

CITY OF LOS ANGELES

CALIFORNIA

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April 23, 2019

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

Attention: Andrew Choi, Legislative Assistant

GENERAL SERVICES DEPARTMENT (GSD) 2019-20 PROPOSED BUDGET

The Department of General Services (GSD) continues to innovate ways to support City departments and improve services. Below are a few examples of new and current projects to be funded in the 2019-20 Proposed Budget.

- **Custodian Insourcing** – Continuing the work that began this fiscal year, GSD will transition facilities from contractors to City employees. This is the first full year of a multi-year program to improve service and provide employment opportunities to Angelenos through the Targeted Local Hire Program (\$381,500).
- **Asset Management System (AMS)** – A new position and ongoing funding is provided to support this comprehensive Citywide system, which houses data on City-owned properties and automated the building management work order and lease management processes. This system also hosts a web-based tool (www.GSDserviceportal.lacity.org) which City employees now use to request maintenance work and the public to inquire about surplus properties, filming, and scheduling of certain events. The City recently won the AssetWorld Innovation Award for transformative uses of this system (\$834,000).
- **Financial Management System (FMS) Interface** – The FMS interface will provide real-time contract, ordering, and inventory data, stock and parts availability information between FMS and other systems. Funding is provided for the second year of this two-year project (\$1.36 million).

- **Homelessness:** GSD will continue 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). In addition, GSD will continue its work for the A Bridge Home Program, which includes construction of facilities, negotiating and executing leases, and procurement for the materials required to build and furnish the shelters.
- **Energy Audits and Retrofits:** The energy audits and retrofit program began in 2015-16. The estimated annual energy savings for completed projects is 16.5 million kWh. CIEP funding is again provided to continue this work (\$4.7 million).
- **Street Improvements** – GSD will continue to provide testing, warehouse, and fleet maintenance and repair services for various street improvements programs (\$1.46 million).
- **Citywide Fleet Replacement Program** – MICLA funding is provided to replace fleet vehicles and equipment for various City departments. As of March 2019, 60 percent of the General Funded fleet has exceeded its useful life. Funding is less than previous years to allow GSD to complete purchases funded in prior years. The acquisition of new fleet will reduce parts expenditures associated with an aging fleet and help eliminate on-going shortfalls over time.

SERVICE IMPROVEMENTS

In addition to the current initiatives, the Mayor's Proposed Budget improves services in several key areas.

- **Fleet Maintenance and Warehouse Support** – Funding is added to support an additional 374 vehicles and pieces of equipment that have been added since 2017-18. The new positions will support street improvement projects, Recreation and Parks, and other department's operations (\$2 million).
- **Preventative Maintenance** – Second year funding and positions are provided to increase preventative maintenance services throughout the City. The salary cost was partially offset by a reduction to the Hiring Hall Salaries account (\$331,000).
- **Various Custodial Services Increases** - Funding is provided for pest control and increased services at the Civic Center, state-of-the-art disinfected equipment for police stations, and the opening of the Harbor Jail (\$900,000).
- **Fuel Management System Upgrade** – The fuel management system is nearly 20 years old. Funding is included to upgrade the equipment and software to continue to receive technical support for the system (\$500,000).

- **Access Control System Upgrade** – Second year funding is continued for 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 (\$407,000).

BUDGET REDUCTION & POTENTIAL ISSUES

The one-time reduction of \$734,000 to the Salaries General account will require GSD to closely monitor hiring and limit GSD's ability to offset chronic deficits in the As-Needed, Hiring Hall, and other accounts with salary savings.

The Proposed Budget deleted \$415,000 to offset costs related to the Custodial Insourcing Program. An additional \$400,000 was deleted from the \$2.8 million in custodial services funding which was transferred from contractual services to the Unappropriated Balance (UB) in 2018-19. GSD requests that this \$400,000 be a one-time reduction and restored in 2020-21.

Petroleum prices are increasing and GSD is projecting a \$4 million shortfall for 2018-19. Setting aside additional funds in the UB would provide a contingency against rising prices.

The department will closely monitor accounts and work with the CAO to address shortfalls in the Financial Status Reports.

REQUESTED ADJUSTMENT

GSD requests your consideration of the following adjustment to the 2019-20 Proposed Budget:

- To mitigate risk and ensure the continuity of operations in the event of an emergency, GSD requests an Emergency Management Coordinator II. The position would be responsible for writing and updating plans for communication, emergency response, and logistics for GSD. GSD does not currently have a dedicated position to manage and oversee department preparedness.
- To reduce overhead rates and for consistency, GSD requests regular position authority for the Building and Construction Maintenance General Superintendent II position that oversees GSD Construction. This position oversees all work related to the A Bridge Home Program and is responsible for responding to Citywide emergencies. This position is currently an As-Needed authority.

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GSD looks forward to working with your Committee and the City Council to adopt a budget to provide essential services to City departments and residents of the City of Los Angeles. 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 Curren D. Price, Jr.
Councilmember Paul Koretz
Councilmember Bob Blumenfield
Councilmember Mike Bonin
Miguel Sangalang, Deputy Mayor
Richard H. Llewellyn, City Administrative Officer