

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

DEPARTMENT OF
BUILDING AND SAFETY
201 NORTH FIGUEROA STREET
LOS ANGELES, CA 90012

RAYMOND S. CHAN, C.E., S.E.
GENERAL MANAGER

FRANK BUSH
EXECUTIVE OFFICER

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January 2, 2015

Council File: CF 13-0046-S156
Contact Persons: Steve Ongele (213) 482-6703
Giovani Dacumos (213) 482-0001

Honorable Paul Krekorian
Chair, Budget and Finance Committee

Attention: Erika Pulst, Legislative Assistant

City Clerk
City Hall, Room 395
200 N. Spring Street
Los Angeles, CA 90012

REQUEST TO TRANSFER FUNDS FROM THE BUILDING AND SAFETY ENTERPRISE FUND (48R), RESERVE FOR FUTURE COSTS (ACCOUNT 08L200) TO 48R, BUILDING AND SAFETY OFFICE AND EQUIPMENT ACCOUNT (ACCOUNT 08L601) TO COMPLETE THE DEPARTMENT'S DATA CENTER.

SUMMARY

The Los Angeles Department of Building and Safety (LADBS) respectfully requests authorization to transfer \$3,250,000 from the Department's Enterprise Fund (Fund 48R), Reserve for Future Costs (Account 08L200) to the Enterprise Fund (Fund 48R), Building and Safety Office & Equipment Account (Account 08L601) to complete work on their Data Center which is located at 201 North Figueroa Street, 9th Floor.

RECOMMENDATIONS

The General Manager, LADBS, respectfully requests your honorable City Council; subject the approval of the Mayor to:

1. AUTHORIZE the Transfer of \$3,250,000 from the Department of Building and Safety's Enterprise Fund (Fund 48R), Reserve for Future Costs (Account 08L200) to the Enterprise Fund (Fund 48R), Building and Safety Office & Equipment Account (Account 08L601).
2. AUTHORIZE, and INSTRUCT the General Manager of the Department of Building and Safety, or designee, to prepare Controller instructions and/or make any necessary technical adjustments consistent with the Council action on this matter and authorize the Controller to implement the instructions.

BACKGROUND/PROJECT DETAIL

Matrix Consulting Group Recommendation (Development Reform Consultant)

Matrix Consulting Group is the Consultant hired by the City (Council File No. 13-0046) to analyze and make recommendations for improving development services, including providing new and expanded/enhanced services. The City Council required that Matrix provide quarterly updates on the status of the City implementing their development reform initiatives.

Matrix, in its Second Quarterly Report to the City Council (CF 13-0046-S156, dated 8/20/2014), recognized the importance of LADBS' systems in delivering development services. LADBS systems collectively deliver approximately 75% of all development services transactions and revenue collected throughout the City. The following was excerpted from Matrix' August report:

"5. Technology: LADBS has experienced downtime with its existing computer servers resulting in decreased customer service, delayed revenue collection, and slower project cycle times. The expanded Data Center will provide an effective infrastructure and help the Department better predict and manage its systems through simpler operating environments and better information management. Over time, this will translate into decreased costs as well as better efficiency for the information technology environment."

LADBS' Current Request for Additional Funding

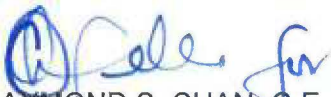
The City Council adopted (CF 13-0046) to provide **\$4,000,000** for the construction of an expanded data center. Some quotations for services and hardware/software were not final at that time, so the Department did not request funding for unknown costs. However, LADBS estimated that an additional \$3.7 million would be needed to cover the rest of the work and purchases of hardware/software. LADBS had and still does have adequate funding in the Enterprise Fund (48R) to cover those additional costs. The Department has **received final quotations** for the remaining services and purchases **which total \$3,250,000** (approximately \$450,000 less than first estimated).

The new data center will be state of the art and "green certified". It is critical for the Department to manage its systems in an efficient and effective manner and in a proper environment (correct heating/cooling/venting, fire safety features, etc.), especially with the advent of BuildLA. Therefore, LADBS requests to Transfer \$3,250,000 from the Enterprise Fund (48R), Reserve for Future Costs (Account 08L200) to 48R, Building and Safety Office & Equipment Account (Account 08L601).

FISCAL IMPACT STATEMENT

There is no fiscal impact to the General Fund inasmuch as the requested funding transfer is within the LADBS Enterprise Fund (48R) which has adequate funding available to cover the entire request.

The Department appreciates your consideration of this matter.



RAYMOND S. CHAN, C.E., S.E.
General Manager