



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 6 - 0 3 2 6  
OCT 1 3 2016

**REPORT RE:**

**DRAFT ORDINANCE AMENDING CERTAIN SECTIONS OF THE LOS ANGELES  
ADMINISTRATIVE CODE PERTAINING TO CONTRACTING AT THE  
DEPARTMENT OF WATER AND POWER**

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

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance: (1) increases the authority of the Department of Water and Power (DWP) General Manager to enter into certain contracts from the current amount of \$150,000 to a new amount of up to \$5 million; (2) establishes a requirement for quarterly reporting to the Board of Water and Power Commissioners and City Council of certain contracts, as well as posting requirements; (3) increases the authority of the Board of Water and Power Commissioners to enter into certain contracts without City Council's affirmative approval from the current maximum of three years to a new maximum of five years and up to ten years for specialized construction equipment or software that is offered by one vendor; and (4) allows DWP to engage in Request for Proposals/Competitive Negotiations for the purchase of specialized equipment, using price and other evaluation factors.

### Background

On January 22, 2016, Councilmember Fuentes introduced a motion, seconded by Council President Wesson and Councilmember O'Farrell, regarding proposed amendments to the City Charter and Administrative Code relating to the DWP. The motion called on the City to "develop and adopt Charter amendments to restructure DWP's governance system in order to increase oversight and transparency, reduce political interference from City Hall, and streamline departmental operations." The motion specified several categories of recommended changes to the City Charter, including changes to Charter provisions regarding the Board of Water and Power Commissioners (Board), the General Manager, Council approval and oversight of Board actions, Board access to independent analysis, DWP hiring and personnel decisions and the DWP transfer to the City's General Fund. (See Council File 16-0093).

On February 19, 2016, the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee (REIRN Committee) held its initial meeting to discuss the proposed Charter amendments and other reforms contained in the motion. The REIRN Committee then held a series of meetings at various locations across the City to solicit public input and further discuss proposed changes to the DWP, including on March 3, April 13, May 11, May 19 and May 27, 2016. The full City Council also discussed the matter at its meeting on May 17, 2016.

On June 2, 2016, the REIRN Committee met again to deliberate DWP reform. At the conclusion of the meeting, the Committee adopted detailed recommendations for a Charter amendment, ordinances modifications, reports and numerous other actions related to the governance, management, oversight and operations of the DWP.

On June 7, 2016, your Honorable Body adopted the REIRN Committee's recommendations, with four amendments, and issued detailed directions to this Office setting forth the elements of the proposed Charter amendment to submit to the voters for their approval or rejection and the preparation of certain draft ordinances.

The draft ordinance submitted herewith address the Items 11, 12, 13 and 15 of the adopted recommendations pertaining to contracting.

### Charter Compliance

This draft ordinance is transmitted for your approval pursuant to Charter Sections 371 and 373. Pursuant to Charter Section 373, no contract may be let for a period of longer than such period as provided by ordinance.

Council Rule 38 Referral

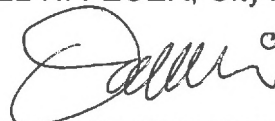
Pursuant to Council Rule 38, this Office a copy of the draft ordinance was sent to the Chief Legislative Analyst, City Administrative Officer and the Department of Water and Power.

If you have any questions regarding this matter, please contact Senior Assistant City Attorney Joseph Brajevich at (213) 367-4598. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON  
Chief Assistant City Attorney

DM:JAB:hf  
Transmittal