

LEGISLATIVE DIGEST

[Administrative Code - Repealing Prohibitions on City Travel and Contracting Related to States with Certain Types of Discriminatory Laws]

Ordinance amending the Administrative Code to repeal Chapter 12X, and thereby repeal the prohibitions on City-funded travel to a state, and the City's entering into a contract with a contractor that has its United States headquarters in a state or where any or all of the contract would be performed in a state, that allows discrimination against LGBT individuals, has restrictive abortion laws, or has voter suppression laws.

Existing Law

Chapter 12X of the Administrative Code is comprised of three articles, each of which restricts the ability of the City to i) travel to or ii) enter contracts with entities headquartered in or where any or all of the contract would be performed in states that have enacted: i) laws that allow discrimination against LGBT individuals, ii) restrictive abortion laws, or iii) voter suppression laws. The City Administrator maintains a list of states that have types of discriminatory laws listed above. 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.

Amendments to Current Law

The Chapter is being repealed in its entirety. After the effective date, the City may fund travel to all states, and may award contracts to entities headquartered in all states, without the restrictions of Chapter 12X. Any other contracting restriction impacting the travel or contract award remains in effect. Departments are not required to alter existing procurements, nor are existing contracts and amendments thereto impaired. The City Administrator is authorized to give guidance on the implementation of this transition.

Background Information

In 2016 the City enacted Chapter 12X, and restricted travel to and contracts awarded to initially 8 states that had laws that discriminated against LGBT individuals. In the following years, more discriminatory laws were targeted, and the list of states increased to 30. In 2022, the Board asked the City Administrator to review the legislation, its efficacy, and provide policy options in a report. The ensuing report found that the effect of 12X restrictions on states changing their policy was limited or uncertain, while the impact on the City was significant. Though Chapter 12X has waivers and exemptions, these do not fully address concerns raised over limitations imposed on the City and what it funds. Chapter 12X has increased administrative burdens and costs to the City in the form of smaller supplier pools. Further information is found in the City Administrator's Report of February 11, 2023 and the Supervisorial Letter of Inquiry of October 18, 2022.

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