



LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE

SACRAMENTO LEGISLATIVE OFFICE

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April 14, 2023

The Honorable Lena Gonzalez
California State Senate
1021 O Street, Suite 7720
Sacramento, CA 95814

SENATE BILL 458 (GONZALEZ) SUPPORT

Dear Senator Gonzalez:

The Los Angeles District Attorney's Office is pleased to support Senate Bill 458 (Gonzalez).

SB 458 amends California's Local Agency Public Contracting Law to require local agencies to increase transparency and accountability in their public contracting and procurement processes.

California has seen repeated instances of contractors and local government officials subverting best practices for contracting and procurement, which indicates the need for additional public transparency requirements at the local level. Public procurement is a government's most prominent corruption risk, because large public projects often have unique features that make it harder to compare costs and easier to conceal bribes and inflated charges.

According to research from the Organizations for Economic Co-Operation and Development (OECD) Anti-Bribery Convention shows that 57% of bribes provided to local officials were paid to win public contracts.

In California, local officials have significant authority over contracting and procurement practices on behalf of the people they serve. This has left room for instances of collusion to push through no-bid contracts, often for personal gain. Other officials have accepted lavish bribes, gifts, and kickbacks in exchange for supporting bids by certain contractors. A recent report, the California State Auditor has cited examples of cities and special districts that failed to comply with best practices for procuring services and contracts.

Research has also shown transparency in contracting activity can reduce corruption. Specifically, the United Nations Guidebook on Anti-Corruption in Public Procurement and the Management of Public Finances emphasizes the important role that transparency plays in reducing corruption.

SB 458 would add transparency requirements for local agency contracting and procurement by mirroring the current requirements for state agencies to publish publicly available information about their contracting activity and applying them to local governments.

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These standards will enable journalists, scholars, and government accountability groups to analyze who is awarded contracts and when competitive bidding is not followed.

SB 458 would also require the California State Auditor to review the published data and make recommendations to the legislature on actions to reduce instances of corruption.

Finally, SB 458 would require local governments to advertise for bids online, in addition to a newspaper of general circulation. This will further transparency and accessibility across all levels of government, help promote visibility into the contracting process, and promote competitive bidding. Advertising for bids online, in addition to a physical newspaper, will also increase the visibility of available opportunities and expand the number of bidders who compete.

Increasing transparency in government contracting and procurement will assist government auditors/investigators ability to identify and investigate public corruption cases. Increased transparency would also assist investigative media outlets and good government groups (like the National Civic League and the International City/County Management Association) identify instances of public corruption/mismanagement. SB 458 will result in greater protection of our limited tax payer dollars and serve as a deterrent for both local officials and government contracting agencies from engaging in instances of public corruption.

For these reasons our Office is proud to support SB 458.

If you have any questions or need additional information, please feel free to contact Daniel Felizatto in my Sacramento Legislative Office at (916) 442-0668.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Gascón", written in a cursive style.

GEORGE GASCÓN
District Attorney