

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: October 23, 2019

TO: Honorable Nury Martinez, Chair
 Honorable Paul Koretz, Vice Chair
 Honorable Paul Krekorian, Member
 Honorable Gil Cedillo, Member
 Honorable Mitch O'Farrell, Member
 Energy, Climate Change and
 Environmental Justice Committee

Honorable Paul Krekorian, Chair
 Honorable Curren D. Price, Jr., Vice Chair
 Honorable Paul Koretz, Member
 Honorable Bob Blumenfeld, Member
 Honorable Mike Bonin, Member
 Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director and General Manager
 LA Sanitation and Environment

Richard H. Llewellyn, Jr., City Administrative Officer

SUBJECT: **ADDENDUM TO LA SANITATION AND ENVIRONMENT - REQUEST FOR MOBILE HYGIENE SERVICES AND ADDITIONAL OVERTIME FUNDING FOR LIVABILITY SERVICES DIVISION - CARE PROGRAM (CF#19-1075)**

INTRODUCTION

This report is an addendum to the report submitted by LA Sanitation and Environment (LASAN) dated September 14, 2019. This addendum provides additional information about the deployment of mobile hygiene services, updated budgetary numbers, and proposed financial instructions developed in conjunction with the City Administrative Officer (CAO).

LASAN is requesting funding for staffing, equipment, and associated costs necessary to implement the Comprehensive Cleaning and Rapid Engagement Program (CARE+) as approved by the Mayor and Council on June 28, 2019 (C.F. 19-0609). This report recommends funding in the amount of \$3,314,323 from the Crisis and Bridge Housing Fund account within the General City Purposes Program (GCP) to provide the funding necessary to implement CARE+, including the cost of the mobile hygiene units, City staff, overtime, and contractual services funding.

It is anticipated that LASAN will implement the program with a staggered deployment of the 13 units between October 2019 and March 2020. As such, resources requested in the September 14, 2019 LASAN report have been modified to account for the staggered deployment plan. Additional funding is requested for the registration and signage on the units as well as meter and backflow valves to allow access to the fire hydrant water supply. In addition, funding is also requested for the water and sewer utility charges for the hygiene centers. The 13 resolution authority positions for the CARE+ will now be requested as substitute authorities through the Office of the CAO. The request for resolution authorities will be addressed as part of the 2020-21 budget process.

The September 14, 2019 LASAN report indicated that LASAN has worked with the CAO and the Mayor's budget team to identify MICLA funding to cover the cost of the Hygiene Centers. While it was determined that the trailers are an eligible MICLA expense, the MICLA authority has not been approved. The cost for the 13 Hygiene Centers is \$962,728. Five Hygiene Centers (\$370,280) have been procured by LASAN with General Services Department front-funding the procurement in anticipation of reimbursement. The CAO recommends funding the purchase of the 12 Hygiene Centers using the GCP and transferring \$886,813 to the General Services Department for the procurement. The LASAN purchased the first unit in 2018-19 using General Fund savings (\$74,056) and would not require reimbursement as any General Fund savings would revert to the Reserve Fund at the end of the fiscal year.

Subsequent to the release of the September 14, 2019 report, LASAN requested and received authority to execute Amendment No. 1 with Five Keys Schools and Programs C-133592 for mobile hygiene services for the CARE+ in the amount of \$1.7 million without any change to the existing term of one year and two one year options. LASAN has indicated that it cannot generate sufficient savings from existing contracts. The CAO recommends that \$1 million of the mobile hygiene services contract be funded by the GCP and LASAN report on any funding shortfalls in the Mid-Year Financial Status Report.

The CAO is evaluating other funding opportunities that may be used to fund the operations of the Hygiene Centers. As grant and other funding sources become available, there may be additional opportunities to fund the Hygiene Centers.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, authorize the Controller to transfer funds as follows:

	<u>Fund/Dept</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	100/56	000931	Crisis and Bridge Housing Fund	\$3,314,323
To:	100/82	001010 (GF)	Salaries, General	\$511,536
	100/82	001090 (GF)	Salaries, Overtime	\$750,000
	100/82	003040 (GF)	Contractual Services	\$1,000,000
	100/82	003090 (GF)	Field Equipment	\$90,097
	100/82	003340 (GF)	Utilities	\$35,764
	100/82	006020 (GF)	Operating Expenses	\$40,113
	<u>100/40</u>	003040 (GF)	Contractual Services	<u>\$886,813</u>
				\$3,314,323

FISCAL IMPACT STATEMENT

Approval of the recommendation in this report will transfer \$3,314,323 from the General City Purposes Program to the Bureau of Sanitation's and General Services Department's current year

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budget. The full year cost for the Hygiene Centers is \$5,753,654. The recommendation does not comply with the City's Financial Policies in that one-time revenue will be used for an ongoing program.

LBM/ECZ:lbm

- c: Members of the City Council
 - Ana Guerrero, Chief of Staff, Mayor's Office
 - Matt Szabo, Deputy Chief of Staff, Mayor's Office
 - Barbara Romero, Deputy Mayor, Mayor's Office of City Services
 - Miguel Sangalang, Deputy Mayor, Mayor's Office of Budget and Innovation
 - Christina Miller, Deputy Mayor, City Homeless Initiatives
 - Greg Good, Chief of Legislative and External Affairs, Mayor's Office
 - Sharon Tso, CLA
 - Kevin James, President, BPW
 - LASAN Executive Team