

**DEPARTMENT OF FLEET SERVICES
FISCAL YEAR 2023 BUDGET TESTIMONY
APRIL 19, 2022**

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Joseph L. Rosati, Commissioner, Department of Fleet Services. Joining me today are Dr. K Wilson, Deputy Commissioner for Administration and John DeLeo, Deputy Commissioner for Operations. I am pleased to provide testimony on Department of Fleet Services' Fiscal Year 2023 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Department of Fleet Services (DFS) ensures that City vehicles and other automotive equipment are available, dependable, and safe to operate so that City departments and agencies can deliver services. DFS is responsible for the acquisition, repair, maintenance, and disposal of all City-owned vehicles and equipment. DFS also fuels City vehicles, as well as vehicles for quasi-city agencies (including the School District of Philadelphia), through its department-operated fuel stations. DFS maintains an active fleet of approximately 6,800 vehicles, including over 700 pieces of specialized equipment. From fire trucks to riding mowers, DFS makes sure City employees have the vehicles they need to do their jobs. DFS's efforts help City services operate efficiently and drive the City forward.

Plans for Fiscal Year 2023:

High School Internship / Apprenticeship Program: In FY23, DFS plans to continue its high school internship and automotive apprentice programs. By the end of FY22, an additional three students will graduate from the internship program. In FY23, these three students will be hired to continue with the City through Fleet's Automotive Apprentice Program. After two years of successful training under the automotive apprentice program, these candidates will become eligible for promotion to Automotive Technicians Positions. In FY22, DFS initiated the process to enroll nine high school students into the High School Internship Program. In addition, in FY23, DFS plans to hire another nine high school students into the Internship Program. This program will help DFS to reduce the racial disparity among the automotive technical staff. DFS encourages and focuses on hiring minority students to the internship program. Historically 88% of the interns were hired from minority groups, which enabled DFS to reduce the racial disparity among automotive technical staff.

Vehicle Safety and Availability: DFS 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 DFS to enhance vehicle safety and increase vehicle availability for the operating departments. During FY23, DFS plans to maintain the Citywide vehicle availability at a target level of 90%. DFS 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% of the SLA amount, as per the service level agreements with the operating departments.

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Optimal Vehicle Replacement Strategy: DFS 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 FY23, DFS plans to purchase 150 radio patrol cars, 15 medic units, 3 pumpers, 2 tiller ladders, and 21 street trash compactors. This will enable DFS to replace aged and inefficient vehicles and equipment with more fuel-efficient and technologically advanced vehicles. This replacement strategy will enable DFS to continually provide safe and reliable vehicles and equipment to the operating departments to better service residents of the City of Philadelphia.

Environmental Initiatives: DFS will continue to support City's Environmental Initiative by purchasing Battery Electric Vehicles (BEV), Hybrid Electric Vehicles (HEV) and Compressed Natural Gas Vehicles (CNG) wherever applicable. DFS, in partnership with the Office of Sustainability and has initiated Philadelphia's Municipal Clean Fleet Plan, a strategy to transition the City's fleet to clean and electric vehicles. In FY23, DFS plans to purchase 3 additional Compressed Natural Gas (CNG) Trash Compactors which will increase the total CNG compactors to 33 which is 13.7 percent of the daily required compactors for Street Department's operations. A new CNG fuel station was completed in July 2021 which is capable of supplying fuel for up to 70 trucks, 30 percent of the Street Dept's daily required compactors.

In FY23, DFS plans to purchase 100 Ford Interceptor Hybrid Police SUVs to replace older conventional gasoline powered patrol cars. In the future, DFS expects to purchase only Hybrid vehicles for the use in the Police Patrol fleet of 750 vehicles.

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BUDGET SUMMARY & OTHER BUDGET DRIVERS

Please refer to attached FY23 Budget Hearing Summary Charts in section 1: Staff Demographics Summary, section 2: Employment Levels, section 3: Financial Summary by Class, section 6: Participation Rate and Goal.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2023 General Fund budget totals \$58,500,095, a decrease of \$1,319,864 over Fiscal Year 2022 estimated obligation levels. This overall decrease is primarily due to the reduction of vehicle parts purchase funding, decrease in vehicle acquisition funding, decrease due to vehicle fuel price adjustments, increase due to additional positions to support the Streets Departments' operations and salary increases due to DC33 and DC47 contracts. The Department will continue to monitor fuel prices in light of the situation in Ukraine to see if adjustments are needed.

The proposed budget includes:

- \$20,510,205 in Class 100, an increase of \$360,178 over FY22. This additional funding will be allocated to the salary increases due to DC33 and DC47 contracts and 3 additional Automotive Technician positions to support the Streets Department's Mechanical Street Sweeping operations.
- \$5,449,396 in Class 200, an increase of \$48,000 over FY22. This additional funding is due to the increase in garage parking expenditure.
- \$22,873,142 in Class 300, a decrease of \$1,290,042 over FY22 due to the reduction of vehicle parts expenditure and vehicle fuel price adjustments.
- \$9,667,352 in Class 400, a decrease of \$438,000 from FY22 due to the elimination of one-time funding for Police Criminal Investigation Unit vehicles.

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STAFFING LEVELS

The department is requesting 402 budgeted positions for FY23, an increase of 3 positions over FY22. This increase is attributed to 3 Automotive Technician positions to support the Streets Department's Mechanical Street Sweeping operations.

NEW HIRES

Please refer to attached FY23 Budget Hearing Summary Charts in section 8: New Hires Information.

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PERFORMANCE, CHALLENGES, AND INITIATIVES

Fleet Administrative Services

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Number of Automotive Apprentices	9.0	8.0	8.0
Employee turnover ratio	11.14%	5.00%	5.00%
Number of High School Interns	3	9	9
Fuel Sites Improvements	2	2	2
Hybrid, Hybrid Electric Vehicle Additions	118	100	100
CNG Vehicle Additions	11	3	3

Program FY23 Strategic Goals

- Continue DFS’s High School Student’s Internship Program and Automotive Apprentice Programs.
- Continue DFS’s Environmental Initiatives by purchasing hybrid, hybrid electric and CNG vehicles.
- Continue Fuel Sites Upgrades and Fuel Tank Replacement Projects through capital projects.

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Fleet Maintenance Services

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Fleet availability - citywide	91.58%	90.00%	90.00%
Percent of SLA met for medic units	136.03%	100.00%	100.00%
Percent of SLA met for trash compactors	101.58%	100.00%	100.00%
Percent of SLA met for radio patrol cars	99.55%	100.00%	100.00%
Fleet availability - police radio patrol cars	89.8%	90.0%	90.0%
Percent of maintenance performed that is scheduled	77.6%	70.0%	70.0%
Percent of maintenance performed that is unscheduled	22.4%	30.0%	30.0%

Program FY23 Strategic Goals

- Maintain vehicle availability Service Level Agreements for the City’s core mission vehicles.
- Continue to focus on implementing and adhering to scheduled vehicle maintenance.

Vehicle Acquisition and Disposal

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Median age of vehicle: General Fund	4.2	4.0	4.0
Median age of vehicle: Water Fund	3.6	4.0	4.0
Median age of vehicle: Aviation Fund	3.9	4.0	4.0
Median age of vehicle: Citywide (years)	4.1	4.0	4.0
Median age of vehicle: Trash Compactors (years)	5.0	4.0	4.0
Median age of vehicle: Medic Units (years)	2.9	3.5	3.5
Median age of vehicle: Police Radio Patrol Cars (years)	3.2	2.5	2.5
Median age of vehicle: Fire Apparatus (years)	8.0	7.5	7.5
Number of Police Radio Patrol cars replaced / purchased	163	122	150
Number of medic units replaced / purchased	13	15	15
Number of trash compactors replaced / purchased	45	30	30

Program FY23 Strategic Goals

- Continue to replace public health and safety vehicles as per the optimal vehicle replacement strategy.
- Continue to support the City’s Clean Fleet Plan in the vehicle replacement strategy.

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OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

Not Applicable.

CONTRACTING EXPERIENCE

Please refer to attached FY23 Budget Hearing Summary Charts in section 4: Contracts Summary.

NOTE: DFS has only one large professional services contract to report for FY22. 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.

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EMPLOYEE DATA

Please refer to attached FY23 Budget Hearing Summary Charts in section 7: Staff Demographics.

LANGUAGE ACCESS

- 1. Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.**

Marcia L. Miller, Human Resources Business Partner, is Fleet's language access coordinator. DFS's Executive staff and first-level managers received Language Access Training in 2018. Since DFS does not provide service directly to the public, DFS is covered by a master Language Access Plan created by the Managing Director's Office (MDO).

<https://www.phila.gov/media/20190313175227/MDO-LAP.pdf>

- 2. Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.**

Please refer to attached FY23 Budget Hearing Summary Charts in section 8: New Hires Information. Please contact DFS should need further information.

- 3. How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.**

None

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

The Department of Fleet Services (DFS) does not provide service directly to the public. The DFS is covered by a master Language Access Plan created by the MDO. If DFS needs any language access service(s), DFS uses MDO's Language Access Plan and reaches out to the MDO coordinator, per the plan.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

Warmer summers has placed a strain on vehicles, particularly vehicle batteries, cooling systems and air conditioning systems.

2. How might worsening climate change increase costs and demands for your department?

Flood damage, hail storms and damage due to down trees will increase spending. More severe winters will increase the need to support operations for cold, ice and snow events. Warmer summer will increase the need for vehicle air conditioning and cooling system service.

3. How does your department intend to mitigate and adapt to climate change?

Mitigation measures include purchasing Battery Electric vehicles and other alternatively fueled vehicles that produce less emissions. Fleet is currently using the municipal clean fleet plan to prioritize the purchasing of electric vehicles and planning for charging infrastructure with the office of sustainability.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2021)				
	Total	Minority	White	Female
Number of Full-Time Staff	325	179	146	21
Number of Exempt Staff	6	3	3	1
Number of Executive Staff (deputy level and above)	3	1	2	0
Average Salary, Full-Time Staff	\$57,730	\$55,070	\$60,992	\$59,940
Average Salary, Exempt Staff	\$124,243	\$115,847	\$132,639	\$105,000
Average Salary, Executive Staff	\$140,000	\$135,000	\$142,500	\$0
Median Salary, Full-Time Staff	\$55,861	\$55,261	\$58,910	\$51,655
Median Salary, Exempt Staff	\$123,959	\$107,541	\$135,000	\$105,000
Median Salary, Executive Staff	\$135,000	\$135,000	\$142,500	\$0

2. Employment Levels

Employment Levels (as of December 2021)		
	Budgeted	Filled
Number of Full-Time Positions	399	325
Number of Part-Time Positions	0	0
Number of Exempt Positions	6	6
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$56,165	\$57,730
Median Salary of All Full-Time Positions	\$55,261	\$55,861

3. Financial Summary by Class

Some departments may also want to provide financial summary tables for other funds, such as the Grants Fund. Departments should delete any budget lines that have \$0 in every year (i.e. if a department has no Class 500 appropriations, actuals, or proposed appropriations, the Class 500 row should be deleted).

General Fund Financial Summary by Class						
	FY21 Original Appropriations	FY21 Actual Obligations	FY22 Original Appropriations	FY22 Estimated Obligations	FY23 Proposed Appropriations	Difference: FY23-FY22
Class 100 - Employee Compensation	\$19,073,455	\$17,982,245	\$19,260,680	\$20,150,027	\$20,510,205	\$360,178
Class 200 - Purchase of Services	\$5,353,396	\$5,208,357	\$5,401,396	\$5,401,396	\$5,449,396	\$48,000
Class 300/400 - Materials, Supplies & Equipment	\$32,174,612	\$32,059,047	\$30,430,494	\$34,268,536	\$32,540,494	(\$1,728,042)
Class 500 - Contributions	\$0	\$19,642	\$0	\$0	\$0	\$0
	\$56,601,463	\$55,269,291	\$55,092,570	\$59,819,959	\$58,500,095	(\$1,319,864)

4. Contracts Summary

This table focuses on large professional services contracts with for-profit vendors.
 "Large" is defined as meaning that an RFP was required.
 Departments should focus on contracts that have been conformed to date.
 Any departments that have large contracts with non-profit providers are encouraged to provide board makeup information in the optional "Non-Profit Vendor Demographics" table below.

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY22											
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 - 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	\$25,000	5/31/2020	7/1/2021	MBE:	0%	\$0	0%	\$0		
					WBE:	0%	\$0				
					DSBE:	0%	\$0				
Cascor Incorporated	Warranty Administration	\$75,000	7/15/2021	10/1/2021	MBE:	0%	\$0	0%	\$0		
					WBE:	0%	\$0				
					DSBE:	0%	\$0				
					MBE:	0%	\$0	0%	\$0		
					WBE:	0%	\$0				
					DSBE:	0%	\$0				
					MBE:	0%	\$0	0%	\$0		
					WBE:	0%	\$0				
					DSBE:	0%	\$0				
					MBE:	0%	\$0	0%	\$0		
					WBE:	0%	\$0				
					DSBE:	0%	\$0				

6. Participation Rate and Goal

The Contracts Summary table is for **professional services contracts only**.
 The Contract Participation Goal table is for **all contracts** (Public Works, SS&E, and Professional Services, combined).

Contracts Summary (Professional Services only)						
	FY19	FY20	FY21	FY22	FY23	FY22 YTD (Q1 & Q2)
Total amount of contracts	\$50,000	\$75,000	\$100,000	\$100,000	\$100,000	\$100,000
Total amount to M/W/DSBE	\$0	\$0	\$0	\$0	\$0	\$0
Participation Rate	0%	0%	0%	0%	0%	0%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY21	FY22	FY23
M/W/DSBE Contract Participation Goal	3%	5%	10%

7. Staff Demographics

Totals in this table should tie out to numbers in tables 1 and 2 above.
 Biracial employees should be included under "Other."
 The number of employees who identify as non-binary (i.e. employees who do not identify as either female or male) should be included in the text box below the table, along with salary detail.

Staff Demographics (as of December 2021)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	110	18	<i>Total</i>	0	0
<i>% of Total</i>	34%	6%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$54,618	\$59,266	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$55,461	\$52,304	<i>Median Salary</i>	\$0	\$0
	White	White		White	White
<i>Total</i>	143	3	<i>Total</i>	2	0
<i>% of Total</i>	44%	1%	<i>% of Total</i>	67%	0%
<i>Average Salary</i>	\$59,010	\$63,985	<i>Average Salary</i>	\$142,500	\$0
<i>Median Salary</i>	\$60,930	\$49,877	<i>Median Salary</i>	\$142,500	\$0
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	23	0	<i>Total</i>	0	0
<i>% of Total</i>	7%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$52,843	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$55,261	\$0	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	20	0	<i>Total</i>	1	0
<i>% of Total</i>	6%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$57,330	\$0	<i>Average Salary</i>	\$135,000	\$0
<i>Median Salary</i>	\$54,949	\$0	<i>Median Salary</i>	\$135,000	\$0
	Other	Other		Other	Other
<i>Total</i>	8	0	<i>Total</i>	0	0
<i>% of Total</i>	2%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$52,590	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$55,761	\$0	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	28	0	<i>Total</i>	1	0
<i>% of Total</i>	9%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$53,978	\$0	<i>Average Salary</i>	\$135,000	\$0
<i>Median Salary</i>	\$54,636	\$0	<i>Median Salary</i>	\$135,000	\$0
	Male	Female		Male	Female
<i>Total</i>	304	21	<i>Total</i>	3	0
<i>% of Total</i>	94%	6%	<i>% of Total</i>	100%	0%
<i>Average Salary</i>	\$57,578	\$59,940	<i>Average Salary</i>	\$140,000	\$0
<i>Median Salary</i>	\$56,031	\$51,655	<i>Median Salary</i>	\$135,000	\$0

Detail for non-binary employees, if applicable: None

8. New Hire Information

Date range is 7/1/21 to December 2021 increment run. Detail for any hires since then can be added in the text box below the table.

New Hires (from 7/1/2021 to December 2021)						
	Total Number of New Hires	French / Kabye / Ewe / Kotokoli	Malayalam / Hindi	[language 3]	[language 4]	[language 5]
Black or African American	5	1				
Asian	3		3			
Hispanic or Latino	0					
White	4					
Other	0					
Total	12	1	3	0	0	0

New Hires since December 2021						
	Total Number of New Hires	Vietnamese	Malayalam / Hindi	[language 3]	[language 4]	[language 5]
Black or African American	5					
Asian	2	1	1			
Hispanic or Latino	0					
White	3					
Other	1					
Total	11	1	1	0	0	0