

MOTION

On December 12, 2023, the Council instructed various City agencies to report with recommendations and priorities for Charter reforms to modernize the City's organization and policies (C.F. 23-1027). As part of this exercise, the Board of Public Works submitted multiple recommendations, including adding a Small Business Preference to the City Charter, with language that places restrictions on its use to ensure that a small business from outside the County and State would not qualify, as well as to consider other specifications.

The City Charter currently authorizes the City to establish certain preferences in the procurement process, such as the Local Bidder Preference, which is limited to businesses located within the State of California, the County of Los Angeles, or the City of Los Angeles. Small businesses are critical drivers of job creation, economic mobility, neighborhood investment, and represent a majority of businesses within the City. Despite their contributions, small businesses often face barriers to competing for City contracts, including limited financial resources, capacity, and staff access to procurement opportunities compared to larger firms.

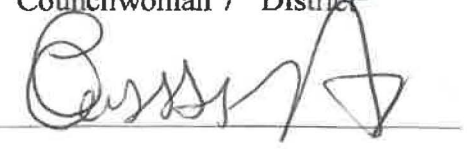
The City has an interest in supporting small business participation in public contracting in order to foster a more inclusive, resilient, and locally rooted economy. The creation of a "Small Business Preference" in the City Charter would align with the City's economic development goals, while ensuring that such a preference is implemented with the same types of restrictions and safeguards applicable to other preferences, such as the Local Bidder Preference. These restrictions are in place to ensure compliance with state and federal law, protect the City from legal challenges, and maintain fairness in contracting, while prioritizing businesses that contribute directly to the local and regional economy.

I THEREFORE MOVE that the Council instruct the Chief Legislative Analyst, with the assistance of the Bureau of Contract Administration, Economic and Workforce Development Department, and the City Attorney, to report on proposed language regarding adding a Small Business Preference to the City Charter with language that places restrictions on its use, and to report with recommendations to effectuate this policy, including a potential ballot measure for the November 2026 General Election, if necessary.

PRESENTED BY


MONICA RODRIGUEZ
Councilwoman 7th District

SECONDED BY:


AUG 19 2025

ORIGINAL