

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Port of Los Angeles (POLA) agreement with Brown & Winters.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners (BOHC) that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 20-9687 for the Third Amendment Agreement No. 20-3109-C for POLA Agreement No. 13-3109 with Brown & Winters extending the term 18 months and increasing the amount by \$95,000, for legal services assisting the City Attorney with efforts to recover environmental investigation and cleanup expenses from both the City's and certain tenant's historic insurance policies.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The proposed Third Amendment to POLA Agreement No. 13-3109 authorizes continued insurance policy recovery and legal support services from Brown & Winters for 18 months, through February 28, 2022, at an increased cost of \$95,000 and a total nine-year Agreement cost not to exceed \$200,000, with an average annual cost of \$22,222. Funding of \$30,000 is included in the POLA 2020-21 Budget from the Harbor Revenue Fund. Future funding is subject to the POLA annual budget process.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – JUNE 18, 2021**

**(LAST DAY FOR COUNCIL ACTION – JUNE 16, 2021)**

**SUMMARY**

In a report to the Mayor dated March 15, 2021, the CAO states that POLA requests approval of an amendment to its contract with Brown & Winters to continue insurance policy recovery and legal support services. The proposed amendment extends the term of the agreement for 18 months, through February 28, 2022, at an increased cost of \$95,000 and total nine-year agreement cost not to exceed \$200,000. The amendment also restates that payment of recovered funds to Brown & Winters under contingent fees owed is only obligated within the duration of the agreement.

The CAO reports that POLA spends several million dollars annually to remediate environmentally impaired Port properties, mostly due to contamination by legacy operations from 20 or more years ago. Some of the cost of this work is potentially recoverable under historical City or tenant insurance policies. Brown & Winters prepares, files, negotiates, and litigates insurance claims to recover any eligible costs of investigating, monitoring, mitigating, and remediating contaminated POLA properties.

On August 20, 2020, BOHC approved the proposed Third Amendment to POLA's contract with Brown & Winters. The CAO concurs with this action.

At its meeting held April 27, 2021, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed contract amendment, as recommended by BOHC and the CAO.

<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	ABSENT
LEE:	YES

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Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



- NOT OFFICIAL UNTIL COUNCIL ACTS -