

HARBOR DIVISION

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DATE: MARCH 25, 2020

FROM: OFFICE OF THE CITY ATTORNEY

SUBJECT: RESOLUTION NO. _____ - WAIVING THE POTENTIAL CONFLICT FOR ALVARADOSMITH'S REPRESENTATION OF VALERO ENERGY CORPORATION

SUMMARY:

The Office of the City Attorney ("Office") requests approval of a waiver of a potential conflict of interest in favor of the law firm of AlvaradoSmith so it may represent a party in a transaction with the City of Los Angeles Harbor Department ("Harbor Department"). AlvaradoSmith has requested a conflict waiver so that the law firm may represent Valero Energy Corporation ("Valero") in its lease negotiations involving the Port of Los Angeles, and assist Valero's legal team in obtaining the appropriate permits from the City of Los Angeles. This decision has no financial impact on the Harbor Department.

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. Formally waive any potential conflict that might arise from AlvaradoSmith's representation of Valero in its lease negotiations involving the Port of Los Angeles, and assist Valero's legal team in obtaining the appropriate permits from the City of Los Angeles.;
3. Authorize the Office of the City Attorney to execute a written conflict waiver;

DATE: MARCH 25, 2020

PAGE 2 OF 3

SUBJECT: WAIVING THE POTENTIAL CONFLICT FOR ALVARADOSMITH'S REPRESENTATION OF VALERO ENERGY CORPORATION

4. Adopt Resolution No. _____; and
5. Authorize and direct the Board Secretary to transmit the conflict waiver to the City Council for its approval.

DISCUSSION:

AlvaradoSmith has requested a waiver of potential conflict of interest so that it may represent Valero in its lease negotiations involving the Port of Los Angeles, and assist Valero's legal team in obtaining the appropriate permits from the City of Los Angeles.

AlvaradoSmith has a long history of representing the City of Los Angeles and each of its proprietary Departments: Los Angeles Department of Water and Power ("LADWP"), Los Angeles World Airports ("LAWA") and Harbor Department in various transaction and litigation matters. Currently, the firm provides legal advice and support to LAWA through a subcontracting relationship with the law firm of Clark Hill. AlvaradoSmith also has a three year Board Agreement (AG No. 19-3675) with the Harbor Department to provide professional legal services for real estate matters. The term of Agreement No. 19-3675 is from September 19, 2019 to September 18, 2022. The total authority is \$200,000. At this time, no funds have been expended on the Agreement and the firm is not working on any matters on behalf of the Harbor Department.

In its letter requesting the conflict waiver (Transmittal 1), AlvaradoSmith states that:

"...The firm does not contemplate representing Valero in any litigation involving the City or its proprietary agencies, nor would it do so. As stated above, the scope of the firm's work would involve advising Valero on lease negotiations and any related permit requirements or other approvals concerning the construction and use of one or more docks/wharfs/terminals at the Port."

Internally, the Office of the City Attorney has approved AlvaradoSmith's continued representation of the City through a subcontracting relationship with the law firm of Clark Hill and continued submissions for bids related to outside counsel legal services at the Harbor Department, subject to the Board's approval of the conflict waiver. Our office therefore recommends the Board approve this request for conflict waiver.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a proposed waiver of any potential conflict that might arise from AlvaradoSmith's representation of Valero, 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.

DATE: MARCH 25, 2020

PAGE 3 OF 3

SUBJECT: WAIVING THE POTENTIAL CONFLICT FOR ALVARADOSMITH'S REPRESENTATION OF VALERO ENERGY CORPORATION

FINANCIAL IMPACT:


The proposed action is for the approval of a resolution, which will grant a waiver to AlvaradoSmith so that the firm may represent Valero, a Port of Los Angeles permittee, while continuing to submit bid proposals for legal services to represent the Port of Los Angeles in real estate matters. So long as the described scope of work is upheld, approval of the proposed resolution is not anticipated to have a financial impact on the Harbor Department.

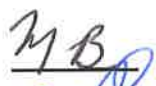

CITY ATTORNEY:

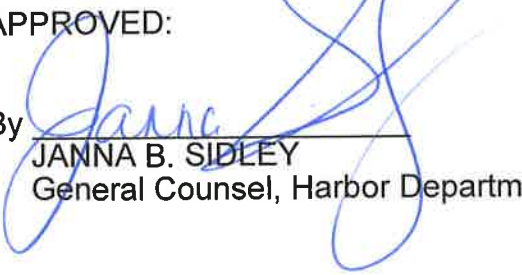
The Office of the City Attorney has reviewed AlvaradoSmith's request for waiver of potential conflict of interest and finds the Board can make the decision for the Harbor Department matter and the City Council can make the decision for the City matter, which this Office shall execute following their respective approvals.

TRANSMITTAL:

1. Conflict Waiver Request


STEVEN Y. OTERA
Assistant City Attorney

FIS Approval: 
CA Approval: 

APPROVED:
By 
JANNA B. SIDLEY
General Counsel, Harbor Department

APPROVED:
By 
EUGENE D. SEROKA
Executive Director