

**OFFICE OF FLEET MANAGEMENT  
FISCAL YEAR 2017 BUDGET TESTIMONY  
APRIL 20, 2016**

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INTRODUCTION

Good afternoon, President Clarke and Members of City Council. I am Christopher Cocci, Fleet Manager for the City of Philadelphia. Joining me today are Mr. Joseph Rosati, Deputy Fleet Manager for Operations, and Dr. K Wilson, Deputy Fleet Manager for Administration. I am pleased to provide testimony on Office of Fleet Management's Fiscal Year 2017 operating budget.

DEPARTMENT MISSION/PLANS

The mission of the Office of Fleet Management (OFM) is to support City departments and agencies in the delivery of municipal services by ensuring that City vehicles and other automotive-related equipment and services are available, dependable, and safe to operate.

PLANS FOR FISCAL YEAR 2017

**Optimal Vehicle Replacement Strategy:** OFM's strategy is to replace older and no longer economically-feasible vehicles and equipment with more technologically-advanced and fuel-efficient vehicles and equipment. In FY15 & FY16, the Capital budget included \$28.6 million of funding for the purchase of vehicles and equipment costing over \$100,000. Going forward, OFM will continue to use capital dollars to replace these larger vehicles and will focus its operating dollars on the replacement of small vehicles and equipment. The FY17 budget includes, \$19.8 million in Capital funding of which \$9.8 million is allocated for Fire Department and \$8 million for Streets Departments vehicles & equipment. The FY17 Operating budget includes \$8.5 million for vehicle purchases of which \$6.4 million is allocated to Police Department to replace Radio Patrol Cars and other aged vehicles.

**Hybrid and Electric Vehicles:** OFM is exploring opportunities for more Plug-in-Electric and Hybrid vehicles to replace existing gasoline/diesel vehicles. In FY16 OFM purchased four plug in hybrid sedans for the police department, going forward OFM plans to purchase 12 hybrid electric vehicles in FY17 and is currently working with departments for placement of charging stations.

**Modernization & Consolidation of Repair Facilities:** OFM plans to consolidate vehicle administration functions to the Central Repair Facility at Front St & Hunting Park Ave. Centralizing these functions into a modern repair facility that meets industry standards will improve operational efficiency and increase building and equipment safety. The design plans of this project are complete, construction is scheduled to begin in FY17 and be completed by FY21.

**High School Internship Program:** OFM plans to continue its High School Internship Program in FY17 with four (4) more students. At present we have ten (10) high school students enrolled in to this program. At the end of the internship program, students have the opportunity to join OFM's workforce through the civil service position titled Automotive Apprentice. By the end of FY16, seven (7) interns will successfully complete the program and they have expressed their

intention to join OFM as Automotive Apprentices. Currently, OFM's 11 full time staff received their training through this program and a total of 108 students have been trained through this program since its inception in 1993.

**OFFICE OF FLEET MANAGEMENT  
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

**Staff Demographics Summary (as of January 2016)**

|                      | Total     | Minority  | White     | Female   |
|----------------------|-----------|-----------|-----------|----------|
| Full-Time Staff      | 330       | 143       | 187       | 23       |
| Executive Staff      | 3         | 1         | 2         | 0        |
| Average Salary - FTS | \$47,936  | \$45,003  | \$49,849  | \$47,399 |
| Average Salary - ES  | \$110,745 | \$106,605 | \$112,815 | \$0      |
| Median Salary - FTS  | \$45,628  | \$45,628  | \$46,041  | \$45,628 |
| Median Salary - ES   | \$106,605 | \$106,605 | \$112,815 | \$0      |

**Employment Levels (as of January 2016)**

|                               | Budgeted | Approved | Filled   |
|-------------------------------|----------|----------|----------|
| Full-Time Positions           | 365      | 365      | 330      |
| Part-Time Positions           | 0        | 0        | 0        |
| Executive Positions           | 3        | 3        | 3        |
| <i>Overall Average Salary</i> | \$47,298 | \$47,298 | \$47,956 |
| <i>Overall Median Salary</i>  | \$46,241 | \$46,241 | \$45,628 |

**Financial Summary by Class - General Fund**

|                                     | Fiscal 2015<br>Actual Obligations | Fiscal 2016<br>Original Appropriations | Fiscal 2016<br>Estimated<br>Obligations | Fiscal 2017<br>Proposed<br>Appropriations | Difference<br>FY17-FY16 |
|-------------------------------------|-----------------------------------|--|---|---|-------------------------|
| Class 100 - Employee Compensation   | \$17,168,959                      | \$16,544,893                           | \$16,650,458                            | \$16,613,280                              | (\$37,178)              |
| Class 200 - Purchase of Services    | \$9,509,880                       | \$9,604,396                            | \$9,660,411                             | \$9,604,396                               | (\$56,015)              |
| Class 300 - Materials and Supplies  | \$26,253,949                      | \$24,663,211                           | \$24,667,596                            | \$26,163,211                              | \$1,495,615             |
| Class 400 - Equipment               | \$7,664,665                       | \$10,765,000                           | \$10,765,000                            | \$8,765,000                               | (\$2,000,000)           |
| Class 500 - Contributions           | \$67,500                          | \$0                                    | \$0                                     | \$0                                       | \$0                     |
| Class 700 - Debt Service            | \$0                               | \$0                                    | \$0                                     | \$0                                       | \$0                     |
| Class 800 - Payment to Other Funds  | \$0                               | \$0                                    | \$0                                     | \$0                                       | \$0                     |
| Class 900 - Advances/Misc. Payments | \$0                               | \$0                                    | \$0                                     | \$0                                       | \$0                     |
| <b>TOTAL</b>                        | \$60,664,953                      | \$61,577,500                           | \$61,743,465                            | \$61,145,887                              | (\$597,578)             |

**Contracts Summary (as of December 2015)**

|                           | FY11        | FY12        | FY13        | FY14        | FY15        | FY16*       |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total amount of contracts | \$4,338,791 | \$5,317,580 | \$2,304,471 | \$4,385,377 | \$6,812,030 | \$1,034,539 |
| Total amount to M/W/DBE   | \$1,525,277 | \$93,742    | \$63,679    | \$65,606    | \$37,615    | \$58,149    |
| Participation Rate        | 35%         | 2%          | 3%          | 1%          | 1%          | 5.62%       |

\* as of December 2015

## OFFICE OF FLEET MANAGEMENT PROPOSED BUDGET OVERVIEW

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### PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$61,145,887 a decrease of \$597,578 over Fiscal Year 2016 estimated obligation levels. This decrease is due to the elimination of one time obligations in various classes in relation to the papal visit, a reduction in vehicle purchases and vehicle fuel price adjustments.

The proposed budget includes:

- \$16,613,280 in Class 100 which is \$37,178 lower than FY16 estimated obligations. This decrease is a combination of funding requirements for DC#47/Non-Rep Salary increases, increases in increment & longevity and reductions in overtime expenditures.
- \$9,604,396 in Class 200 a reduction of \$56,015 from FY16 estimated obligations due to the one-time expenditures related to the papal visit. This funding will be mainly allocated for vehicle lease payment of \$4.5 million, \$780,000 for Various Vehicle Repair Services, \$694,000 for various Professional Services, \$490,000 for Auto Collision Repairs, \$480,000 for Heavy Equipment Repairs, \$430,000 for Engine & Transmission Repairs, \$398,000 for Rental of Vehicle Parking Spaces and \$276,000 for Fire Boat Repair & Maintenance.
- \$26,163,211 in Class 300, a \$1,495,615 increase over FY16 due to fuel price adjustments. This funding will be mainly allocated for \$9.1 million for Gasoline Fuel, \$6.3 million for Diesel Fuel, \$7.5 million for Vehicle Parts, \$1.3 million for Tire & Tube, \$545,000 for Vehicle Lubricants and \$118,000 for Anti-Freeze purchases.
- \$8,765,000 in Class 400, a \$2,000,000 decrease over FY16 due to a reallocation of funds to fuel purchases. This funding will be mainly used to purchase 150 Radio Patrol Cars at a cost of \$4.4 million, 75 unmarked sedans at a cost of \$1.4 million for the Police Department, 380,000 to replace Fire Department vehicles and \$1.5 million to replace various aged vehicles for all other departments.

**Staffing Levels:** As of January 31, 2016 OFM's total employee count is 330 of which 23 (7%) are female and 307 (93%) are male. Of the total employees, 108 (32.73%) are African American, 187 (56.67%) are Caucasians, 17 (5.15%) are Hispanic, 12 (3.63%) are Asian and 6 (1.82%) are in other category. OFM's first level management team consist of 3 employees, all of whom (100%) are male. Of the 3 management employees, 2 (66.67%) are Caucasians and 1 (33.33%) is Asian.

**New Hire Staffing Diversity:** In FY16, as of January 31, 2016, OFM hired 16 new employees of which 1 (6.25%) is female and 15 (93.75%) are male. Of the total employees 4 (25%) are African American and 12 (75%) are Caucasian. Of the 16 new employees 1 (6.25%) is bilingual. During this period, there were no new hires in first level management.

**Bilingual Employee:** As of January 31, 2016 OFM's workforce includes 14 (4.24%) bilingual employees who speak seven different languages. These languages consist of Spanish, Greek French, Cambodian, Malayalam, Vietnamese and Italian.

**OFFICE OF FLEET MANAGEMENT  
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

| Performance Measure  | FY15 Actual | FY16 YTD<br>(as of 12/31/15) | FY17 Target |
|--|-------------|------------------------------|-------------|
| Fleet Availability - Citywide                              | 90.7%       | 89.1%                        | 90.0%       |
| Availability of Radio Patrol Cars                          | 85.6%       | 87.4%                        | 90.0%       |
| Availability of Medic Units                                | 82.3%       | 78.0%                        | 90.0%       |
| Availability of Compactors                                 | 74.2%       | 70.0%                        | 90.0%       |
| Median Age of Vehicles (General Fund)                      | 8.5         | 8.4                          | 8           |
| Median Age of Vehicles (Water Fund)                        | 9.5         | 10.5                         | 8           |
| Median Age of Vehicles (Aviation Fund)                     | 11.5        | 12.0                         | 8           |
| Percentage (%) if Vehicles Repaired in One (1) Day or Less | 67.8%       | 63.3%                        | 70.0%       |

**OFFICE OF FLEET MANAGEMENT  
OTHER BUDGETARY IMPACTS**

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FEDERAL AND STATE (WHERE APPLICABLE)

Not Applicable

**OFFICE OF FLEET MANAGEMENT – CONTRACTING EXPERIENCE**

**M/W/DSBE Participation on Large Contracts  
FY16 Contracts**

| Vendor                       | Service Provided                                      | Amount of Contract | RFP Issue Date | Contract Start Date | Ranges in RFP   | % of M/W/DSBE Participation Achieved | \$ Value of M/W/DSBE Participation | Total % and \$ Value Participation - All DSBEs | Local Business | Living Wage Compliant? |
|------------------------------|---|--------------------|----------------|---------------------|-----------------|--------------------------------------|------------------------------------|--|----------------|------------------------|
| Oxford Engineering           | Fuel Site Environmental Services                      | \$240,000          | 2/4/13         | 6/30/13             | MBE: 10-15%     | 5%                                   | \$12,000                           | 10%  | N              | Y                      |
|                              |   |                    |                |                     | WBE: 10-15%     | 5%                                   | \$12,000                           |  |                |                        |
|                              |   |                    |                |                     | DSBE: 10-15%    | 0%                                   | \$0                                |  |                |                        |
| Rob's Automotive & Collision | Vehicle Towing Services                               | \$198,000          | 8/14/13        | 11/1/13             | MBE: Best and   | 0%                                   | \$0                                | 0%   | Y              | Y                      |
|                              |   |                    |                |                     | WBE: Good Faith | 0%                                   | \$0                                |  |                |                        |
|                              |   |                    |                |                     | DSBE: Efforts   | 0%                                   | \$0                                |  |                |                        |
| Assetworks                   | Asset Management System Computer Software and Hosting | \$140,000          | 2/1/13         | 4/1/14              | MBE: Best and   | 0%                                   | \$0                                | 0%   | Y              | Y                      |
|                              |   |                    |                |                     | WBE: Good Faith | 0%                                   | \$0                                |  |                |                        |
|                              |   |                    |                |                     | DSBE: Efforts   | 0%                                   | \$0                                |  |                |                        |

**Participation in Economic Opportunity:** The department is committed to supporting the Administration’s goal for minority, woman, and disabled-owned business (W/M/DSBE) participation in City contracting. OFM’s FY2016 year-to-date W/M/DSBE participation is 5.62%. Many of our contracts are technical due to the specificity of our requirements and specifications, particularly around the purchase of heavy equipment, vehicles, and other related parts and equipment. There are limited W/M/DSBE vendors for such contracts. We continue to review our contracts and always look for more opportunities as they arise.

**OFFICE OF FLEET MANAGEMENT – EMPLOYEE DATA**

**Staff Demographics (as of January 2016)**

| <b>Full-Time Staff</b> |                         |                         | <b>Executive Staff</b> |                         |                         |
|------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|
|                        | <b>Male</b>             | <b>Female</b>           |                        | <b>Male</b>             | <b>Female</b>           |
|                        | <b>African-American</b> | <b>African-American</b> |                        | <b>African-American</b> | <b>African-American</b> |
| <i>Total</i>           | 91                      | 17                      | <i>Total</i>           | 0                       | 0                       |
| <i>% of Total</i>      | 27.6%                   | 5.2%                    | <i>% of Total</i>      | 0%                      | 0%                      |
| <i>Average Salary</i>  | 44,669                  | 47,048                  | <i>Average Salary</i>  | N/A                     | N/A                     |
| <i>Median Salary</i>   | 45,416                  | 42,972                  | <i>Median Salary</i>   | N/A                     | N/A                     |
|                        | <b>White</b>            | <b>White</b>            |                        | <b>White</b>            | <b>White</b>            |
| <i>Total</i>           | 181                     | 6                       | <i>Total</i>           | 2                       | 0                       |
| <i>% of Total</i>      | 54.8%                   | 1.8%                    | <i>% of Total</i>      | 66.7%                   | 0%                      |
| <i>Average Salary</i>  | 49,864                  | 49,412                  | <i>Average Salary</i>  | 112,815                 | N/A                     |
| <i>Median Salary</i>   | 46,041                  | 40,004                  | <i>Median Salary</i>   | 112,815                 | N/A                     |
|                        | <b>Hispanic</b>         | <b>Hispanic</b>         |                        | <b>Hispanic</b>         | <b>Hispanic</b>         |
| <i>Total</i>           | 17                      | 0                       | <i>Total</i>           | 0                       | 0                       |
| <i>% of Total</i>      | 5.2%                    | 0%                      | <i>% of Total</i>      | 0%                      | 0%                      |
| <i>Average Salary</i>  | 45,507                  | N/A                     | <i>Average Salary</i>  | N/A                     | N/A                     |
| <i>Median Salary</i>   | 45,416                  | N/A                     | <i>Median Salary</i>   | N/A                     | N/A                     |
|                        | <b>Asian</b>            | <b>Asian</b>            |                        | <b>Asian</b>            | <b>Asian</b>            |
| <i>Total</i>           | 12                      | 0                       | <i>Total</i>           | 1                       | 0                       |
| <i>% of Total</i>      | 3.6%                    | 0%                      | <i>% of Total</i>      | 33.3%                   | 0%                      |
| <i>Average Salary</i>  | 49,451                  | N/A                     | <i>Average Salary</i>  | 106,605                 | 0                       |
| <i>Median Salary</i>   | 45,728                  | N/A                     | <i>Median Salary</i>   | 106,605                 | 0                       |
|                        | <b>Other</b>            | <b>Other</b>            |                        | <b>Other</b>            | <b>Other</b>            |
| <i>Total</i>           | 6                       | 0                       | <i>Total</i>           | 0                       | 0                       |
| <i>% of Total</i>      | 1.8%                    | 0%                      | <i>% of Total</i>      | 0%                      | 0%                      |
| <i>Average Salary</i>  | 43,752                  | N/A                     | <i>Average Salary</i>  | N/A                     | N/A                     |
| <i>Median Salary</i>   | 45,729                  | N/A                     | <i>Median Salary</i>   | N/A                     | N/A                     |
|                        | <b>Bi-lingual</b>       | <b>Bi-lingual</b>       |                        | <b>Bi-lingual</b>       | <b>Bi-lingual</b>       |
| <i>Total</i>           | 14                      | 0                       | <i>Total</i>           | 1                       | 0                       |
| <i>% of Total</i>      | 4.2%                    | 0%                      | <i>% of Total</i>      | 33.3%                   | 0%                      |
| <i>Average Salary</i>  | 49,407                  | N/A                     | <i>Average Salary</i>  | 106,605                 | 0                       |
| <i>Median Salary</i>   | 45,416                  | N/A                     | <i>Median Salary</i>   | 106,605                 | 0                       |
|                        | <b>Male</b>             | <b>Female</b>           |                        | <b>Male</b>             | <b>Female</b>           |
| <i>Total</i>           | 307                     | 23                      | <i>Total</i>           | 3                       | 0                       |
| <i>% of Total</i>      | 93.0%                   | 7.0%                    | <i>% of Total</i>      | 100.0%                  | 0%                      |
| <i>Average Salary</i>  | 47,956                  | 47,665                  | <i>Average Salary</i>  | 110,745                 | N/A                     |
| <i>Median Salary</i>   | 46,441                  | 45,678                  | <i>Median Salary</i>   | 106,605                 | N/A                     |



**OFFICE OF FLEET MANAGEMENT**  
**APPENDIX (Other Relevant Data and Charts)**

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**Number of Bilingual Employees (as of January 2016)**

|                                  | Spanish | Greek | French | Cambodian | Malayalam | Vietnamese | Italian |
|----------------------------------|---------|-------|--------|-----------|-----------|------------|---------|
| Administration                   | 0       | 0     | 0      | 0         | 1         | 0          | 0       |
| Operations                       | 4       | 2     | 2      | 1         | 2         | 1          | 1       |
| Total - All Divisions            | 4       | 2     | 2      | 1         | 3         | 1          | 1       |
| Total - # of Bilingual Employees |         | 14    |        |           |           |            |         |
| Total - # of Languages Spoken    |         | 7     |        |           |           |            |         |