

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0150-12275-0000

Date: June 6, 2023

To: The Council

From: Matthew W. Szabo, City Administrative Officer

Subject: **SUPPLEMENTAL CITY SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND THE UNITED STATES GOLF ASSOCIATION RELATING TO THE U.S. OPEN CHAMPIONSHIP EVENT****RECOMMENDATION**

That the Council approve, and authorize the City Administrative Officer to execute, the proposed Supplemental City Services Agreement between the City and United States Golf Association relating to the 2023 U.S. Open Championship Event with estimated compensation of \$2,908,680, subject to the submission of applicable insurance documents to the Office of the City Administrative Officer's Risk Management Division, and subject to approval as to form by the City Attorney.

SUMMARY

The City Administrative Officer (CAO) requests approval to execute a proposed Supplemental City Services Agreement (Agreement) with United States Golf Association (USGA). The purpose of the Agreement is to provide supplemental City services relating to the 2023 U.S. Open Championship event and various related events (collectively, the "U.S. Open Events"), which will take place within the City of Los Angeles at the Los Angeles Country Club. The Agreement provides estimated compensation to the City of \$2,908,680 for reimbursement of actual costs with a term commencing June 9, 2023 through June 18, 2023. The requested City services under this Agreement include Police Department law enforcement services (\$2,608,680) and other City services (\$300,000). The City Attorney advises that the actual costs for Police law enforcement services supporting a private entity-sponsored special event are required to be reimbursed pursuant to California Government Code section 53069.8.

Pursuant to the Agreement, the USGA will provide 20 percent (\$581,736) of the estimated City services costs within seven days of execution of the Agreement as an initial reimbursement payment. After the completion of the U.S. Open Events, the CAO will collect actual departmental expenditures and submit a summarized invoice to the USGA. The USGA will then reimburse the City for the actual costs, less the initial 20 percent payment, within 30 days of receipt of the invoice.

The USGA agrees to indemnify the City and provide insurance at its own expense related to the services under the Agreement. The recommendation in this report is subject to the

submission of applicable insurance documents to the CAO's Risk Management Division. In accordance with California Government Code section 53069.8, Council approval is required to provide supplemental law enforcement services to private entity-sponsored special events.

FISCAL IMPACT STATEMENT

The proposed Agreement provides reimbursement of actual costs for supplemental City services provided by the City in support of U.S. Open Events. Total General Fund revenue is anticipated to be approximately \$2,908,680.

FINANCIAL POLICIES STATEMENT

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

MWS:RR 11230131

SUPPLEMENTAL CITY SERVICES AGREEMENT
between
THE CITY OF LOS ANGELES
and
UNITED STATES GOLF ASSOCIATION

This Supplemental City Services Agreement (“Agreement”) is entered into by and between the City of Los Angeles (the “City”), acting by and through the Office of the City Administrative Officer, and the United States Golf Association (the “Organizer” or “USGA”), a nonprofit organization. City and the Organizer are sometimes referred to collectively as “Parties” or individually as a “Party.”

RECITALS

The Parties make this Agreement with reference to the following facts and circumstances:

WHEREAS, the 2023 U.S. Open Championship (“U.S. Open”) will take place within the City of Los Angeles between June 15 and June 18, 2023; and

WHEREAS, the Organizer is setting up and staging the U.S. Open and various U.S. Open related events (collectively, the “U.S. Open Events”) from June 9, 2023 through June 18, 2023; and

WHEREAS, the U.S. Open Events will occur within the City of Los Angeles, specifically at the Los Angeles Country Club in Los Angeles; and

WHEREAS, in October 2009, the City enacted an ordinance that created a special events permitting process administered by the Los Angeles Department of Public Works Bureau of Street Services; and

WHEREAS, the City and the Organizer are entering into this Agreement in order to facilitate the issuance of a special event permit covering the various U.S. Open Events identified herein; and

WHEREAS, under the City’s special event permitting process, a special event permit is required for the provision of City services that are necessary to effectuate the event; and

WHEREAS, the Organizer has requested that the City provide certain supplemental City services in support of the Organizer’s efforts for the U.S. Open Events; and

WHEREAS, the Organizer desires to arrange for certain City services in exchange for payment thereof as further described in this Agreement; and

WHEREAS, with respect to the provision of supplemental police services, this Agreement is authorized pursuant to California Government Code section 53069.8; and

WHEREAS, California Government Code section 53069.8 specifically authorizes the City Council to contract on behalf of the Chief of Police to provide supplemental law enforcement services to private entity-sponsored special events; and

WHEREAS, the City is agreeable to rendering such supplemental City services, as available, on the terms and conditions set forth in this Agreement.

NOW THEREFORE, the Parties agree as follows:

1 RECITALS

1.1. The recitals set forth above are fully incorporated into this Agreement.

2 REQUESTED CITY SERVICES

2.1. This Agreement is for the provision of supplemental City services requested by the Organizer to support the planning and delivery of public safety, traffic management, and to otherwise facilitate the U.S. Open Events. Specifically, City shall provide, and the Organizer shall reimburse City for, the cost of providing, the following (collectively, the “Requested City Services”):

2.1.1. Law enforcement services provided by the Los Angeles Police Department (“LAPD Services”); and

2.1.2. Other City services, including fire inspection and liaison services provided by the Los Angeles Fire Department, traffic management services provided by the Los Angeles Department of Transportation, and all other services provided by City departments in direct support of the U.S. Open Events (“Other City Services”).

3 CONDITIONS OF LAPD SERVICES

3.1. The City agrees, as available, through the LAPD, to provide certain supplemental law enforcement services supporting the U.S. Open Events. The service levels required under this Agreement have been developed by the LAPD, in consultation with the Organizer.

3.2. The services to be provided by LAPD encompass only law enforcement duties and not services authorized to be provided by private patrol operators, as defined in California Business and Professions Code section 7582.1, nor the enforcement of any rules, regulations, and/or policies of the Organizer or any of the Organizers affiliates or contractors, including the Los Angeles Country Club, that are participating with, or at the direction of, the Organizer in the delivery of the U.S. Open Events.

3.3. Notwithstanding any term herein to the contrary, each sworn member of the LAPD assigned work pursuant to this Agreement is subject to recall by the Chief of Police or the Chief’s designee at any time for emergencies, special assignment, or overtime duty.

3.4. The supplemental law enforcement services provided under this Agreement shall not reduce the normal and regular ongoing services that the City would otherwise provide if the City did not enter into this Agreement.

- 3.5. Notwithstanding any other provision of this Agreement, the LAPD may forthwith cancel the provision of supplemental law enforcement services under this Agreement if the LAPD concludes that it has insufficient available personnel to provide the services required by this Agreement and to perform the LAPD's other duties as required by law. In such event, the City shall use best efforts to provide as much of the contracted services hereunder as practicable under the circumstances, and the Compensation set forth in Section 10 shall be adjusted to reflect the reduced services provided hereunder.
- 3.6. The supplemental law enforcement services provided under this Agreement shall only encompass duties and functions that LAPD may permissibly render under the Charter of the City, the statutes and laws of the State of California, and the policies and procedures of the LAPD.
- 3.7. The Organizer understands and agrees that the provision of supplemental law enforcement services provided under this Agreement does not guarantee the absence of the occurrence of crime at the times and places of provision of those services. The LAPD shall have no obligation to patrol or provide law enforcement at any specific location at any particular times except under a schedule agreed to between LAPD and the Organizer and subject to the discretion of the Chief of Police and the limitations of this Agreement.

4 FACILITIES AND EQUIPMENT

- 4.1. Except as otherwise specified herein, City is not obligated to furnish any facilities or equipment pursuant to this Agreement. City, at City's sole discretion, may furnish other equipment in furtherance of the provision of services under this Agreement, provided that, except as expressly provided in Section 10.3, the Organizer shall not be obligated to reimburse the City for such additional equipment absent mutual agreement between the City and the Organizer.

5. ADMINISTRATION OF PERSONNEL

- 5.1. Subject to the provisions of Section 3.1, the rendition of the services, the rank of the personnel provided, the selection and discipline of the Chief's personnel provided, the manner of performance of the policing function, the supervision, equipment, communications, supplies, and other matters incident to the performance of such services, and the control of such personnel will remain with the City department primarily responsible for providing the contemplated service.
- 5.2. All persons employed in the performance of the supplemental law enforcement services provided under this Agreement shall be City employees. Notwithstanding the foregoing, City acknowledges and agrees that the Organizer will engage non-City law enforcement agencies and personnel (e.g., FBI, Department of Homeland Security, etc.) in connection with the U.S. Open Events. City shall coordinate and work together with such agencies and personnel in good faith towards the goal of facilitating the safety of the U.S. Open Events
- 5.3. All Organizer employees who work in conjunction with the City pursuant to this Agreement shall remain employees of the Organizer and shall not have any claim or right to employment, civil service protection, salary, or benefits or claims of any kind from the City based on this Agreement. No Organizer employees or volunteers shall

become employees or volunteers of the City. No City employees or volunteers shall become employees or volunteers of the Organizer.

- 5.4. Both Parties hereto in the performance of this Agreement shall act as independent contractors and not as agents, employees, partners, joint ventures, or associates of one another.

6 INDEMNIFICATION

- 6.1. Except for the active negligence or willful misconduct of City, or any of its boards, officers, agents, employees, assigns and successors in interest, the Organizer shall defend, indemnify and hold harmless City and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, deficiencies, judgments, settlements, costs, and expenses of any kind, including, but not limited to, attorney's fees (both in house and outside counsel), damages or liability of any nature whatsoever, relating to or, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct by the Organizer, any of its subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of the City provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- 6.2. If liability is imposed by reason of a dangerous physical condition of the property of the Organizer or its affiliates, the Organizer shall assume liability and defend and hold harmless the City, its officers, employees, and agents from any action, loss, costs, or expenses caused by any physical condition of the Organizer's property and any negligent or wrongful act or omission of the Organizer's officers, agents, and employees, in any way connected with such physical condition of the Organizer's property.

7 PERMITS AND INSURANCE

- 7.1. As a condition precedent to entering into this Agreement, the Organizer shall have applied for and been issued a Special Event permits pursuant to Los Angeles Municipal Code section 41.20 and signed indemnification forms pursuant to those permits.
- 7.2. In consideration of the granting of the special event/street closure permit, and without limiting the Organizer's indemnification of the City, the Organizer shall provide and maintain at its own expense during the term of this Agreement the insurance to cover the Organizer's Events and Activities hereunder subject to the following conditions:
- 7.2.1. The City, its Boards, Officers, Agents and Employees shall be included as additional insureds in all liability insurance policies.
- 7.2.2. The insurance must be primary with respect to any insurance maintained by the City and must not call on the City's insurance for contributions.
- 7.2.3. The insurance must be obtained from brokers or carriers authorized to transact insurance business in California.
- 7.2.4. Evidence of insurance must be submitted to the City, must meet the City's required insurance and minimum limits, and shall be subject to approval by the City.
- 7.3. Failure on the part of the Organizer to procure or maintain required insurance shall constitute a material breach of contract under which the City may immediately terminate this Agreement.

8. TERM OF AGREEMENT

- 8.1. The term of this Agreement shall commence June 9, 2023 and shall terminate June 18, 2023, unless sooner terminated or extended in whole or in part as provided for herein.
- 8.2. For the avoidance of doubt, the Organizer acknowledges and agrees that the Organizer is obliged to, and shall, compensate City for all performed Requested City Services, pursuant to Sections 10 and 11 below, regardless of whether those Requested City Services were provided prior to the term or execution of this Agreement.

9. TERMINATION

- 9.1. City shall have the right to terminate this Agreement at any time, effective upon seven (7) days written notice to the Organizer, in the City's sole discretion of with or without cause, by giving notice to the Organizer. Upon the effectiveness of termination, City shall immediately cease rendering services pursuant to this Agreement and the Organizer shall pay to City the value of services rendered pursuant to this Agreement. City shall have no liability to the Organizer for any failure to perform the services required by this Agreement regardless of when such termination occurs, and City shall not be liable for lost profits or punitive, special, indirect, or consequential damages, even if City has been advised of the possibility of such damages.

10. COMPENSATION

- 10.1. Except as otherwise provided in Section 10.2 below, the Contractor shall pay the City, as compensation for City services furnished under this Agreement, an amount estimated to be \$ 2,908,680 (the "Estimated City Services Costs"), which consists of the following estimated costs from the following City departments:
 - 10.1.1. LAPD Services: \$ 2,608,680
 - 10.1.2. Other City Services: \$ 300,000
- 10.2. The Organizer and the City each recognizes and acknowledges that the Estimated City Services Costs constitute an estimate for the costs of the Requested City Services and shall be revised at the conclusion of the events and activities of the Organizer as set forth in Los Angeles Municipal Code section 41.20(c), based on the actual Requested City Services performed. If actual fees and charges for the Requested City Services are less than the estimated fee paid, the Organizer shall be refunded the difference. If actual fees and charges for the Requested City Services are greater than the Estimated City Services Costs, the Organizer shall be liable for the additional costs and shall make payment to the City as provided below.
- 10.3. For the avoidance of doubt, the Organizer acknowledges and agrees that the City may incur additional costs that are directly attributable to providing public safety services at the U.S. Open Events. Pursuant to California Government Code section 53069.8, the Organizer shall pay the City for all costs that are attributable to the provision of supplemental law enforcement services to the U.S. Open Events.
- 10.4. The Organizer acknowledges and agrees that neither this Agreement nor the Organizer's performance of the terms of this Agreement operate to reduce or impair the obligations of any non-party entity to make payment to the City for services rendered or properties leased in relation to the U.S. Open Events. Further, the Organizer acknowledges and agrees that no payments made by non-party entities to City for related services will reduce the Organizer's obligation to make payment to City as provided in this Agreement.

11. PAYMENT

- 11.1. No later than seven (7) calendar days after the execution of this Agreement, the Organizer shall pay to City an amount not less than \$ 581,736 (the “Estimate Percentage Payment”), consisting of 20% of the Estimated City Services Costs provided in Section 10.1.
- 11.2. Upon completion of Requested City Services for the U.S. Open Events, the City shall provide to the Organizer a summarized invoice which covers all services performed under this Agreement, and the Organizer shall pay City for all undisputed amounts, less the previously paid Estimate Percentage Payment, within thirty (30) calendar days after the date of invoice. Payment for said services shall be made as directed on the invoice or as otherwise agreed to by the parties.
- 11.3. If such undisputed payment is not delivered to the City within thirty (30) calendar days after the date of the invoice, the City is entitled to recover interest thereon. For all disputed amounts, the Organizer shall provide the City with written notice of the dispute including the invoice date, amount, and reasons for dispute within fifteen (15) calendar days after receipt of the invoice. The Parties shall memorialize the resolution of the dispute in writing. For any disputed amounts, interest shall accrue if payment is not received within fifteen (15) calendar days after the dispute resolution is memorialized.
- 11.4. Said interest shall be at a rate of ten percent (10%) per annum or any portion thereof, calculated from the date payment was due pursuant to Sections 11.2 and 11.3, above.

12. AMENDMENTS

- 12.1. No changes, modifications, or amendments to this Agreement may occur except by written Amendment duly executed by both parties, including on behalf of the City by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Agreement, and the Organizer.

13. NO GRANT OF AGENCY

- 13.1. For the avoidance of doubt, neither Party shall have authority, express or implied, to act on behalf of the other Party in any capacity whatsoever as an agent. Neither Party shall have any authority, express or implied, pursuant to this Agreement to bind the other Party to any obligation whatsoever.

14. AUTHORIZATION WARRANTY

- 14.1. Each Party represents and warrants that the person executing this Agreement for such Party is an authorized agent who has actual authority to bind such Party to each and every term, condition, and obligation of this Agreement and that all requirements of such Party have been fulfilled to provide such actual authority.

15. COMPLIANCE WITH LAWS AND REGULATIONS

- 15.1. The Organizer represents and warrants to the City that, to the best of the Organizer’s knowledge, the Organizer, as applicable, has obtained all licenses, permits, City Business Tax Registration Certificate, and approvals of whatsoever nature which it is legally required to possess to conduct the U.S. Open Events. The Organizer represents and warrants to the City that the Organizer, as applicable, shall, at its sole cost and

expense, keep in effect or obtain at all times during the term of this Agreement any required licenses, certificates, permits and approvals. The Organizer shall comply with all applicable federal, state and local laws, ordinances, rules and regulations pertaining to its obligations under this Agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing.

16. GOVERNING LAW AND VENUE

- 16.1. This Agreement shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. The Organizer shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Agreement.
- 16.2. In any action arising out of this Agreement, the Organizer consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

17. NOTICES

- 17.1. Any notice required to be given pursuant to this Agreement shall be in writing and mailed by certified or registered mail, return receipt requested, or delivered by a national overnight express service in each case to the address and to the attention of the party set forth below.

City:

Office of the City Administrative Officer
Attn: Robert Roth
200 N. Main St, 1500
Los Angeles, CA 90012

United States Golf Association

Attn: _____
Street
City, St Zip

18. SEVERABILITY

- 18.1. If any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause, or provision and such invalid term, clause, or provision shall be deemed to have been severed from the Agreement.

19. WAIVER

- 19.1. A waiver of a default of any part, term or provision of this Agreement shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A Party's performance after the other Party's default shall not be construed as a waiver of that default.

20. SURVIVAL

- 20.1. Sections 6, 16, and 21 will survive termination of this Agreement.

21. LIMITATION OF LIABILITY

- 21.1. City will not be liable hereunder for special, indirect, consequential, or incidental damages including, but not limited to, lost profits, lost or damaged data, failure to achieve cost savings, or the failure or increased expense of operations, regardless of whether any such losses or damages are characterized as arising from strict liability or otherwise, even if City is advised of the possibility of such losses or damages, or if such losses or damages are foreseeable.

22. NO ASSIGNMENT

- 22.1. Neither Party shall assign, subcontract, delegate, or otherwise transfer this Agreement, or its rights and obligations herein, without obtaining the prior written consent of the other Party, and any attempted such assignment, subcontract delegation, or transfer in violation of the foregoing will be null and void.

23. INTEGRATED AGREEMENT/COUNTERPARTS

- 23.1. This Agreement sets forth all of the rights and duties of the Parties with respect to the subject matter of this Agreement, and replaces any and all previous Agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for in the provisions of Section 12 hereof.
- 23.2. This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The Parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the City) and sent by email shall be deemed original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this 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: _____
MATTHEW W. SZABO
City Administrative Officer

Date: _____

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, City Attorney

By: _____

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Date: _____

UNITED STATES GOLF ASSOCIATION

By: John M. Bodenhamer
JOHN BODENHAMER
Chief Championships Officer

Date: June 03, 2023