

**OFFICE OF FLEET MANAGEMENT
FISCAL YEAR 2019 BUDGET TESTIMONY
APRIL 25, 2018**

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 2019 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Office of Fleet Management (OFM) assures that City vehicles and other automotive equipment are available, dependable, and safe to operate so that City departments and agencies can deliver services. OFM is responsible for the acquisition, repair, maintenance, and disposal of all City-owned vehicles and equipment. OFM also fuels City vehicles through its department-operated fuel stations. OFM maintains an active fleet of approximately 6,000 vehicles, including over 900 pieces of specialized equipment. From fire trucks to riding mowers, OFM makes sure City employees have the vehicles they need to do their jobs. OFM's efforts help City services operate efficiently and drive the City forward.

Plans for Fiscal Year 2019:

Alternative Fuel Initiatives: In FY19, OFM anticipates continuing its sustainability initiatives, such as purchasing hybrid, hybrid electric and compressed natural gas (CNG) vehicles and equipment that use alternative fuels. OFM also plans to purchase 34 more plug-in electric hybrid vehicles for various operating departments, for a projected cost of \$990,000, and four CNG compactors for the Streets Department, with an estimated cost of \$905,024.

High School Internship / Apprenticeship Program: In FY19, OFM plans to continue its high school internship and automotive apprentice programs. By the end of FY18, an additional four students will graduate from the internship program. In FY19, these four students have agreed to continue with the City through Fleet's apprentice program. In addition, OFM plans to hire another six high school students into the internship program in FY19.

Modernization of Repair Facilities: OFM's repair facility modernization initiative is expected to continue over the life of the Five-Year Plan through capital improvements to key vehicle repair facilities. OFM's facilities are well-maintained, but they need renovations that will enable OFM to maintain a modern fleet and to accommodate new tools and equipment. Planned renovations include: redesign and upgrade of Central Repair Facility at Front Street and Hunting Park Avenue to increase operational efficiency; renovation of the garage in Shop 258 to address a structural issue; renovation of two repair facilities (Shop 332 and 357), which will allow for the repair and maintenance of CNG-fueled vehicles; and construction of a CNG fueling station at Shop 357, which is located at 3030 South 63rd Street.

Vehicle Availability and Optimal Vehicle Replacement Strategy: OFM will continue to aim for the City-wide vehicle availability target of 90%, while maintaining the Service Level Agreement of vehicle availability for the City's core mission vehicles, such as radio patrol cars, firefighting equipment, and trash compactors. OFM aims to achieve this by using M5 data to increase the amount of scheduled preventive

Office of Fleet Management

maintenance of City vehicles. Scheduled maintenance is expected to enhance vehicle safety and to increase vehicle availability for operating departments while allowing OFM to perform preventive maintenance at a time that is most convenient to departments. The Optimal Vehicle Replacement Strategy will enable OFM to replace operating department's vehicles and equipment 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 to increase productivity through increased vehicle availability.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2017)				
	Total	Minority	White	Female
Number of Full-Time Staff	362	186	176	31
Number of -Exempt Staff	6	2	4	1
Number of Executive Staff (deputy level and above)	3	1	2	0
Average Salary, Full-Time Staff	\$50,631	\$47,392	\$54,055	\$49,953
Average Salary, Exempt Staff	\$106,220	\$100,803	\$108,928	\$95,000
Average Salary, Executive Staff	\$114,403	\$106,605	\$118,303	N/A
Median Salary, Full-Time Staff	\$49,406	\$48,806	\$51,785	\$44,018
Median Salary, Exempt Staff	\$103,080	\$100,803	\$103,080	\$95,000
Median Salary, Executive Staff	\$106,605	\$106,605	\$118,303	N/A

Employment Levels (as of December 2017)		
	Budgeted	Filled
Number of Full-Time Positions	382	362
Number of Exempt Positions	6	6
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$50,286	\$50,631
Median Salary of All Full-Time Positions	\$49,406	\$49,406

General Fund Financial Summary by Class						
	FY17 Original Appropriations	FY17 Actual Obligations	FY18 Original Appropriations	FY18 Estimated Obligations	FY19 Proposed Appropriations	Difference: FY19-FY18
Class 100 - Employee Compensation	\$16,613,280	\$16,491,089	\$18,009,259	\$17,993,069	\$18,539,450	\$546,381
Class 200 - Purchase of Services	\$9,604,396	\$9,574,287	\$9,604,396	\$9,604,396	\$5,104,396	(\$4,500,000)
Class 300/400 - Materials, Supplies & Equipment	\$34,928,211	\$34,742,341	\$35,928,211	\$37,320,526	\$40,215,950	\$2,895,424
Class 500 - Contributions	\$0	\$10,912	\$0	\$0	\$0	\$0
	\$61,145,887	\$60,818,629	\$63,541,866	\$64,917,991	\$63,859,796	(\$1,058,195)

Contracts Summary (Professional Services only)						
	FY13	FY14	FY15	FY16	FY17	FY18 YTD (Q1 & Q2)
Total amount of contracts	\$35,000	\$0	\$0	\$0	\$0	\$50,000
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.

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY17	FY18	FY19
M/W/DSBE Contract Participation Goal	5%	5%	5%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2019 General Fund budget totals \$63,859,796 a decrease of \$1,058,195 from Fiscal Year 2018 estimated obligation levels. This overall decrease is due to the elimination of vehicle purchase lease payment, decrease of vehicle parts purchase funding, pay increase due to DC33 contract, an increase in vehicle acquisition funding and payroll cost increases due to the addition of five new positions to support the High School Internship Program and Human Resources function.

The proposed budget includes:

- \$18,539,450 in Class 100, an increase of \$546,381 over FY18. This additional funding will be mainly allocated to pay increases due to DC33 contracts, 4 additional Automotive Apprentice positions to support OFM's High School Internship Program and 1 position to support Human Resources functions.
- \$5,104,396 in Class 200, a decrease of \$4,500,000 over FY18 due to the elimination of the vehicle lease payment.
- \$25,118,211 in Class 300, a decrease of \$354,576 over FY18 due to a reduction of vehicle parts purchases.
- \$15,097,739 in Class 400, an increase of \$3,250,000 over FY18. This funding will be mainly used to purchase of 150 Radio Patrol Cars at a cost of \$5,880,000, 34 unmarked sedans at a cost of \$879,000, 12 Emergency Patrol Wagons at a cost of \$312,000 for the Police Department, \$250,000 to replace Fire Department Vehicles and the remaining funds will be allocated to replace vehicles relinquished without replacement and to replace various aged vehicles for all other departments.

STAFFING LEVELS

The department is requesting 389 budgeted positions (all funds) for FY19, an increase of 7 positions over FY18.

The increase is attributed to 4 positions to support Automotive Apprentice Program, 2 Automotive Technicians positions to fully support Aviation Department’s vehicle maintenance need and 1 position to support Human Resources functions.

NEW HIRES

New Hires (from 7/1/2017 to December 2017)			
	Total Number of New Hires	Spanish	French / Creole
Black or African American	6	-	1
Asian	1	-	-
Hispanic or Latino	3	2	-
White	3	-	-
Total	13	2	1

Of Fleet’s new hires noted above, 1 (7.69%) is female and 12 (92.31%) are male. Of the total employees 6 (46.15%) are African American, 3 (23.08%) are Caucasian, 3 (23.08%) are Hispanic and 1 (7.69%) is Asian. During this period, there were no new hires in Fleet’s executive team.

PERFORMANCE, CHALLENGES, AND INITIATIVES**Fleet Administrative Services:**

FY19 Strategic Goals				
<ul style="list-style-type: none"> Continue OFM's Environmental Initiatives by purchasing hybrid, hybrid electric, and compressed natural gas (CNG) vehicles wherever possible. Maintain the Students Internship and Apprentice Program. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Number of Automotive Apprentices ¹	8	15	14	11
Employee turnover ratio ²	12.5%	N/A	10.0%	10.0%

¹ This is an annual measure. The FY19 target reflects anticipated promotions for current apprentices who will have completed the program by FY19.

² This is an annual measure.

Fleet Maintenance Services:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Maintain the Service Level Agreement for vehicle availability for the City's core mission vehicles. Continue to focus on implementing and adhering to Scheduled Vehicle Maintenance. Continue work on facility improvements as per the repair facility modernization initiative. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Fleet availability - citywide	89.4%	90.8%	90.0%	90.0%
Percent of SLA met for medic units ¹	114.0%	120.3%	100.0%	100.0%
Percent of SLA met for trash compactors ²	97.7%	96.1%	100.0%	100.0%
Percent of SLA met for radio patrol cars ³	97.5%	95.1%	100.0%	100.0%
Percent of vehicles repaired in one day or less ⁴	59.1%	58.3%	70.0%	70.0%
Fleet availability - police radio patrol cars	87.5%	89.9%	90.0%	90.0%
Percent of maintenance performed that is scheduled	54.1%	70.4%	70.0%	70.0%
Percent of maintenance performed that is unscheduled	46.2%	29.7%	30.0%	30.0%

¹ The SLA is met when 55 of 75 medic units, the minimum number of medic units needed for daily operations, are available.

² The SLA is met when 241 of 326 compactors are available. Availability is below the target due to aged vehicles and vehicles being relinquished without replacement. Once Fleet receives new vehicles purchased through FY17 and FY18 funding, Fleet will be able to meet the SLA.

³ The SLA is met when 675 of 750 radio patrol cars are available. Availability is below the target due to vehicles being relinquished without replacement. Once Fleet receives new vehicles purchased through FY17 and FY18 funding, Fleet will be able to meet the SLA.

⁴ Fleet's Optimal Vehicle Replacement Cycle strategy and associated additional funding for vehicle purchases will better enable routine maintenance on newer vehicles going forward. This is expected to drive down the volume of repairs, better enabling Fleet to meet the target.

Vehicle Acquisitions and Disposal:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Continue to replace priority vehicles as per the Optimal Vehicle Replacement Strategy. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Median age of vehicle: General Fund	7.4	5.2	7.0	7.0
Median age of vehicle: Water Fund ¹	10.2	9.7	8.0	8.0
Median age of vehicle: Aviation Fund ¹	12.5	11.1	8.0	8.0
Median age of vehicle: Citywide (years)	8.0	5.4	7.0	7.0
Median age of vehicle: trash compactors (years)	8.4	7.3	7.0	7.0
Median age of vehicle: medic units (years)	5.1	4.2	4.5	4.5
Median age of vehicle: police radio patrol cars (years)	2.5	2.2	3.0	2.5
Median age of vehicle: fire apparatus (years) ²	14.0	13.8	12.5	12.5
Number of police radio patrol cars replaced / purchased	150	150	150	150
Number of medic units replaced / purchased	12	10	11	13
Number of trash compactors replaced / purchased ³	40	0	30	30

¹ Median age is above the target due to lack of adequate vehicle replacement. The revised purchase plan in upcoming fiscal years will enable Fleet to continue to drive down the median age of vehicles to meet the target.

² Continuation of Fleet's Optimum Vehicle Replacement strategy will enable Fleet to meet the target in upcoming fiscal years.

³ Trash compactor purchases are being initiated and completed during the second half of FY18. Fleet anticipates meeting the FY18 target.

Office of Fleet Management

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

Not Applicable.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Largest Contracts, FY18											
Vendor Name	Service Provided	Dollar 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 % Participation - All DSBES	Total \$ Value Participation - All DSBES	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance ? [yes / no]
Cascor Incorporated	Warranty Administration	\$50,000	7/7/17	8/1/17	MBE: Best Efforts	0%	\$0	0%	\$0	No	No
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				

OFM has only one professional services contract to report for FY18, which has no opportunity for minority, woman, and disabled-owned business (M/W/DSBE). The department is committed to supporting the Administration’s goal for M/W/DSBE participation in City contracting. OFM’s FY2018 year-to-date M/W/DSBE participation on all contracts is 1%. 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 contract and always look for more opportunities as they arise.

EMPLOYEE DATA

Staff Demographics (as of December 2017)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	113	26	<i>Total</i>	0	0
<i>% of Total</i>	31%	7%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$46,755	\$49,037	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$48,806	\$44,118	<i>Median Salary</i>	\$0	\$0
	White	White		White	White
<i>Total</i>	171	5	<i>Total</i>	2	0
<i>% of Total</i>	47%	1%	<i>% of Total</i>	67%	0%
<i>Average Salary</i>	\$54,035	\$54,714	<i>Average Salary</i>	\$118,303	\$0
<i>Median Salary</i>	\$51,785	\$43,818	<i>Median Salary</i>	\$118,303	\$0
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	24	0	<i>Total</i>	0	0
<i>% of Total</i>	7%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$46,123	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$48,494	\$0	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	16	0	<i>Total</i>	1	0
<i>% of Total</i>	4%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$51,111	\$0	<i>Average Salary</i>	\$106,605	\$0
<i>Median Salary</i>	\$49,006	\$0	<i>Median Salary</i>	\$106,605	\$0
	Other	Other		Other	Other
<i>Total</i>	7	0	<i>Total</i>	0	0
<i>% of Total</i>	2%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$47,423	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$49,406	\$0	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	21	0	<i>Total</i>	1	0
<i>% of Total</i>	6%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$49,735	\$0	<i>Average Salary</i>	\$106,605	\$0
<i>Median Salary</i>	\$46,721	\$0	<i>Median Salary</i>	\$106,605	\$0
	Male	Female		Male	Female
<i>Total</i>	331	31	<i>Total</i>	3	0
<i>% of Total</i>	91%	9%	<i>% of Total</i>	100%	0%
<i>Average Salary</i>	\$50,695	\$49,953	<i>Average Salary</i>	\$114,403	\$0
<i>Median Salary</i>	\$49,606	\$44,018	<i>Median Salary</i>	\$106,605	\$0

LANGUAGE ACCESS

1) Has your leadership received language access training?

Yes. In addition, OFM's first level Managers are scheduled for Language Access Training on April 27th.

2) Do you currently have a language access coordinator?

Yes. Lisa Spruill, Senior Departmental HR Associate, is Fleet's language access coordinator.

3) Has your department written a language access plan and is it posted online?

Since OFM does not provide service to the public, OFM is covered by a master Language Access Plan created by the Chief Administrative Office, which can be found at: <https://beta.phila.gov/documents/language-access-plans/>

4) Explain what your department has done to improve language access services over the past year.

The Office of Fleet Management (OFM) does not provide service to the public. The Office of Fleet Management is covered by a master Language Access Plan created by the Chief Administrative Office (CAO). If OFM needs any language access service(s), OFM uses CAO's Language Access Plan and reaches out to the CAO coordinator, per the plan.