	11/1/19	10/31/22	\$100,000
21	10022	Midwest Motor Supply Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
22	10023	ServiceWare Apparel, Inc.	Uniforms and promotional items	11/1/19	10/31/22	\$100,000
23	10024	Fastenal Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
24	10025	AutoZone, Inc.	Automobile parts and supplies	11/1/19	10/31/22	\$100,000
25	10026	Grainger Industrial Supply	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
26	10027	Home Depot U.S.A., Inc.	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
26a	10027	THD Pro Institutional (Home Depot)	Janitorial supplies	11/1/19	10/31/22	\$100,000
27	10028	Amazon.com, LLC	Office supplies & office equipment	11/1/19	10/31/22	\$100,000
28	10029	Trowbridge Enterprises	Office supplies & office equipment	11/1/19	10/31/22	\$100,000
29	10030	CDW Government, LLC	IT - hardware, software, peripherals	11/1/19	10/31/22	\$100,000
30	Online Signup	B&H Foto (R160901)	IT - audio visual products	11/1/19	10/31/22	\$100,000
31	Online Signup	Omnia Partners Agreement	Agreement # is 5296559	10/22/19	No end date	Not applicable
32	10031	Comcast Cable Communications Management, LLC	Internet Protocol Television Services	11/7/19	11/6/24	\$100,000
33	10032	CAL VET DVBE Construction Services Inc.	PCMS boards, cones and signage	11/1/19	3/31/22	\$100,000
34	10033	Kellycore, Inc., DBA Sammco	Production crew services	11/1/19	3/31/22	\$100,000
35	10034	Made in the Shade Tent Rental, Inc.	Tent rentals	11/1/19	3/31/22	\$100,000
36	10035	United Site Services of California, Inc.	Temporary fencing & portable toilets	11/1/19	3/31/22	\$100,000
37	10036	Golden State Communications Inc.	Radios and communications support	11/1/19	3/31/22	\$100,000
38	10037	Unique Towing, Inc.	Towing services	11/1/19	3/31/22	\$100,000
39	10038	Whiting & Co. Entertainment	Emergency evacuation video	11/1/19	3/31/22	\$100,000
40	10039	Healthright 360 (Rock Med)	Event medical services	11/1/19	3/31/22	\$100,000
41	10040	Blue Digital	Advertising services	11/7/19	No end date	\$90,000
42	10041	Blue Digital	Advertising services	11/7/19	No end date	\$75,000
43	10042	Baker Street	Advertising services	11/7/19	No end date	\$50,824
44	10043	Baker Street	Advertising services	11/7/19	No end date	\$50,000