

**LEGISLATIVE DIGEST**  
**(Substituted 05/21/24)**

[Administrative Code - Cooperative Purchasing, Ancillary Installation Services]

**Ordinance amending the Administrative Code to authorize City departments to rely on cooperative purchasing when entering into public works contracts of up to \$5,000,000; to authorize the Purchaser when procuring commodities or services to rely on all types of cooperative purchasing programs conducted by or for the benefit of public entities, including such programs that are not sponsored by non-profits; and to authorize the Purchaser to procure ancillary installation services when procuring commodities.**

Existing Law

Chapter 6 of the Administrative Code authorizes certain City departments to award contracts for construction and related professional services for City public works projects. A department usually must conduct its own competitive process before it can award a public works contract, and cannot forgo that step on the basis that it intends to use a contractor selected through the competitive process of another entity.

Chapter 21 of the Administrative Code authorizes the procurement of commodities and services generally. The City Purchaser usually awards these contracts on behalf of the departments seeking to enter into the contracts. A contracting department usually must conduct its own competitive process to select the contractor, but the Purchaser may waive that requirement if the department appropriately relied on the competitive process of another public agency or a non-profit. (This arrangement, where a City department relies on the competitive process conducted by another entity, is referred to as “cooperative purchasing.”)

Amendments to Current Law

The proposed ordinance would amend Chapter 6 to allow the use of cooperative purchasing for public works contracts, provided that the estimated cost of the contract does not exceed the limit of \$5,000,000. (The Controller would update this limit every five years for inflation, starting in 2030.)

The proposed ordinance would amend Chapter 21 to allow the Purchaser to rely on all types of cooperative purchasing programs that are conducted by or for the benefit of other public agencies, including if the sponsoring agency is not a non-profit. Also, the ordinance would authorize the Purchaser to procure installation services ancillary to procured commodities, including installation services that must be performed by a licensed contractor and may otherwise be procured under Chapter 6.

Background Information

The proposed ordinance addresses the procurement process only, and does not waive any other standard contracting rules that may apply.

This legislative digest corresponds to a substitute ordinance introduced on May 21, 2024 that included certain updates and corrections to the original ordinance.

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