

**OFFICE OF SUSTAINABILITY  
FISCAL YEAR 2018 BUDGET TESTIMONY**

**DEPARTMENT MISSION & PLANS**

**Mission:**

The Office of Sustainability (OOS) moves Philadelphia toward a shared vision of a city providing environmental, economic and health benefits for all.

The Office of Sustainability accomplishes this work through the following programs:

- **Greenworks:** Greenworks is the City's comprehensive sustainability plan, covering topics such as climate change, natural resources, air quality, waste management, food access, transportation, and green jobs. OOS works with partners around the city to improve quality of life for all Philadelphians, reduce the City's carbon emissions, and prepare for a wetter, hotter future.
- **Energy Office:** The City of Philadelphia's Energy Office, housed within OOS, manages City government energy operations; strategically procures cost-effective, reliable energy; promotes energy conservation and efficiency within City facilities; and develops and implements projects and programs that promote the efficient use of energy and reduce the City's environmental impact.

**Plans for Fiscal Year 2018:**

Energy program:

*Existing/Ongoing*

**Utility Bill Management.** The Energy Office uses a web-based utility bill management database that enables enhanced analysis of conservation opportunities. OOS uses this database to share energy use reports with City departments, and more than 70 employees have been trained on how to track energy use to help them understand the opportunities and benefits of energy efficiency.

**Energy Efficiency and Sustainability Fund.** To continue the trend of reducing energy use, OOS created the Energy Efficiency and Sustainability Fund (EESF), which offers funding to departments on a competitive basis to support the implementation of energy efficiency and sustainability projects within existing City-owned facilities. To date, Fund investments have saved the City approximately \$1.7 million in energy costs over the life of the program. In FY18, major EESF investments will be made at the Fire Administration Building.

**Demand Management.** OOS manages the City's participation in energy load management programs, like demand response these programs allow the City to monetize its operational flexibility. In these programs, the City is instructed to reduce its energy consumption at key times throughout the year. By responding to these events, the City is rewarded with lower energy costs and additional revenue. The City has generated revenue of approximately \$1.9 million over the last 5 years and saved millions in energy costs. OOS will continue to work with building operators and managers to increase participation and performance in these programs.

**Building Monitoring.** The Energy Office, through its Building Monitoring Pilot Program, monitors building activity for the City's four largest downtown buildings, which underwent major energy efficiency

improvements. Through this program, the Energy Office communicates with operations personnel to highlight energy waste, help troubleshoot building controls, and highlight operations practices that need attention.

**Energy Purchasing.** OOS ensures that the City of Philadelphia has energy supply, purchased at an affordable rate with low risk on price volatility. Electricity, natural gas, and vehicle fuel are the three main commodities in the supply portfolio that the Office oversees. This effort contributes to the goals of the City running efficiently and effectively as it allows the City to minimize the cost and price risk associated with the utilities and can be measured by reviewing the City energy spend.

*New:*

**Energy Master Plan and Citywide Energy Vision implementation.** The City's first ever municipal energy master plan and citywide energy vision are expected to be completed in the summer of 2017. The plans will include strategies to increase energy efficiency, renewable energy generation, and energy resiliency in municipal buildings and the built environment throughout Philadelphia and will help inform the City's climate mitigation and adaptation work. OOS will work to implement projects, policy actions or other recommendations identified through the plan in FY18.

**Guaranteed Energy Savings Projects.** OOS continues to measure and verify the City's first guaranteed energy savings project at the City's four largest downtown office buildings and is now working with the Philadelphia Museum of Art and partners on an energy performance contract for PMA. In FY18, OOS will also work with the Department of Prisons to begin the process of scoping an energy performance contract for prison facilities. Additionally, OOS will work with the Streets Department and others to pursue a contract to switch all City street lights to LEDs, which would save energy and money and contribute to public safety.

**Department Energy Reduction Incentive Pilot.** With support from the Budget office, OOS piloted an energy incentive pilot program with the Fire, Police, Parks and Recreation, Public Property, and Health departments, whereby departments are rewarded for reducing their energy consumption through shared savings. OOS plans to run another phase of the pilot in FY18.

**Renewable Energy Promotion.** Philadelphia was among the first 22 cities recognized by the U.S. Department of Energy with a SolSmart Bronze designation, rewarding Philadelphia's efforts to make installing solar energy in the city faster, easier and cheaper. Philadelphia and the Delaware Valley Regional Planning Commission were awarded a joint SolSmart Advisor by the DOE who will provide technical assistance to both entities to make additional improvements toward achieving SolSmart Gold designation. OOS will work with the Advisor over a six-month period to implement the City's SolSmart work plan aimed at reducing solar "soft costs" and driving greater solar deployment. Additionally, in partnership with the Philadelphia Energy Authority, OOS released a Request for Information in December of 2016 seeking ideas for renewable energy projects on City property. OOS will pursue a project concept through a Request for Proposal, which will likely be implemented in FY18.

**Employee Education Campaign.** In conjunction with the Energy Reduction Incentive Pilot, the Energy Office will create curriculum for new and existing City employees regarding energy efficiency measures conducted in City buildings and how employees can assist in achieving greater efficiency for the projects. Curriculum will include presentations and municipal-focused Greenworks on the Ground checklists. OOS

plans to participate in new hire orientation, conduct sessions after an energy reduction project has been completed, and assist employees who would like to be more engaged in sustainable practices.

Greenworks program:

*Existing/Ongoing:*

**Climate Planning.** OOS will continue to work with departments to implement actions outlined in [Growing Stronger: Toward a Climate-Ready Philadelphia](#) and advance policies that support climate adaptation. OOS will work with the Office of Emergency Management and operating departments to identify critical facilities that are exposed to climate risk and complete resilience audits that identify and design the changes necessary to allow those facilities to continue functioning in a hotter, wetter future.

**Food Policy Advisory Council.** OOS staffs the Philadelphia Food Policy Advisory Council (FPAC), which facilitates the development of responsible policies that improve access for all Philadelphia residents to culturally appropriate, nutritionally sound, and affordable food that is grown locally through environmentally sustainable practices. FPAC will test out up to three neighborhood-scale composting vessel designs submitted through a competition, promote its good food catering guide, and continue to maintain [www.PhillyFoodFinder.org](http://www.PhillyFoodFinder.org), an online map that connects residents to community food resources, such as soup kitchens, food pantries, and farmers' markets, in their neighborhoods.

**Energy Benchmarking and Disclosure.** OOS continues to work with stakeholders in the real estate, environmental advocacy, and energy services sectors to implement the City's energy benchmarking and disclosure law, which requires large buildings to benchmark and disclose energy and water usage data to the City. For the last several years, OOS received financial and technical support from the City Energy Project to bolster outreach and support for businesses. This funding will end at the end of FY17, which means OOS will find alternative ways to continue outreach services to support this legislation.

**Sustainable Procurement.** OOS will continue to work with the Procurement department to advance sustainable procurement policies. Specifically, OOS will provide guidance and support to the Good Food Procurement Coordinator, who will be housed within the Procurement Department with a focus on creating and implementing a sustainable food procurement strategy for the City.

*New:*

**Greenworks Equity Index.** With the launch of the [Greenworks: A Vision for a Sustainable Philadelphia](#), OOS committed to a new strategy for addressing disparities in how neighborhoods benefit from sustainability. The Greenworks Equity Index will be a data-driven approach to identifying areas that have received fewer sustainability benefits and then focusing context-specific, community-identified interventions to improve outcomes. Our first project, expected to begin in May of 2017, will focus on one or two neighborhoods that experience hotter than average surface temperatures to work on short-term coping strategies and long-term cooling interventions.

**Outreach and engagement strategy.** In FY18, OOS will hire an Outreach Manager who will be tasked with creating the office's first ever engagement strategy. This work will include promoting Greenworks on the Ground resource guides to individuals, communities and institutions, handling the office's social media, blog and website, and creating additional opportunities to educate and engage more stakeholders, such as events, open houses, volunteer activities and more.

**Green Fleet Strategy.** Working with the Chief Administrative Office, Fleet Management the Office of Transportation and Infrastructure Systems and others, OOS will help to create a proactive approach to creating a cleaner and more sustainable City fleet. The study will find opportunities to reduce the size of the fleet, identify which alternative fuel vehicles are appropriate for certain uses, explore additional infrastructure such as charging or fueling stations that be included in decision-making, and outline financial implications.

**Shared Food Metrics Plan.** OOS will work with FPAC, funders, non-profits and academics to create a shared vision for the Philadelphia regional food system, map out pathways to achieve that vision, and assign metrics to measure progress.

**Urban Agriculture Plan.** OOS will work with Parks & Recreation, FPAC, and non-profits to create a comprehensive plan that affirms urban agriculture remains a healthy, efficient contributor to social equity, public health, and quality of life in Philadelphia’s neighborhoods.

**Green ports plan.** The recent announcement of a \$300 million investment from the state into the Port of Philadelphia creates opportunities to green and clean port activities. The intended improvements include the installation of electric cranes, which would help reduce air pollution. OOS will work with the Port of Philadelphia, Air Management Services, and other partners to identify sustainability measures that the port upgrade can include.

**Rebuilding Community Infrastructure.** OOS is working to create energy efficiency, sustainability, and resilience standards for Rebuild projects to ensure that investments made now in our parks, recreation centers and libraries will withstand climate change and operate well into the future. OOS will continue to work with Rebuild team to evaluate sites and identify opportunities to incorporate sustainability into each project.

**Community Climate Plan.** OOS will continue to seek funding to conduct a community climate plan in the Eastwick neighborhood. In the meantime, OOS will participate in the Philadelphia Redevelopment Authority’s planning project for the area to help to inform the scope of a future climate plan.

**BUDGET SUMMARY & OTHER BUDGET DRIVERS**

<b>Staff Demographics Summary (as of December 2016)</b>				
	Total	Minority	White	Female
Number of Full-Time Staff	9	2	7	5
Number of Civil Service-Exempt Staff	9	2	7	5
Number of Executive Staff (deputy level and above)	3	1	2	2
Average Salary, Full-Time Staff	\$78,767	\$70,272	\$81,194	\$77,509
Average Salary, Civil Service-Exempt Staff	\$78,767	\$70,272	\$81,194	\$77,509
Average Salary, Executive Staff	\$102,120	\$92,000	\$107,180	\$103,500
Median Salary, Full-Time Staff	\$65,000	\$70,272	\$72,000	\$60,000
Median Salary, Civil Service-Exempt Staff	\$65,000	\$70,272	\$72,000	\$60,000
Median Salary, Executive Staff	\$99,360	\$92,000	\$107,180	\$103,500

<b>Employment Levels (as of December 2016)</b>		
	Budgeted	Filled
Number of Full-Time Positions	9	9
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	9	9
Number of Executive Positions	3	3
Average Salary of All Full-Time Positions	\$78,767	\$78,767
Median Salary of All Full-Time Positions	\$65,000	\$65,000

<b>General Fund Financial Summary by Class</b>						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$537,979	\$488,757	\$537,979	\$546,234	\$557,790	\$11,556
Class 200 - Purchase of Services	\$279,508	\$221,618	\$279,508	\$273,561	\$393,508	\$119,947
Class 300 - Materials and Supplies	\$13,920	\$5,050	\$15,964	\$15,964	\$15,964	\$0
Class 400 - Equipment	\$3,920	\$2,867	\$1,876	\$1,876	\$1,876	\$0
Class 500 - Contributions	\$0	\$0	\$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
	<b>\$835,327</b>	<b>\$718,292</b>	<b>\$835,327</b>	<b>\$837,635</b>	<b>\$969,138</b>	<b>\$131,503</b>

<b>Professional Services Contracts Summary</b>						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	N/A	N/A	N/A	N/A	\$175,020	\$217,942
Total amount to M/W/DSBE	N/A	N/A	N/A	N/A	\$40,523	\$61,058
Participation Rate	N/A	N/A	N/A	N/A	23%	28%

<b>M/W/DSBE Contract Participation Goal</b>			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	N/A	20%	20%

## **PROPOSED BUDGET OVERVIEW**

### **Proposed Funding Request:**

The proposed Fiscal Year 2018 General Fund budget totals \$969,138, an increase of \$131,503 over Fiscal Year 2017 estimated obligation levels. This increase is primarily due to a transfer of Class 200 dollars from the Department of Public Property related to a professional services contract that provides for supply-side electricity procurement and management services.

The proposed budget includes:

- \$557,790 in Class 100, an \$11,556 increase over FY17. This funding will continue to support the staff of the Office of Sustainability, and reflects an increase related to exempt raises.
- \$393,508 in Class 200, an \$119,947 increase over FY17. This funding will continue to provide for supply-side electricity procurement and management services, amongst various energy related professional services.
- \$15,964 in Class 300.
- \$1,876 in Class 400.

Office of Sustainability

**STAFFING LEVELS**

The department is requesting 9 budgeted positions for FY18, which is level over FY17.

**NEW HIRES**

N/A – no new hires since December 2016.

**PERFORMANCE, CHALLENGES, AND INITIATIVES**

FY18 Performance Measures: Greenworks				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Social media touchpoints *	N/A	179	1,161	1,335
People reached *	N/A	4,345	5,709	6,565
Number of resiliency audits of city facilities completed *	N/A	0	0	5
Food waste composted and recovered through city activities (tons) *	N/A	5.77	7.43	8.50

\* New measure in FY17. Baseline data is being collected in FY17.

FY18 Performance Measures: Energy Office				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
City of Philadelphia facility energy consumption, including General, Aviation and Water Funds (Million British Thermal Units) *	3.83	0.76	3.68	3.88
City of Philadelphia facility energy cost including General, Aviation and Water Funds (\$ million) *	\$80.8	\$15.5	\$63.8	\$78.3
Percentage of General Fund square footage participating in energy management practices supported by Municipal Energy Master Plan**	N/A	33%	33%	60%
Percentage of identified City departments engaged in energy management practices supported by Municipal Energy Master Plan**	N/A	40%	40%	75%

\* Target is based on a 5% reduction in usage from 3-year average for FY14-16. This is a lagging measure; FY17 YTD data is for FY17 Q1 only.

\*\* New measures for FY17. Baseline data is being collected in FY17.



**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

N/A

**CONTRACTING EXPERIENCE**

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY17											
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)	Waiver for Living Wage Compliance?
ICF Resources, LLC	Energy Consulting & Design	\$74,156	4/6/2016	6/15/2016	MBE: 25-30%		\$0	27%	\$20,022	No	No
					WBE: 25-30%	27%	\$20,022				
					DSBE: N/A		\$0				
Practical Energy Solutions, Inc.	Energy & Design Services	\$70,920	5/8/2015	9/1/2016	MBE: 25-30%	15%	\$10,638	25%	\$17,730	No	No
					WBE: 25-30%	10%	\$7,092				
					DSBE: N/A		\$0				
EnergyCAP, Inc.	Utility Bill Management Database	\$30,000	1/21/2014	5/15/2016	MBE: 10-15%	5%	\$1,500	11%	\$3,300	No	No
					WBE: 5-10%	6%	\$1,800				
					DSBE: N/A		\$0				
WFGD Studio, LLC	Graphic Design Services	\$26,675	3/17/2014	4/30/2016	MBE: N/A		\$0	100%	\$26,675	Yes	No
					WBE: N/A	100%	\$26,675				
					DSBE: N/A		\$0				
EnerNOC, Inc.	Electricity Purchasing	\$10,800	11/5/2013	4/15/2017	MBE: N/A		\$0	0%	\$0	No	No
					WBE: N/A		\$0				
					DSBE: N/A		\$0				

**EMPLOYEE DATA**

<b>Staff Demographics (as of December 2016)</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>	-	-	<i>Total</i>	-	-
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	White	White		White	White
<i>Total</i>	4	3	<i>Total</i>	1	1
<i>% of Total</i>	44%	33%	<i>% of Total</i>	33%	33%
<i>Average Salary</i>	\$80,340	\$82,333	<i>Average Salary</i>	\$99,360	\$115,000
<i>Median Salary</i>	\$78,500	\$72,000	<i>Median Salary</i>	\$99,360	\$115,000
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	-	-	<i>Total</i>	-	-
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Asian	Asian		Asian	Asian
<i>Total</i>	-	1	<i>Total</i>	-	-
<i>% of Total</i>	0%	11%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	\$48,543	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	\$48,543	<i>Median Salary</i>	-	-
	Other	Other		Other	Other
<i>Total</i>	-	1	<i>Total</i>	-	1
<i>% of Total</i>	0%	11%	<i>% of Total</i>	0%	33%
<i>Average Salary</i>	-	\$92,000	<i>Average Salary</i>	-	\$92,000
<i>Median Salary</i>	-	\$92,000	<i>Median Salary</i>	-	\$92,000
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	-	-	<i>Total</i>	-	-
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Male	Female		Male	Female
<i>Total</i>	4	5	<i>Total</i>	1	2
<i>% of Total</i>	44%	56%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$80,340	\$77,509	<i>Average Salary</i>	\$99,360	\$103,500
<i>Median Salary</i>	\$78,500	\$60,000	<i>Median Salary</i>	\$99,360	\$103,500

Office of Sustainability

**NUMBER OF BILINGUAL EMPLOYEES**

OOS has no bilingual employees.