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May 19, 2023

Honorable Members of the Los Angeles City Council c/o Room 395, City Hall 200 North Spring Street Los Angeles, CA 90012

SUBJECT: INCREASING THE WRITTEN CONTRACTING REQUIREMENT FOR

CONTRACTS FUNDED BY GENERAL CITY PURPOSES AND AB1290

FROM \$5,000 to \$25,000 (C.F. 23-0098)

Honorable Members:

SUMMARY

On February 3, 2023, the Los Angeles City Council (Council) adopted Motion (Krekorian – Harris-Dawson) instructing the City Attorney to prepare and present an ordinance that updates and modernizes section 10.2 of the City Administrative Code to raise the written contracting requirement for amounts over \$5,000 to \$25,000. On May 12, 2023, the City Attorney transmitted its report and draft ordinance, which exclusively addressed Council's request relative to section 10.2 of the Administrative Code. However, that report did not include recommendations to update Administrative Code section 10.2.1 relative to Council contracts funded by General City Purposes (GCP) and AB 1290 funds. This report recommends that Council include sections 10.2.1 (a) and (c) in its proposed updates to City contracting requirements and instruct the City Attorney to amend its draft ordinance accordingly.

RECOMMENDATION

If the Council would like to increase written contracting requirements for contracts over \$5,000 to \$25,000, Council should also consider adopting the following recommendation:

 INSTRUCT the City Attorney to amend its draft ordinance for Administrative Code section 10.2 and include section 10.2.1 (a) and (c), which relate to contracts funded by GCP and AB 1290.

BACKGROUND

In April 1995, the voters enacted Charter Amendment I, which provided for substantial changes in the City's contracting and purchasing procedures. Among the changes was a provision that allows the Mayor and Council to revise contracting limits by ordinance. Currently, a written contract is required for amounts over \$5,000; this amount was last updated in 1999.

On February 3, 2023, Council instructed the City Attorney to prepare a draft ordinance that would raise the written contracting requirement for amounts over \$5,000 to \$25,000. The City Attorney's

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draft ordinance and report were presented on May 12, 2023 and referred to the Rules, Elections, and Intergovernmental Relations Committee (Committee) for consideration.

That report was limited to section 10.2 of the Administrative Code and did not include changes to section 10.2.1, which relates to all Council contracts funded by GCP or AB 1290.

FISCAL IMPACT STATEMENT

None.

Respectfully submitted,

Holly L. Wolcott City Clerk

EXE-028-23 HLW/PFS/EM:ih/tj