

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

**BUDGET AND FINANCE COMMITTEE
and
TRADE, COMMERCE AND TOURISM COMMITTEE**

report as follows:

BUDGET AND FINANCE and TRADE, COMMERCE AND TOURISM COMMITTEES' REPORT relative to correspondence from SMG protesting the selection of Anschutz Entertainment Group (AEG) for the Management and Operation of the Los Angeles Convention Center (LACC).

Recommendation for Council action:

APPROVE the City Administrative Officer's (CAO) recommendation to find that the protest presented by SMG has no merit and thus deny the protest.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

(The Council may recess to Closed Session, pursuant to Government Code Section 54956.9(d)(2) and (e)(2), to confer with its legal counsel relative to significant exposure to litigation in relation to the LACC Request for Proposal.)

SUMMARY

At a joint special meeting on June 25, 2013, the Budget and Finance and Trade, Commerce and Tourism Committees considered a CAO report relative to correspondence from SMG protesting the selection of AEG for the Management and Operation of the LACC. The CAO provides background information and reports that on December 12, 2012, the Mayor and Council instructed CAO to release a Request for Proposal (RFP) for the Management and Operation of the LACC. On December 21, 2012, the CAO released the RFP and two firms responded. After review for responsiveness on the required information, one firm, AEG Facilities was deemed non-responsive upon advice of the City Attorney as no information was provided for "Financial Sustainability". The City Attorney further advised the CAO to conclude AEG Facilities' participation in the RFP process. AEG issued a letter disagreeing with the conclusion that its submittal was non-responsive.

The CAO further reports that on April 22, 2013, a joint special meeting of the Budget and Finance and Trade, Commerce and Tourism Committees considered the CAO report dated April 16, 2013 relative to the RFP for the management and operation of the LACC, which addressed the protest filed by AEG. The Committees recommended and the Council instructed the CAO to re-issue the RFP for the management and operation of the LACC, with a 30 days submittal deadline.

On April 25, 2013, the CAO re-issued the RFP and two firms, AEG and SMG responded by the May 24, 2013 due date. An independent Evaluation Panel considered both proposals and recommended AEG. On June 9, 2013, the CAO received correspondence from SMG protesting the proposed selection of AEG. The CAO report dated June 21, 2013, attached to the Council file, identifies and discusses the five claims made by SMG.

During the Committees' discussion, the CAO and a City Attorney representative discussed the five claims made by SMG and responded to related questions from Committee members. The Committees provided an opportunity for public comment and heard testimony related to the protest. After further consideration, the Committees recommended to approve the CAO's recommendation to find that the protest presented by SMG has no merit and thus deny the protest. This matter is now submitted to Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE
COMMITTEE

TRADE, COMMERCE AND TOURISM
COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
ROSENDAHL:	YES
KORETZ:	ABSENT
LABONGE:	YES

<u>MEMBER</u>	<u>VOTE</u>
LABONGE:	YES
ROSENDAHL:	YES
BUSCAINO:	ABSENT

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