

[MAR 14 2008]

**AUDITS & GOVERNMENTAL EFFICIENCY**

**MOTION**

On March 5, Controller Chick released the "Follow-Up Audit of the Department of General Services' Asset Management Division."

The Department of General Services' Asset Management Division is responsible for managing the City of Los Angeles' diverse real estate portfolio. The City's holdings include real property worth billions of dollars that is used for diverse public purposes.

Among its many activities, the Asset Management Division (1) maintains an accurate inventory of the City's holdings; (2) develops and maintains a comprehensive twenty-year master plan of facilities' needs; (3) Consolidated City operations into joint-use facilities; (4) works with other governments and the private sector to accomplish the real estate needs of the City; and (5) manages the disposition of City property.

The March 5 audit is a follow-up to three related reports issued in 2003. Those three audits contained 18 priority recommendations to improve the City's real property data, provide a strategy for managing the City's real estate, and improve the surplus property program.

The follow-up audit indicates that the General Services Department has made some progress since 2003. However, the audit also highlights several key areas for further improvement:

- (1) The City lacks an agreed-upon comprehensive strategy for determining how its portfolio should be managed;
- (2) The surplus property program is cumbersome and lacks strategic vision;
- (3) The City lacks a system-wide database of all properties.

In order to ensure the optimal use and maximum value of its assets, City leadership must adopt a shared vision and strategic plan relative to asset management.

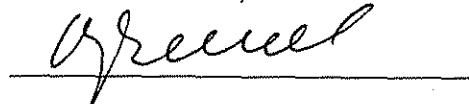
I THEREFORE MOVE that the General Services Department be directed to report on the implementation status of the Controller's 2003 recommendations and timelines for completion;

FURTHER MOVE that the General Services Department be directed to work with the Mayor's Office, Chief Legislative Analyst, and the City Administrative Officer to develop a comprehensive strategy for the management, use, and/or sale of the City's real properties. This comprehensive strategy should include detailed procedures and criteria to identify and declare surplus property; identify potential alternative usages for the properties; and determine the optimal use of the property.

PRESENTED BY:

  
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SECONDED BY:



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