

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

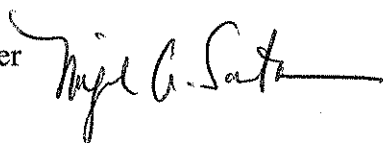
DATE: April 24, 2014

TO: The City Council
The Mayor

FROM: Robert R. "Bud" Ovrom, Executive Director
Los Angeles Convention Center Department



Miguel A. Santana, City Administrative Officer
Office of the City Administrative Officer



SUBJECT: PROPOSED AMENDMENT TO CONTRACT NUMBER C-119053 WITH THE LOS ANGELES TOURISM AND CONVENTION BOARD FOR MARKETING AND TOURISM SERVICES FOR THE CITY AND SALES AND BOOKING SERVICES FOR THE CONVENTION CENTER

The current contract between the City of Los Angeles (City) and the Los Angeles Tourism and Convention Board (LATCB) expires on June 30, 2014. Our offices recommend that this contract (Contract No. C-119053) be extended for an additional six months to avoid any interruption of service to the City until a new contract has been negotiated and executed with the LATCB.

BACKGROUND

The LATCB is a non-profit organization that markets Los Angeles as a local, national and international convention, meetings and leisure travel destination. The City has contracted with LATCB since 1976. LATCB has a multi-lingual staff with offices in downtown Los Angeles and Hollywood, and sales representation in Washington D.C., New York, and Chicago. Its international offices are located in London, Beijing, and Tokyo, with outreach to Latin America operated through Miami. LATCB also maintains representative offices in Australia, Germany, and South Korea.

LATCB solicits and schedules convention bookings into the LACC; arranges meetings and conventions in other locations around the City; advertises Los Angeles attractions across the nation and the world through displays, exhibits, and information centers; and provides policy advice to the Mayor and Council with regard to conventions and professional meetings, tourism, and economic data related to the industry.

The Mayor and Council have provided the Convention Center a new direction and mission (CF 12-0692). Relevant to the LATCB contract with the City, a governance ordinance was approved by the City Council on April 23, 2014 and becomes effective on June 9, 2014. This new model

reconstitutes the LACC Department as the Department of Convention and Tourism Development (CTD), with an authoritative rather than advisory Board and an expanded focus on providing strategic policy and long term planning for the City as it relates to the leisure and hospitality sector. The new Executive Director position reports to the Board and oversees the agreements with the LATCB and the private company (Anschutz Entertainment Group) that manages the facility.

The ordinance that effectuates the new governance structure calls for the authoritative Board to “oversee and direct the contractual performance of the tourism and convention bureau as applicable”. This effectively transfers the administrative responsibilities and accordingly the signature authority for the contract from the City Administrative Officer (CAO) to newly reconstituted Department Convention and Tourism Development. As such, in addition to requesting authority to extend the term of the contract by six months, we are requesting that Council formally designate the Department of Convention and Tourism Development as the lead in negotiating and executing the new contract with LATCB.

PROPOSED AMENDMENT

This proposed Amendment (Exhibit A) would extend the term of Contract No. C-119053 (Exhibit B) by six (6) months, from July 1, 2014, through December 31, 2014 or until a new agreement is executed, whichever occurs first. All other terms and provisions of the current contract remain in full force and effect.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

1. Authorize the City Administrative Officer or his designee, to execute the attached Amendment which extends the term of Contract No. C-119053 (Exhibit B) for a total of six (6) months from July 1, 2014 to December 31, 2014, or until a new agreement is executed, whichever occurs first; and,
2. Authorize the Department of Convention and Tourism Development, with the assistance of the City Administrative Officer, Chief Legislative Analyst and City Attorney, to negotiate and execute a new agreement between the City and the Los Angeles Tourism and Convention Board within the time frame set forth in the proposed Amendment, in accordance with the new role of the department.

FISCAL IMPACT

The City annually appropriates an amount equivalent to one percent of the Transient Occupancy Tax to the Los Angeles Convention and Visitors Bureau Trust Fund, which pays for the cost related to this contract. The recommendations above have no additional fiscal impact on the General Fund.

April 24, 2014

Page 3 of 3

RRO:dj

Ref. EXEC 14-050

Attachments:

- Exhibit A Proposed Amendment No.1
- Exhibit B Original Contract C-119053

cc: Kelli Bernard, Deputy Mayor of Economic Development
Rick Cole, Deputy Mayor of Budget and Innovation
Terry Martin Brown, Assistant City Attorney
John Wickham, Legislative Analyst
LACC Board of Commissioners
Patti MacJennett, Sr. Vice-President, Business Affairs, LATCB

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LA INC THE CONVENTION AND VISITORS BUREAU**

AMENDMENT NO. 1 TO CONTRACT NO. C-119053

This Amendment No. 1 to Contract No. C-119053 is made and entered into by and between the CITY OF LOS ANGELES (hereinafter referred to as "CITY"), a municipal corporation, and the Los Angeles Tourism and Convention Board, formerly LA Inc. The Convention and Visitors Bureau, Inc., a California nonprofit corporation, (hereinafter "CONTRACTOR"), and is hereby incorporated into and made part of Contract No. C-119053 (hereinafter "AGREEMENT"), effective July 1, 2014. This amendment is entered into with reference to the following:

R E C I T A L S

WHEREAS, the CITY and CONTRACTOR entered into the AGREEMENT, dated July 1, 2011, to enhance the economy of Los Angeles by promoting the City as a site for business meetings, conventions, trade shows and as a destination for visitors (CF No. 11-0638);

WHEREAS, unless extended, the AGREEMENT will expire on June 30, 2014;

WHEREAS, the CITY and CONTRACTOR desire to extend the term of the AGREEMENT for a limited period of time until a new agreement is negotiated and executed, but probably not to exceed a period of six (6) months, in order to accommodate the transition to private management of the Los Angeles Convention Center (LACC) and avoid interruption of services to the CITY; and

WHEREAS, the CITY and CONTRACTOR desire to extend the term of the AGREEMENT on the same terms and conditions as currently govern the AGREEMENT, except as otherwise provided in this Amendment No. 1.

NOW, THEREFORE, the CITY and the CONTRACTOR agree to amend the AGREEMENT, Contract C-119053, as follows:

Section 2. Term is amended to read:

The term shall be extended from July 1, 2014 for a period of six (6) months, ending December 31, 2014, or until a new agreement is executed, whichever occurs first.

Section 18 Ratification is amended to add the following new section:

Due to the need for the CONTRACTOR'S services to be provided continuously on an ongoing basis, CONTRACTOR may have provided services prior to the execution of this Amendment No. 1. To the extent that said services were performed in accordance with the terms and conditions of the AGREEMENT, those services are hereby ratified.

Except as modified by this Amendment No. 1, all other terms and provisions of the AGREEMENT shall remain in full force and effect.

**** END OF AGREEMENT ****

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Contract No. 119053 to be executed by their duly authorized representatives on the date indicated.

CITY OF LOS ANGELES
a municipal corporation

LOS ANGELES TOURISM AND
CONVENTION BOARD
a California nonprofit corporation

By: _____
MIGUEL A. SANTANA
City Administrative Officer

By: _____
ERNEST WOODEN JR.
President and CEO

Date _____

Date _____

APPROVED AS TO FORM
Michael N. Feuer
City Attorney

ATTEST: Holly L. Wolcott
Interim City Clerk

By _____
Terry Martin-Brown
Assistant City Attorney

By _____

Date _____

Date _____

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LA INC. THE CONVENTION AND VISITORS BUREAU**

THIS AGREEMENT ("Agreement") is made and entered into as of July 1, 2011, by and between the City of Los Angeles, a municipal corporation ("City") and LA Inc. The Convention and Visitors Bureau, a nonprofit California corporation ("Contractor").

RECITALS

A. City desires to attract and encourage persons and groups from outside the corporate boundaries of the City of Los Angeles ("Los Angeles"), and more particularly from outside Southern California, to visit and stay overnight in Los Angeles.

B. To accomplish this purpose, it is necessary to apprise individuals, groups and organizations of the commercial, climatic, educational, recreational, cultural and other resources and advantages of Los Angeles, as well as its modern and extensive convention facilities.

C. Contractor is a California nonprofit mutual benefit corporation whose members are comprised of individuals and businesses engaged in the tourism and convention business, including hotels, restaurants, transportation providers, theme parks and museums. Contractor engages in activities to promote Los Angeles as an attractive destination for visitors and has assembled comprehensive information relating to housing, recreational, entertainment, transportation and other facilities which are of interest to visitors. Contractor also maintains extensive files and programs relating to groups, organizations and societies which regularly hold meetings and conventions.

D. Contractor is qualified by virtue of its possession of the foregoing information and its work in advertising and publicizing the advantages of Los Angeles and attracting organizations, groups, and societies to Los Angeles for their conventions and meetings, its offices in other cities in the United States and around the world, its relationships with local hotels and carriers, and is willing to undertake the promotion and advertisement of the advantages, facilities and capabilities of Los Angeles as a convention or meeting host and as a destination for tourists and tour groups.

E. Contractor's activities can support and foster the creation and perpetuation of

additional employment in Los Angeles by reason of the monies spent by visitors in Los Angeles. City will benefit from the wide exposure given to it as an attractive destination for visitors from throughout the United States and the world. The City will also benefit from increased Transient Occupancy Tax ("TOT") revenues generated by visitors' stays in hotels and other accommodations in Los Angeles.

F. Contractor seeks funding from the City to augment its receipts from its members and others for the fiscal years 2011-12 through 2013-14 to help finance its activities promoting Los Angeles as an attractive destination for visitors.

G. City has created and established within its Treasury a special trust fund, known as the "The Greater Los Angeles Convention and Visitors Bureau Trust Fund" (the "Fund"). A fraction (as determined in Section 4(a), below) of all amounts of Transient Occupancy Taxes received by the City under the tax imposed by Los Angeles Municipal Code Section 21.7.3 shall be placed in the Fund. Expenditures from the Fund shall be made solely to finance the promotion and advertising of Los Angeles as a destination for the purpose of attracting conventions, trade shows, and tourism to Los Angeles in keeping with the terms of this Agreement.

H. Contractor's activities serve a public purpose from which the City will benefit. Accordingly, the City wishes to provide financial assistance to the Contractor.

IN CONSIDERATION of the mutual promises, covenants, representations and agreements set forth below, the City and Contractor hereby agree as follows:

1. **Definitions.**

The following terms used in this Agreement shall have the defined meanings set forth below:

Booked Room Nights – (1) Room nights for attendees of a meeting and/or event held at LACC that has confirmed attendance by an executed letter of agreement with the Contractor for specific future event, or (2) room nights for self contained meetings or events, in City hotels, which have been confirmed by an executed contract between the hotel and event sponsor.

CAO – City Administrative Officer of the City of Los Angeles.

City – The City of Los Angeles, a municipal corporation.

City Council – The City Council of the City of Los Angeles.

Council Committee – The Trade, Commerce and Tourism Committee of the City Council of the City of Los Angeles, or such other committee of the City Council as the Council may designate.

Contractor – LA Inc. The Convention and Visitors Bureau.

Controller – The Controller of the City of Los Angeles.

LACC – Los Angeles Convention Center.

TOT – Transient Occupancy Tax imposed by Los Angeles Municipal Code Section 21.7.3.

2. **Term.**

The term of this Agreement shall be from July 1, 2011 to and including June 30, 2014.

3. **Services to be Provided by Contractor.**

(a) Services to be Provided by Contractor. Contractor and CAO have developed and agreed on measurable, quantifiable goals for the services and functions to be provided under this Agreement substantially as set forth in Appendix "E", "Services to be Provided by Contractor for Contract Year 2011-12", and those agreed upon goals shall constitute a new Appendix "E", which shall be substituted for the previous Appendix "E" applicable to contract year 2010-11. In addition, Contractor shall produce and submit an annual Sales and Marketing Plan which supports the agreed upon measurable, quantifiable goals. Contractor shall also make available to the City its long term Sales and Marketing Plan. Contractor shall provide a written

report quarterly to the CAO on progress toward the achievement of these goals. Within 60 days of the fiscal year end, Contractor shall provide a written report summarizing any accomplishments relating to the obligations set forth in Appendix "E" and any other accomplishments, to the CAO and Council Committee. Contractor shall include in these reports to the extent possible, a summary of the economic impact of its sales and marketing efforts to promote tourism in the City of Los Angeles. Contractor shall also provide additional reports to the CAO as may be reasonably requested.

(b) Contractor shall use its best efforts to promote and utilize hotels and other accommodations in the City of Los Angeles to offer and secure room blocks for conventions and/or events at the LACC.

(c) Contractor shall use TOT funds solely to market and promote tourist destinations in the City of Los Angeles, and for no other purpose, except such funds may be expended as part of joint marketing and promotion efforts that benefit the City of Los Angeles.

(d) Contractor shall use its best efforts to use TOT funds to provide "sales leads" to City of Los Angeles hotels and accommodations.

(e) Contractor shall conduct a post audit of room nights consumed following convention and/or events at the LACC and report the results of such audits to the CAO quarterly.

4. **Payments by City.**

(a) City will credit to the Fund an amount equivalent to a fraction of all TOT received by the City during the term of this Agreement. Said fraction shall have as its numerator the number "1" and as its denominator the number which coincides with the current percentage of TOT imposed by the Los Angeles Municipal Code. By way of example, the current TOT is 14 percent. Therefore, City will credit to the Fund an amount equivalent to one fourteenth (1/14) of all TOT received by the City during the term of this Agreement so long as the 14 percent TOT remains in effect. Five (5) percent of the actual receipts deposited in the Fund shall be held by the City in said Fund for the purpose of offsetting any possible decline in Fund receipts. It is understood and agreed that any and all sums paid to Contractor by City will be used by Contractor only for allowable costs incurred in performing one or more of the

services set forth in Section 3 of this Agreement.

(b) The City anticipates appropriating for the purposes of this Agreement, a total of 95 percent of the projected receipts of the Fund during each fiscal year during the term of this Agreement. City shall advance to Contractor on each July 1, October 1, January 1 and April 1, during the term of this Agreement 23.75% of the projected receipts of the fund for each fiscal year.

(c) Approximately thirty (30) days in advance of July 1, October 1, January 1 and April 1 (individually referred to as a "Quarterly Payment Date"), during the term of this Agreement, Contractor shall submit an advance billing ("Advance Billing") in the manner prescribed by the City (substantially as contained in Appendix B, attached hereto), requesting payment by City of allowable costs incurred or to be incurred during the calendar quarter ending on the next Quarterly Payment Date, in an amount not to exceed one fourth (1/4) of the amount appropriated by City for purposes of this Agreement for the applicable fiscal year. After receipt and audit, to the extent deemed necessary by City, and approval of each such Advance Billing, City shall pay Contractor the amount of the Advance Billing ("Advance Billing Payment").

(d) Prior to the payment of the April 1 Advance Billing, if the City's projected receipts to the Fund through the end of the fiscal year will be less than originally anticipated, the amount paid to the Contractor in the April 1 Advance Billing Payment shall be adjusted so that total payments for that fiscal year shall not exceed the amount of receipts projected to be deposited into the Fund.

(e) If, at any time prior to June 30th of each year, the City projects receipts to the Fund through the end of the fiscal year will be greater than originally anticipated, due to actual collections in excess of projections or revised forecasts, the Contractor shall have the right to invoice the City for the increased amount and such excess shall be paid, prior to June 30th of such year.

(f) In June of each fiscal year, the Contractor may request payment of any balance of the 5% holdback account remaining on June 30th. Payment of said funds shall be made in a lump sum to the Contractor as soon after July 1 as practicable. If Contractor fails to request payment of said funds, the remaining balance of the 5% holdback account shall be appropriated to the Contractor in accordance with Section 4(b) and paid to the Contractor as soon after July 1 as practicable.

(g) In the event that Contractor requires funds in addition to the budget amount for a legitimate promotional purpose, to perform special studies or to offset a decline in Fund Receipts and to the extent that additional monies may be available in the Fund, Contractor may request such funds from the City Council through the CAO.

(h) Within 30 days after the end of each Quarterly Payment Date, Contractor shall submit to the City Council, by providing copies to the CAO, an interim progress statement of cumulative costs incurred during the fiscal year of the Agreement to that date, prepared in a manner substantially in the form set out in Appendix C, attached hereto ("Interim Progress Statement"). City shall review or audit the Interim Progress Statement and the supporting books and records to the extent deemed necessary by the City. A final determination of allowability shall be made only after Contractor's submission to the City of a copy of its audited financial statements and completion of the City's audit, as described below in Section 4(i). City shall also informally review Contractor's monthly financial statements, as described in Section 5(a), to ensure general compliance with the provisions of this Agreement.

(i) Contractor shall maintain records as provided in Section 5(d). Within one hundred twenty (120) days following the end of each fiscal year, after Contractor's books have been audited by a certified public accountant and such accountant's independent report has been issued, and after Contractor's books for such period have been closed, Contractor shall submit a copy of its audited financial statements to City. City shall conduct its final year-end audit and issue its final report to Contractor on allowability of costs ("Allowability Report") within 60 days after receipt of Contractor's audited financial statements. Any costs incurred by Contractor using TOT funds which are not specifically incurred for purposes of services to be provided by Contractor under Section 3 of this Agreement shall be unallowable costs for purposes of this Agreement. In the event funds paid to Contractor under Section 4 of this Agreement exceed total expenditures by Contractor for services described in Section 3 for the fiscal year in question, such amount shall be refunded by Contractor to the Fund within 30 days after Contractor's receipt of the Allowability Report. Such Fund reimbursements shall be available for future disbursement to Contractor for allowable costs. If the Contractor does not have sufficient funds to repay such amounts to the Fund, the amount owed shall be deducted from the next quarterly payment from the Fund due to Contractor.

(j) Any cost determined by the City to have been incurred by the Contractor for activities or services not authorized by this Agreement shall be deemed to be unallowable costs and shall be reimbursed by Contractor as provided in Section 4(i). Any disputes which are not resolved by negotiation between Contractor and City's representatives shall be presented by the CAO to the City Council with

recommendations for action by the Council which shall finally determine the matter. Contractor shall be included in the resolution of any such disputes.

(k) All Billings and Statements shall be submitted to the CAO for review and approval. Should the CAO find that any Billings, Statements or Year-End Claims of the Contractor are not in compliance with the provisions of this Agreement, and should efforts to obtain compliance by the Contractor prove unsuccessful, the CAO shall report thereon to the City Council with recommendations for action by the Council. Contractor shall be included in the resolution of any such disputes.

(l) Should any of the payments provided for under Section 4(c) be less than one fourth (1/4) of the amount appropriated by the City for purposes of this Contract in the applicable fiscal year, any of the subsequent invoices for that year by the Contractor may request payment of the amount for that period plus the difference between the amount paid by City on such prior invoice and one fourth (1/4) of the amount appropriated by the City for purposes of this Agreement in that fiscal year.

(m) Although the term of this Agreement is for three consecutive years (2011-12 through 2013-14) funding to the Contractor in each fiscal year is conditioned upon the City Council appropriating funds to the budget for the Agreement and the availability of sufficient monies in the Fund to reimburse the City's General Fund for Advance Billings of the Contractor. The failure of the City Council to appropriate funds for this Agreement shall be deemed a termination by the City subject to the provisions of Section 9.

(n) Notwithstanding anything contained in this Agreement to the contrary, the City shall not be obligated to appropriate any particular amount of monies or any monies for funding of this Contract for any fiscal year.

(o) In incurring travel and related expenses, Contractor shall, when practicable, make reasonable efforts to abide by Los Angeles Administrative Code sections 4.242.1-4.242.9 (Policy for Travel Expenses, Non-Travel Expenses and Elected Officials' Contingency Account Expenditures). Notwithstanding the foregoing, Contractor shall not use funds provided under this Agreement for tickets to sporting events or concerts, limousine service, site inspections via helicopter, welcome gifts, alcoholic beverages or memberships in dining or social clubs.

(p) The Contractor may designate monies as part of its annual funding to be used

as a reserve fund ("Reserve Fund") and include such monies as part of its Advance Billings. These monies may be held by Contractor and carried over for use in subsequent fiscal years and may be used at the discretion of the Contractor for any purposes permitted under this Agreement. The maximum which may be set aside by the Contractor and held in the Reserve Fund and carried over to subsequent fiscal years may not exceed fifteen (15) percent of the annual budget appropriation for the succeeding year. Any amounts held by Contractor in the Reserve Fund exceeding fifteen (15) percent cannot be carried over by the Contractor, but must be reimbursed to the Fund.

(q) Any funds paid to Contractor under this Agreement not expended at the end of each fiscal year shall augment the Reserve Fund and be carried over for use in subsequent fiscal years in accordance with the provisions of Section 4(p).

(r) Contractor shall use its best efforts to procure goods and services from local businesses in the City of Los Angeles.

5. **Statements and Records**

(a) Contractor shall submit to the CAO copies of its monthly financial statements. Said statements shall include specific information as to all sources of funds and in-kind contributions, amounts received from each such source, and the programs and services for which City and other funds have been expended. With each of its monthly financial statements, Contractor shall provide copies of its computerized check register and general ledger for the period covered by the statement. The Interim Progress Statements, referred to in Section 4(h), shall be accompanied by copies of Contractor's financial statement for the period covered.

(b) Within 120 days following the end of its fiscal year, Contractor shall provide to the City a copy of its audited financial statement for such fiscal year.

(c) The Advance Billings shall be prepared in a form substantially as shown in Appendix B attached to this Agreement and signed by an authorized official of the Contractor. Interim Progress Statements submitted by the Contractor shall be certified by an authorized official or agent of the Contractor that the costs and expenses, incurred or to be incurred, for which payment is requested are reasonably related to Contractor's performance of services under this Agreement and are true and correct, in the form provided for in California Code of Civil Procedure Section 2015.5.

(d) Contractor shall maintain and preserve books of account and other financial records during the term of this Agreement. Said books and records shall accurately record monies received by source, date and amount; and monies expended by name of vendor, description of goods or services purchased, the nature and purpose of the expenditure and the date of purchase and the amount. The record of amounts paid to vendors shall distinctly separate City Fund expenditures from private transactions of the Contractor. Contractor shall retain such books and records for at least three years following the final payment by City hereunder for the fiscal year in question. At any time during the term of this Agreement or within three years following the final payment under this Agreement, the City and its authorized representatives shall have the right, on reasonable notice and during regular business hours, to review, inspect and audit the Contractor's books and records. Such information shall be maintained as confidential by the City to the extent permitted under the California Government Code, section 6250 et seq. (California Public Records Act).

(e) Following the end of each fiscal year during the term of this Agreement, Contractor shall submit a report to CAO and the Council Committee describing the services provided and the accomplishments attained from Fund expenditures during such fiscal year.

(f) Contractor shall submit to the CAO and the LACC for prior review and approval all rental discounts to be offered to LACC licensees.

6. Expenditures Over \$25,000

In the interest of economy and to assure the effective use of City funds, for all matters involving the expenditure of City funds over \$25,000, Contractor shall solicit bids by advertising or by request to three or more qualified potential providers of applicable goods or services. Contractor shall make reasonable efforts to obtain bids from at least three different qualified parties and shall select the lowest and best responsible contractor on the basis of such bids as are received; provided that Contractor may reserve the right to reject all such bids. Contractor shall document and maintain all such bids or proposals to enable the City to audit the same. Notwithstanding the foregoing, in instances where Contractor determines that it is not feasible to solicit three bids, Contractor shall, at least ten days before incurring such expense, report to the CAO the basis for said determination.

7. City Budget Documentation

Contractor shall provide to the CAO, in a form prescribed by the CAO, information for use in the Mayor's annual budget submission to the City Council. This shall include the Contractor's annual proposed budget and details such as actual expenditures and revenues and estimates on source of funds, revenues, expenditures, and productivity goals. Contractor and CAO shall develop a schedule each year for the delivery of this information.

8. Compensation Payment of Sales Staff

Contractor may provide incentive compensation payments to staff in the Director and Manager positions or classifications that are directly involved in the function of selling the City of Los Angeles as a site for business meetings, conventions, trade shows, and other group activities involving the overnight stay in City of Los Angeles hotels. Procedures and criteria utilized for these incentive compensation payments must be approved by the Sales Committee of the Board of Directors of LA INC. and reviewed by the City Administrative Officer. Except as provided in this paragraph, Contractor shall make no incentive compensation payments from funds provided under this Agreement to executive staff, senior management, or non-sales staff members.

9. Insurance and Indemnity

Contractor agrees to maintain the insurance coverages and limits listed on the Insurance Requirements Sheet, attached to this Agreement as Appendix "E," and to comply with the applicable insurance conditions set forth in PSC-10 and PSC-17 of Appendix A to this Agreement.

10. Ex Officio Board Members

Contractor's bylaws shall provide that the chair of the Council Committee shall serve as an ex officio non-voting member of its board of directors. Contractor's bylaws shall provide that the president of the Board of Los Angeles Convention Center Commissioners shall serve as an ex officio non-voting member of its board of directors.

11. City Representatives

(a) This Agreement shall be administered on behalf of the City by the CAO. The CAO shall be responsible for receiving and forwarding all Advanced Bills, statements, Year End Claims and other similar documents for approval. Upon approval for payment by the CAO, the CAO will process payments as required under this Agreement. The CAO shall be responsible for reviewing, approving and making recommendations to the City Council as necessary or appropriate as to matters such as requests for additional funds, disputes regarding Advance Billing Payment, or significant changes in the services to be provided by Contractor. The Office of Finance shall conduct the final year-end financial audit of the Contractor, as described in Section 4(i). The Contractor shall reimburse City for the salary expense, including indirect costs, of a City auditor assigned to assist the Office of Finance in administering the Agreement; provided, that in no event shall the total of such reimbursement exceed \$25,000 per year.

(b) City auditor shall, for purposes of auditing any Advance Billing Payment submitted by Contractor, have access to all books and records of the Contractors for both allowable and unallowable costs incurred under this Agreement and for all Contractor sources of revenue as provided in Section 5.

(c) The Contractor shall give notice of the time and place of meetings of its Board of Directors to the CAO. The CAO shall be entitled to attend all meetings of the Contractor's Board.

12. Termination

Notwithstanding any other provision contained in this Agreement to the contrary, City, on appropriate action by the City Council, or Contractor may terminate this Agreement upon not less than 180 days prior written notice, subject to all provisions for statements, audits, payments or refunds contained in this Agreement. In the event of early termination of this Agreement by City, Contractor shall be entitled to (a) payment under this Agreement up to and including the date of termination and (b) reimbursement for all unavoidable costs associated with such termination.

13. Notices

A notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (1) on personal delivery, (2) 24 hours after deposit with Federal Express or a comparable express courier, addressed to a party at the address set forth below, or (3) 48 hours after deposit in the United States mail, by certified mail, postage prepaid, addressed to such party. A party may designate another address for notice purposes by giving written notice to the other in the manner provided in this Section.

If to Contractor:	LA Inc. The Convention and Visitors Bureau 333 S. Hope Street 18 th Floor Los Angeles, CA 90071
If to City:	City of Los Angeles Office of the City Administrative Officer 200 North Main Street Los Angeles, CA 90012

14. Incorporation of Standard Provisions, Precedence of Documents

(a) The Standard Provisions for City Personal Services Contracts, attached to this Agreement as Appendix "A" and the appendices referred to in subparagraph (b) below are incorporated into this Agreement.

(b) In the event of an inconsistency between any of the provisions of this Agreement and the appendices to this Agreement, the inconsistency shall be resolved by giving precedence in the following order:

1. Provisions of this Agreement.
2. Appendix A, Standard Provisions for City Personal Services Contracts (Rev. 10/03).
3. Appendix B, Advance Billing.
4. Appendix C, Interim Progress Statement.

5. Appendix D, Insurance Requirements.
6. Appendix E, Services to be Provided by Contractor, and subsequent annual reports under Appendix E.

15. Miscellaneous Provisions.

(a) The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.

(b) Unless the context clearly requires otherwise:

1. Plural and singular numbers will each be considered to include the other;
2. The masculine, feminine, and neuter genders will each be considered to include the others;
3. "Shall," "will," "must," "agree," and "covenants" are each mandatory;
4. "May" is permissive;
5. "Or" is not exclusive; and
6. "Includes" and "including" are not limiting.

(c) All references to sections, paragraphs and subparagraphs are to those in this Agreement, unless the context otherwise requires. Documents attached to this Agreement as exhibits or appendices are incorporated in this Agreement as though set forth in full.

16. Licenses

The Contractor is required to submit the license packet to LACC city staff within two weeks of executing a Letter of Agreement with sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles. The license packet shall include a cover memorandum from the Contractor, a request form for a LACC License with three years of history, a cost analysis form, a pricing discount approval form, the original transmittal Convention Center Reservation Form and the signed Letter of Agreement.

Contractor shall cooperate with requests by LACC to expedite the submittal of such license packets if circumstances warrant the submittal within less than the two week time frame referenced above, i.e. competition with another convention center for the business.

17. Personnel

At the written request of the General Manager of the Convention Center, delivered by messenger, Contractor shall change or remove Contractor's personnel assigned to perform services on the City's account relating to the Convention Center. Contractor shall take the requested action in the time indicated by the General Manager, which shall not be less than one business day after delivery of written notice. Contractor's President and Chief Executive Officer ("CEO") shall have the right to meet at a mutually acceptable time to discuss the basis for the requested change or removal and any alternative course of action. If the meeting between the General Manager and the Contractor's CEO does not resolve the matter, the Contractor's CEO may request a meeting with the Mayor or his representative to discuss the action and any possible alternative course of action. After such a meeting, the decision of the General Manager, after consultation with the Mayor, shall be final.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

THE CITY OF LOS ANGELES
a municipal corporation

LA INC. THE CONVENTION AND
VISITORS BUREAU
a California nonprofit corporation

By: *Miguel A. Santana*
MIGUEL A. SANTANA
City Administrative Officer

By: *Mark S. Liberman*
MARK S. LIBERMAN,
President

Dated: *June 28, 2011*

Dated: _____

APPROVED AS TO FORM AND
LEGALITY

ATTEST: JUNE LAGMAY, City Clerk

CARMEN A. TRUTANICH
City Attorney

By: *Terry Martin-Brown*
TERRY MARTIN-BROWN
Assistant City Attorney *Facel J. [unclear]*

By: *Pitta Armstrong*

Dated: *June 30, 2011*

Dated: *6/30/11*

C-119053



Services to be Provided by Contractor for Contract Year 2013-2014

As the City's official visitor promotion organization, the primary purpose of the Los Angeles Tourism & Convention Board "LATCB", (formerly LA INC. the Los Angeles Convention and Visitors Bureau), is to enhance the economy of the City of Los Angeles by promoting the City as a site for business meetings, conventions, trade shows and as a destination for leisure travelers. LATCB's responsibilities for contract year 2013-2014 shall include, but not be limited to, the following:

- (a) Promote the City of Los Angeles and its facilities and attractions as a desirable location for association and corporate business meetings, conventions and trade shows. Actively solicit 1,600 potential sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles with emphasis on the use of LACC and City of Los Angeles hotels. Generate 440,000 Booked Room Nights for events held at the LACC and 190,000 Booked Room Nights for meetings self contained in hotels;
- (b) Provide assistance, including administrative advice and other services to 350 conventions, business meetings and trade shows to be held in the City of Los Angeles;
- (c) Direct special efforts toward increasing attendance at conventions and trade shows to be held in the City of Los Angeles. In the year prior to the Los Angeles event, exhibit at 9 of those conventions and shows and encourage attendees to extend their visits to the City of Los Angeles beyond the dates of the event they will be attending.
- (d) Produce 50 displays and exhibits promoting the City of Los Angeles, its facilities and attractions and exhibit them at leisure travel and trade shows and conferences in the United States;
- (e) Maintain visitor information centers in the downtown Los Angeles and Hollywood areas to serve and assist visitors to Los Angeles. Distribute free information and provide travel counselors for 1.5 million visitors;
- (f) Publish and distribute in suitable locations 17 different maps, brochures, and similar information on the City of Los Angeles, its facilities and attractions;
- (g) Develop programs designed to attract national and international writers, editors, travel agents and wholesalers to the City of Los Angeles and inform them on the facilities and attractions of Los Angeles that they might, in turn, encourage their readers and clients to visit. Host 350 individuals on familiarization tour programs in the City of Los Angeles;

- (h) Develop and execute promotions, advertised in the media and on the internet, which create interest in, and travel to, Los Angeles.
- (i) Write or cause to be written articles and reports about the City of Los Angeles, its facilities, attractions and events and distribute them to major national and international magazines and newspapers, generating \$36,000,000 in publication and broadcast circulation value;
- (j) We will maintain a web site on the World Wide Web presenting tourism options for the City of Los Angeles.
- (k) Produce and distribute, 12,500 copies of a comprehensive meeting planner guide and 240,000 copies of a visitor travel guide on the City of Los Angeles which provides detailed information on Los Angeles, its facilities and attractions. Produce 350,000 copies of a tourist map of Los Angeles;
- (l) Gather the data for and publish a calendar of events for distribution to major news sources, publicity outlets, visitors to the City of Los Angeles and travel and other organizations;
- (m) Provide photographs and transparencies in digital and other formats to news publications, magazines, organizations and associations as well as travel writers and travel agents to promote the City of Los Angeles as a convention and visitor destination;
- (n) Perform research and obtain data on travel-related expenditures in Los Angeles as well as demographic and volume of visitor and convention spending in Los Angeles;
- (o) Continue to provide emphasis on the San Fernando Valley as a place to visit and stay overnight. Increase visitor room nights by encouraging booking of meetings self contained in hotels, as well as promoting the region to leisure travelers. Develop specific itineraries of the region for distribution to visitors and as a guide for site familiarization visits by meeting planners, travel writers, editors, travel agents and tour wholesalers. As experiences is gained, and as funds become available, expand the regional focus to other areas of the City; and
- (p) Generate a minimum of \$3,000,000 in private industry support from members and cooperative income.
- (q) Present the annual marketing plan to City Officials.