

CITY OF LOS ANGELES

CALIFORNIA

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April 21, 2021

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

Attention: Mandy Morales, Legislative Assistant

DEPARTMENT OF GENERAL SERVICES 2021-22 PROPOSED BUDGET

The Department of General Services' (GSD) proposed budget maintains GSD's core services. The Proposed Budget also anticipates programs implemented in response to COVID-19, including enhanced cleanings at City facilities, procuring personal protective equipment (PPE) such as N-95 and surgical masks, nitrile gloves and goggles, and disinfectants, and Project Room Key (PRK), will be ongoing for the foreseeable future.

CONTINUATION OF SERVICES & SERVICE IMPROVEMENTS

The Proposed Budget continues a few projects and improves services in several key areas within GSD's budget and the Capital and Technology Improvement Expenditure Program (CTEIP). These include the following:

Automated Processing Software - Funding is provided to develop software to scan invoices, match the information to purchase orders, and populate invoice data in FMS. This enhancement will improve efficiency and reduce invoice backlog.

Library Pressure Washing and Day Porter Services - Funding is provided to increase the frequency of washing and add day porter services at branch libraries across the City.

Municipal Buildings Energy and Water Management and Conservation - This successful program began in 2014-15 and currently saves 28 million kWh annually. This funding will allow retrofit projects, e.g., to replace HVAC equipment and controls, to continue. The program was eliminated in 2020-21 and will be restored in 2021-22.

Fleet Replacement - New funding of \$10 million was provided to replace fleet equipment and vehicles for various departments. Additionally, a total of \$32 million in prior year fleet replacement funding deferred in 2020-21 is restored. This funding will help reduce the increased work related to an aging fleet. A total of 57 percent vehicles are past their life cycle as of November 2020.



New Seventh Street Body Shop (Phase II) - Funding is provided for the second and last phase of the Seventh Street Body Shop.

Underground Storage Tanks - Funding is provided to repair and replace an average of two underground tanks a year. The City has nearly 300 fuel tanks at more than 140 fuel and generator sites. Many are the same age and reaching the end of their useful life and failing on a more frequent basis.

Citywide Electric Vehicle Charger Infrastructure - Funding is provided to continue the installation of electric vehicle (EV) chargers for public, employee, and fleet use in municipal facilities. GSD has installed a total of 240 EV chargers at various locations such as City Hall, City Hall East, and Braude Building. Another 108 EV chargers are currently in construction, with plans in development for 190 additional chargers at other sites.

SEPARATION INCENTIVE PROGRAM (SIP) IMPACTS

A total of 132, nine percent of GSD's authorities are participating in SIP. GSD also has 200 vacancies in regular authorities. Taking into consideration SIP losses and vacancies, GSD's capacity will be reduced by 23 percent beginning 2021-22. This reduction will impact services in the following areas over the long-term.

- Equipment availability for Special Fund and General Fund vehicles including Sanitation, Parking Enforcement, and Recreation and Parks
- Police and Fire helicopter availability
- Building systems repairs and preventative maintenance, including elevators, HVAC, and electrical services
- Custodial services at LAPD and municipal buildings
- Payment, procurement, and warehouse services
- Revenue generating Materials Testing Services
- Parking services at City Hall East, Pershing Square, and El Pueblo
- Mailrooms will be closed at the Public Works Building and Figueroa Plaza
- Sales of surplus properties and leasing functions

GSD is appreciative the department was able to retain 20 key management and working supervisors to ensure that operations have proper oversight and for the funding of the 2021-22 SIP payouts. However, GSD has additional payouts totaling \$430,100 for Construction and Publishing that are not funded in the budget. These two divisions are traditionally self-sufficient. GSD will do its best to cover these additional costs and also report any issues in the FSR.

ISSUES & CONCERNS

The Proposed Budget puts GSD in a good position to meet many of its goals. However, there remain some issues I would like to bring to your attention.

Staffing Constraints: Depending on the timing of reopening, the percentage of employees who return and the speed of hiring, the services provided by GSD may, in some cases, be further reduced in operations such as Building Maintenance, Custodial, Fleet, and Supply. To manage these contingencies and operations without compromising the safety of employees, GSD requests authority to quickly supplement regular staff with overtime, and half-time and part-time employees as needed.

Hiring flexibility is needed to fill gaps and help ensure proper staffing for critical services is maintained while hiring up. GSD will report staffing shortages and request funding transfers as needed for this purpose through the FSR process.

PRK Program: GSD has redirected existing staff and received temporary resources to continue PRK. Any additional extension of PRK requires dedicated resources to create a team within GSD to manage the continued growth and long-term vision of the program. Without dedicated resources, GSD will continue to struggle with meeting the demands of non PRK, routine real estate work.

Support for Other Departments: Some programs such as the CARE+ Expansion and Regional Storage Facilities were added to the Proposed Budget and may require additional support from GSD. GSD will work with these departments to determine what support and what additional resources, if any, will be required.

REQUESTED ADJUSTMENTS

GSD requests to regularize the following resolution authorities within the Proposed Budget: ten custodians (BB 17), one Administrative Clerk (BB 19), and one Management Analyst (BB 21). These authorities are needed for the long-term and should not be required to be renewed on an annual basis. GSD also requests restoration of a Fiscal Systems Specialist without funding which was inadvertently included in the SIP reductions. No additional funding is required.

GSD looks forward to working with your Committee and the City Council to adopt a budget to keep employees and residents of the City of Los Angeles safe and healthy. 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 Bob Blumenfield
Councilmember Kevin De León
Councilmember Monica Rodriguez
Councilmember Curren D. Price, Jr.
Jeanne Holm, Deputy Mayor
Richard H. Llewellyn, City Administrative Officer