



Part 2 – Service, Maintenance & Repairs

A Fleet Managers Guide

Introduction

The modern fleet car or van is infinitely more complex and powerful than those of a few years ago. Mechanical reliability has increased substantially, despite the servicing schedules tending to reduce due to better design, build quality and more advanced lubricants. In some cases there can be an issue about getting everyone involved to remember that car or van is a potentially-lethal weapon, and must be kept in good order. There are very important safety issues, as well as cost and commercial issues at stake.

So what is “fleet maintenance”? Large fleets frequently break this down into different types of maintenance, but many smaller fleets would find this unnecessary. It is good practice to try to balance between recording as much detail as possible, and finding the resource to do it. But keeping an eye on the detail can occasionally pay handsome dividends.

Key aspects of fleet maintenance

The major divisions most often used to record maintenance detail are:

- **Servicing:** This is the routine work scheduled by the vehicle manufacturer in the service booklet which comes with every vehicle. The modern trend appearing on most Volkswagen models, is for “smart” servicing intervals. The car monitors its own condition, and the type of use it has had, and will indicate through some form of dashboard message, when the driver should book a service. Other vehicles are set so that work is required on some form of time/ mileage combination
- **Repairs:** The need for attention to parts of the vehicle which malfunction. They can be minor (a rattle, or a blown side-light bulb) or major (failed engine or broken gearbox). Better build quality has reduced the frequency of mechanical repairs. Most minor repairs will not incapacitate the vehicle, while major ones will either bring it to an immediate halt, or make it obvious that attention is needed on a fairly urgent basis
- **Tyres:** As the only contact between vehicle and road surface, tyres have to be in good condition for safety. There are clear tread-depth and inflation pressure regulations. Good records of when tyres are replaced are an important part of demonstrating Duty of Care



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- **Downtime:** Any days off the road for mechanical failure should be monitored – for costs (especially of a rental car is provided at an extra charge). Useful to record as a trend for overall vehicle reliability.
- **Relief vehicles:** Related to the downtime issue above, but with much more important cost implications

Splitting out elements of the invoice costs to allocate the right cost code takes administrative time and effort. In some fleets, this could not be justified, especially if it is likely that no use will ever be made of this information. But it does represent good practice. And once collected, the data might be useful in all sorts of interesting and productive ways, especially in larger fleets. For example, it could show persistently high costs for one model, against another. It might “prove” driver abuse - or the fact that vehicles had been serviced according to requirements. So there could be quite significant financial gains from negotiations with manufacturers and other suppliers, simply because you have a clear record.

Outsourcing Maintenance and Servicing reports

Where the fleet operation has been outsourced under contract hire with maintenance, or uses an external agency to manage the maintenance, these should be doing exactly the same kind of analysis for their own purposes. One thing that is important is to ensure that reports on key aspects of the underlying data about the fleet maintenance performance should be fully available to the fleet operator on demand. This is particularly important as one part of the audit trail of maintenance, making sure that vehicles are being serviced and kept fully roadworthy.

Something like half of all fleet vehicles have their maintenance controlled through an outside agency - either within a contract hire arrangement, or through some form of “fleet management” contract. Fleets in the UK have easy access to a wide choice of service providers, and so should be able to source a highly professional, ethical and safe service on a cost-effective basis.

The big difference between the two types of maintenance outsourcing lies in where the cost risk lies. Under a contract hire agreement, the external specialist will make their own projection of the amount of maintenance spend likely to be needed to keep the car or van on the road, for the full period and mileage of the contract. This sum is then “fixed”, and is usually charged in equal amounts across the full period of the agreement.



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Fleet maintenance management gives the same service - but without any cost guarantee from the supplier. Instead, they use their professional expertise to manage each maintenance event as it arises. So far as costing is concerned, the fleet customer is recharged for every maintenance item as it is incurred, together with a fixed management fee for doing the work and maintaining the records. Under this system, it is normal for the costings on a new vehicle to be very low, but get progressively higher month on month as the vehicle ages.

These different outsourcing arrangements are valuable, because they put the onus on some of the highly technical issues on to maintenance controllers who are trained to handle it properly. This saves the fleet manager dealing with high volumes of relatively low value work - and avoids the need to understand the mechanical intricacies of today's cars and vans.

Duty of Care

But - and this is an important point - that does not absolve the fleet manager or the business from having a very clear eye on what is going on. Probably the hottest topic in the UK fleet industry (2007/8) is the whole issue of the Duty of Care owed by employers to employees in respect of driving on business.

Basically, what this means is that the fleet operator, through the "fleet manager", must be aware that maintenance is being done properly and regularly. Any feeling that drivers are failing to book vehicles into garages for service/repair work or inspection of safety-critical equipment must be followed through carefully and quickly. There is a commercial issue here: a vehicle with a poor maintenance history could end up being expensive, and/or difficult to sell at a fair price. But far more importantly, there are issues of general road safety for the driver; and significant legal issues which could hit the company hard in a worst-case scenario where the vehicle is involved in a serious accident.

Despite maintenance costs falling as a proportion of the overall fleet operating budget, it is something which must be considered very seriously indeed. Drivers need to be made fully aware that they are directly responsible for understanding the maintenance requirements of the vehicle they drive, and in making sure that service schedules are properly observed.



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In situations where there are pool cars or vans; or vehicles which are shared in some way between different employees, a named manager should have the responsibility to check vehicle maintenance requirement as a clear and unambiguous element of their job function. It may sound simple and obvious and possible excessive – but increasingly, people involved in road accidents are turning to the law to seek compensation. Any suggestion that one of your vehicles involved in an accident was not properly maintained could open up such a claim – and any civil judgement against the fleet operator is unlikely to be for trivial amounts of cash.

Warranty

Another important issue is the warranty available on fleet cars. There are many different period and mileage limits and thresholds of warranty, and the details should be checked just in case there are any onerous conditions. One specific characteristic of fleet cars is that they may be based – and therefore need to be serviced – in a different part of the country from where they were bought. To take full advantage of the warranty, the repairing dealer must be told that the warranty does (or at least might) apply to the vehicle. Otherwise, the company will end up paying for work which is actually covered elsewhere. Where the vehicle is leased or contract hired, most suppliers will ensure these terms are fully understood by the garage before the work starts.