

ORDINANCE NO. _____

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

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

(a) Any action by any of the departments named in Sections 500 and 600 of the Charter approving a contract which obligates 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 if the contract does not involve consideration reasonably valued in excess of \$150,000. In determining the reasonable value of consideration under this article, the awarding authority shall aggregate the amount 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. The approval shall include a certification attesting that the signatory has no personal, financial, beneficial, or familial interest in the contract.

(c) **Approval as to Form.** Every contract must be approved by the City Attorney as to form, 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 a sum of \$25,000 or less for professional or personal services;

(3) Contracts involving a 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 a sum of \$25,000 or less for the payment of subscriptions for newspapers, professional journals, online information, or 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. Section 10.2.1 of Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.2.1. Contracts Required to Be in Writing.

Section 10.2 notwithstanding, the following contracts are required to be in writing:

(a) Contracts awarding funds from the Council District Community Service account, the Neighborhood and Community Improvement Services account, and the Cultural, Art, and City Events account of the General City Purposes Fund to nonprofit agencies and community service groups in amounts that are more than \$25,000.

(b) Contracts awarding funds by neighborhood councils, as authorized under Section 22.817 of this Code, from the Department of Neighborhood Empowerment Fund to nonprofit corporations and public schools in amounts that are more than \$5,000.

(c) Contracts awarding funds from the 53P - State AB1290 City Fund account of the Special Revenue Fund to nonprofit agencies and community service groups in amounts that are more than \$25,000 annually or in the aggregate.

(d) During the period of a national, state, or local emergency declared in accordance with federal, state, or local law, the City Council by resolution may, to the extent permitted by California Civil Code Section 1624 and California Commercial Code Section 2201, waive the writing requirement of Section 10.2 of this Code for amounts up to \$100,000 for contracts awarding funds as provided in Subsections (a) and (c) that are necessary to address the declared emergency. The resolution may establish a termination date for the waiver that is prior to the termination of the declared emergency.

Sec. 4. 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

HYDEE FELDSTEIN SOTO, City Attorney

By



KIMBERLY D. MIERA
Deputy City Attorney

Date

September 15, 2023

File No. _____

M:\GENERAL COUNSEL DIVISION\ORDINANCES AND REPORTS\ORDINANCES - FINAL YELLOW\Revised Ordinance (2)
LAAC 10.1.1 and 10.2 Written Contracts CF 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 _____