

CITY OF LOS ANGELES

CALIFORNIA

DEPARTMENT OF
GENERAL SERVICES

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MAYOR

RECEIVED
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September 23, 2009

Honorable Wendy J. Greuel
Los Angeles City Controller
Room 300, City Hall East

Attention: Farid Saffar
Director of Auditing

GENERAL SERVICES DEPARTMENT RESPONSE TO FINAL AUDIT REPORT — MOTOROLA CONTRACT NO. 58169

The Department of General Services (GSD) has received and reviewed your final audit report of the City's Contract No. 58169, with Motorola, Inc. The following are our responses to your findings and recommendations:

No. 1: Expansion of Purchasing Authority for Piggyback Contract Freight Charges - Recommendations

1. GSD agrees with this recommendation. We will ensure City cooperative arrangements (piggyback contracts) mirror or improve upon pricing noted in the master agreement and are limited to products within the scope of the master agreement.
2. GSD agrees with this recommendation. We will include a requirement in the Procurement Procedures Manual for all piggyback contracts that staff prepare a summary of the master contract, using the lead agency master contract itself—independent of the vendor—and have GSD management review the summary for accuracy.
3. GSD will consult with the City Attorney regarding recouping funds from freight charges.

No. 2: User Departments Purchased Radios Without Required FCC Licensing Recommendations

4. GSD disagrees with this recommendation. ITA's role is to administer the licensing process for the City. According to ITA, users of radios do not need to be licensed and ITA is the "operator" that is licensed. Similarly, GSD does not include language requiring that the end user have a driver's license in our purchase orders/contracts for the procurement of vehicles.

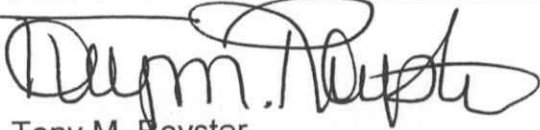


5. GSD disagrees with this recommendation. Adding the language proposed in your recommendation will serve no purpose as we will have no means to enforce compliance.

No. 3: Improved Communication among GSD and User Departments is needed
Recommendations

6. GSD disagrees with the term "actively" notify. SMS does not have this capability and procurement staff does not know what end users will potentially use a contract. There is a significant amount of staff turnover as well with end users. SMS is updated with the PDF version of signed amendment letters and end users need to review the SMS contracts with their associated amendments each time they issue a contract purchase order.

Should you have any questions, please contact Katherine Quinn at (213) 928-9554 or via email at katherine.quinn@lacity.org.



Tony M. Royster
General Manager and City Purchasing Agent

cc: Honorable Antonio Villaraigosa, Mayor
Honorable Eric Garcetti, Council President
Honorable Tony Cardenas, Chair of the ITGA Committee
Deborah J. Ramos, Assistant General Manager, GSD
Randi Levin, General Manager, ITA
Kamton Joe, Assistant General Manager, ITA
Douglas L. Barry, Fire Chief, LAFD
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