

**OFFICE OF FLEET MANAGEMENT
FISCAL YEAR 2018 BUDGET TESTIMONY
APRIL 25, 2017**

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 the Office of Fleet Management's Fiscal Year 2018 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The mission of the Office of Fleet Management (OFM) is to support City departments and agencies in delivering municipal services by ensuring that City vehicles and other automotive-related equipment are available, dependable, and safe to operate. OFM is responsible for the acquisition, repair, maintenance, and disposal of all City-owned vehicles and equipment. Currently, OFM maintains an active fleet of approximately 6,000 vehicles, including approximately 900 pieces of specialized equipment. OFM's service delivery to its customers is critical to ensuring that City services operate efficiently.

Plans for Fiscal Year 2018:

Global Positioning System (GPS): OFM currently utilizes GPS technology on Fire EMS units and plans to implement GPS technology for Street Compactors, Snow Operations Equipment and Fire Apparatus. GPS capability in fleet vehicles enables OFM to better track fleet deployment along with usage, mileage, and operating hour data. This data will be transmitted to the new M5 database, allowing for more efficient scheduled maintenance. GPS enables managers to monitor use of fleet resources, reduce unnecessary fuel consumption, guarantee customer service by providing real-time asset and fleet tracking, and improve vehicle usage by eliminating unnecessary idle time and operator misuse.

High School Internship/Apprenticeship Program: In FY18-22, OFM will continue its high school internship and apprenticeship initiative as part of the MDO's City as Model Employer strategy aimed at creating viable pathways to permanent employment for 200 seasonal/temporary City workers over the next three years. The Plan proposes \$200,000 annually to continue this successful automotive apprentice program. Budgetary provisions in the Five Year Plan will allow OFM to hire 6 apprentices.

Alternative Fuel Initiatives: In an effort to support the administration's environmental initiatives, OFM has purchased numerous hybrid, hybrid electric, and crossover hybrid vehicles and machinery. OFM is also planning to purchase more Plug-in-Electric Hybrid vehicles (PEHV) for the Police, Streets, Parks & Recreation and Health Departments. PEHVs have the ability to travel an average of 20 miles before seamlessly switching over to conventional Gasoline Hybrid propulsion. These vehicles will be used in the Police Department for community relations and non-pursuit activities, in the Streets Department for Sanitation Enforcement purposes, and in the Health and Parks & Recreation Departments for daily operations.

Compressed Natural Gas (CNG) Vehicle: In FY18, OFM intends to purchase 25 CNG Compactors for the Streets Department. OFM will receive a Congestion Mitigation and Air Quality Improvement (CMAQ) grant of \$2.0 million and an Alternative Fuels Incentive Grant (AFIG) of \$200,000 to cover the incremental cost of CNG vehicle purchases. Since CNG has different safety requirements for our maintenance facilities,

OFM is pursuing the renovation of one of its repair facilities to allow the repair and maintenance of CNG fueled vehicles.

Modernization of Repair Facilities: OFM will continue to make improvements to its facilities to enable repairs to modern fleet vehicles and to accommodate new tools and equipment. In particular, the public health and safety facility (Shop 134) has outgrown its space to accommodate the demands at this facility. The facility needs expansion and a full renovation, which are included in OFM's capital budget. OFM also plans to consolidate vehicle administration functions to the Center Repair Facility at Front St. and Hunting Park Ave. using capital dollars.

Optimal Vehicle Replacement Strategy: OFM's Optimal Vehicle Replacement Strategy is expected to be implemented over the next five years and will enable OFM to support operating departments with reliable and economically-feasible vehicles and equipment for their operations. This strategy is expected to allow for the replacement of costly, older, and more unreliable vehicles and will increase productivity through increased vehicle availability.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2016) – All Funds				
	Total	Minority	White	Female
Number of Full-Time Staff	344	163	181	23
Number of Civil Service-Exempt Staff	5	1	4	0
Number of Executive Staff (deputy level and above)	3	1	2	0
Average Salary, Full-Time Staff	\$49,599	\$46,439	\$52,444	\$49,932
Average Salary, Civil Service-Exempt Staff	\$108,464	\$106,605	\$108,928	N/A
Average Salary, Executive Staff	\$114,403	\$106,605	\$118,303	N/A
Median Salary, Full-Time Staff	\$48,003	\$47,403	\$50,501	\$44,018
Median Salary, Civil Service-Exempt Staff	\$106,605	\$106,605	\$103,080	N/A
Median Salary, Executive Staff	\$106,605	\$106,605	\$118,303	N/A

Employment Levels (as of December 2016) – All Funds		
	Budgeted	Filled
Number of Full-Time Positions	365	344
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	6	5
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$49,090	\$49,599
Median Salary of All Full-Time Positions	\$48,003	\$48,003

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$16,544,893	\$17,275,918	\$16,613,280	\$17,114,535	\$18,009,259	\$894,724
Class 200 - Purchase of Services	\$9,604,396	\$9,633,700	\$9,604,396	\$9,604,396	\$9,604,396	\$0
Class 300 - Materials and Supplies	\$24,663,211	\$21,707,568	\$26,163,211	\$25,847,535	\$26,163,211	\$315,676
Class 400 - Equipment	\$10,765,000	\$13,107,394	\$8,765,000	\$8,920,000	\$9,765,000	\$845,000
Class 500 - Contributions	\$0	\$28,006	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$61,577,500	\$61,752,586	\$61,145,887	\$61,486,466	\$63,541,866	\$2,055,400

Professional Services Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	\$35,000	\$35,000	\$0	\$0	\$0	\$0
Total amount to M/W/DSBE	\$0	\$0	\$0	\$0	\$0	\$0
Participation Rate	0%	0%	0%	0%	0%	0%

Note: For most years, OFM has had very few (if any) professional services contracts. See chart below for an all-contracts summary.

All Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	\$5,317,580	\$2,304,471	\$4,385,377	\$6,812,030	\$2,168,236	\$367,495
Total amount to M/W/DSBE	\$93,742	\$63,679	\$65,606	\$37,615	\$58,149	\$27,788
Participation Rate	2%	3%	1%	1%	3%	8%

Note: This table reflects all contracts which are eligible for M/W/DSBE participation. This number is provided by OEO.

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M/W/DSBE Contract Participation Goal			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	5%	5%	5%

Note: OFM’s M/W/DSBE goal is for all contracts.

The department is committed to supporting the Administration’s goal for minority, woman, and disabled-owned business (M/W/DSBE) participation in City contracting. OFM’s FY2017 year-to-date M/W/DSBE participation rate for all contracts is 8%. Many of our contracts are technical due to the specificity of our requirements and specifications, particularly around the purchases of heavy equipment, vehicles, and other related parts and equipment. There are limited M/W/DSBE vendors for such contracts. We continue to review our contracts and always look for more opportunities as they arise.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2018 General Fund budget totals \$63,541,866, an increase of \$2,055,400 over Fiscal Year 2017 estimated obligation levels. This increase is primarily due to the addition of new positions, pay increases due to DC33 contracts, an increase in vehicle purchases funding, and vehicle fuel price adjustments.

The proposed budget includes:

- \$18,009,259 in Class 100, an increase of \$894,724 over FY17. This additional funding will be allocated to pay increases due to DC33 contracts, 5 additional Automotive Technician positions to support the Streets Department's paving operations, and 6 additional Automotive Apprentice positions to support OFM's High School Internship Program.
- \$9,604,396 in Class 200, level funding with FY17. This funding will be mainly allocated for vehicle lease payment of \$4.5 million, \$780,000 for various Vehicle Repair Services, \$715,000 for Various Professional Services, \$560,000 for Engine & Transmission Repairs, \$420,000 for Heavy Equipment Repairs, \$398,000 for Rental of Vehicle Parking Spaces, \$380,000 for Auto Collision Repairs and \$276,000 for Fire Boat Repair & Maintenance.
- \$26,163,211 in Class 300, an increase of \$315,676 over FY17 due to fuel price adjustments. This funding will be mainly allocated for \$8,959,676 for Gasoline Fuel, \$6,096,000 for Diesel Fuel, \$7,080,000 for Vehicle Parts, \$1,642,000 for Tire & Tubes, \$840,000 for Vehicle Lubricants and \$126,000 for Anti-Freeze purchases.
- \$9,765,000 in Class 400, an increase of \$845,000 over FY17. This funding will be mainly used to purchase 150 Radio Patrol Cars at a cost of \$4,700,000, 40 unmarked sedans at a cost of \$840,000, 10 Emergency Patrol Wagons at a cost of \$450,000 for the Police Department, \$369,000 to replace Fire Department Vehicles and \$2,763,000 to replace various aged vehicles for all other departments.

STAFFING LEVELS

The department is requesting 382 budgeted positions (all funds) for FY18, an increase of 17 positions over FY17. The increase is attributed to 5 Automotive Technicians positions to support Street Department’s paving operations, 9 positions to support Automotive Apprentice Program and 3 positions to reinstate Human Resources staff after the dissolution of the Office of Human Resources’ shared services pilot.

NEW HIRES

New Hires (from December 2016 to present)			
	Total Number of New Hires	Gujarati / Hindi	Russian
Black or African American	13	0	0
Asian	1	1	0
Hispanic or Latino	3	0	0
White	1	0	1
Other	1	0	0
Total	19	1	1

To date in FY17 (as of April 2, 2017), OFM has hired 48 new employees. Of these new hires, 10 (21%) are female and 38 (79%) are male. 31 (65%) are African American, eight (17%) are Caucasian, five (10%) are Hispanic, three (6%) are Asian, and one (2%) identifies as another race.

There were no new executive hires during this period.

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY18 Performance Measures: Fleet Administrative Services				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Number of Automotive Apprentices	2	8	8	14
Employee turnover ratio *	11.9%	N/A	10.0%	10.0%

*This measure is tabulated at year-end.

FY18 Performance Measures: Fleet Maintenance Services				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Fleet availability: Citywide	89.0%	89.2%	90.0%	90.0%
Fleet availability: Trash Compactors	71.4%	73.8%	75.0%	85.0%
Fleet availability: Medic Units	81.2%	87.0%	90.0%	90.0%
Fleet availability: Police Radio Patrol Car	86.3%	86.8%	90.0%	90.0%
Fleet availability: Fire Apparatus *	N/A			90.0%
Percent of maintenance performed that is scheduled *	N/A			70.0%
Percent of maintenance performed that is unscheduled *	N/A			30.0%
Percent of vehicles repaired in one day or less	61.8%	57.8%	70.0%	70.0%

*OFM is working with its asset management system vendor to begin tracking this information by the end of FY17. FY16 actual, FY17YTD, and FY17 estimate data are currently unavailable.

FY18 Performance Measures: Vehicle Acquisitions and Disposal				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Median age of vehicle: Citywide (years)	8.2	7.3	7.0	7.0
Median age of vehicle: Trash Compactors (years)	9.2	8.7	7.0	7.0
Median age of vehicle: Medic Units (years)	5.8	5.1	4.5	4.5
Median age vehicle: Police Radio Patrol Cars (years)	4.0	3.3	3.0	3.0
Median age of vehicle: Fire Apparatus (years)	14.4	14.2	12.5	12.5
Number of Police Radio Patrol cars replaced / purchased	189	150	150	150
Number of medic units replaced / purchased	10	10	10	11
Number of trash compactors replaced / purchased	44	40	40	40

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OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

Not Applicable.

CONTRACTING EXPERIENCE

OFM has no professional services contracts to report for FY17. However, the department is committed to supporting the Administration’s goal for minority, woman, and disabled-owned business (M/W/DSBE) participation in City contracting. OFM’s FY17 year-to-date M/W/DSBE participation rate for all contracts is 8%. Many of our contracts are technical due to the specificity of our requirements and specifications, particularly around the purchases of heavy equipment, vehicles, and other related parts and equipment. There are limited M/W/DSBE vendors for such contracts. We continue to review our contracts and always look for more opportunities as they arise.

EMPLOYEE DATA

Staff Demographics (as of December 2016)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	108	18	<i>Total</i>	0	0
<i>% of Total</i>	31%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$45,560	\$48,724	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$47,403	\$44,118	<i>Median Salary</i>	\$0	\$0
	White	White		White	White
<i>Total</i>	176	5	<i>Total</i>	2	0
<i>% of Total</i>	51%	1%	<i>% of Total</i>	67%	0%
<i>Average Salary</i>	\$52,392	\$54,281	<i>Average Salary</i>	\$118,303	\$0
<i>Median Salary</i>	\$50,501	\$43,818	<i>Median Salary</i>	\$118,303	\$0
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	18	0	<i>Total</i>	0	0
<i>% of Total</i>	5%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$46,711	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$47,091	\$0	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	14	0	<i>Total</i>	1	0
<i>% of Total</i>	4%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$50,045	\$0	<i>Average Salary</i>	\$106,605	\$0
<i>Median Salary</i>	\$47,603	\$0	<i>Median Salary</i>	\$106,605	\$0
	Other	Other		Other	Other
<i>Total</i>	5	0	<i>Total</i>	0	0
<i>% of Total</i>	1%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$46,127	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$48,003	\$0	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	16	0	<i>Total</i>	1	0
<i>% of Total</i>	5%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$49,846	\$0	<i>Average Salary</i>	\$106,605	\$0
<i>Median Salary</i>	\$46,778	\$0	<i>Median Salary</i>	\$106,605	\$0
	Male	Female		Male	Female
<i>Total</i>	321	23	<i>Total</i>	3	0
<i>% of Total</i>	93%	7%	<i>% of Total</i>	100%	0%
<i>Average Salary</i>	\$49,575	\$49,932	<i>Average Salary</i>	\$114,403	\$0
<i>Median Salary</i>	\$48,003	\$44,018	<i>Median Salary</i>	\$106,605	\$0

NUMBER OF BILINGUAL EMPLOYEES

Number of Bilingual Employees						
	Malayalam / Gujarati / Hindi	Spanish	Greek	French / Italian	Khmer/ Vietnamese	Russian
Administration	2	-	-	-	-	-
Operation	2	5	2	3	3	1
Total - All Divisions	4	5	2	3	3	1
Total - # of Bilingual Employees		18				
Total - # of Languages Spoken		10				

As of April 2, 2017, OFM’s workforce includes 18 (5%) bilingual employees who speak ten different languages. These languages consist of Spanish, Greek, French, Italian, Khmer, Vietnamese, Russian, Malayalam, Hindi and Gujarati.