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April 23, 2018

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) 2018-19 PROPOSED BUDGET

The Department of General Services (GSD) continues to optimize operations to support City departments in the delivery of services to the people of Los Angeles and implement upgrades to create more sustainable municipal facilities. Below are a few key examples of projects to be continued in the 2018-19 Proposed Budget:

- **Asset Management System (AMS)** – The Asset Management System (AMS) elevates the City's ability to effectively manage City-owned and leased properties and municipal facilities. The property module of AMS went live in June 2017. The lease, space management and building operations and maintenance modules will go live later this year. In 2018-19 GSD will continue to improve on GIS functionality and data within the system. Time-consuming, paper based work order systems are also being automated to improve response times and productivity. A web-based, customer service portal will open to provide residents access to information about City-owned properties, allow scheduling for film and video production companies and make it possible for City staff to request online building repair, custodial moving and other service requests (\$1.5 million).
- **Financial Management System (FMS) Interface** – To provide real-time information about contracts, ordering, and inventory data, and stock and parts availability, funding is provided for the first year of a two-year program to create an FMS interface. This interface will link the FMS system to various other systems such as the M5 (VMS replacement) and AMS and improve the reliability of data by eliminating manual reconciliation and delays due to overnight data extraction (\$1.2 million).

- **Homelessness:** GSD continues to complete 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) and repair the Homeless Satellite Deployment and Information Desk (\$21,000). Funding is also included for increased custodial services at the libraries and in the Los Angeles Mall as detailed below.
- **Energy Audits and Retrofits:** GSD continues to use comprehensive energy audits to reduce utility costs. Fourteen audits were completed in 2017-18, with an additional four audits in progress and two pending. Additionally, a total of 11 facilities were targeted for retrofits in 2017-18. These retrofits include measures such as heating, ventilation and air conditioning replacements and updates in lighting controls. The 2017-18 projects will save 5.5 million kilowatt hours annually, bringing total savings to 15.8 million kilowatt hours annually. CIEP funding is again provided to do this work (\$4.7 million).
- **Electric Vehicles (EV) and EV Chargers:** This year, 20 electric vehicles were purchased for the regular motor pool and installation of 18 chargers in departmental fleets and motor pools. The proposed budget continues funding for EVs, including 67 for Department of Transportation (DOT) parking enforcement, 19 for GSD, one for the Department of Recreation and Parks (RAP), and for the installation of more EV chargers in City fleets.

GSD will begin construction on the installation of 100 EV chargers in the employee and public parking areas of City Hall and City Hall East. The Proposed Budget includes additional funding for placing EV chargers at locations such as the Braude Building, Figueroa Plaza, and various constituent service centers (\$3.5 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 Street Services (BSS), RAP, and DOT. The acquisition of new fleet will reduce parts expenditures associated with an aging fleet and help eliminate on-going shortfalls over time.
- **Pavement Preservation Program (\$1.26 million)** – Funding is provided for three regular authorities to provide maintenance and repair services for equipment used to support this program. Funding is also provided to hire as-needed materials testing services and for various expenses. A portion of these costs will be financed by the Street Damage Restoration Fee Fund.

- **Load Bank Testing for Emergency Generators (\$400,000)** – Funding is continued for the annual load bank testing of stationary and portable emergency generators. 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 generators are fully functional and capable of handling the maximum load during an outage. Additional funding (\$330,000) is provided in the Unappropriated Balance for this purpose.
- **Street Reconstruction and Vision Zero Program (\$364,000)** – Funding was added to continue six resolution authorities to provide materials testing and warehousing support for this program. These positions are special funded by the Special Gas Tax Improvement, and Measure R Local Return Funds.
- **Preventative Maintenance (\$269,000)** – Funding and regular authority for seven positions is provided to improve building maintenance services throughout the City. The addition of these positions was partially offset by a reduction to the Hiring Hall Salaries account.
- **Hepatitis-A Prevention and Custodial Service Increases (\$382,000)** – Funding and regular authority for three Custodians to provide specialized cleaning to kill the Hepatitis A and other viruses at the Central Library and other library locations. Funding (\$300,000) is also provided for pest control and custodial services at the Los Angeles City Mall and nearby municipal facilities.
- **Access Control System Upgrade (\$270,000)** – Funding is provided for the first year of a three-year plan to upgrade the City's access control and credentialing system. This upgrade will require installation of new equipment on access control panels, and an extensive review of the data base used for issuing City identification cards prior to implementing the new software. GSD will work closely with LAPD and user-City departments to establish new security internal controls consistent with best practices.

BUDGET REDUCTIONS

The following reductions are included in the proposed budget:

- **Salaries General (\$1 million)** – This one-time reduction 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 to address critical work.
- **As-Needed Salaries (\$266,892)** – This reduction will diminish the department's flexibility to hire as-needed staff to support various programs such as installation of EV chargers, film permitting, events sponsored by the Mayor and Council, and maintenance of GSD computers, servers and various systems. This reduction will also impact the department's ability to hire 120-day authorities needed as part of the succession plan to deal with the loss of expertise. Over 50 percent of GSD's

employees are eligible to retire. To ensure continued delivery of services, GSD will use overtime funding to address critical priorities.

- Other Reductions to Various Accounts (\$313,413) – The following accounts were also reduced: Hiring Hall Salaries (\$175,313), Travel (\$28,100), Office and Administrative (\$50,000) and Other Operating Equipment (\$60,000). There will be no impact to Hiring Hall Salaries as preventative maintenance positions were added to offset this reduction. The remaining reductions will limit the department's ability to acquire equipment such as vacuum cleaners, floor scrubbers, carpet water extractors and parking gate arms when the need arises, and training and certification of helicopter mechanics, plumbers, equipment mechanics and other staff. GSD will implement efficiencies and use any available savings to offset these impacts to the extent feasible.

REQUESTED ADJUSTMENTS

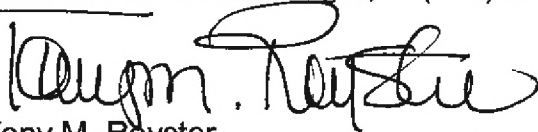
GSD requests the following adjustments to the 2018-19 Proposed Budget:

- The reduction to the As-Needed Salaries and other accounts be changed to a one-time reduction (Blue Book Item 14). This funding is needed to maintain the department's flexibility to address Mayor and Council priorities, and GSD workload and loss of expertise due to the increased number of retirements the department is experiencing as detailed above.
- The Senior Management Analyst I position added in the Real Estate Services program be changed without additional funding to a Senior Management Analyst II position. (Blue Book Item 28) The proposed Senior Management Analyst II position will be responsible for overseeing a staff of ten in the following three units: 1) Tenant Services and Moving, responsible for tenant improvement projects at various City-owned and leased facilities and oversight of over 1,000 annual moves for City departments and special events; 2) Budgetary Administration, responsible for management and control of the division's budget which includes the Leasing Account and oversight of the Figueroa Plaza and Public Works contracts; and, 3) Nuisance Abatement, responsible for cleaning and securing vacant sites and providing support for the Mayor's Comprehensive Homeless Strategy.
- Two Heavy Duty Equipment Mechanics and two Equipment Mechanic positions be added without funding as regular position authorities to maintain the additional fleet equipment added to the Bureau of Sanitation (BOS) for the Clean Streets, Street Reconstruction and Vision Zero and the Tree and Parkway programs of the BSS. A total of 133 units are being purchased for these programs, with an estimated 36 to be placed in service during the current year and 97 units in 2018-19. Some of these positions may also be eligible for special funding provided by the Measure M Local Return Fund, Measure R Local Return Fund and Street Damage Restoration Fee funds.

- A Senior Management Analyst I position be added without funding as a regular position authority to ensure proper oversight and management of the conversion of sedans in departmental fleets to electric vehicles (EV) and charging infrastructure. This program will serve over 1,250 EV sedans at various GSD and other departmental locations in the City.
- A Procurement Analyst be added without funding as a regular position authority to support purchasing of equipment, materials and supplies needed to support the Vision Zero Program. This position may be eligible for special funding provided by the Measure M Local Return, Measure R Local Return and Special Gas Tax Improvement funds.
- Two Garage Attendant authorities be added without funding to support a pilot training program under the Targeted Local Hire Program. Through this pilot, GSD will hire Garage Assistants in-lieu of Garage Attendants to participate in a 12-month training program. Upon completion, the Garage Assistants will become civil service Garage Attendants with the opportunity to promote to other positions in the fleet series. These authorities will be funded by salary savings from the Solid Waste Resources Fund and are supported by the BOS.

GSD is also developing a pilot training program for custodians which may be ready for implementation in 2018. In the interim, the department is hiring TLH candidates for custodial and other eligible classifications and remains committed to supporting this program.

GSD looks forward to working with your Committee and the City Council to adopt a budget providing the essential GSD services used by City departments to deliver many programs to City residents. For additional information, please contact Valerie Melloff, Assistant General Manager, at (213) 928-9586.



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General Manager

cc: Budget and Finance Committee:
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