

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 9, 2025

To: The Mayor
The City Council

From: Matthew W. Szabo, City Administrative Officer *Malaiika Pillay* for

Subject: **INNOVATION FUND RECOMMENDATION – MEDICAL SUPPLY INVENTORY MANAGEMENT SYSTEM**

RECOMMENDATION

The Office of the City Administrative Officer recommends that this committee note and file this report.

SUMMARY

The Innovation and Performance Commission (IPC) approved funding in the amount of \$350,000 from the Innovation Fund (IF) for the Los Angeles Fire Department (LAFD) – Medical Supply Inventory Management System pilot project. As with all IPC recommendations, this report presents the proposal that LAFD submitted and the IPC approved, along with the information necessary to implement the idea as presented. However, since all IPC items are discretionary expenditures, in deference to the extraordinary budget constraints outlined in the Third (Mid-Year) Financial Status Report, this Office does not recommend funding the proposal as presented at this time.

SUMMARY OF PROPOSAL

The following is a summary of LAFD's Innovation Fund proposal, including the department's estimate of the benefits and costs of implementing the proposal:

The Supply & Maintenance Division (S&M) of LAFD is partnering with the Information Technology Agency (ITA) to resolve an on-going supply inventory issue by requisition of Innovation Fund monies for the Medical Supply Inventory Management System, a pilot designed to efficiently forecast, inventory, order, and distribute medical supplies to LAFD field resources, therefore reducing labor hours spent on routine tasks. The current process is manual and at-risk of human-error, resulting in fire stations either overstocking or understocking of supplies. The proposed system eliminates these estimates by using historical usage data to predict future needs, ensuring that only the necessary amount of supplies are ordered. LAFD believes that MSIMS will lead to measurable savings by preventing waste from expired medications and reducing unnecessary emergency orders. In addition, surplus supplies from overstocked stations will be redistributed to those fire stations in need, optimizing resource use, saving taxpayer dollars, reducing waste, and ensuring each fire station is properly stocked and equipped to serve our communities.

The MSIMS program employs a system that categorizes fire stations based on their call volume and historical usage patterns. This system is crucial for determining how much medical supply each station requires on a monthly basis. Monthly inventory checks are performed by the team at each station to track and validate how much of each medical supply has been used. The inventory sheets provide a clear picture of supply levels across all stations. By analyzing usage trends, MSIMS can project how long current stock will last as well as collect data on how many supplies are delivered versus how many are used at each station. The data includes the quantities of items like saline fluids, medications, and defibrillator pads, and calculates the average usage per month. For instance, if a station is consuming saline at a rate of 10 units per month, the system can forecast that their current stock will last for a set period (e.g., two months). This forecasting informs future purchasing and ordering schedules, ensuring stations are resupplied before they run out.

Based on the analyzed data, adjustments are made to ensure that fire stations are receiving the correct quantities. For example, if a fire station's call volume increases or if they use certain medical supplies at a faster rate than expected, the station order can be adjusted to provide them with more supplies. This data-driven approach helps refine future supply orders, ensuring that only what's necessary is ordered each month, which reduces waste. MSIMS will also be able to track seasonal increases in medical supplies and provide data for fire stations to know how much more to order for next year. The MSIMS system reduces emergency F-80 orders (which occur when fire stations run out of essential supplies), resulting in lost time for ambulances needing to be restocked on supplies versus being able to respond to emergency calls.

MSIMS includes monthly inventory checks performed by the team at each fire station to track and validate how much of each medical supply has been used. The inventory sheets provide a clear picture of supply levels across all stations. By tracking inventory and ensuring regular updates on usage, MSIMS reduces the risk of supplies expiring on the shelves. Fire stations are prompted to use supplies based on expiration timelines, preventing waste from unused, expired medications. MSIMS enables the redistribution of excess supplies from overstocked stations to those with shortages. This ensures that surplus items, which may be at risk of expiring, are moved to stations where they will be used sooner, further minimizing the chance of waste.

LAFD has provided a project timeline of six to twelve months, with the expectation of immediate cost savings once implemented. The pilot calls for three projects to be implemented that work directly to complement one another and accomplish the above goals:

- Medical Supply System and Delivery
- Inventory Management System with RFID technology (RFID), a wireless system that uses radio waves to identify and track objects and people
- WiFi connection at S&M to allow receiving and warehouse to seamlessly upload RFID data

The IPC recommended \$350,000 for the Los Angeles Fire Department (LAFD) – Medical Supply Inventory Management System pilot project. The cost breakdown is as follows:

- \$ 60,000 – RFID & software for Battalion 1 Serving DTLA:
- \$120,000 - Delivery & Distribution for Battalions
- \$170,000 – Wifi at S&M

If the item is approved by this Committee, LAFD should return to the IPC, present any changes to the scope of work and provide updates to the IPC.

FISCAL IMPACT STATEMENT

The recommendation to note and file this report will have no financial impact.

If the Council approves an allocation of \$350,000 to LAFD for the Medical Supply Inventory Management System pilot project, it would reduce the remaining Innovation Fund Balance, which is currently \$2,768,922.75. Savings from the Innovation Fund Balance may be used to address the current city-wide financial crisis and the overspending in the 2024-2025 fiscal year. Additionally, funding this program may incur unfunded and ongoing costs.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies.

MCB:BLS: 17250005h