

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

C.F. No. 15-0989
0150-12570-0000

Date: January 25, 2024

To: Honorable Members of the Ad Hoc Committee on the 2028 Olympics and Paralympic Games

From: Matthew W. Szabo, City Administrative Officer 

Sharon M. Tso, Chief Legislative Analyst 

Subject: **2028 OLYMPIC AND PARALYMPIC GAMES: NON-VENUE SERVICES AGREEMENT**

RECOMMENDATION

That the City Council approve and authorize the Mayor and City Council President to execute the Non-Venue Services Agreement with the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 to provide reimbursement of City liaison services supporting the 2028 Olympic and Paralympic Games, subject to approval as to form by the City Attorney.

SUMMARY

On December 3, 2021, the City Council authorized the approval of the Games Agreement (C.F. 15-0989; Contract No. C-139679) between the City and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 (LA28). The Games Agreement articulates numerous obligations and actions regarding the hosting of the 2028 Olympic and Paralympic Games (2028 Games), including the establishment of a Non-Venue Services Agreement (NVSA) to specify the terms, conditions, and reimbursement process for enhanced City liaison services by no later than January 31, 2024.

In light of the City's unique role in the delivery of the 2028 Games, the proposed NVSA provides enhanced City liaison services to support ongoing governance and planning activities consisting of four positions (full-time-equivalent) to serve as City liaisons. In accordance with the Games Agreement, the four City liaisons consist of one position each in the Offices of the Mayor, City Attorney, City Administrative Officer (CAO), and Chief Legislative Analyst (CLA).

The NVSA provides a total reimbursement of \$6,894,845 over the term effective from July 1, 2023 through August 31, 2028. Attachment A to the NVSA provides a detailed breakdown of the cost reimbursement by fiscal year, which will be provided in the form of a flat fee to be paid every six months during the term of the NVSA. By no later than July 31, 2028, the City and LA28 will assess the extent to which enhanced City liaison services supporting LA28 will

continue to be necessary after the term of this Agreement on August 31, 2028. If the City and LA28 identify a need for continuing support by City liaisons, the Parties shall either negotiate an amendment to this Agreement or enter a new agreement setting the terms and conditions for reimbursement of services in support of LA28.

As specified in the Games Agreement, reimbursement of other City costs relating to the planning or delivery of the 2028 Games shall be pursuant to other upcoming agreements between the City and LA28 including the Enhanced City Resources Master Agreement (ECRMA) and various Venue Services Agreements (VSAs). The Games Agreement specifies that the ECRMA and VSAs are to be negotiated and entered by October 1, 2025 and October 1, 2026, respectively. Separate reports for the ECRMA and VSAs are anticipated to be submitted for Council consideration.

FISCAL IMPACT STATEMENT

The proposed Agreement provides General Fund revenue totaling \$6,894,845 for enhanced City liaison services provided by the City in support of the Organizing Committee for the Olympic and Paralympic Games 2028 and the 2028 Olympic and Paralympic Games.

FINANCIAL POLICIES STATEMENT

As compensation is provided to reimburse the actual expenditures for departments under the Agreement, the recommendation of this report complies with the City's Financial Policies.

Attachment

MWS:SMT:RR 11240069

**NON-VENUE SERVICES AGREEMENT BETWEEN
THE CITY OF LOS ANGELES
AND
THE LOS ANGELES ORGANIZING COMMITTEE
FOR THE OLYMPIC AND PARALYMPIC GAMES 2028**

This Non-Venue Services Agreement (“NVSA”) is made and entered into as of the date of the last signature set forth below by and among the City of Los Angeles, a municipal corporation (the “City”) and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028, a California nonprofit public benefit corporation (the “OCOG”). Collectively, these entities shall be known herein as the “Parties” or individually as a “Party.”

WITNESSETH

WHEREAS, on August 16, 2017, the OCOG, the City, and the United States Olympic and Paralympic Committee (the “USOPC”) entered into a certain Memorandum of Understanding (as amended from time to time, the “MOU”), which set forth certain governing principles regarding hosting the 2028 Olympic and Paralympic Games (the “2028 Games”) to ensure the 2028 Games positively impact the community;

WHEREAS, the MOU provided that, were the City selected to host the 2028 Games, the OCOG and the City would enter into a definitive Los Angeles 2028 Games Agreement (the “Games Agreement”) that would incorporate the terms of the MOU (including with respect to Enhanced City Resources in support of the 2028 Games) and set forth other customary terms and conditions to provide a critical framework for how the OCOG and the City will work together, along with a framework for engaging other municipalities related to 2028 Games delivery;

WHEREAS, on September 13, 2017, the City was selected by the International Olympic Committee (the “IOC”) to host the 2028 Games;

WHEREAS, through execution of the Games Agreement on November 17, 2021, the Parties demonstrated a commitment to developing and operating in accordance with an operating budget for the 2028 Games that is prudent, realistic, and designed to protect taxpayers by mitigating financial risk and, hence, shall conduct 2028 Games-related operations in accordance with the goal of delivering a fiscally responsible 2028 Games;

WHEREAS, Section 7.5 of the Games Agreement contemplates the potential for one or more Non-Venue Services Agreements, and specifically states that an NVSA shall be entered no later than January 31, 2024 by the Parties to include terms of reimbursement for certain mutually agreed upon direct salary amounts of up to four (4) City Liaison staff positions utilized in support of the OCOG and the 2028 Olympic and Paralympic Games;

WHEREAS, Section 7.5 of the Games Agreements provides that the City support provided pursuant to this NVSA shall not be deemed Enhanced City Resources;

WHEREAS, the Parties acknowledge and agree that, pursuant to Section 3 of the Host City Contract – Principles, all agreements relating to the incorporation and existence of the OCOG, including this NVSA, shall be submitted to the IOC for its approval;

WHEREAS, the Parties have worked together in good faith to host a safe and fiscally responsible 2028 Games that are consistent with the long-term interests and values of the City and the people of Los Angeles;

WHEREAS, the Parties acknowledge that certain City liaison staff have developed expertise over several years of collaboration with the OCOG and provide ongoing and increasing levels of essential support for the benefit of the OCOG and the 2028 Games;

WHEREAS, in furtherance of the principle to protect taxpayers by mitigating financial risk, and in accordance with the terms of the Games Agreement, the Parties now wish to define the reimbursement of certain City liaison staff positions assigned to provide direct support of the 2028 Games, through the execution of this NVSA; and

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the Parties, and of the promises contained in this NVSA, the Parties hereby agree as follows:

Section 1. Recitals. The recitals set forth above are fully incorporated into this NVSA.

Section 2. Purpose. The purpose of this NVSA is to set forth certain material terms of the relationship between the City and the OCOG relating to the reimbursement of City Liaison positions, as originally defined in Games Agreement, Section 5 “City Liaisons”, providing direct support for the benefit of the OCOG and the 2028 Games.

Section 3. Voluntary. This NVSA is voluntarily entered into for the purpose set forth in Section 2 above.

Section 4. Term. This NVSA shall become effective on July 1, 2023 (the “Effective Date”) and shall remain in effect until the earlier of (i) August 31, 2028; (ii) the date the OCOG ceases to exist; or (iii) the date of the express written agreement of each of the Parties hereto to terminate this NVSA. To the extent that any services were provided by City as of the Effective Date but prior to execution of this Agreement, the OCOG hereby ratifies those services and shall make payment to City for those services.

4.1 The Parties agree to engage in good faith discussions by no later than July 31, 2028, to assess the extent to which direct ongoing support of the OCOG by City Liaisons will continue to be necessary after August 31, 2028. Should the Parties identify a need for significant direct ongoing support from City Liaisons, the Parties shall engage in good faith negotiations and to either enter into an amendment to this Agreement, or new agreement setting the terms and conditions for reimbursement of City Liaison time spent in support of the OCOG

after August 31, 2028.

Section 5. City Liaisons. The City will designate staff from the Office of the Mayor, the Office of the CAO, the Office of the CLA, and the Office of the City Attorney to serve as the City's liaisons to the OCOG (the "City Liaisons").

Section 6. Reimbursement for City Liaison Services.

6.1 Contract Administrator. The CAO shall lead and coordinate City-wide administrative oversight, budgetary control, receipt of payments for all NVSAs, and reconciliation of costs and services.

6.2 Flat Fee Reimbursement. In light of the City's unique role among governmental entities participating in the delivery of the 2028 Games, the OCOG shall pay the City a flat fee under this NVSA in exchange for services by City Liaisons on City matters mutually deemed to be in direct support of either the OCOG or the 2028 Games ("Flat Fee").

Section 7. Project List.

On January 31, 2024, and on an annual basis within thirty (30) days of June 30 thereafter, the OCOG, in Close Coordination With the City (as defined at Section 16.11 of the Games Agreement), shall deliver to the City a mutually agreed upon list of priority projects ("Project List") in order to keep the City informed of upcoming work streams and help the City anticipate potential service needs. The Project List shall include a short description of the project(s) and any projected timelines anticipated by the Parties. The Project List may be amended by mutual agreement of the Parties on a quarterly basis, or as otherwise necessary, in order to accommodate changes to listed projects, timelines, or for other relevant considerations. The Parties shall both make reasonable efforts to ensure the Project List is adhered to. In consideration for the Flat Fee for the period between July 1, 2023 through January 30, 2024, the Parties shall both make reasonable efforts to continue work on any outstanding, previously identified pending projects. Notwithstanding anything in this NVSA to the contrary, City can and shall maintain sole control over the work to be performed by the City Liaisons.

Section 8. Reimbursement of City Costs.

8.1 Flat Fee Amounts. Pursuant to Section 6.2 above, the OCOG shall pay to the City a Flat Fee in the amounts set forth in Attachment A in exchange for services by City Liaison staff on City matters mutually deemed to be in direct support of either the OCOG or the 2028 Games.

8.2 Invoicing Process. On a semi-annual basis, within thirty (30) days of June 30 and December 31 of each year, an invoice with supporting documentation shall be submitted by the CAO to the OCOG for payment of the Flat Fee for the preceding six-month period. Supporting documentation for payment of the Flat Fee shall include the following for each invoice period: (i) City Liaison Office, (ii) employee name, (iii) employee classification, (iv) hours worked on

matters mutually deemed to be in direct support of the 2028 Games by each employee and a high level description of the work performed. Unless the effective term (Section 4) is extended, as contemplated in Section 4.2, within thirty (30) days of August 31, 2028, an invoice with supporting documentation shall be submitted for payment of the Flat Fee for the preceding two-month period, including July 1, 2028 through August 31, 2028.

8.3 Payment Method. Payments due to the City pursuant to this Agreement may be made by ACH or wire transfer to such account as the City directs in writing on the applicable invoice or as otherwise agreed to in writing by the Parties.

8.4 Payment Timing. Undisputed invoices shall be paid within sixty (60) days of OCOG's receipt of the invoice.

8.5 Disputed Invoices. For all disputed invoices, the OCOG shall provide the City with written notice of the dispute including the invoice date, amount, and reasons for dispute within ten (10) business days after receipt of the invoice. Parties shall work in good faith for up to ten (10) business days to resolve the dispute. If the dispute is resolved, then the Parties shall memorialize the resolution of the dispute in writing. If resolution of disputed invoices concludes that funds are owed to the City, then payment is due within thirty (30) calendar days after the memorialized resolution. Interest, at a rate of ten (10) percent per annum, shall accrue on the funds owed, if not received within the thirty-day period.

Section 9. Dispute Resolution.

The Parties shall seek to amicably resolve by negotiation all disputes arising out of or in connection with this Agreement. In each case, the Parties shall first seek settlement of that dispute by referring such dispute to the Chief External Affairs Officer of the OCOG and the Chief Legislative Analyst of the City. If such persons cannot resolve the relevant dispute within ten business days of such referral, the dispute shall be referred to the Chief Operating Officer of the OCOG and the City Administrative Officer for resolution.

If, in spite of such negotiations, no mutually agreeable resolution between the Parties is reached within ten business days, then either Party may provide written notice to the other Party ("Dispute Notice"). Any Dispute Notice shall include a detailed description of the disputed matter, any relevant documentation and other materials, and a detailed explanation of the position taken by the Party providing such Dispute Notice.

Within thirty (30) days following the delivery of any Dispute Notice the chairperson or the president or the chief executive officer of the OCOG ("OCOG Executive") (or the OCOG Executive's designee) on the one hand and the Mayor of the City (or the Mayor's designee) and the City Council President (or the City Council President's designee) (collectively, the "City Representatives") on the other shall meet in person, to resolve the subject of such Dispute Notice; provided, however, that if the OCOG Executive or the City Representatives notifies the other, in writing, that satisfactory resolution of the subject matter of the Dispute Notice is not practicable unless the OCOG Executive and City Representatives meet sooner than within a

thirty (30) day period, then the OCOG Executive and City Representatives shall each use reasonable efforts to meet within a shorter period of time.

To the extent that any disputes that are the subject of a Dispute Notice delivered remain unresolved after a period of ninety (90) days following the meeting of the OCOG Executive and City Representatives as prescribed above, then unless the OCOG Executive and City Representatives mutually agree to an extension of the period in which to meet to resolve any dispute that is the subject of such Dispute Notice, either Party may make request for arbitration and, in such event, such disputed matters shall be determined by final binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The place of arbitration shall be in Los Angeles, California. There shall be one (1) arbitrator.

If a request for arbitration is not made prior to the tenth (10th) day following the conclusion of the ninety (90) day period described above or within ten (10) days following such longer period as may be mutually agreed upon, all claims of the Party who initiated the dispute resolution procedure shall be deemed waived, notwithstanding any state or federal statute of limitations.

Each Party shall bear its own costs of arbitration, including legal fees, except that the fees for the arbitrator and costs associated with the arbitrator shall be shared equally by the Parties; provided, however, that any costs forming the substance of the dispute shall be borne as determined by the arbitral award.

Section 10. General Provisions.

10.1 Notices. Any notices or reports relating to this NVSA, and any request, demand, statement or other communication required or permitted hereunder, shall be in writing and shall be delivered to the Parties at their respective addresses set forth in Attachment B. Each Party shall promptly notify every other Party of any change of contact information, including personnel changes, provided in Attachment B. Written notice shall include notice delivered via email or facsimile. A notice shall be deemed to have been received on (i) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by email, or (ii) on the third (3rd) business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Attachment B.

10.2 Relationship of Parties. The Parties are and shall remain at all times, as to each other, wholly independent entities. No Party shall have power to incur any debt, obligation, or liability on behalf of another Party unless expressly provided to the contrary by this NVSA. No employee, agent, or officer of a Party shall be deemed for any purpose whatsoever to be an agent, employee, or officer of another Party.

10.3 Assignment. No Party may assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other Party. This NVSA shall be binding upon and inure solely to the benefit of each Party and its successors and permitted assigns and nothing in this NVSA, express or implied, is intended to or shall confer upon any other person any rights,

benefits, or remedies of any nature whatsoever under or by reason of this NVSA.

10.4 Amendment; Waiver. Subject to written approval by the IOC, the terms and provisions of this NVSA shall be binding upon the Parties and may not be amended, modified, or waived, except by an instrument in writing signed by each of the Parties. Waiver by any Party to this NVSA of any term, condition, or covenant of this NVSA shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach or violation of any of the provisions of this NVSA shall not constitute a waiver of any breach or violation of any other provision of this NVSA, nor a waiver of any subsequent breach or violation of any provision of this NVSA.

10.5 Entire Agreement. This NVSA constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether written or oral, with respect thereto (including, for the avoidance of doubt, the MOU); provided that, nothing in this NVSA shall be deemed to supersede or otherwise modify any of the terms of (i) the Host City Contract (including, without limitation, that certain City guarantee, dated August 14, 2017, re: Olympic and Paralympic Games 2028 Guarantee 3.5 submitted as a Candidature Commitment) or any exhibits or joinders to the Host City Contract, (ii) the Youth Sport Partnership Agreement, (iii) the Cooperative MOU, or (iv) the Games Agreement.

10.6 Non-Recourse. No obligation of the OCOG or the City under this NVSA constitutes an obligation of, and no recourse, claims, actions, rights to sue, or other remedies shall be had against, any trustee, director, officer, employee, volunteer, agent, consultant, member, attorney, representative, or independent contractor of the OCOG or the City for any obligations arising out of this NVSA. No trustee, director, officer, employee, volunteer, agent, consultant, member, attorney, representative, or independent contractor of the OCOG or the City shall have any personal liability or obligation for any act or omission of the OCOG or the City, whether arising out of this NVSA or otherwise in connection with any of the transactions contemplated hereby or thereby or any other matter related to the 2028 Games.

10.7 IOC Approval Required. The Parties acknowledge that the understandings set forth in this NVSA are subject to the written approval of the IOC and shall not be binding upon any Party unless and until such written approval is obtained.

10.8 Counterparts. This NVSA may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument.

10.9 No Third Party Beneficiary. Except as expressly provided herein, no third party is intended to be, or shall be deemed to be, a beneficiary of any provision of this NVSA.

10.10 Governing Law. This NVSA has been negotiated, executed and delivered, and will be performed in the State of California, and shall be governed by, and construed in accordance with, its laws.

10.11 Interpretation. References in this NVSA to any gender include references to all genders,

and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words “include,” “includes,” and “including” when used in this NVSA shall be deemed to be followed by the phrase, “without limitation.” Unless the context otherwise requires, references in this NVSA to Sections, Annexes, Exhibits, and Schedules shall be deemed to be references to Sections of, and Annexes, Exhibits and Schedules to this NVSA. Unless the context otherwise requires, the words “hereof,” “hereby,” and “herein,” and words of similar meaning when used in the NVSA refer to this NVSA in its entirety and not to any particular Section or provision of this NVSA.

[The remainder of this page has intentionally been left blank; signature pages and attachments follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Non-Venue Services Agreement to be executed by their duly authorized representatives and affixed as of the date of signature of the Parties:

THE CITY OF LOS ANGELES

By: _____
KAREN BASS
Mayor, City of Los Angeles

By: _____
PAUL KREKORIAN
President, Los Angeles City Council

Date: _____

Date: _____

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, City Attorney

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

By: _____

Date: _____

Date: _____

**LOS ANGELES ORGANIZING COMMITTEE FOR THE OLYMPIC AND PARALYMPIC GAMES
2028**

By: _____
JOHN HARPER
Chief Operating Officer

Date: _____

Non-Venue Services Agreement Attachment A
Flat Fee Amount

The Flat Fee payments paid by the OCOG to the City shall be as follows:

<u>Time Period</u>	<u>Flat Fee Amount</u>
July 1, 2023 – December 31, 2023	\$344,742.00
January 1, 2024 – June 30, 2024	\$517,113 .00
July 1, 2024 – December 31, 2024	\$517,113.00
January 1, 2025 – June 30, 2025	\$517,113 .00
July 1, 2025 – December 31, 2025	\$517,113.00
January 1, 2026 – June 30, 2026	\$861,856.00
July 1, 2026 – December 31, 2026	\$861,856.00
January 1, 2027 – June 30, 2027	\$861,856.00
July 1, 2027 – December 31, 2027	\$861,856.00
January 1, 2028 – June 30, 2028	\$861,856.00
July 1, 2028 – August 31, 2028	\$172,371.00

The City anticipates designating the following staff from the Office of the Mayor, the Office of the CAO, the Office of the CLA, and the Office of the City Attorney to serve as the City’s primary liaisons to the OCOG:

Office	Position Classification	City Resource
Mayor	Mayoral Aide VIII (0148)	Policy development
CAO	Sr. Admin. Analyst II (1541-2)	Admin analysis and oversight
CLA	Legislative Analyst V (0195)	Legislative analysis
City Attorney	Deputy City Attorney IV (0597)	Legal analysis

Notwithstanding the foregoing, each applicable City Department may assign multiple staff at various levels, as necessary, and at its sole reasonable discretion, to provide the appropriate level of municipal service support on City matters mutually deemed to be directly related to the 2028 Games.

Non-Venue Services Agreement Attachment B
Addresses for Notices

THE CITY OF LOS ANGELES

Karen Bass
Los Angeles Mayor
200 N. Spring St.
Los Angeles, CA 90012

Hydee Feldstein Soto
Los Angeles City Attorney
200 N. Main St., Suite 800
Los Angeles, CA 90012-4137

Matthew W. Szabo
City Administrative Officer
200 N. Main St., Suite 1500
Los Angeles, CA 90012-4137

Sharon M. Tso
Chief Legislative Analyst
200 N. Spring Street, Room 255
Los Angeles, CA 90012-4137

Holly L. Wolcott
City Clerk
200 N. Spring Street, Room 360
Los Angeles, CA 90012

LOS ANGELES ORGANIZING COMMITTEE FOR THE OLYMPIC AND PARALYMPIC GAMES 2028

John Harper
Chief Operating Officer
10900 Wilshire Blvd.
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Los Angeles, CA 90024

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Chief Legal Officer
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