

OFM's Successful Maintenance Management Program

By Steve Saltzgiver

Looking to save fleet dollars for your agency? One of the primary goals of the Office of Fleet Management is to provide effective service offerings, mechanisms and methodologies for state agencies to manage their fleet activities relating to state vehicles (e.g. ARI, Wright Express, Enterprise, etc.). Accumulating accurate data to analyze fleet vehicle costs and activities is a best fleet management practice and can successfully lead to the establishment of reliable metrics and comparable benchmarks to gauge state agencies against their peers and industry fleets. Additionally, better understanding costs leads to continuous improvements throughout the state fleet in the form of cost reductions and increased efficiencies.

DOAS Office of Fleet Management officially welcomes the Department of Public Safety to the ARI Maintenance Management Program!

Happy Savings...

Back in 1999 the Office of Fleet Management contracted with Automotive Resources International (ARI), - a world leader in providing vehicle maintenance management services – who provides, preauthorized approval services, expert field adjustments, and ongoing vehicle repair savings. During the past several years the state has saved millions of precious tax dollars - more than paying for the ARI monthly fees - by reducing other fleet related expenses in the following areas:

- **Reductions in Administrative Costs**
- **Access to Nationwide Network of Qualified Vendors**
- **Repair Cost Avoidance**
- **Warranty Recovery**
- **Real-time Access to Agency Fleet Data**
- **Placing Your State-owned Repair Shop Facility On ARI**
- **Your Bottom Line Depends on Great Vehicle Management**

Reductions in Administrative Costs

Administrative costs associated with processing literally thousands of invoices and subsequent payments to pay vendors to compensate them for their services. Using ARI's program allows the state agencies to pay a single invoice each month. According to the National Association of Purchasing card Professionals (www.napcp.org) who conducted a recent study that concluded the average cost to process a transaction was about \$69 each. NAPCP and other purchasing professional routinely find the costs related to processing a single transaction can range from \$50 to \$250 dollars and efficiencies result in savings ranging from 55% to 90% of these transactional costs.

Access to Nationwide Network of Qualified Vendors

Looking for reduced maintenance and repair costs to save precious state budget dollars? In these trying economic times agencies must save every dollar possible to maximize their budget efficiencies. ARI's nationwide network of vendors does exactly that! Most ARI vendors will save you r agency about 20% in discounted repair costs. In addition, ARI ensures that state agencies receive the state contract pricing

and rebates available by using existing state contracts, like the Goodyear tire contract. You can't afford not to use ARI and recoup these additional savings.

Repair Cost Avoidance

Everyone that takes their personal vehicle into a maintenance shop for repair knows they seldom leave the shop without incurring more expenses than the original estimate you have been given by the vendor. This phenomenon is known in the fleet industry as *upselling* which is a technique used by the vendor to increase their profit margins at the expense of unknowledgeable clientele. Think of the last time you sat in the waiting room waiting for an routine oil change and the technician returned to show you your

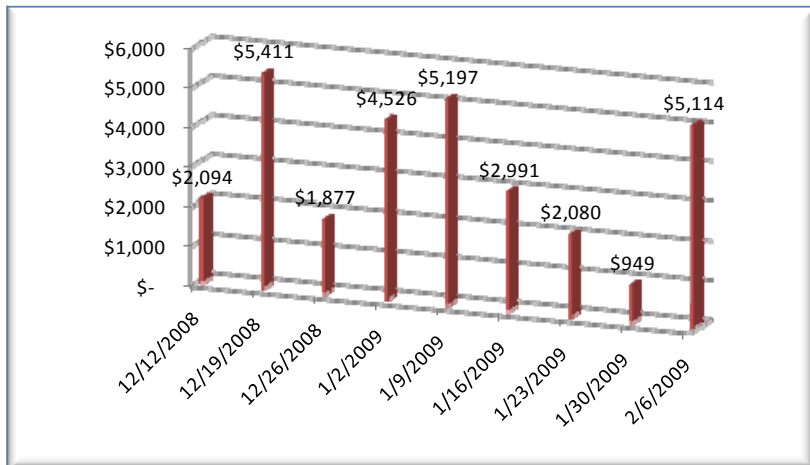


Figure 3- OFM Consultants Save over \$3,000 a Week

dirty air filter, this is an example of upselling. ARI employs a dedicated staff of and qualified fleet professionals that are certified by the Automotive Service Excellence (ASE) group which is a national association requiring extensive certification in automotive industry and vehicle repair knowledge. ARI's certified technicians may save as much as 20% in repair cost avoidance. Best of all, ARI allows agencies to set up preapproved limits that keep your vehicle drivers from incurring costs before you have the chance to approve these repair dollars in advance. This provides your agency with an extra measure of assurance that you do not repair vehicles slated for removal from the fleet.

Finally, as an added benefit to all ARI network participants, agencies can access the expertise of OFM's field adjustment consultants to assist you with obtaining additional repair negotiation expertise with state vendors, further reducing vehicle repair costs. The chart to the right show that OFM's experts save agencies on average approximately \$3,023 dollars a week in cost avoidance savings!

Warranty Recovery

One of the major strengths of the ARI maintenance program is their nationwide clout they hold with the original equipment manufacturers (OEM) or automobile makers - and the use of this influence - to ensure clients get 100% of their warranty dollars returned. Many fleet management organizations neither have the time nor the resources to battle the OEMs over monies

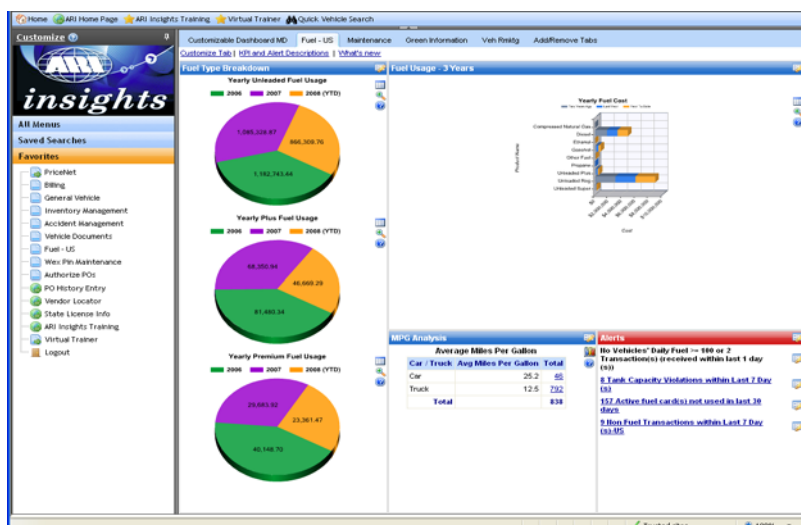


Figure 4-ARI Insight Program Screen

owed to their agencies for warranty claims. ARI's team of professionals serves as an advocate on retainer for the state to petition the return of these payable dollars back to the state. In addition to the standard warranty recovery process ARI is instrumental in recovering "Post-Warranty" dollars where the vehicle warranty has expired and their influence can strongly persuade the OEMs to return a percentage of these dollars back to their clients as well. In most cases, the warranty dollar recovery savings alone pay for the ARI management fees, because most agencies don't have the resources to go after these monies owed.

Real-time Access to Agency Fleet Data

Need to see your agency fleet data in real time? Trying to print a report for your supervisor about your fleet vehicles? The answers to these questions can be at your finger tips using ARI's online program called, Insights offers the additional benefit and convenience of reviewing each of your vehicle repair and cost activities on a Real time basis. This advanced online program allows agencies to set email reminders for specific fleet activities like preventive maintenance scheduling and offers an endless array of vehicle cost and exception reports agencies can download and more effectively manage their fleet assets.

Placing Your State-Owned Repair Shop Facility on ARI

Do you operate or manage a state-owned maintenance repair shop? Are you looking to increase revenues by repairing other state agency vehicles and ensuring your shop operates at optimal capacity to justify its continued viability? One of the most difficult services to manage at the state level is to ensure your vehicle repair shop operates at full capacity to justify keeping it. Shops that operate at less than full capacity are often targets for outsourcing due to the inability to justify the costs of operation. As an added benefit of ARI you can place your state-owned shop on the repair network either to document your own agency vehicles or operate a state-owned shop facility that repairs vehicles from other state agencies to maximize your infrastructure and reduce shop operating costs. Contact us to learn more information about how you can operate an ARI managed shop facility.

Your Bottom Line Depends on Great Vehicle Management

Using the ARI network's various services ensures that your agency vehicles are properly maintained and safe to operate. ARI ensure vehicles get their scheduled preventative maintenance at regular intervals and of course their 24/7 365 after hours emergency roadside maintenance services protect your most precious agency assets, the drivers. State agency drivers can simply call from anywhere to access the ARI network by dialing the toll free number 1-800-Car-Care (1800-227-2273) and best of all ARI will make sure your drivers are removed from the elements and harm's way in the event of an untimely vehicle breakdown.

Of course the ARI program is not a one-size fits all agency fleet programs and all agencies certainly won't achieve the same results as other state agencies, but we strongly urge each agency to review their internal maintenance management and repair practices, policies, and procedures to determine if ARI can provide additional savings and benefits for your state fleet program.

Contact the Office of Fleet Management today for more information about ARI's maintenance management program!