



Agenda Report

20-271

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on Amendment No. 2 to the Agreement as Amended with J.S. Held LLC for Consulting Services for the Santa Clara Stadium Authority [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium]

BACKGROUND

On September 20, 2018, the Stadium Authority (Authority) entered into an agreement with Hagen, Streiff, Newton, & Oshiro Accountants, P.C. (HSNO), to provide the Authority with litigation consulting services by performing a review of the financial statements and supporting documents provided by the San Francisco Forty-Niners and providing the Authority with a review and analysis of the financial statements. The agreement was amended on April 9, 2019, to update the scope of services, increase the contract amount, and extend term of agreement. On February 27, 2020, the City entered into a Consent to Assignment Agreement with J.S. Held LLC after the company acquired HSNO. J.S. Held LLC will continue to provide the services to the Authority under the Original Agreement as Amended with HSNO.

DISCUSSION

The Authority has engaged J.S. Held LLC to provide litigation consulting services and to perform an analysis of the Non-NFL Event Revenues and Expenses, the Construction Fund expense and cost allocation, and other stadium related business transactions or contracts identified by the Authority. The current contract with J.S. Held LLC has a total not-to-exceed amount of \$200,000 and terminates on December 31, 2020. The total year-to-date expenditures paid to J.S. Held LLC is \$ \$183,720. Staff is recommending Amendment No. 2 to extend the termination date to December 31, 2022 and increase the compensation by \$225,000 for a revised not-to-exceed amount of \$425,000. The additional funding is needed due to unanticipated costs incurred from delays in obtaining supporting documents. The consultant's work has been challenged by the effort necessary to obtain the necessary supporting documents and the expense analysis has been more complex than contemplated by the original contracted scope of work. Additionally, staff is also requesting that the consultant perform a more detailed analysis on each Non-NFL event rather than a high-level review of the event.

SCCC 17.30.110(d) permits this Amendment as a "contracts for professional services in connection with threatened or pending litigation."

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Furthermore, 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 proposed Amendment No. 2 to the Agreement for Services with J.S. Held will increase the not-to-exceed compensation by \$225,000 to a total of \$425,000. The appropriation is requested in the Fiscal Year 2020/21 Budget and is subject to the Stadium Board’s annual budget approval.

COORDINATION

This report has been coordinated with the Stadium Authority Counsel’s Office.

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 <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve and authorize the Executive Director to execute Amendment No. 2 to the Agreement with J.S. Held LLC for financial consulting services to extend the term of the agreement by two years ending December 31, 2022, and increase compensation by \$225,000 for a total maximum not-to-exceed amount of \$425,000, subject to budget approval.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Original Agreement with HSNO
2. Amendment No. 1 with HSNO
3. Assignment Agreement with J.S. Held LLC
4. Proposed Amendment No. 2 with J.S. Held LLC