

**DEPARTMENT OF FLEET SERVICES
FISCAL YEAR 2024 BUDGET TESTIMONY
APRIL 03, 2023**

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 the Department of Fleet Services' Fiscal Year 2024 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 that 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 2024:

High School Internship Program: In FY24, DFS plans to continue its high school internship programs. DFS will enroll 25 students into the internship program. Upon the successful completion of the two-year training program, these students will be hired as Automotive Apprentices, a permanent civil service position in the City. After two years of successful training under the automotive apprentice program, these candidates will become eligible for promotion to Automotive Technicians positions. 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, 88.4 percent of the interns have been hired from minority groups.

Vehicle Safety and Availability: In FY24, DFS will continue its focus on increasing the number of scheduled preventive maintenance inspections, which will reduce unscheduled or breakdown repairs. This enables DFS to enhance vehicle safety and increase vehicle availability for operating departments. During FY24, DFS plans to maintain the Citywide vehicle availability at a target level of 90 percent. 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 percent, as per the service level agreements with the operating departments.

Environmental Initiatives: DFS will continue to support the City's Environmental Initiative by purchasing Battery Electric Vehicles (BEV), Hybrid Electric Vehicles (HEV) and Compressed Natural Gas Vehicles (CNG) wherever applicable. The vehicle and equipment replacement strategy will be in accordance with

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the Philadelphia Municipal Clean Fleet Plan to achieve the Mayor's goal of carbon neutrality by 2050. In FY24, DFS plans to purchase 40 Battery Electric Vehicles for various departments, 100 Ford Interceptor Hybrid Police Radio Patrol SUVs, 60 Hybrid Electric Vehicles for various departments, and 3 Compressed Natural Gas Trash Compactors to replace older conventional fuel powered vehicles. DFS will continue the installation of Electric Vehicle Charging Stations to continue to pursue the City's Clean Fleet Plan and purchase fully electric vehicles for the operating departments.

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 FY24, DFS plans to purchase 150 radio patrol cars, 15 medic units, 4 pumpers, 2 tiller ladders, and 30 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.

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BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2022)				
	Total	Minority	White	Female
Number of Full-Time Staff	312	186	126	24
Number of Exempt Staff	7	3	4	1
Number of Executive Staff (deputy level and above)	3	1	2	0
Average Salary, Full-Time Staff	\$59,357	\$56,203	\$64,014	\$59,510
Average Salary, Exempt Staff	\$125,818	\$119,612	\$130,472	\$108,413
Average Salary, Executive Staff	\$144,550	\$139,388	\$147,132	N/A
Median Salary, Full-Time Staff	\$57,637	\$57,037	\$60,895	\$51,758
Median Salary, Exempt Staff	\$116,588	\$111,036	\$127,988	\$108,413
Median Salary, Executive Staff	\$139,388	\$139,388	\$147,132	N/A

Employment Levels (as of December 2022)		
	Budgeted	Filled
Number of Full-Time Positions	402	312
Number of Part-Time Positions	0	0
Number of Exempt Positions	8	7
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$56,178	\$59,357
Median Salary of All Full-Time Positions	\$55,261	\$57,637

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General Fund Financial Summary by Class						
	FY22 Original Appropriations	FY22 Actual Obligations	FY23 Original Appropriations	FY23 Estimated Obligations	FY24 Proposed Appropriations	Difference: FY24-FY23
Class 100 - Employee Compensation	\$19,260,680	\$18,075,554	\$20,534,432	\$19,540,916	\$21,146,675	\$1,605,759
Class 200 - Purchase of Services	\$5,401,396	\$5,460,023	\$5,449,396	\$6,449,396	\$6,430,287	(\$19,109)
Class 300/400 - Materials, Supplies & Equipment	\$30,430,494	\$34,111,644	\$44,765,494	\$62,765,494	\$43,035,989	(\$19,729,505)
Class 500 - Contributions	\$0	\$75,000	\$0	\$0	\$0	\$0
	\$55,092,570	\$57,722,221	\$70,749,322	\$88,755,806	\$70,612,951	(\$18,142,855)

Contracts Summary (Professional Services only)¹						
	FY20	FY21	FY22	FY23	FY23 YTD (Q1 & Q2)	FY24 Projected
Total amount of contracts	\$75,000	\$100,000	\$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)			
	FY22	FY23	FY24 Projected
M/W/DSBE Contract Participation Goal	5%	10%	10%

¹ This contract is for Vehicle Warranty Administration Services. There is no M/W/DSBE vendor available for this service.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$70,612,951, a decrease of \$18,142,855 over Fiscal Year 2023 estimated obligation levels. This overall decrease is primarily due to the elimination of one-time funding for vehicle parts purchases, vehicle fuel purchases and vehicle acquisition funding. The overall decrease is also reflected by the inflation increase adjustments, payroll cost increases due to the addition of 3 Automotive Technician positions to support the Streets Department's Mechanical Street Sweeping operations and salary increases due to DC33 and DC47 contracts.

The proposed budget includes:

- \$21,146,675 in Class 100, an increase of \$1,605,759 over FY23. This funding will be allocated to fill vacant positions, for salary increases due to DC33 and DC47 contracts, and for 3 additional Automotive Technician positions to support the Streets Department's Mechanical Street Sweeping operations.
- \$6,430,287 in Class 200, a decrease of \$19,109 from FY23. This funding will mainly be allocated for Heavy Equipment Repairs (\$990,000), \$690,000 for Rental of Vehicle Parking Spaces, \$516,000 for Fuel Distribution Equipment Repair & Maintenance, \$480,000 for various Vehicle Repair Services, 400,000 for Emergency Tire Recapping Services, \$450,000 for Auto Collision & Light Truck Repairs, \$350,000 for Fire Aerial Apparatus Repairs, \$300,000 for Engine & Transmission Repairs, \$166,000 for Vehicle Towing Services, \$100,000 for Fuel Site Environmental Services and \$100,000 for Warranty Administration Services.
- \$27,317,244 in Class 300, a decrease of \$5,580,898 from FY23. This funding will be mainly allocated for \$8,758,229 for Gasoline Fuel, \$8,664,000 for Diesel Fuel, \$5,807,211 for Vehicle Parts, \$1,642,000 for Tire & Tubes, \$840,000 for Vehicle Lubricants, \$172,000 for Automotive Paint & Related Supplies and \$148,000 for Anti-Freeze, Gas & Chemicals purchases.
- \$15,718,745 in Class 400, a decrease of \$14,148,607 from FY23. This funding will mainly be used to purchase 150 Radio Patrol Cars at a cost of \$9,750,000, 30 unmarked sedans at a cost of \$1,140,000, 10 Emergency Patrol Wagons at a cost of \$700,000 for the Police Department, \$304,000 to replace Fire Department Command Vehicles and \$3.46 million to replace various aged vehicles for all other departments.

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STAFFING LEVELS

The department is requesting 403 budgeted positions for FY24, an increase of one position over FY23. This increase is attributed to the addition of 3 Automotive Technician positions to support the Streets Department's Mechanical Street Sweeping operations and the transfer of 2 human resources positions to the Chief Administrative Office due to the reassignment of the Human Resources Cluster Program.

NEW HIRES

New Hires (from 7/1/2021 to December 2022)				
	Total Number of New Hires	English	Chinese (Mandarin)	Spanish
Black or African American	6	6		
Asian	1		1	
Hispanic or Latino	3	2		1
Total	10	8	1	1

Detail for new hires since December 2022, if applicable: DFS hired 12 employees after the reporting period. Out of the 12 employees 8 (66.67%) are Black or African American, 2 (16.67%) employees are White, and 2 (16.67%) employees are Hispanic or Latino. Out of the 12 employees, 3 (25%) employees are bilingual (Bambara, Spanish & French).

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PERFORMANCE, CHALLENGES, AND INITIATIVES

FLEET ADMINISTRATIVE SERVICES

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Number of Automotive Apprentices	7	8	8	
Employee turnover ratio	17.2%	10.0%	10.0%	
Number of High School Interns	13	9	25	
Fuel Sites Improvements	0	2	2	
Hybrid, Hybrid Electric Vehicle Additions	102	200	200	
CNG Vehicle Additions	3	3	3	

FY24 Strategic Goals

- Continue DFS’s High School Students Internship Program and Automotive Apprentice Programs.
- Continue DFS’s Environmental Initiatives by purchasing hybrid, hybrid electric, and CNG vehicles.
- Initiate High School Student Fleet Stores Internship Program.

FLEET MAINTENANCE SERVICES

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Fleet availability - citywide ¹	90.0%	90.0%	90.0%	

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Percent of SLA met for medic units²	131.9%	100.0%	100.0%	
Percent of SLA met for trash compactors³	100.6%	100.0%	100.0%	
Percent of SLA met for radio patrol cars⁴	99.7%	100.0%	100.0%	
Fleet availability - police radio patrol cars	89.5%	88.0%	88.0%	
Percent of maintenance performed that is scheduled⁵	75.8%	70.0%	70.0%	
Percent of maintenance performed that is unscheduled⁶	24.3%	30.0%	30.0%	

¹ New vehicle purchases in FY22 and FY23 will enable DFS to meet its citywide vehicle availability target.

² The SLA is met when 64 of 90 medic units are available. Fleet's Optimal Vehicle Replacement Strategy for medic unit purchases enabled DFS to meet the SLA.

³ The SLA is met when 243 compactors are available daily to support Street Department's Trash Collection Operations. New Compactor purchases in FY22 enables DFS to meet the target during FY23.

⁴ The SLA is met when 664 of 755 radio patrol car inventory is available on a day to day basis. In FY22, Fleet ordered 122 new radio patrol cars which will fully placed in service in FY23. In addition, in FY23, 130 new radio patrol cars will be purchased to replenish the aged inventory.

⁵ Fleet's target for this measure is 70.0%, which is the industry standard for the percent of maintenance performed that is scheduled.

⁶ Fleet's target for this measure is 30.0%, which is the industry standard for the percent of maintenance performed that is unscheduled.

FY24 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 ACQUISITIONS AND DISPOSAL

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Median age of vehicle: General Fund (years)	4.7	4.0	4.0	
Median age of vehicle: Water Fund (years)	4.0	4.0	4.0	
Median age of vehicle: Aviation Fund (years)	4.6	4.0	4.0	
Median age of vehicle: Citywide (years)	4.6	4.0	4.0	
Median age of vehicle: Trash Compactors (years)	4.9	4.0	4.0	
Median age of vehicle: Medic Units (years)	3.0	3.5	3.5	
Median age of vehicle: Police Radio Patrol Cars (years)	2.8	2.5	2.5	
Median age of vehicle: Fire Apparatus (years)	5.8	7.5	7.5	
Number of Police Radio Patrol cars replaced / purchased	122	150	150	
Number of medic units replaced / purchased	15	15	15	
Number of trash compactors replaced / purchased	30	30	30	

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FY24 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.

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CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY23											
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) <i>[yes / no]</i>	Waiver for Living Wage Compliance? <i>[yes / no]</i>
Cascor Incorporated	Warranty Administration	\$99,999	3/7/2022	10/1/2022	MBE: GFE	0%	\$0	0%	\$0	No	No
					WBE: GFE	0%	\$0				
					DSBE: GFE	0%	\$0				

NOTE: DFS has only one large professional services contract to report for FY23. 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.

Non-Profit Vendor Demographics: N/A

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EMPLOYEE DATA

Staff Demographics (as of December 2022)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	109	19	<i>Total</i>	0	0
<i>% of Total</i>	35%	6%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$56,271	\$60,302	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$57,237	\$56,709	<i>Median Salary</i>	\$0	\$0
	White	White		White	White
<i>Total</i>	124	2	<i>Total</i>	2	0
<i>% of Total</i>	40%	1%	<i>% of Total</i>	67%	0%
<i>Average Salary</i>	\$60,895	\$73,964	<i>Average Salary</i>	\$147,132	\$0
<i>Median Salary</i>	\$63,853	\$73,964	<i>Median Salary</i>	\$147,132	\$0
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	30	2	<i>Total</i>	0	0
<i>% of Total</i>	10%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$53,692	\$43,956	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$55,553	\$43,956	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	18	0	<i>Total</i>	1	0
<i>% of Total</i>	6%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$58,305	\$0	<i>Average Salary</i>	\$139,388	\$0
<i>Median Salary</i>	\$56,725	\$0	<i>Median Salary</i>	\$139,388	\$0
	Other	Other		Other	Other
<i>Total</i>	7	1	<i>Total</i>	0	0
<i>% of Total</i>	2%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$54,247	\$46,668	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$57,837	\$46,668	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	29	1	<i>Total</i>	1	0
<i>% of Total</i>	9%	0%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$56,169	\$48,683	<i>Average Salary</i>	\$139,388	\$0
<i>Median Salary</i>	\$57,037	\$48,683	<i>Median Salary</i>	\$139,388	\$0
	Male	Female		Male	Female
<i>Total</i>	288	24	<i>Total</i>	3	0
<i>% of Total</i>	92%	8%	<i>% of Total</i>	100%	0%
<i>Average Salary</i>	\$59,345	\$59,510	<i>Average Salary</i>	\$144,550	\$0
<i>Median Salary</i>	\$57,737	\$51,758	<i>Median Salary</i>	\$139,388	\$0

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 Director, 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). In 2023, DFS is planning to retrain the executive staff and first level managers. <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.**

DFS has 7 Executive staff, of which 5 (71.42%) executive staff are trained to provide language access services. In 2023, DFS is planning to provide language access service training to the remaining 2 executive staff.

- 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 have 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, hailstorms, 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.