

CITY OF LOS ANGELES
CALIFORNIA

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April 21, 2017

Honorable Paul Krekorian
Chair, Budget and Finance Committee
c/o City Clerk, Room 395, City Hall
Los Angeles, CA 90012

Attention: Richard Williams, Legislative Assistant

GENERAL SERVICES DEPARTMENT (GSD) 2017-18 PROPOSED BUDGET

The Department of General Services (GSD) continues to develop sustainable and innovative ways to support City departments. Below are a few examples of 2016-17 projects that will be continued in the 2017-18 Proposed Budget:

- **Asset Management System (AMS)** – The Asset Management System (AMS), a comprehensive citywide system, will allow City staff to identify and resolve key challenges with the current methods of collecting, storing, and disbursing data regarding the City's municipal assets. For 2017-18, GSD will continue implementation and data cleansing (\$1.8 million).
- **Supply Management System (SMS) Replacement:** The City Controller, Information Technology Agency (ITA), and GSD are in the process of replacing SMS with a procurement module within the Financial Management System (FMS). The implementation of the replacement system is scheduled for July 10, 2017. Funding and regular authorities for seven positions to provide ongoing support for the City's Supply Management System is included in the Proposed Budget (\$627,000).
- **LAPD Body Camera Program** - GSD is collaborating with LAPD and ITA on the LAPD Body Camera program. The electrical infrastructure for the program has been installed at 15 police stations which will accommodate 4,000 cameras. The infrastructure for two additional police stations, which will accommodate 450 cameras, will be completed by the end of the fiscal year. An additional \$1 million is provided to continue to implement the program.
- **Homelessness:** GSD has been completing appraisal and title reports to facilitate the eventual disposition of properties for affordable and homeless housing.



Funding in the Contractual Services account is continued to perform appraisals in support of the sale of surplus properties (\$100,000).

- **Procurement Reform:** GSD, CAO, the Bureau of Contract Administration, and ITA are working with the Mayor's Operations Innovation Team to develop a comprehensive plan to streamline and improve the procurement services practices. Position authority and partial funding are provided to continue this work in 2017-18 (\$127,000).
- **Energy Audits and Retrofits:** GSD continues to use comprehensive energy audits to reduce utility costs. A total of nine audits have been completed in 2016-17, with an additional four audits in progress. Additionally, a total of 12 facilities were targeted for retrofits in 2016-17. These retrofits include measures such as heating, ventilation and air conditioning replacements and updates in lighting controls. The 2016-17 projects will save 3.2 million kilowatt hours annually, bringing total savings to 9.5 million kilowatt hours annually. CIEP funding is again provided to do this work (\$4 million).
- **Electric Vehicles (EV)/Chargers:** GSD will complete nine EV purchases in 2016-17. The Citywide Fleet Replacement Program includes the purchase of 20 EVs and funding is provided to continue the installation of charging stations for the public, employees, and the City's fleet (\$4.9 million).

SERVICE IMPROVEMENTS

In addition to the current initiatives, the Mayor's Proposed Budget addresses several key areas including fleet replacement, public safety, and improvements in service delivery.

- **Citywide Fleet Replacement Program (\$37 million)** – MICLA funding is provided to replace fleet vehicles and equipment for various City departments, including Bureau of Sanitation, Bureau of Street Services, Department of Recreation and Parks and Department of Transportation. The acquisition of new fleet will reduce parts expenditures associated with an aging fleet and help eliminate on-going shortfalls over time.
- **Load Bank Testing for Emergency Generators (\$729,000)** – Funding is continued for the annual load bank testing of stationary and portable emergency generators, with a focus on critical emergency fuel sites. Load bank testing standards require generators be exercised two hours a year to mimic the operational load during an emergency. The testing helps to ensure that generators are fully functional and capable of handling the maximum load in the event of an outage.

- Preventative Maintenance (\$396,000) – Funding and regular authority for 11 positions is provided to improve building maintenance services throughout the City. The salary cost was offset by a reduction to the Hiring Hall Salaries and Hiring Hall Benefits accounts.
- Support for Sewer Maintenance Trucks (\$130,000) – One Heavy Duty Mechanic is added to provide maintenance and repair of sewer cleaning trucks for the Bureau of Sanitation.
- Increased Warehouse Support (\$151,000) – Resolution authority and partial funding is provided for positions to expansion warehouse operations for various City departments.

BUDGET REDUCTIONS

The following reductions are included in the proposed budget:

- Petroleum (\$1.5 million) – A total of \$40.3 million will be available to address Citywide fuel consumption in 2017-18.
- Salaries General (One-Time/\$1 million) – This will require GSD to closely monitor hiring and limit GSD's ability to offset shortfalls in expense accounts with salary savings. To ensure continued delivery of services, GSD will use Overtime or As-Needed employees to address critical work as necessary.
- Contractual Services (One-Time/\$963,000) – The reduction is across divisions, and will impact various operations. It will be difficult to absorb unfunded obligations such as living wage for custodial contractors and maintaining the Civic Center access control and badging system. To ensure continued delivery of services, GSD may require transfers from other accounts.
- Leasing Account (\$274,000) – This reduction is due to savings derived from moving departments from leased space into City-owned space when available. This practice has reduced leasing expenses and provided citywide efficiencies by co-locating departments that provide inter-related services to the public into centralized locations.

REQUESTED ADJUSTMENTS

GSD requests regular position authority without funding for one Helicopter Mechanic to support LAPD and LAFD helicopter operations. The Proposed Budget includes \$237,000 in expense funding to maintain a LAFD helicopter that has been transferred to LAPD and a replacement medium duty helicopter for LAFD. The Helicopter Mechanic is needed in addition to the expense funding.

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GSD also requests to delete one Plumber and add one Plumber Supervisor to oversee the Jet Fuel Site and Alternative Fuel Site maintenance programs, which ensure that fuel is available and safe for public safety and other City operations. GSD will absorb the salary difference.

GSD looks forward to working with your Committee and the City Council to adopt a budget that will allow GSD to provide the essential services City departments and our residents need. For additional information, please contact Valerie Melloff, Assistant General Manager, at (213) 928-9586.



Tony M. Royster
General Manager

cc: Budget and Finance Committee:
Councilmember Paul Krekorian, Chair
Councilmember Mitchell Englander
Councilmember Nury Martinez
Councilmember Bob Blumenfield
Councilmember Mike Bonin
Matt Szabo, Deputy Mayor
Richard H. Llewellyn, Interim City Administrative Officer