

**OFFICE OF FLEET MANAGEMENT  
FISCAL YEAR 2020 BUDGET TESTIMONY  
APRIL 9, 2019**

**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 2020 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 as well as vehicles for quasi-city agencies (including the School District of Philadelphia) 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 2020**

**High School Internship / Apprenticeship Program:** OFM completed the twenty-fifth year of its high school internship and apprenticeship program. Since the program's inception in 1993, OFM has enrolled 125 high school students into the program: 96 students have graduated, and 55 of these graduates have accepted automotive apprentice positions, which are civil service positions with the City. Of the 55 apprentices, 27 are currently employed with OFM in shop supervisor, team leader, automotive maintenance technician, automotive mechanic, and automotive apprentice positions. In FY20, OFM plans to continue its high school internship and automotive apprentice programs. By the end of FY19, an additional five students will graduate from the internship program and they have agreed to continue with the City through Fleet's apprentice program. In addition, in FY20, OFM plans to hire another six high school students into the internship program.

**Re-Entry Automotive Training Program:** OFM is partnering with the Philadelphia Department of Prisons to initiate a Re-Entry Automotive Training Program for the returning individuals. OFM intends to provide automotive related training to the qualified individuals during their work release program. OFM is working with the Office of Workforce Development and the Office of Human Resources to establish a job specification and title to provide a permanent City Job to the returning individuals after the successful completion of the OFM's Re-Entry Automotive Training Program. OFM plans to implement this initiative during FY20.

**Compressed Natural Gas (CNG) Vehicle Project:** During FY20, OFM will complete its Shop 357 renovation, which will enable OFM to repair CNG vehicles. OFM also plans to construct a new CNG fuel site for CNG vehicle fueling. This new fuel site will enable Fleet to expand the number of future CNG

vehicle purchases. At present, OFM plans to have 25 new CNG Street Compactors in conjunction with the project.

**Alternative Fuel Initiatives:** OFM is in conversations with the Office of Transportation, Infrastructure and Sustainability (OTIS) to develop electric vehicle (EV) charging infrastructure that will enable expansion of EVs in the City's fleet. This expansion will also include the purchase of solar powered EV charging stations to allow for 100% renewable, zero-emission vehicles. OFM is also exploring the use of Renewable Diesel fuel, which is a diesel fuel made primarily from waste products such as paper pulp waste, vegetable oil, animal fat or other waste products. It is estimated that renewable diesel fuel can cut exhaust emissions by at least 40% as compared to conventional diesel fuel and is a direct replacement for conventional diesel fuel.

**Optimal Vehicle Replacement Strategy:** OFM will continue to pursue its Optimal Vehicle Replacement Strategy, which focuses on replacing critical public health and safety vehicles, including vehicles and equipment belonging to the Police, Fire, and Streets Departments. During FY20, OFM plans to purchase 150 radio patrol cars, 12 emergency patrol wagons, 13 medic units, 2 ladders, 6 pumpers, and 30 street compactors. This strategy will enable OFM to replace aged and inefficient vehicles and equipment with more fuel-efficient and technologically-advanced vehicles, which will enable Fleet to increase the vehicle availability for the operating departments.

**Vehicle Safety and Availability:** OFM will continue its initiative to reduce unscheduled or breakdown repairs by increasing the number of scheduled preventive maintenance inspections. Scheduled maintenance can be performed at a time that is most convenient to the user department, ensuring minimal disruption to departments' workdays. This enables OFM to enhance vehicle safety and increase vehicle availability for operating departments. During FY20, OFM plans to maintain the Citywide vehicle availability at a target level of 90%. OFM will place a high priority on the availability of public health and safety vehicles, such as radio patrol cars, medic units, fire-fighting equipment, and trash compactors at 100%, as per the service level agreements with the operating departments.

**BUDGET SUMMARY & OTHER BUDGET DRIVERS**

<b>Staff Demographics Summary (as of November 2018): All Funds</b>				
	Total	Minority	White	Female
Number of Full-Time Staff	361	187	174	29
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	\$52,571	\$49,034	\$56,373	\$51,978
Average Salary, Exempt Staff	\$114,167	\$107,755	\$117,373	\$95,000
Average Salary, Executive Staff	\$124,973	\$120,510	\$127,205	N/A
Median Salary, Full-Time Staff	\$50,811	\$50,011	\$53,259	\$46,404
Median Salary, Exempt Staff	\$114,026	\$107,755	\$114,026	\$95,000
Median Salary, Executive Staff	\$120,510	\$120,510	\$127,205	N/A

<b>Employment Levels (as of November 2018): All Funds</b>		
	Budgeted in FY19	Filled as of the Increment Run
Number of Full-Time Positions	389	361
Number of Exempt Positions	7	6
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$51,904	\$52,571
Median Salary of All Full-Time Positions	\$50,611	\$50,811

<b>General Fund Financial Summary by Class</b>						
	FY18 Original Appropriations	FY18 Actual Obligations	FY19 Original Appropriations	FY19 Estimated Obligations	FY20 Proposed Appropriations	Difference: FY20-FY19
Class 100 - Employee Compensation	\$18,009,259	\$17,532,835	\$18,539,450	\$18,703,682	\$19,416,871	\$713,189
Class 200 - Purchase of Services	\$9,604,396	\$9,587,482	\$5,104,396	\$5,104,396	\$5,305,396	\$201,000
Class 300/400 - Materials, Supplies & Equipment	\$35,928,211	\$37,287,888	\$40,215,950	\$40,215,950	\$42,678,316	\$2,462,366
Class 500 - Contributions	\$0	\$15,616	\$0	\$0	\$0	\$0
	<b>\$63,541,866</b>	<b>\$64,423,821</b>	<b>\$63,859,796</b>	<b>\$64,024,028</b>	<b>\$67,400,583</b>	<b>\$3,376,555</b>

<b>Contracts Summary (Professional Services only)</b>						
	FY14	FY15	FY16	FY17	FY18	FY19 YTD (Q1 & Q2)
Total amount of contracts	\$0	\$0	\$0	\$0	\$80,000	\$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.

<b>Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies &amp; Equipment; and Professional Services combined)</b>			
	FY18	FY19	FY20
M/W/DSBE Contract Participation Goal	5%	5%	5%

## **PROPOSED BUDGET OVERVIEW**

### **Proposed Funding Request:**

The proposed Fiscal Year 2020 General Fund budget totals \$67,400,583 an increase of \$3,376,555 from Fiscal Year 2019 estimated obligation levels. This increase is primarily due to the addition of new positions to support the Fire and Streets Departments' operations, salary increases due to DC33 and DC47 contracts, and an increase in vehicle purchases funding due to the expansion of medic unit deployment and purchase of fire equipment to meet SAFER grant requirements.

The proposed budget includes:

- \$19,416,871 in Class 100, an increase of \$713,189 over FY19. This additional funding will be allocated to the salary increases due to DC33 and DC47 contracts, 2 additional Automotive Technician positions to support the Streets Department's street cleaning program, and 2 Automotive Technician positions to support expansion of the Fire Department's medic unit deployment.
- \$5,305,396 in Class 200, an increase of \$201,000 over FY19. This additional funding is due to the increase in garage parking expenditure.
- \$25,091,767 in Class 300, a decrease of \$26,444 from FY19 due to a reduction of vehicle parts purchases.
- \$17,586,549 in Class 400, an increase of \$2,488,810 over FY19. This additional funding is for vehicle purchases due to the expansion of medic unit deployment and purchase of fire equipment to meet SAFER grant requirements.

**STAFFING LEVELS**

The department is requesting 394 budgeted positions (All Funds) for FY20, an increase of 5 positions over FY19. The increase is attributed to 2 technician positions to support the Fire Department’s revised Medic Unit service level agreement, 2 technician positions to support the Streets Department’s street cleaning program, and 1 position to support the Water Department’s new vehicle specification development and purchase.

**NEW HIRES**

New Hires (from 7/1/2018 to 11/25/18)			
	Total Number of New Hires	Malayalam	French / Arabic
Black or African American	3		
Asian	1	1	
White	2		1
Total	6	1	1

OFM hired 6 more employees since 11/25/18 (as of 02/27/19). Out of 6 employees, 1 (16.67%) identifies as Hispanic or Latino, 1(16.67%) employee identifies as Asian, 3 (50%) employees identify as Black or African American, and 1 (16.67%) employee identifies with two or more races. Out of the 6 new hires, 2 (33.33%) employees are bilingual (Spanish & Chinese).

**PERFORMANCE, CHALLENGES, AND INITIATIVES****FLEET ADMINISTRATIVE SERVICES PROGRAM**

<b>FY20 Strategic Goals</b>				
<ul style="list-style-type: none"> <li>Continue to implement GPS technology.</li> <li>Maintain OFM's high school student internship and apprenticeship programs.</li> <li>Continue making the City's fleet more sustainable by purchasing hybrid, hybrid-electric, and CNG vehicles wherever possible.</li> </ul>				
<b>FY20 Performance Measures</b>				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Number of Automotive Apprentices <sup>1</sup>	13	15	16	14
Employee turnover ratio <sup>2</sup>	5.3%	N/A	5.0%	5.0%

<sup>1</sup> During the remainder of FY19 and in FY20, Fleet anticipates promoting 10 interns to Apprentices, bringing the total number of Apprentices up to 25. Eleven of these 25 Apprentices will be promoted to Auto Mechanics during the remainder of FY19 and in FY19, so the FY20 target for Apprentices is 14.

<sup>2</sup> This is an annual measure, and FY19 data will be available at year-end.

**FLEET MAINTENANCE SERVICES PROGRAM**

<b>FY20 Strategic Goals</b>				
<ul style="list-style-type: none"> <li>Maintain the Service Level Agreement for vehicle availability for the City's core mission vehicles.</li> <li>Continue to focus on implementing and adhering to Scheduled Vehicle Maintenance.</li> <li>Continue work on facility improvements as per the repair facility modernization initiative.</li> </ul>				
<b>FY20 Performance Measures</b>				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Fleet availability – citywide <sup>1</sup>	90.9%	91.6%	90.0%	90.0%
Percent of SLA met for medic units <sup>2</sup>	120.0%	120.7%	100.0%	100.0%
Percent of SLA met for trash compactors <sup>3</sup>	98.0%	100.7%	100.0%	100.0%
Percent of SLA met for radio patrol cars <sup>4</sup>	95.3%	100.9%	100.0%	100.0%
Percent of vehicles repaired in one day or less <sup>5</sup>	57.4%	53.2%	70.0%	70.0%
Fleet availability - police radio patrol cars	90.3%	90.8%	90.0%	90.0%
Percent of maintenance performed that is scheduled <sup>6</sup>	70.8%	74.5%	70.0%	70.0%
Percent of maintenance performed that is unscheduled <sup>7</sup>	29.2%	25.5%	30.0%	30.0%

<sup>1</sup> New vehicle purchases since FY16 have enabled Fleet to meet its citywide vehicle availability targets.

<sup>2</sup> The SLA is met when 55 of 75 medic units are available. Fleet's Optimal Vehicle Replacement Strategy enabled Fleet to meet the SLA.

<sup>3</sup> The SLA is met when 241 of 326 compactors are available. Fleet ordered and received 30 new compactors in FY18.

<sup>4</sup> The SLA is met when 675 of 750 or 90% of the active radio patrol car inventory is available. In FY19, Fleet will be purchasing 150 new radio patrol cars to replenish the inventory.

<sup>5</sup> Fleet's Optimal Vehicle Replacement 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. Fleet's target for this measure is 70.0%, which is the industry standard for the percent of vehicles repaired in one day or less.

<sup>6</sup> Fleet's target for this measure is 70.0%, which is the industry standard for the percent of maintenance performed that is scheduled.

<sup>7</sup> Fleet's target for this measure is 30.0%, which is the industry standard for the percent of maintenance performed that is unscheduled.

## VEHICLE ACQUISITIONS AND DISPOSAL PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> <li>Continue to replace Public Health and Safety vehicles as per the Optimal Vehicle Replacement Strategy.</li> <li>Expand the use of electric (EV) and alternatively fueled vehicles, including CNG vehicles.</li> <li>Utilize technology for data collection and storage.</li> </ul>				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Median age of vehicle: General Fund	4.7	4.1	4.5	4.0
Median age of vehicle: Water Fund <sup>1</sup>	8.5	4.5	6.0	4.0
Median age of vehicle: Aviation Fund <sup>2</sup>	10.5	8.2	8.0	6.0
Median age of vehicle: Citywide (years)	5.0	4.2	5.0	4.0
Median age of vehicle: Trash Compactors (years)	6.7	6.5	7.0	5.0
Median age of vehicle: Medic Units (years)	3.5	3.3	4.0	3.5
Median age of vehicle: Police Radio Patrol Cars (years)	2.2	2.6	2.5	2.5
Median age of vehicle: Fire Apparatus (years)	13.8	12.3	12.5	10.0
Number of police radio patrol cars replaced / purchased	150	150	150	150
Number of medic units replaced / purchased	15	13	13	13
Number of trash compactors replaced / purchased	30	0 <sup>3</sup>	30	30

<sup>1</sup> Since FY16, the Water Department purchased 490 new vehicles (nearly 48% of their overall vehicle inventory) with an acquisition cost of \$32.855 million. Since FY18 Q2, 284 new vehicles were placed into service and 183 old vehicles were relinquished from service. This has driven down the median age during this period.

<sup>2</sup> 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. Since FY16, the Division of Aviation purchased 151 new vehicles (just over 47% of their overall vehicle inventory) with an acquisition cost of \$9.881 million. Since FY18 Q2, 70 new vehicles were placed into service and 59 old vehicles relinquished from service. This has driven down the median age during this period.

<sup>3</sup> OFM has initiated the purchase of 30 compactors, which are expected to be ordered during the third quarter of FY19 (and will be paid for with FY19 capital funds).

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 with For-Profit Vendors											
Top Five Largest Contracts over \$34,000 for FY19											
Vendor Name	Brief Description of 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	Is This a Local Business? (principal place of business located within City limits) [yes / no]	Does the Vendor Have a Waiver for Living Wage Compliance? [yes / no]
Cascor Incorporated	Warranty Administration	\$50,000	5/31/2018	7/1/2018	MBE: Best Efforts	0%	\$0	0%	\$0	No	No
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				

OFM has only one large professional services contract to report for FY19. This contract does not have any minority, woman, and disabled-owned business (M/W/DSBE) participation. The department is committed to supporting the Administration’s goal for M/W/DSBE participation in City contracting. 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**

<b>Staff Demographics (as of November 2018)</b>					
<b>Full-Time Staff</b>			<b>Executive Staff</b>		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	113	24	<i>Total</i>	0	0
<i>% of Total</i>	31%	7%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$48,562	\$50,828	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$50,211	\$46,504	<i>Median Salary</i>	\$0	\$0
	White	White		White	White
<i>Total</i>	169	5	<i>Total</i>	2	0
<i>% of Total</i>	47%	1%	<i>% of Total</i>	67%	0%
<i>Average Salary</i>	\$53,259	\$57,499	<i>Average Salary</i>	\$127,205	\$0
<i>Median Salary</i>	\$56,339	\$46,204	<i>Median Salary</i>	\$127,205	\$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>	\$47,144	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$49,699	\$0	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	19	0	<i>Total</i>	1	0
<i>% of Total</i>	5%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$51,960	\$0	<i>Average Salary</i>	\$120,510	\$0
<i>Median Salary</i>	\$50,011	\$0	<i>Median Salary</i>	\$120,510	\$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>	\$49,045	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$50,611	\$0	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	24	0	<i>Total</i>	1	0
<i>% of Total</i>	7%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$52,049	\$0	<i>Average Salary</i>	\$120,510	\$0
<i>Median Salary</i>	\$49,386	\$0	<i>Median Salary</i>	\$120,510	\$0
	Male	Female		Male	Female
<i>Total</i>	332	29	<i>Total</i>	3	0
<i>% of Total</i>	92%	8%	<i>% of Total</i>	100%	0%
<i>Average Salary</i>	\$52,616	\$51,978	<i>Average Salary</i>	\$124,973	\$0
<i>Median Salary</i>	\$51,011	\$46,404	<i>Median Salary</i>	\$120,510	\$0

## **LANGUAGE ACCESS**

**1. Has your leadership received language access training?**

Yes. OFM's Executive staff and first-level managers received Language Access Training in 2018.

**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 directly to the public, OFM is covered by a master Language Access Plan created by the Office of the Chief Administrative Officer (CAO). This plan 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 directly to the public. The Office of Fleet Management is covered by a master Language Access Plan created by the 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.