

ORDINANCE NO. _____

An ordinance amending Sections 10.1.1 and 10.2 of Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code to make changes to the requirements for written contracts.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 10.1.1, Subsection (a) of Article 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.1.1. Departments' Authorization of Contracts.

(a) Any action by any of the departments named in Sections 500 and 600 of the Charter approving contracts which obligate the City for a longer period of time than one year or which involves consideration reasonably valued in excess of \$25,000 shall be taken by the head of the department by order or resolution. However, the Board of Commissioners of the Departments of Airports, Harbor, and Water and Power may each authorize its General Manager to contract on behalf of its department where the contract does not involve consideration reasonably valued in excess of \$150,000. In determining the reasonable value of consideration under this Section 10.1.1 or Section 10.2 of this Article, the awarding authority shall aggregate all amounts payable under the original action with the amounts payable under all renewals, extensions and amendments.

Sec. 2. Section 10.2 of Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.2. Formalities.

The City shall not be, and is not, bound by any contract unless the contract complies with the requirements of this section and all other applicable requirements of the Charter:

(a) **Writing.** Except in case of urgent necessity for the preservation of life, health, or property as provided in Section 371(e) of the Charter, the following contracts must be in writing:

- (1) Contracts for the sale, purchase or other transfer of any interest in real property;
- (2) Contracts for the lease of real property for one year or longer;

(3) Contracts for the sale or purchase of goods with consideration exceeding \$500 that, by the contract terms, cannot be performed within one year; and

(4) Contracts with consideration reasonably valued at more than \$25,000, annually or in the aggregate.

(b) **Approval.** Any contract expending City funds, whether or not in writing, must be approved by the board, officer, or employee authorized to make the contract. The contract, if in writing, shall be signed on behalf of the City by:

(1) The Mayor;

(2) The General Manager, board, officer, or employee authorized to enter into the contract. The approval shall include a certification attesting that the signatory has no personal, financial, beneficial, or familial interest in the contract; or

(3) In the case of a contract authorized by the City Council, the person authorized by the City Council to enter into the contract and the approval shall include a certification that the signatory has no personal, financial, beneficial, or familial interest in the contract.

(c) **Approval as to Form and Legality.** Every contract must be approved by the City Attorney as to form and legality, except the following:

(1) Contracts, including, but not limited to, those of the Departments of Airports, Harbor, and Water and Power, involving a sum of \$100,000 or less, for the purchase of materials, supplies, and equipment, and the rental, repair, or maintenance thereof;

(2) Contracts of the Departments of Airports, Water and Power, Recreation and Parks, Harbor, and Library, involving the sum of \$25,000 or less for professional or personal services;

(3) Contracts involving the sum of \$125,000 or less for the payment of City membership dues for non-profit, inter-government, or government-support organizations as budgeted in the General City Purposes section of the City budget;

(4) Contracts involving the sum of \$25,000 or less for the payment of subscriptions for newspapers, professional journals, on-line information, and research services; and


(5) Contracts not required to be made in writing or other manner as provided by ordinance that by their terms restrict the amount that is

payable or can be paid to \$25,000 or less in total consideration annually or in the aggregate.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By 
KIMBERLY D. MIERA
Deputy City Attorney

Date May 12, 2023

File No. _____

M:\GENERAL COUNSEL DIVISION\ORDINANCES AND REPORTS\ORDINANCES - FINAL YELLOW\Ordinance 10.1.1 and 10.2
Council File No. 23-0098.docx

The Clerk of the City of Los Angeles
hereby certifies that the foregoing
ordinance was passed by the Council
of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____