

BUDGET AND FINANCE COMMITTEE REPORT relative to a comprehensive review of the City's compliance with the Iran Contracting Act of 2010 (AB 1650).

Recommendations for Council action:

1. INSTRUCT the Bureau of Contract Administration to upload both the certification form, as amended by the City Attorney entitled Iran Contracting Act of 2010 Compliance Affidavit, and the list of the State Department of General Services Entities Prohibited from Contracting with Public Entities in California, on the Bureau's website and the Los Angeles Business Assistance Virtual Network and continue to monitor for an updated listing to ensure that the City does not conduct business with any of the prohibited firms.
2. INSTRUCT all City departments to comply with the Iran Contracting Act of 2010 and require each bidder to complete and submit the compliance affidavit.
3. INSTRUCT all City awarding authorities to implement the language provided by the City Attorney as part of their procurement disclosure provisions.
4. REQUEST that the Office of the City Attorney include language as it relates to the mandate required by Assembly Bill 1650 in the next amended version of the City's Standard Provisions for City Contracts.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no fiscal impact on the City's General Fund as a result of the adoption of this report.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting of January 13, 2014, the Budget and Finance Committee considered a CAO report relative to a comprehensive review of the City's compliance with the Iran Contracting Act of 2010 (AB 1650). The CAO reports that on July 1, 2010, the President of the United States signed into law the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Divestment Act). This law authorizes state or local governments to adopt and enforce measures that meet certain requirements, or prohibit the investment of assets, with any entity that is determined to be engaged in investment activities with Iran. This includes contracts or amendments for the sale of goods and services. On September 30, 2010, the State of California (State) adopted AB 1650 utilizing the provisions set forth in the Divestment Act.

The CAO further reports that the City Council on October 9, 2013, adopted a motion instructing the CAO, with the assistance of various departments, to conduct a comprehensive review of the City's compliance with AB 1650. The review includes procurement policies and procedures of proprietary departments, the inclusion of AB 1650 into the City's Standard Provisions for City Contracts, and the establishment of a bidder certification process for those

seeking to enter into contracts with the City for the provision of goods and services. The CAO states that to the best of its knowledge, the City does not have any current agreements with the entities listed on the State Department of General Services list. The City's compliance with AB 1650 will be implemented through a Compliance Affidavit as amended by the City Attorney. The CAO report, attached to the Council file, contains a summary of the matter and additional details on the review.

During the Committee's discussion, the CAO and City Attorney representatives presented an overview of the matter and responded to related questions from Committee members. After further consideration and having provided an opportunity for public comment, the Committee recommended that Council adopt the recommendations contained in the CAO report dated November 26, 2013. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-