

**DEPARTMENT OF FLEET SERVICES  
FISCAL YEAR 2027 BUDGET TESTIMONY  
MARCH 31, 2026**

**INTRODUCTION**

Good Afternoon, Council President Johnson 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 2027 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 7,000 vehicles, including over 700 pieces of specialized equipment. From fire trucks to riding mowers, DFS ensures that City employees have the vehicles they need to do their jobs and work towards a City that fulfills the Mayor's goal of making Philadelphia the safest, cleanest, greenest big city in the nation with access to economic opportunity for all.

**Plans for Fiscal Year 2027:**

**Automotive Internship Program:** DFS will continue its high school internship and automotive training programs, with plans to enroll 15 students in FY27. DFS will continue to partner with the City College for Municipal Employment (CCME) to facilitate "power skills" training, which covers essential skills needed for the workplace, including critical thinking and creativity, communication, and collaboration for Fleet's high school interns. Upon completion of the two-year internship program, many of these students will be hired as Automotive Apprentices, a permanent civil service position with the City.

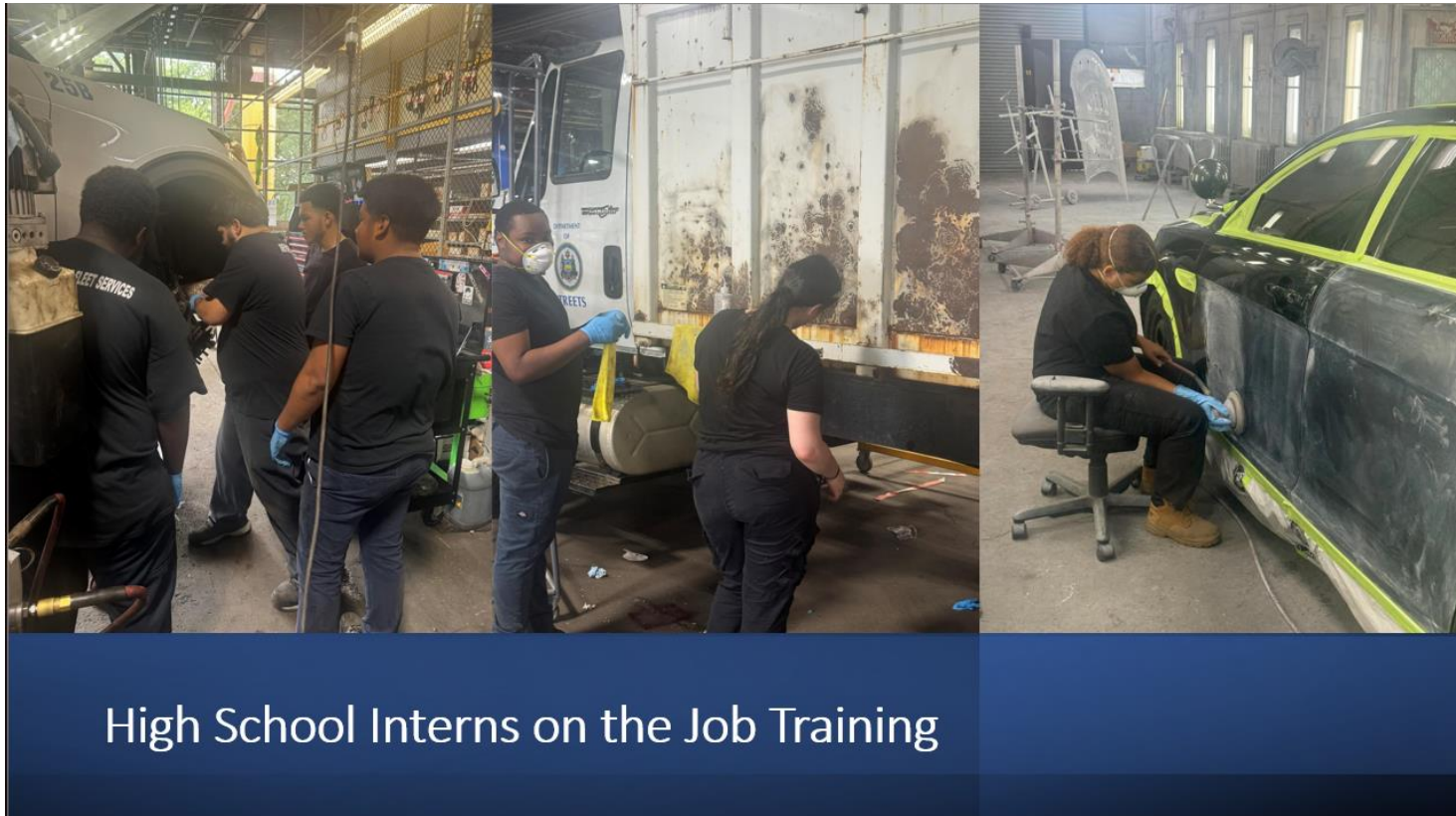
**Vehicle Safety and Availability:** DFS will continue prioritizing vehicle availability of core mission vehicles, including radio patrol cars, Fire medic units, Fire pumpers, Fire tiller ladders, and trash compactors, by completing scheduled preventive maintenance inspections to reduce unscheduled or breakdown repairs. DFS's work order system monitors vehicle usage and schedules required preventive maintenance to avoid unscheduled or breakdown repairs. This strategy will enhance vehicle safety and increase vehicle availability for City departments.

**Environmental Initiatives:** DFS will continue supporting the Philadelphia Municipal Clean Fleet Plan and will construct two more electric vehicle fast-charging stations in FY27. DFS's vehicle and equipment procurement policy will be in accordance with the Philadelphia Municipal Clean Fleet Plan. DFS will continue to institute a clean fleet procurement policy by establishing a vehicle procurement hierarchy that prioritizes battery electric

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vehicles, hybrid-electric, hybrid, and compressed natural gas (CNG) vehicles, wherever applicable. This initiative will enable DFS to continually provide safe and reliable vehicles and equipment to City departments, enabling them to better serve residents. DFS will also continue its fuel tank replacement capital project to comply with Pennsylvania Department of Environmental Protection (DEP) mandates and fuel site regulations.

**Optimal Vehicle Replacement Strategy:** DFS will continue to pursue its Optimal Vehicle Replacement Strategy. DFS mainly focuses on replacing sanitation and safety vehicles and equipment, which includes the vehicles and equipment belonging to the City’s Police, Fire, and Sanitation Departments. This strategy will enable DFS to replace aged and inefficient vehicles and equipment with more fuel-efficient and technologically advanced vehicles.



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*DFS Electric Vehicle Lineup*



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**PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS**

<b>General Fund Financial Summary by Class</b>						
	FY25 Original Appropriations	FY25 Actual Obligations	FY26 Original Appropriations	FY26 Estimated Obligations	FY27 Proposed Appropriations	Difference: FY27 Proposed-FY26 Estimated
Class 100 - Employee Compensation	\$21,146,675	\$22,511,171	\$22,978,157	\$24,059,805	\$24,755,702	\$695,897
Class 200 - Purchase of Services	\$6,430,287	\$7,548,797	\$7,530,287	\$9,847,840	\$7,530,287	(\$2,317,553)
Class 300/400 - Materials, Supplies & Equipment	\$30,783,098	\$55,127,874	\$47,350,760	\$45,033,207	\$43,873,572	(\$1,159,635)
	<b>\$58,360,060</b>	<b>\$85,187,842</b>	<b>\$77,859,204</b>	<b>\$78,940,852</b>	<b>\$76,159,561</b>	<b>(\$2,781,291)</b>

<b>Contracts Summary (Professional Services only)</b>						
	FY23	FY24	FY25	FY26	FY26 YTD (Q1 & Q2)	FY27 Projected
Total amount of contracts	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total amount to S/LBE	N/A	N/A	N/A	N/A	N/A	N/A
Total amount to M/W/DSBE	N/A	N/A	N/A	N/A	N/A	
S/LBE Participation Rate	N/A	N/A	N/A	N/A	N/A	N/A
M/W/DSBE Participation Rate	N/A	N/A	N/A	N/A	N/A	

*Note: DFS is committed to supporting the Administration’s goal for participation in City contracting. Many of our contracts are technical due to the specificity of requirements and specifications, particularly around the purchases of heavy equipment, vehicles, and other related parts and equipment. There are limited vendors for such contracts. S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

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Total S/LBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY25	FY26	FY27 Projected
S/LBE Contract Participation Goal	N/A	N/A	N/A

*\*S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

**Proposed Funding Request:**

The proposed Fiscal Year 2027 General Fund budget totals \$76,159,561, a decrease of \$2,781,291 from Fiscal Year 2026 estimated obligation levels. This overall net decrease is primarily due to one-time funding for mobile stage vehicle purchases in FY26, a decrease in vehicle and equipment repairs, a decrease in vehicle fuel purchases obligation due to a fuel fixed price agreement in FY27 and salary increases due to DC33 and DC47 contracts.

The proposed budget includes:

- \$24,755,702 in Class 100, an increase of \$695,897 over FY26 estimated obligations. This funding increase is mainly due to contracted employee wage increases. This funding will be allocated to support employee salaries and associated Class 100 costs.
- \$7,530,287 in Class 200, a decrease of \$2,317,553 from FY26 estimated obligations. This decrease is mainly due to one-time funding in FY26 for vehicle and equipment vendor repairs. This funding will support vehicle repairs and maintenance.
- \$43,873,572 in Class 300/400, a decrease of \$1,159,635 from FY26 estimated obligations. This decrease is mostly due to one-time funding in FY26 for mobile stage vehicle purchases and decreases in vehicle fuel obligations due to fixed-price purchase agreements in FY27. This funding will support the purchase of safety vehicles, fuel, and vehicle parts and supplies.

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**STAFFING LEVELS**

The department is requesting 403 budgeted positions across all funds for FY27, level with FY26.

<b>Employment Levels (as of November 2025)</b>			
	FY26 Budgeted	Filled as of November 2025	FY27 Proposed
Number of Full-Time Positions	403	355	403
Number of Exempt Positions	7	7	8
Number of Executive Positions (deputy level and above)		3	
Average Salary of All Full-Time Positions		\$64,455	
Median Salary of All Full-Time Positions		\$64,852	

**NEW HIRES**

<b>New Hires (from 7/1/2025 to November 2025)</b>		
	Total Number of New Hires	Spanish
Black or African American	5	N/A
Hispanic or Latino	3	1
Total	8	1

<b>New Hires (from November 2025 to March 2026)</b>	
	Total Number of New Hires
Black or African American	2
Other	1
Total	3

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**VACANCY RATE AND ALLOWANCE**

<b>Vacancy Rate Summary (General Fund)</b>						
	<b>FY25 Actual Vacancy Rate</b>	<b>FY26 Budgeted Vacancy Allowance</b>	<b>FY26 Vacancy Rate</b>	<b>FY26 Budgeted Vacancy Allowance Rate</b>	<b>FY27 Budgeted Vacancy Allowance</b>	<b>FY27 Budgeted Vacancy Allowance Rate</b>
Departmental Total	13.8%	(\$1,715,134)	9.7%	8.9%	(\$1,120,072)	5.3%

**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

N/A

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**CONTRACTING EXPERIENCE**

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY26											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE and SBE Participation Achieved	\$ Value of M/W/DSBE and SBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business	Waiver for Living Wage Compliance?
Cascor Incorporated	Warranty Administration	\$100,000	3/7/2022	10/1/2022	MBE: BGFE	0%	\$0	0%	\$0	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				

*Non-profit vendor demographics not applicable.*

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**PROGRAM BASED BUDGETING**

**Program Name:** Fleet Maintenance Services

**Program Number:** 02

**FY27 Proposed General Fund:** \$41,496,913

**Program Description:** This program includes DFS's 16 vehicle repair facilities, which are strategically located throughout the city. Employees include skilled shop floor technicians, who are responsible for vehicle repairs and maintenance services.

**FY27 Strategic Goals:**

- DFS will maintain vehicle availability service level agreements (SLAs) for the City's sanitation and safety core mission vehicles.
- DFS will continue to focus on implementing the scheduled vehicle maintenance program to reduce unscheduled repairs and to ensure that vehicles are available to the departments that need them.

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**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Fleet availability - Citywide <sup>1</sup>	91.2%	≥ 90.0%	≥ 90.0%
Percent of Service Level Agreement (SLA) met for medic units <sup>2</sup>	128.8%	100.0%	100.0%
Percent of SLA met for trash compactors <sup>3</sup>	110.5%	100.0%	100.0%
Percent of SLA met for radio patrol cars (RPC) <sup>4</sup>	100.1%	100.0%	100.0%
Fleet availability - Police radio patrol cars (RPC) <sup>5</sup>	90.1%	≥ 88.0 %	≥ 88.0%
Percent of maintenance performed that is scheduled <sup>6</sup>	77.1%	≥ 70.0%	≥ 70.0%

<sup>1</sup> New vehicle purchases in FY25 and FY26, along with strategic vehicle preventive maintenance, will enable DFS to meet its Citywide vehicle availability targets.

<sup>2</sup> The SLA is met when 64 of 93 medic units are available. Fleet's Optimal Vehicle Replacement Strategy for Medic Unit purchases will enable DFS to meet the SLA.

<sup>3</sup> The SLA is met when 272 of 363 compactors are available. Fleet's Optimal Vehicle Replacement Strategy for Street Compactor purchases will enable DFS to meet the SLA.

<sup>4</sup> The SLA is met when 664 of 755 RPCs are available. Fleet's Optimal Vehicle Replacement Strategy for Police radio patrol car purchases will enable DFS to meet the SLA.

<sup>5</sup> Fleet's Optimal Vehicle Replacement Strategy for Police RPC purchases will enable DFS to meet the SLA.

<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.

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### **PROGRAM BASED BUDGETING**

**Program Name:** Fleet Administrative Services

**Program Number:** 04

**FY27 Proposed General Fund:** \$19,303,403

**Program Description:** This program provides necessary administrative and financial resources for DFS's work. Key activities include the operation of DFS's 61 fuel sites, which dispense an average of 6.5 million gallons of fuel per year, serving not only City-owned vehicles but also those owned by the School District, the Philadelphia Parking Authority, the Philadelphia Housing Authority, and the Philadelphia Redevelopment Authority. Fuel sites are located across City facilities, including Police, Fire, and Sanitation Districts. DFS also operates a CNG station for CNG Sanitation compactor fueling.

#### **FY27 Strategic Goals:**

- DFS will continue its high school internship program.
- DFS will continue its environmental initiatives by purchasing electric, hybrid, hybrid-electric, and CNG vehicles.
- DFS will continue its fuel tank replacement and electric vehicle fast-charging station projects.

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**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Employee turnover ratio <sup>1</sup>	7%	≤ 10%	≤ 10%
Number of high school students enrolled in internship program <sup>2</sup>	34	15	15
Number of fuel tank replacements and environmental remediations completed	1	2	2
Hybrid/hybrid electric vehicle additions <sup>3</sup>	329	200	200
Compressed natural gas (CNG) vehicle additions	3	3	3

<sup>1</sup> The target represents the industry standard labor turnover ratio.

<sup>2</sup> The FY26 and FY27 targets reflect balancing of budgeted positions as DFS prioritizes hiring more experienced technicians who can train/mentor future interns.

<sup>3</sup> The FY26 and FY27 targets reflect the Clean Fleet Plan purchasing schedule.

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**PROGRAM BASED BUDGETING:**

**Program Name:** Vehicle Acquisition and Disposal

**Program Number:** 10

**FY27 Proposed General Fund:** \$15,359,245

**Program Description:** Through this program, DFS develops specifications for vehicles and equipment, initiates the vehicle purchase process, and inspects and accepts vehicles and equipment for deployment. At the end of the vehicle lifecycle, DFS prepares vehicles and equipment for relinquishment, which generates City revenue upon resale.

**FY27 Strategic Goals:**

- DFS will continue to replace sanitation and safety vehicles as per its Optimal Vehicle Replacement Strategy.
- DFS will continue to support the City's Clean Fleet Plan.

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**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Median age of vehicle: General Fund	5.7	≤ 6.0	≤ 6.0
Median age of vehicle: Water Fund <sup>1</sup>	6.2	≤ 6.0	≤ 6.0
Median age of vehicle: Aviation Fund <sup>1</sup>	6.4	≤ 6.0	≤ 6.0
Median age of vehicle: Citywide (years)	5.9	≤ 6.0	≤ 6.0
Median age of vehicle: Trash compactors (years) <sup>1</sup>	5.3	≤ 4.0	≤ 4.0
Median age of vehicle: Medic units (years) <sup>1</sup>	4.8	≤ 3.5	≤ 3.5
Median age of vehicle: Police radio patrol cars (years) <sup>1</sup>	3.2	≤ 2.5	≤ 2.5
Median age of vehicle: Fire apparatus (years)	6.6	≤ 7.5	≤ 7.5
Number of Police RPCs replaced/purchased	150	150	150
Number of medic units replaced/purchased	15	15	15

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Number of trash compactors replaced/purchased	30	30	30
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<sup>1</sup>New vehicle purchases in FY26 are in progress and will enable the Department to replace some of the aged vehicles when new vehicles arrive.