

HARBOR DIVISION

425 S. PALOS VERDES ST.

P.O. BOX 151

SAN PEDRO, CA 90733-0151

FACSIMILE

(310) 831-9778

(310) 732-3750



**OFFICE OF THE CITY ATTORNEY**

HYDEE FELDSTEIN SOTO  
CITY ATTORNEY

STEVEN Y. OTERA  
GENERAL COUNSEL

JOY M. CROSE  
ASSISTANT GENERAL COUNSEL

ESTELLE M. BRAAF  
CARL CHEA

DEBORAH DORNY  
JOHN T. DRISCOLL

JUSTIN HOUTERMAN  
JANET KARKANEN

KENNETH F. MATTFELD  
HEATHER M. McCLOSKEY

MINAH PARK  
HELEN J. SOK

**DATE: JUNE 13, 2024**

**FROM: OFFICE OF THE CITY ATTORNEY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - LEGAL SERVICES AGREEMENT  
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND  
RIMON PC**

**SUMMARY:**

The Office of the City Attorney (Office) requests approval of an Agreement between the City of Los Angeles Harbor Department (Harbor Department) and Rimon PC (Rimon) for legal services for bankruptcy matters. The proposed Agreement is for a term of three years and maximum compensation of \$150,000. The Harbor Department is financially responsible for payment of expenses incurred under the proposed Agreement.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that, in accordance with Charter Section 1022 the scope of work for the proposed Agreement can be more economically or feasibly provided by an independent contractor than by City employees;

DATE: JUNE 13, 2024

PAGE 2 OF 4

SUBJECT: LEGAL SERVICES AGREEMENT WITH RIMON PC FOR BANKRUPTCY MATTERS

3. Approve a Legal Services Agreement with Rimon PC in the amount of \$150,000 for a three-year term;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – In accordance with Charter Section 275, the Office has determined that it requires outside legal counsel to assist in the discharge of its duties to perform legal services for bankruptcy matters. These matters require specialized expertise and resources that exceed staff resources in this specialized area of law.

The Office's current three-year agreement with Danning Gill Israel and Krasnoff (AG20-3758) for such services expired on July 12, 2022. The fiscal authority for the Agreement was \$150,000. Actual spending for the bankruptcy matters was \$2,000.

Need for Services and Scope of Work – The Harbor Department, in large part, functions as a passive landlord, leasing out lands granted to it by the State of California pursuant to the Tidelands Trust. From Fiscal Years 2021 through 2023, anywhere from 60%-80% of the Harbor Department's total operating revenues have been derived from seven container terminal entitlements. The remainder of its revenues originate from lease documents and operating agreements in portfolios that include liquid bulk, cruise, logistics/warehousing, maritime support, visitor serving, and recreational facilities. In the past, bankruptcy issues have arisen in the context of the Harbor Department's rights as a creditor and in unlawful detainer proceedings. For this reason, the Office believes it prudent to retain outside counsel with knowledge and special expertise for these matters.

Competitive Counsel Selection Process – On July 19, 2023, the Office published a Request for Proposal (RFP) for bankruptcy matters (ID No. 209185). Regional Alliance Marketplace for Procurement (RAMP) LA reported notifications were sent to 1,182 registered firms, 35 firms viewed the RFP and 21 firms downloaded the opportunity. Proposal submissions were due on August 25, 2023.

The Office convened a Selection Committee comprised of one Senior Assistant City Attorney and two Deputy City Attorneys. Due to a conflict, the Committee was reduced to two (Senior Assistant City Attorney and Deputy City Attorney). After reviewing the written proposals, the Committee elected to interview the two highest rated applicants. Both

**DATE: JUNE 13, 2024**

**PAGE 3 OF 4**

**SUBJECT: LEGAL SERVICES AGREEMENT WITH RIMON PC FOR BANKRUPTCY MATTERS**

firms participated in interviews, and the Committee determined Rimon PC is the best fit for the Harbor Department's needs.

The Selection Committee decided that Rimon would provide exceptional legal services and was the best fit for the Office. The attorneys Rimon would assign to Harbor Department matters possess significant experience with bankruptcy matters.

**PROPOSED AGREEMENT TERMS:**

- **Term:** Three years (July 2024 to June 2027)
- **Contract Authority:** \$150,000
- **Scope of Work:** Advice, counsel, representation and other services for bankruptcy matters.
- **Standard City and City Attorney Agreement provisions**

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a legal services agreement with Rimon PC for bankruptcy matters, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

The proposed action is the approval of an Agreement for legal services with Rimon for a three-year term and total maximum compensation of \$150,000. If approved, spending under the proposed Agreement is anticipated to occur as follows:

| <u>Fiscal Year</u> | <u>\$ Amount</u> |
|--------------------|------------------|
| FY 2024-25         | \$25,000         |
| FY 2025-26         | \$50,000         |
| FY 2026-27         | \$75,000         |
| Total              | \$150,000        |

Fiscal Year (FY) 2024-25 funding in the amount of \$25,000 is available within Center 0120, Account 54410 (Legal Fees & Services), Program 000. Funding for future years, if necessary, will be requested as part of the annual budget adoption process, subject to Board approval. A funding out clause is included in the Agreement.

DATE: JUNE 13, 2024

PAGE 4 OF 4

SUBJECT: LEGAL SERVICES AGREEMENT WITH RIMON PC FOR BANKRUPTCY MATTERS

**CITY ATTORNEY:**

The Office of the City Attorney has prepared and approved the proposed Agreement as to form and legality.

**TRANSMITTALS:**

1. Legal Services Agreement with Rimon PC

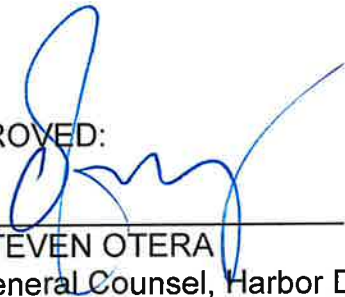
FIS Approval: JS

CA Approval: gnt

  
\_\_\_\_\_  
JANET KARKANEN  
Deputy City Attorney

APPROVED:

By

  
\_\_\_\_\_  
STEVEN OTERA  
General Counsel, Harbor Department

APPROVED:

By

  
\_\_\_\_\_  
ERICA M. CALHOUN  
Executive Director

Board Meeting: July 11, 2024