



Agenda Report

22-415

Agenda Date: 3/22/2022

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Report from Stadium Authority for Action on the Stadium Manager's Request to Exercise Option to Extend Term of Agreement with Landmark Event Staffing Services, Inc. for Levi's Stadium Event Security Services

BOARD PILLAR

Ensure Compliance with Measure J and Manage Levi's Stadium

BACKGROUND

On October 8, 2019, the Stadium Authority Board (Board) approved Ordinance No. 2005 amending Chapter 17.30 of the City Code (Stadium Authority Procurement Policy), which rescinded the delegation to the Executive Director to enter into agreements without prior Board approval. As result of Ordinance No. 2005, the Stadium Manager is also required to request Board approval before entering into agreements on behalf of the Stadium Authority. As of the effective date of the Ordinance (November 8, 2019), all Stadium Authority agreements for services, supplies, materials, and equipment require the approval of the Stadium Authority Board.

As the Stadium Manager, Forty Niners Stadium Management Company, LLC is responsible for maintaining "the Stadium in the Required Condition and operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility" as required by the Management Agreement between the Stadium Authority and Stadium Manager.

On April 17, 2017, the Stadium Authority Board adopted Resolution No. 17-4 (Resolution of the Santa Clara Stadium Authority Consenting to a Service Agreement between Forty Niners Stadium Management Company and Landmark Event Staffing Services, Inc. for Event Security Services) with the exception of the agreement's two one-year extensions; and noted and filed an Amendment No. 1 to include the Stadium Authority as additional insured under the Insurance Requirements of the agreement. Under Section 5 - Term of Agreement, the agreement terminates on March 31, 2022 and provides the Stadium Manager with an option to extend the term for one additional two-year period by notifying Landmark of its desire to exercise the extension option, subject to mutual agreement of rates.

The Stadium Manager is now requesting approval to exercise its option to extend the term of the existing Agreement for the Performance of Services by and between Landmark Event Staffing Services, Inc. (Landmark) and Forty Niners Stadium Management Company for security services at Levi's Stadium for one additional two-year period through March 31, 2024.

Chapter 17.30.070 of the City Code states that, "Except for reserved purchase order numbers assigned by the purchasing officer, 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.” However, Section 5 of the agreement provides that, “...if this Agreement extends beyond a single fiscal year, the Term for subsequent fiscal years shall be conditioned upon approval of the Authority budget for the applicable fiscal year that includes the amounts due under this Agreement.”

DISCUSSION

As described in an April 4, 2017 report to the Board regarding the original agreement, the Stadium Manager conducted a Request for Proposal (RFP) process for security services for pre-event, event, and post-event services for the stadium and surrounding areas and invited six security firms to participate. Companies submitting proposals provided information on their experience, training, local management, cost and organizational approach and Landmark was selected as the firm best able to perform the required scope of work.

Security services are critical to the ongoing operation of Levi’s Stadium. Landmark has provided security services for Levi’s Stadium since 2014. Under the existing agreement’s scope of work, Landmark provides personnel in the following categories as requested by the Stadium Manager for each event at Levi’s Stadium: Management, Event Manager, Supervisor, Event Security, Off Duty Officers, Ushers, Ticket Takers, Parking Security, and Parking Attendants and Flaggers. The agreement requires that all personnel provided by Landmark be certified by the California Bureau of Security and Investigative Services.

The agreement with Landmark is based on an hourly schedule on a per event basis for StadCo for NFL events and Stadium Authority for Non-NFL events. The agreement outlines a schedule of fee for each year of services. The proposed rates for April 1, 2022 through March 31, 2023 and April 1, 2023 through March 31, 2024 are outlined under Schedule 1 in the written notice provided by the Stadium Manager (attached to corresponding report #22-414). Landmark’s staffing rates for FY 2017/18 through FY 2021/22, as outlined in the existing agreement, and proposed rates for FY 2022/23 through FY 2023/24, as outlined in the written notice that is pending the Board’s approval, are summarized in Table 1:

Table 1: Landmark Staffing Rate Summary

Job Category	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Event Manager	\$35.90	\$37.50	\$39.39	\$40.11	\$40.85	\$40.85	\$40.85
Supervisor	\$33.70	\$35.23	\$37.05	\$37.73	\$38.42	\$39.76	\$40.76
Off-Duty Law Enforcement Officer	\$47.80	\$49.75	\$52.01	\$52.97	\$53.96	\$61.07	\$61.69
Usher, Ticket Taker, Parking Security, Parking Flagger, Parking Attendant, Event Security	\$30.47	\$31.90	\$33.63	\$34.24	\$34.87	\$36.09	\$36.99

Staff recommends approval of the Stadium Manager’s request to exercise its option to extend the term of the agreement with Landmark by one additional two-year period through March 31, 2024 to ensure continuity of security services for Levi’s Stadium events. The Stadium Authority will require full supporting documentation before releasing public funds upon procurement of supplies and services. This requirement is consistent with the Stadium Authority Board’s March 27, 2019 direction to staff to stop payment of any additional invoices for services unless there is substantial documentation of services rendered which must also be in compliance with State law and City Code.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The existing agreement does not include a not to exceed amount. However, the costs of the Landmark agreement are based on an hourly schedule on a per event basis for both Stadium SC Stadium Company (StadCo) for NFL events and Stadium Authority for Non-NFL events. StadCo will be responsible to the Stadium Manager for costs associated with NFL events. It is expected that the cost for Non-NFL event services will be borne either by the event promoter or by the revenue generated from the event.

The projected net revenues from the Non-NFL events at the Stadium are accounted for in the FY 2022/23 Stadium Authority Operating Budget under the Net Non-NFL Events line item which aligns with Stadium Manager’s verbal communication to staff that the costs of the security services are included in the FY 2022/23 budget.

There are also planning costs from meetings between the Stadium Manager and Landmark management that are charged to Shared Stadium Expenses and split 50/50 between the Stadium Authority and StadCo. The FY 2022/23 Operating Budget, Shared Expenses takes into consideration the new rates. Service costs for FY 2023/24 will be subject to future budget appropriations.

COORDINATION

This report has been coordinated with the City’s Police Department and the Stadium Authority Counsel and Treasurer’s Offices.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov.

RECOMMENDATION

1. Approve the Stadium Manager’s request to exercise its option to extend the term of the agreement with Landmark by one additional two-year period through March 31, 2024, and authorize staff to approve and process the reimbursement of such costs upon receiving final invoices and supporting documentation from the Stadium Manager.

Prepared by: Christine Jung, Assistant to the Executive Director
Reviewed by: Office of the Executive Director