

**Department of Fleet and Facility Management  
2018 Budget Statement to the City Council  
Committee on Budget and Government Operations  
Commissioner David J. Reynolds**

**INTRODUCTION**

Good morning Chairman Austin, Vice Chairman Ervin, and members of the City Council. Thank you for allowing me to join you today to present and discuss the 2018 budget request for the Department of Fleet and Facility Management, also known as 2FM.

2FM's mission is to support the operations of other City departments and sister agencies by providing high-quality and cost-effective asset management and operational support services. We ensure the safe and efficient use of the City of Chicago's assets by effectively managing the maintenance and repair of vehicles, equipment, and properties used or occupied by the City. In addition, we provide a range of support services including environmental health and safety programs, energy procurement, graphics and reproduction, and mail delivery.

**EQUIPMENT**

Our portfolio of equipment includes 1,660 pieces of leased equipment and 11,157 pieces of owned equipment for a total count of 12,817.

We also provide equipment and maintenance services and fuel through intergovernmental agreements with the Chicago Park District, Chicago Transit Authority, City Colleges of Chicago, Chicago Public Schools, and other sister agencies. The total sister agency fleet size we service and fuel is 1,201 and includes leased, owned, and rented equipment.

**Public Safety Purchases**

We continue to analyze the state of our fleet and make strategic purchases as funding becomes available. In 2017 our purchases included a substantial investment in public safety equipment. In 2017 we received 28 new ambulances. With these purchases the average age of CFD's front-line ambulance fleet is 2.35 years.

Also in 2017 we received three fire engine pumpers and two squad / snorkel pairs, the first time the City has purchased this type of equipment since 2000.

We continue to purchase all-wheel drive SUV police vehicles built at Chicago's Ford Assembly Plant on South Torrence Avenue. Since the contract award in 2012 we have purchased and received 1,654 of these vehicles and we have an additional 500 on order. Purchasing these Chicago-made vehicles strengthens our economy and provides another component to protecting our communities.

Finally, 2FM continues to use energy efficient alternative fuel vehicles in the proper applications. The City's fleet of green vehicles currently includes 146 compressed natural gas vehicles; 3,146 Flex-Fuel vehicles capable of using gasoline or ethanol; and 129 electric vehicles.

## **FACILITIES**

Our facility portfolio currently includes 507 owned and 59 leased facilities for a total count of 566. The owned properties include 16 parking lots and 30 vacant or abandoned buildings managed on behalf of DPD. Fifteen of the vacant buildings 2FM manages for DPD are in the process of being sold or otherwise disposed of.

### **Repairs and Maintenance**

2FM's Facility team continues to prioritize repairs and maintenance in our facilities to ensure "safe, dry, and warm" locations to the various user departments.

In 2017, 2FM has been heavily involved in improvements at Chicago Fire Department (CFD) and Chicago Police Department (CPD) facilities. In 2016 and 2017, 2FM completed the installation of new exhaust extractor systems at 14 fire houses; with these installations all CFD fire houses have modern, functional exhaust extractor systems. Also in 2016 and 2017, work at CFD facilities has included extensive renovations of building envelopes, heating and cooling systems, and improvements to provide equal access at 16 fire houses.

Work underway in 2017 includes mechanical upgrades at Fire Academy South as well as extensive renovations of building envelopes, heating and cooling systems, and improvements to promote equal access at 11 fire facilities.

Concerning CPD, in 2016 and 2017, 2FM completed fire alarm system installations at Public Safety HQ and the 8th District. During this time period 2FM also renovated six district buildings to receive the new “shot-spotter” technology. In 2017, 2FM also completed the renovations to relocate the polygraph unit at a city owned building. Work currently underway at CPD facilities includes building envelope repairs, heating and cooling system upgrades, and miscellaneous renovations at Police Academy, Area 1, Area 3, the 1<sup>st</sup> District, and the 3<sup>rd</sup> District.

Also in 2017, 2FM has made substantial progress in improving the conditions of libraries across the City. Work at libraries has included both regional libraries (Woodson and Sulzer), Kelly, Blackstone, Chicago Bee, Austin, Legler, Mable Manning, North Austin, and South Chicago. 2FM has also implemented cosmetic improvements in the children’s area of 18 libraries to meet CPL’s standards for early learning programs.

Work on City Hall continues under 2FM’s direction. Work completed in 2016 and 2017 includes the installation of a fully automatic sprinkler system; structural repairs of the balconies; upgrading the access control system; installing new chillers; and accessibility improvements. Work underway in 2017 includes completing the façade repairs on Washington, Randolph and LaSalle streets and steam pipe repairs in the basement. When the current façade work is completed later this year, the next phase of work will be the repairs and improvements in the courtyards. The building’s windows will also need to be replaced in the near future.

The City is on track to complete the sale of the 2FM’s current 18-acre headquarters facility at 1685 N. Throop Street in the North Branch Industrial Corridor by the end of 2017. The City plans to sell the location to a private developer for \$105 million with a portion of the proceeds being used to construct replacement facilities including a new maintenance headquarters at 6800 S. Wentworth Ave, the former site of Kennedy King College in the city’s Englewood

neighborhood. In coordination with the Chicago Infrastructure Trust, 2FM released a Request for Proposals (RFP) in February 2017 for the replacement facilities. 2FM expects the new headquarters to be complete and operational by the end of 2018.

Revenue from the sale of 1685 N. Throop is also expected to help pay development costs related to the City's new, state-of-the-art Public Safety Training Academy to be located at 4301 W. Chicago Avenue in West Garfield Park. 2FM is also working with CIT to advance this project. Site work is expected to commence in mid-2018.

### Riverwalk

2FM manages and oversees the Chicago Riverwalk operations and solicits businesses to operate on the Riverwalk. As the Riverwalk continues to grow in popularity and use, the City has experienced strong revenue growth from the Chicago Riverwalk with revenues to support Riverwalk debt service repayments increasing from \$1.2 million in 2014 to \$9.4 million in 2016. Based on the revenue thus far in 2017 the City expects to exceed the 2016 total; as of August 31, 2017 gross revenues were already at \$8.7 million. Vendors are exploring options to extend the season with tents and domes, pumpkin patches and Christmas tree lots. Most vendors closed by the end of October in 2016 whereas most vendors plan to remain open until after Thanksgiving in 2017.

2FM issued an RFP for the operation of the Riverwalk and businesses that operate out of the newly constructed space along the Chicago River. An Evaluation Committee has reviewed written proposals submitted by qualified organizations to manage the Operations of Riverwalk Concessions and is in negotiations with seven respondents while three additional respondents are still under consideration. 2FM expects contracts to be brought before City Council for approval by the end of 2017.

### **SERVICES**

#### Environmental Health & Safety

In January 2017 2FM began implementing the Citywide Environmental Health and Safety (EHS) Plan for the infrastructure departments. As part of this implementation 2FM is working to complete the rollout of two new OSHA Programs for each infrastructure department. Not only

will these programs help reduce worker injuries they will also improve the accuracy and timeliness of incident reporting with both internal and external partners like Illinois OSHA.

We continue to evaluate our day-to-day operations and seek ways to incorporate sustainable practices in various areas including waste reduction and recycling, water conservation, and sustainable purchasing. This effort is not limited to services performed by the City, but also vendors that supply us with various goods and services. In 2017 we started reviewing the City's water consumption in greater detail looking for opportunities to reduce use.

### Energy Procurement

In recent years, 2FM has implemented a number of initiatives to reduce energy use across the City's fleet and facilities leverage favorable market conditions in order to reduce energy costs. Through these actions, the City was able to reduce energy spend by over \$7 million in 2017. These energy saving measures and strategic purchasing have reduced the City's annual energy budget by over \$8.5 million since 2011.

### Central Mail Services

2FM's Central Mail Service continues to pick-up new routes and gain efficiencies. By the end of 2017 Central Mail anticipates handling more than 1.1 million pieces of outgoing U.S. mail.

### Technology

2FM continues to utilize and leverage technology in order to accelerate growth, bring innovation, and more effectively serve our customers. An ongoing focus for 2FM is to use technology to help manage overtime, time and attendance, and discipline.

## **CONCLUSION**

2FM accomplished much in 2017 and we look forward to continuing to work with the City Council to provide city departments the services and infrastructure they need to fulfill their important missions. We appreciate your ideas, your input, and your continued partnership to address the needs in your communities.

Managing and caring for the City's public infrastructure is an important responsibility, and it is one that every employee at 2FM takes very seriously. We are committed to delivering the highest quality of services to the city departments in the most efficient and cost effective manner possible. I would like to personally thank our employees for their tireless effort to continuously improve on the services we provide.

Madam Chairman, this concludes my prepared statement. My staff and I are pleased to answer any questions you or the members of the City Council may have on our presented budget.