

## LEGISLATIVE DIGEST

[Administrative Code - Removing Construction Agreements from the Prohibition on Contracting in States with Certain Types of Discriminatory Laws]

**Ordinance amending the Administrative Code to remove agreements let under Chapter 6 for Public Works or Improvement from the prohibitions in Chapter 12X on the City's entering into a contract with a contractor that has its United States headquarters in a state that allows discrimination against LGBT individuals, has restrictive abortion laws, or has voter suppression laws, or where any or all of the contract would be performed in such a state.**

### Existing Law

Chapter 12X of the Administrative Code is comprised of three articles, each of which restricts the ability of the City to enter contracts with entities headquartered in states that have enacted: i) laws that allow discrimination against LGBT individuals, ii) restrictive abortion laws, or iii) voter suppression laws, or where any or all of the contract would be performed in such a state. The contracts affected by this restriction are let under Chapter 6 (construction or public works/improvement) and Chapter 21 (goods and services) of the Administrative Code. Other types of contracts and agreements are exempt from these restrictions.

### Amendments to Current Law

Chapter 6 contracts are being removed from the definition of contract that is restricted by the articles of Chapter 12X. The City may contract with entities headquartered in states with certain types of discriminatory laws, or enter in a contract where performance of the contract will be in such a state. Chapter 21 contracts are still subject to the restrictions.

### Background Information

The current restrictions of Chapter 12X result in more than half of the United States being placed on the ineligible list, reducing the pool of available contractors. The Board of Supervisors finds that due to the COVID-19 pandemic, its aftermath, and supply chain limitations, the construction sector lacks availability of bidders. Removing the restrictions of Chapter 12X may increase the number of bidders, reduce costs, and ensure that enough bidders respond to deliver the City's critical infrastructure projects.

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