



DEPARTMENT OF FLEET AND FACILITY MANAGEMENT  
CITY OF CHICAGO

**MEMORANDUM**

**To:** The Honorable Carrie M. Austin  
Chairman, Committee on the Budget and Government Operations

**From:** David J. Reynolds  
Commissioner  
Department of Fleet and Facility Management

**CC:** Samantha Fields  
Mayor's Office of Legislative Counsel and Government Affairs

**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-1 Lakeview Health Center

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The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Tunney asked for a listing of capital improvements performed at the Lakeview Health Center located at 2861 North Clark Street.

Below is a summary of recent capital improvements:

2015	Relamped entire facility with energy efficient lighting
2014	Installed new lobby door, painted the lobby, and installed a concrete pad
2013	Installed 3 new AC units

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-2 Merlo Library Capital Improvement

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The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Tunney requested a list of capital improvements performed at the Merlo Library located at 644 West Belmont Avenue.

Below is a summary of recent capital improvements:

2015	Relamped entire building with energy efficiency lighting, installed a new AC unit, Hot Water Tank, and performed fence repairs
2014	Replaced West entry glass doors, concrete pad, flooring, painting
2008	Performed façade repairs to highlight original art-masonry, and replaced bronze mirrored glass with clear, fritted glazing

2FM identified this site as a candidate for some interior improvements and intends to make limited cosmetic upgrades in the 1<sup>st</sup> Quarter of 2016.

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-3 Hall Branch Library Capital Improvements

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The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Dowell requested a listing of capital improvements to the Hall Library located at 4801 S. Michigan.

Below is a summary of the recent capital improvements:

2014-2015	Relamped facility with energy efficiency lighting; weatherized the building envelope; refurbished the HVAC system; replaced the steam traps; and insulated the heat exchanger
2015	Performed Roof and fence repairs, tuckpointing, installed flooring in select areas and painted
2003	Installed new ADA Rest Room
2001	Installed ADA Main Entry

2FM identified this site as a candidate for some interior improvements and intends to make limited cosmetic upgrades in the 1<sup>st</sup> Quarter of 2016.

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-4 Bee Library Capital Improvements

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Dowell requested a listing of capital improvements performed at Chicago Bee Library located at 3647 South State Street.

Below is a summary of recent capital improvements:

2015	Sewer line replacement and relamped facility with energy efficiency lighting
2014	Replaced Hot Water Tanks
2013	Replaced carpet tile
2000-01	Parking lot upgrade, installed new fence and gate

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Mayor's Office of Legislative Counsel and Government Affairs

**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-5 Northtown Branch Library Capital Improvements

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The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Silverstein requested a listing of capital improvements performed at the Northtown Library located at 6435 North California.

Below is a summary of recent capital improvements at the facility:

2015	Upgraded the Direct Digital Controls as part of Retrofit One
2014-15	Relamped entire building with energy efficiency lighting, Replaced carpet and tile in select areas, painted, and installed new concrete pad at entry
2014	Tuckpointing

2FM identified this site as a candidate for some interior improvements and intends to make limited cosmetic upgrades in the 1<sup>st</sup> Quarter of 2016.

As always, please let me know if you have any further questions.



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Mayor's Office of Legislative Counsel and Government Affairs

**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-6 West Englewood Library

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The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Lopez inquired if the City has any expansion plans for the West Englewood Library located at 1745 West 63<sup>rd</sup> Street:

The City does not have any plans to expand the West Englewood Library at this time, but the site was identified as a candidate for an Early Learning Educational program through a recent grant from Exelon Corporation.

The program will incorporate science, technology, and math and the five practices of early learning (talk, sing, read, write, and play) in order to provide high quality learning experiences and to support the development of deeper learning skills through literacy and STEM experiences.

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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-7 Utility Hedging

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Lopez requested the City's current hedge positions for utilities in 2016.

**Electricity – 74% hedge position**

Small Facility Accounts = \$53.29/MWh

Large Facility Accounts = \$31.23/MWh

Street Lighting Accounts = \$34.87/MWh

**Natural Gas – 63% hedge position**

Average Price = \$3.38/Dth

**Gasoline – 50% hedge position**

\$1.67/gallon commodity + \$0.39/gallon distribution = \$2.06/gallon

**Diesel – 49% hedge position**

\$1.82/gallon commodity + \$0.46/gallon distribution = \$2.28/gallon

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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-8 Riverwalk Revenue

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The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Solis requested information on the 2015 Riverwalk revenues:

Area 1 LSD to Michigan	Projected Annual Sales	MAG	Supplemental Revenue	Estimated Compensation
Urban Kayaks	\$325,000	\$30,000 (\$5000/month)	1%	\$37,500
Wheel Fun Rentals	\$200,000	\$22,800 (\$3,800/month)	5% of gross	\$33,280
Mercury	\$482,940	\$11,625 (\$2,325/month)	5% of gross	\$49,725
Wander Bikes	\$90,000	\$5,400 (\$900/ month)	10.5% escalating 12.5%	\$9,900
Island Party Hut	\$260,000	\$5,355 (\$1000/month)	6%	\$21,600
Cyrano's	\$220,732	\$22,500 (\$3,750/month)	0	\$22,500
Area 2 East Wabash				
O'Briens	\$850,000	\$50,000 (\$8333.33/month)	12% escalating to 14%	\$93,000



Area 3 West Wabash				
Bike and Roll		\$5,000 (\$1000/month)	10% gross	\$5,000
The Hideout	\$300,000	\$3,000 (\$1000/month)	3%	\$12,000
Area 4 State to Dearborn				
City Winery	\$800,000	\$6 (\$1/month)	10%	\$80,006
Downtown Docks	\$54,500 docks \$3,924 power	\$5,000 (\$1,250/month)	7.50%	\$65,924
Area 5 Dearborn to Clark				
Flanders Beer & Fries	\$360,000	\$36,000 (\$6,000/month)	10%	\$36,000
Urban Kayaks	\$50,000- \$100,000	\$5400 (\$900/month)	15%	\$15,000
Area 6 Clark to LaSalle				
Wendela WaterTaxi		\$0	5% taxi and \$250 per charter	\$2,500
Estimated Total Compensation				<b>\$446,435</b>

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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-9 Repair and Maintenance of Property

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore (17<sup>th</sup>) inquired about the increase to the Repair and Maintenance of Property (2126-0160):

The Department of Fleet and Facility Management utilizes this account to make emergency repairs to address issues in existing buildings and provide maintenance on elevators, overhead doors, and fire extinguishers. In past years, the account's allotment did not provide sufficient funding to cover the monthly operating expenses. This resulted in the department using capital (bond) funds to supplement operating expenses.

The increase in the Property account is fiscally prudent to remove day-to-day expenses being paid from capital funds.

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-10 Repair and Maintenance of Equipment

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore (17<sup>th</sup>) inquired about the increase to the Repair and Maintenance of Equipment (2126-0162):

The Department of Fleet and Facility Management utilizes this account to perform preventative maintenance and repairs on HVAC systems, maintenance and repairs on building automation systems and fire alarms, preventative maintenance and repairs on uninterrupted power supply systems, and maintenance of exhaust extractors. In past years, the account's allotment did not provide sufficient funding to cover the monthly operating expenses. This resulted in the department using capital (bond) funds to supplement operating expenses.

The increase in the Equipment account is fiscally prudent to remove day-to-day expenses being paid from capital funds.

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-11 Director of Information Systems

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore (17<sup>th</sup>) inquired about the new Director of Information Systems position:

The Department of Fleet and Facility Management supports the operations of other City departments by providing high-quality and cost-effective fleet and facility services. Assets managed by the department include more than 11,000 pieces of equipment and vehicles and more than 425 leased and owned facilities. In addition, the department provides other operational support including document retention, central mail, and graphics and reproduction.

A department of this magnitude with a \$350 million budget must utilize and leverage technology in order to accelerate growth, bring innovation, and more effectively serve our customers. A continued investment in technology can redefine our business model and foster opportunities for efficiency and cost savings.

The Department maintains a business unit titled "Systems and Performance Improvement" comprised of four staff members that strive to optimize the department's services and work flow through technology. Recent projects include a Project Management database for our Bureau of Architecture, Engineering, and Construction that provides a tracking mechanism for the scope of services and scheduling. A Contract Management database that provides a summary of all the pertinent

information related to contracts that the department participates in as well as a hyperlink to the actual contract. An Overtime Management system that requires supervisors to review and approve overtime prior to an event as well as track and project expenses. These successes are confirmation that the department must continue to seek technology opportunities and embrace the resulting change.

The duties and responsibilities would include but not limited to the following:

- Develops a strategic technology plan that aligns with the department's business goals
- Oversees the planning, design, and maintenance of networks
- Examines the business results of any new technology implementation and evaluate its return on investment
- Directs staff in analyzing business practices and operations of 2FM and identify additional opportunities to automate operations and improve information processing
- Evaluates department's key performance indicators and seek opportunities to enhance reporting tools
- Reviews performance of IT systems to determine operating expenses, productivity levels, and upgrade requirements
- Benchmarks, analyzes, and makes recommendations for the improvement of IT infrastructure and systems
- Reviews IT specifications detailed in new requests for proposals and contracts
- Develops business case justifications for IT spending and initiatives
- Oversees negotiations and administration of IT vendors and service agreements

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-12 Custodial Services

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore (17<sup>th</sup>) asked how we deliver custodial services to City facilities and how many remain City employees:

Currently 2FM delivers custodial services to over 200 city facilities through city-wide contracts with Triad (WME) and DaySpring (WME). 2FM has 14 in-house custodians that service 7 facilities. At this time, 2FM does not anticipate any change in the custodial service operation.

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-13 Process to Hedge Fuel

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore requested information on our energy hedging process:

2FM works with its energy manager to balance budget certainty and risk management. We always look to establish a good foundation of fixed price commodity at the time of while preparing our budget request.

2FM researches the futures market in order to participate in a hedging program. Our energy manager ensures we have visibility in the market in order to leverage our scope, scale, and buying power to reduce commodity costs and better manage supplier risk. The oil market plunged after the 2015 budget was established and a good deal of our purchases had already been made. If the market surged, the budget would have been unprotected. The 2016 purchases made to date reflect the much lower cost environment and the City has taken advantage of that. In 2016, our utility accounts across all funds decreased by \$11M.

As always, please let me know if you have any further questions.



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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-14 Leases

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore requested information on our plans to reduce leased office space:

Over the past several years, we have been actively looking at ways to reduce lease space, by moving operations to underutilized city-owned space and un-used leased space. As for office space in the downtown area, in 2013 we eliminated the City's lease at 33 North LaSalle, moving city departments to underutilized space at City Hall, Cultural Center, 30 North LaSalle and 333 South State. The savings from this move was \$4.4 million annually.

We also recently moved operations from the Daley Center at 50 West Washington saving about \$1.3 million. The operations at the Daley Center were moved to un-used leased space at 333 South State St. That leased space is now fully utilized and we pay only operating cost. At this point, all of our leased space in the downtown area is fully utilized; there are no additional leases to be terminated in the next few years.

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**Date:** October 5, 2015

**Re:** Request for Information from Annual Appropriation Committee Hearing

**Ref ID:** 38-15 Vehicle Replacement

---

The attached information is in response to questions posed at our department's hearing on October 1, 2015 to discuss the proposed 2016 budget.

Alderman Moore requested information on our vehicle replacement program:

2FM maintains a listing of vehicles and equipment in the city's inventory. The listing captures the total counts for each vehicle and equipment class, the average age, the ideal replacement age (based on industry standards and modified to reflect our operating conditions), and the amounts required to replace the units beyond the ideal age.

We use this data to determine which class codes are most in need of replacement in order to allocate vehicle purchasing funds. 2FM factors in vehicle age, criticality of deployment, and diminished counts in order to determine the greatest need.

Our total replacement budget is \$635 million. We require \$63.5M per year in order to maintain a 10-year replacement cycle. Over the past 10 years, the equipment note allotment has ranged from a low of \$11 million (2015) to a high of \$38 million (2008).

As always, please let me know if you have any further questions.