

Office of the Los Angeles City Attorney Hydee Feldstein Soto

> REPORT NO. R 2 3 - 0 3 3 2 AUG 3 0 2023

## **REPORT RE:**

REVISED DRAFT ORDINANCE AMENDING SECTIONS 10.1.1, 10.2, and 10.2.1 OF ARTICLE 1, CHAPTER 1, DIVISION 10 OF THE LOS ANGELES ADMINISTRATIVE CODE TO MAKE CHANGES TO THE REQUIREMENTS FOR WRITTEN CONTRACTS

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

## Honorable Members:

On May 12, 2023, this Office transmitted a draft ordinance to amend Section 10.2 of Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code (LAAC) to raise the threshold value above which contracts must be in writing from \$5,000 to \$25,000. On May 26, 2023, the City Council requested this Office amend the draft ordinance to include an amendment to Section 10.1.1 to be consistent with the change requested in LAAC Section 10.2. We now transmit the enclosed revised draft ordinance, approved as to form and legality, as requested by the City Council.

The revised draft ordinance also makes certain amendments to comport with state law requirements regarding written contracts. Additionally, in light of several investigations that have been made public, this Office submits amendments to LAAC Section 10.2 to provide additional legal safeguards for the City. The amendments make the following changes:

1. Contracts for the procurement of goods in the amount of \$500 and over must be in writing (Cal. Commercial Code Section 2201);



The Honorable City Council of the City of Los Angeles Page 2

- 2. The sale of real property or leasing of real property for more than a year must be in writing (Cal. Civil Code Section 1624);
- 3. Contracts that by their terms are not to be performed within a year must be in writing (Cal. Civil Code Section 1624);
- 4. The City Attorney's Office will sign contracts as to form and legality; and
- 5. Contracts generated from Mayor-controlled departments and offices are subject to mayoral approval, and the person authorized to sign the contract on the department's behalf must certify that they have no beneficial or familial interest in the contract.

If you have any questions regarding this matter, please contact Deputy City Attorney Kimberly Miera at (213) 978-8130. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOFO, City Attorney

VALERIE L. FLORES

Chief Assistant City Attorney

VLF:KM:ev Transmittal