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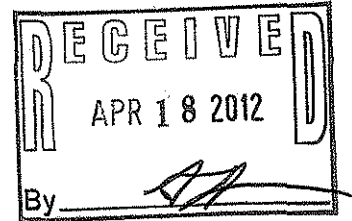
ANTONIO R. VILLARAIGOSA
Mayor

Commission
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ERIC HOLOMAN, *Vice President*
RICHARD F. MOSS
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RONALD O. NICHOLS
General Manager

April 17, 2012

The Honorable City Council
Office of the City Clerk
Room 395, City Hall
Mail Stop 160



Attention: Councilmember Jan Perry
Chairperson, Information Technology and General Services Committee

Honorable Members:

Subject: ¹⁰⁻¹⁷⁵⁴ ~~11-0218~~ Reduction in Cell Phones Usage

Thank you for your leadership in finding ways for the City to cut costs, we share that goal. This is in response to the motion (Zine-Garcetti) requesting the proprietary departments to adopt a goal to reduce cell phone usage by 10% during their 2011-2012 budget deliberations. In addition, the City Administrative Officer (CAO) was instructed to work with city departments to determine the number of cell phones and amount of usage in dollars over the past several years as well as opportunities to reduce the number of cell phones used by City employees by 10 percent.

To facilitate CAO's objective, departments were asked to complete surveys relative to number of cell phones in use and number of cell phones in use but not critical to department operations. The Los Angeles Department of Water and Power (LADWP) complied and provided the requested information to the CAO.

As part of an organization-wide cost cutting program in 2011, LADWP focused on reducing its cell phone costs. Cell phones and Blackberrys are critical communication tools that are utilized to support the City's Power and Water infrastructure. A significant portion of the cell phones (approximately 3000) are "push to talk" that support the coordination of field operations among crews. Cell phone cost savings activities performed within this past fiscal year are as follows. LADWP conducted:

- An analysis of the major carriers; AT&T, Verizon, Sprint, & T-Mobile in assessing potential cost savings while maintaining normal Power & Water business support activities.
- A "zero usage" analysis that has resulted in subscriber deactivations of over 361 units. The "zero usage" analysis is a continual departmental assessment to assure that "zero usage" devices are being addressed and deactivated.

Water and Power Conservation ... a way of life

- A rate plan analysis with Sprint to optimize our cell phone & Blackberry usage patterns. The rate plan analysis resulted in a "Flat Rate Plan" achieving a 28% cost reduction.

In FY 2010/11, LADWP averaged 3,849 phones with an average monthly expenditure of \$159,660. In April 2012, LADWP had 3,490 phones for a reduction of 9.3%. The bill for these phones was \$100,200 for a cost savings of 37.2%.

It is very important to remain vigilant. To that end LADWP continues to monitor cell phone usage and rates by:

- Regularly evaluating cell phone rate plans to optimize costs. Meetings with Sprint are conducted on a regular basis to address their current rate plans and any future rate plan alternatives that will benefit the Department.
- Performing assessments of individual cell phone and Blackberry features such as 411 usage, enhanced messaging and call forwarding charges. The assessment involves addressing issues such as cost, usage of the feature, functionality required and alternative options.
- Continually analyzing usage and adjusting rate plans accordingly.

If you have any questions or if further information is required, please do not hesitate to contact me at (213) 367-1338, or have your staff contact Ms. Winifred J. Yancy, Director, Local Government and Community Relations at (213) 367-0025.

Sincerely,



Ronald O. Nichols
General Manager

WY:lb

Enclosure: Cellphone Usage Survey

c: Councilmember Joe Buscaino, Vice-Chair, Information Technology and General Services Committee
Councilmember Tony Cardenas, Member, Information Technology and General Services Committee
Ms. Winifred J. Yancy

Department: Department of Water and Power
Contact: Ralph Bravo 213-367-5774
Date: 18-Jul-11

Instructions: The City Council has instructed the Office of the City Administrative Officer to work with City departments to determine the number of cell phones and amount of usage in dollars over the past several years (C.F. 11-0218). Please enter the number of cell phones in use in your department on June 30 of each fiscal year, and the total expenditures for that year. Please complete this survey by July 22, 2011.

Year	Number (12-month Average)	Total Expenditure	Number (Per Last Billing)
2010-11	3,849	\$ 1,915,928	3,492
2009-10	3,860	\$ 2,095,994	3,903
2008-09	3,666	\$ 2,127,075	3,855
2007-08	3,504	\$ 1,832,568	3,501
2006-07	3,349	\$ 1,854,788	3,523

Instructions: The City Council has instructed the Office of the City Administrative Officer to work with City departments to look into opportunities to reduce the number of cell phones used by City employees by 10 percent (C.F. 11-0218). This target is a Citywide goal and the reduction level may vary in each department with some departments experiencing cuts of greater than 10 percent. Please complete the following table to propose cell phones that are currently in use by your employees that can be eliminated. Please complete a separate line for each employee category. An employee category is a group of employees that use cell phones for the same basic purpose. For each employee category, identify the job classifications, number of employees that have cell phones, purpose of the cell phones, and proposed reduction in the number of cell phones. Finally, please provide information for each proposed reduction, the service impacts of the reduction, and the reason that employees in this category need to use cell phones.

Employee Category (inspector, administrative, etc.)	Classifications	Number of Cell Phones	Purpose	Proposed Reduction	Impact of Reduction	Reasons for Retaining
	Budget Rates and Efficiency	14			Refer to the Comments tab for explanations on these columns	
	Chief Administrative Office	1				
	Corporate Safety	17				
	Customer Services Division	198				
	Economic Development	1				
	Employee Services Division	3				
	Employee Special Investigation	6				
	Energy Efficiency	38				
	Environmental Affairs	33				
	Financial Services System	7				
	General Manager's Office	8				
	Generation	84				
	Human Resources	9				
	Information Technology Services	218				
	Integrated Support Services	840				
	Labor Relations	8				
	Legal	28				
	Office Of Emergency Management	4				
	Operations Support Services - Business Support Services	7				
	Operations Support Services - JFB Operations and Maintenance	22				
	Operations Support Services - LEED	2				
	Operations Support Services - Records Center	3				
	OSS Facilities Maintenance	76				
	OSS Fleet Maintenance and Operations	223				
	OSS Industrial Graphics	1				
	Power Distribution	63				
	Power Executive Office	10				
	Power Planning and Development	10				
	Power Safety & Training	49				
	Power Transmission & Distribution	411				
	Power-Engineering Services Division	171				
	Public Affairs - Corporate Comm.	22				
	Real Estate Business Group	2				
	Retirement	4				
	Security Planning Group	9				
	Security Services Division	76				
	Stores Operation	33				
	Supply Chain Services	13				
	Water Distribution	314				
	Water Engineering & Tech Services	118				
	Water Executive	9				
	Water Operations	270				
	Water Quality	41				
	Water Resources	16				
	Total Units	3,492				

COUNCIL VOTE

Apr 18, 2012 12:13:49 PM, #9

ITEM NO. (9)
Adopt as Amended

ALARCON	Yes
BUSCAINO	Absent
CARDENAS	Yes
ENGLANDER	Yes
GARCETTI	Yes
HUIZAR	Yes
KORETZ	Yes
KREKORIAN	Yes
LABONGE	Absent
PARKS	Yes
PERRY	Absent
REYES	Yes
ROSENDAHL	Yes
ZINE	Yes
*WESSON	Yes

Present: 12, Yes: 12 No: 0