

NEWS

FROM THE OFFICE OF COUNCILMEMBER
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For Immediate Release

LA City Council Approves Ballot Measure to Provide Contracting Preference for City of LA Businesses

LOS ANGELES – February 2, 2022 – Yesterday, the City Council approved ballot documents and an ordinance, following a motion introduced by Councilmembers Paul Koretz, Bob Blumenfield and Marqueece Harris-Dawson, to place a ballot measure before the voters in the June 7, 2022 election, that seeks to amend the City Charter to provide an additional contracting preference to businesses located in the City of Los Angeles.

The City Charter currently provides for a bid preference for businesses that are “local,” defined as businesses located in the County of Los Angeles or the State of California. However, the City is currently prohibited from providing an additional bid preference for businesses that are located in the City of LA. If the ballot measure is successful and the City Charter is amended to add "City of Los Angeles" to the definition of “local,” the City would then be permitted to codify an additional preference for businesses which are located within the geographic boundaries of the City of Los Angeles.

"The City of LA is already one of the most expensive places in the country to do business, creating a climate in which businesses are forced to compete against firms with lower labor and business costs from neighboring cities, counties and states," said **Councilmember Paul Koretz**. "This proposed Charter Amendment is a no-brainer and an opportunity to provide a bump to hundreds of local small businesses – many of which have been seriously impacted by the pandemic and struggled to stay afloat over the last two years."

"It's vital that we as a City do everything possible to remove barriers and connect local LA businesses to contracting opportunities," said **Councilmember Marqueece Harris-Dawson**. "This Ballot Measure would allow the City to prioritize awarding contracts to local businesses that hire and serve residents in our communities, ensuring more economic opportunities for local businesses and their employees."

"With the pandemic ending, now more than ever, we need to shop local and support Angeleno run businesses - that includes our city government," said **Councilmember Bob Blumenfield**. "As the second largest city in the nation, our spending is its own economic engine and it should be used to power local businesses and workers so that the positive impact of our tax dollar is multiplied many times over."

According to the National Institute for Public Procurement, models of local bid preferences across the country have assisted municipalities in setting and achieving social policy goals to assist residents, and improve and protect the local economy, pointing out, "As local tax dollars are spent in a local economy, more jobs are maintained or created and income is generated for residents." In 2019-2020 the City of Los Angeles awarded nearly \$3 billion in contracts, approximately \$600 million of which went to businesses headquartered in the County of Los Angeles. The benefit of keeping these tax dollars spent on contracts in the City of Los Angeles could have a substantial positive impact on the development, enrichment, growth, expansion and retention of the local business community and the City's workforce.

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