

From: [Mercurio, Jim](#)
To: [Christine Jung](#); [Compliance Manager](#)
Cc: [Ruth Shikada](#); [Kenn Lee](#); [Deanna Santana](#)
Subject: RE: Submission to SCSA for Review and Approval
Date: Friday, September 17, 2021 4:47:06 PM
Attachments: [image001.png](#)
[image002.png](#)
[image004.png](#)
[Pages from Recommendation for Award September 21 SCSA.PDF](#)

Christine:

Please see our responses to your questions from your email dated September 16.

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Event Diagram Software

- Q1. Is this a new service that is being utilized for special events? If not, please let us know which vendor previously provided this service.
 - *No. This is not a new service. The Stadium has used “Social Tables” for event diagramming for years. Social Tables was acquired by Cvent in 2018.*
- Q2. In the Recommendation for Award memo, the Stadium Manager states that the event diagram software services will be used for 25 unique spaces within Levi’s Stadium. The list of spaces wasn’t included; however, one of the proposers included the 49ers Museum, along with other spaces, as options for floor plan templates/spaces for development. If the request is approved to be funded by the Non-NFL Event Budget, the services will need to be used for Non-NFL Events only. Otherwise, the funding will come from Shared Stadium Expenses. Please confirm that Cvent’s event diagram software services will not be used for Tenant space in the Stadium and will used for only Non-NFL Events.
 - *As you know the Tenant has rights under the Lease to host events throughout the Stadium for a variety of purposes (See for example Lease section 4.3.2 and 4.8.2), not just in Tenant Exclusive Areas. The costs of this particular software will be allocated in the same manner as other similar costs: based on the relative number attendees for events hosted by the SCSA on one hand, compared to the number of attendees for events hosted by the 49ers on the other hand. That cost allocation is done at year end. You will recall that the allocation for the 2019 fiscal year was 84% SCSA and 16% 49ers, but that will change each year. This is the same methodology that is utilized for a number of similar types of expenses.*
 - *It would obviously make no economic sense for the SCSA or the 49ers to purchase two duplicate software systems to perform the same function, just as it would make no sense to purchase an entirely duplicate set of table rounds and chairs for the two types of events.*
- We are still reviewing Cvent’s terms and conditions and will let you know if we have any follow up questions.

Kelly-Moore and Sherwin Williams

- Q1. On July 13, 2021, the Stadium Authority Board approved the Stadium Manager's request to award a \$5,935 purchase order to Kelly-Moore for interior paint products needed to maintain the Stadium for the next six months.
 - We understand based on the Stadium Manager's explanation in the Recommendation for Award memo that it was unable to execute the purchase order with Kelly-Moore due to product unavailability.
 - *Correct. As we have explained before, the process that Manager Santana has created for stadium procurement is needlessly time consuming resulting in a great deal of administrative time and waste – including staff at City Hall and staff at the Stadium. The Kelly-Moore purchase is a good example of that waste. It took almost two months, multiple emails, and pages of paperwork to order \$5,935 worth of paint, and by the time the Board approved the purchase, the availability and pricing had been adversely impacted by various market factors.*
 - *We are hopeful that at some point the Board will recognize that many of Manager Santana's policies are purposefully inefficient and designed to make it difficult for us to operate the Stadium. These policies also increase the overhead costs charged to the SCSA, and in this case, cause the SCSA to incur additional costs for routine purchases like paint.*
 - We also understand that the price of paint has increased, as referenced in the linked article in the Recommendation for Award memo. However, the Stadium Authority would like to better understand the Stadium Manager's anticipated need for interior and exterior paint over the next three years and whether that need aligns with the \$50,000 per fiscal year that is being requested for the two three-year agreements that span over four fiscal years (\$200,000 per agreement).
 - *This type of interior and exterior paint is primarily used to address particular areas of the Stadium that are impacted by patrons or repairs, along with some preventative maintenance painting. Accordingly it is not possible to predict the amount of paint that will be required in any particular future year.*
 - *Historically, paint purchases have averaged in the range of \$15,000 per year for Shared Stadium Expense (StadCo has its own separate paint purchases for its exclusive areas). We would expect to be in that similar range for FY21/22, but we should keep in mind that the stadium is its 7th year. We also anticipate non-NFL event spaces to be used again this upcoming year.*
 - *Given the cumbersome process for procurement approval for small purchases such as paint, we recommend a minimum of \$50K per year for each vendor, so we have the flexibility to order paint as needed and to avoid having to potentially take rental space offline that could become*

unpresentable to clients.

- Please provide a schedule of all anticipated interior and exterior paint work for the next three years including paint supply estimates.
 - *See above.*
- Q2. There was no supporting documentation for the Kelly-Moore and Sherwin William request. Can you clarify if the Stadium Manager plans to issue purchase orders to the two vendors instead of executing agreements? If the Stadium Manager plans to execute agreements, please provide copies of the agreements so they can be reviewed and included with the agenda report.
 - *As noted in the RFA sent to you on 9.13.21: "If approved by the Board, individual orders of paint from each vendor will be ordered using the attached Purchase Order form."*
 - *A copy of the Purchase Order was included in the package already submitted to you. We have attached another copy for your convenient reference.*

JIM

JIM MERCURIO

Executive Vice President & General Manager
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Forty Niners Stadium Management Company
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FAITHFUL THEN, FAITHFUL NOW
LevisStadium.com

From: Christine Jung <CJung@SantaClaraCA.gov>
Sent: Thursday, September 16, 2021 11:48 AM
To: Mercurio, Jim <jim.mercurio@49ers.com>; Compliance Manager <compliancemanager@49ers-smc.com>
Cc: Ruth Shikada <RShikada@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>; Deanna Santana <DSantana@SantaClaraCA.gov>
Subject: RE: Submission to SCSA for Review and Approval

Hi Jim,

We have the following questions regarding two of the requests:

[Event Diagram Software](#)

- Q1. Is this a new service that is being utilized for special events? If not, please let us know which vendor previously provided this service.
- Q2. In the Recommendation for Award memo, the Stadium Manager states that the event diagram software services will be used for 25 unique spaces within Levi's Stadium. The list of spaces wasn't included; however, one of the proposers included the 49ers Museum, along with other spaces, as options for floor plan templates/spaces for development. If the request is approved to be funded by the Non-NFL Event Budget, the services will need to be used for Non-NFL Events only. Otherwise, the funding will come from Shared Stadium Expenses. Please confirm that Cvent's event diagram software services will not be used for Tenant space in the Stadium and will be used for only Non-NFL Events.
- We are still reviewing Cvent's terms and conditions and will let you know if we have any follow up questions.

Kelly-Moore and Sherwin Williams

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Please provide responses to the above questions and requested items as soon as possible but no later than tomorrow, Friday, September 17. We are planning to place the requests on the September 28, 2021 agenda so your timely response is appreciated.

Thank you,

Christine Jung | Assistant to the Executive Director

1500 Warburton Avenue | Santa Clara, CA 95050

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From: Deanna Santana <DSantana@SantaClaraCA.gov>

Sent: Tuesday, September 14, 2021 11:18 AM

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

Cc: Compliance Manager <compliancemanager@49ers-smc.com>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Christine Jung <CJung@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>

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Good morning,

These documents will be reviewed and we will follow-up with questions, if any. Upon that, we can provide a date for when they can be presented to the Board.

Thank you,

Deanna

From: Mercurio, Jim <jim.mercurio@49ers.com>
Sent: Monday, September 13, 2021 5:46 PM
To: Deanna Santana <DSantana@SantaClaraCA.gov>
Cc: Compliance Manager <compliancemanager@49ers-smc.com>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Christine Jung <CJung@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>
Subject: Submission to SCSA for Review and Approval

Hi Deanna,

Attached are recommendations for award for the following:

1. Event Diagram Software
2. Security and Life Safety Partitions and Dividers
3. Kelly-Moore Paints and Sherwin Williams Paints

The supporting documentation can be downloaded here:

[REDACTED]

Password: [REDACTED]

Please review and forward to the Board for approval.

Once approved, we will execute the purchase orders and forward a copy to you.

Thank you,

JIM

JIM MERCURIO
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