

## CASE STUDY

# TriMet:

## Tri-County Metropolitan Transportation District of Oregon

TriMet provides transit services to a tri-county region that includes the city of Portland, Oregon. TriMet operates a fleet of 600 fixed-route buses and 105 light rail vehicles on MAX, the regional light rail system.

As part of this multimodal public transit system, TriMet also owns and operates a transportation service for the elderly and people with disabilities. Penske is responsible for the maintenance of this fleet, which includes 215 lift buses and 15 sedans.

### Challenges

- Implement a more predictive maintenance contract based on a fixed cost-per-mile model versus a cost-plus-percentage model
- Assimilate a new fleet maintenance contractor into the existing workplace
- Maintain reliable fleet maintenance records
- Execute the preventive maintenance schedule without interrupting the run schedule

### Solutions

- Penske and TriMet co-developed a fixed-cost contract, with a cost over-run protection clause
- Penske assumed responsibility for the fleet with no loss of staff
- While maintaining TriMet's maintenance information system, Penske also implemented ServiceNet, a proprietary data collection, productivity and recordkeeping system for its own fleet maintenance needs
- Penske consistently achieves preventive maintenance compliance and fleet reliability goals

### Under Contract

As with most public transportation agencies, TriMet needed to explore innovative ways to cut costs. The result was a new, fixed-cost maintenance contract that paid providers on a mileage basis based upon their successful bid. This new model

made ongoing fleet maintenance efficiency and cost control the primary responsibility of the contractor, not TriMet. The next step was to find a contractor who could comply.

When TriMet began searching for contractors, it witnessed firsthand Penske's transit maintenance capabilities showcased in New Orleans, where Penske maintains over 190 vehicles for the regional transit authority. During the bidding process, Penske presented a fair contract, which included a unique cost overrun protection clause. Other contractors were competitive with the base price in their contract bids, but Penske took the time to understand TriMet's business. And, Penske was awarded the contract.

### Seamless Transition

The maintenance start-up consisted of a 30-day transition. There was, however, some concern at TriMet over how the existing maintenance team, consisting of 11 technicians and one manager, would work with Penske and the possibility of turmoil and negative effects on fleet maintenance activities. But Penske provided training and integrated processes and Penske culture into the existing maintenance program—losing no one in the transition.

*"Penske has been the only contractor we've had since we've moved to a fixed-cost model. That says a lot in a business where contractors often come and go."*

Tony Bryant, Director of Bus Maintenance TriMet, Portland, Oregon

### Maintaining the Shop

The Penske fleet maintenance contract with TriMet is a straightforward contract with bumper-to-bumper coverage. TriMet provides the vehicles, fluids, fuel, accident/damage coverage, tires and the communications equipment. Penske is responsible for the preventive maintenance schedules and



Dedication at every turn.

the road-call mileage standard. This agreement clearly defined responsibilities in the maintenance facility, and helped simplify administrative tasks in the office.

*"Penske's first response was that they didn't see a problem. I kept waiting for the call to throw in the towel, but it never came."*

Tony Bryant, Director of Bus Maintenance TriMet, Portland, Oregon

### Maintaining the Office

Prior to Penske, contracts had been based on a cost-plus-percentage model. Every month, every bill was scrutinized line by line. The new fixed-cost model alleviated this administrative burden for TriMet. Also, in the past, when a contract expired, the contractors handed over a floppy disk with maintenance records and left. This was not a reliable way to maintain accurate and consistent information. So, TriMet inserted a requirement in the new contract that contractors are to be the keepers of its maintenance data system.

Penske uses its own ServiceNet system, to keep independent records. This dual-input system keeps items in sync with TriMet's

processes and helps TriMet independently measure performance of preventive maintenance compliance and road miles. TriMet is also able to provide internal reports verifying fleet performance and records during government audits.

### Added Value

Due to recessionary budget issues, TriMet turned to Penske to help extend the life of its fleet. TriMet asked Penske if they could get more out of each vehicle and extend vehicle life from six years to 10 years. That meant older vehicles would have to be maintained up to 370,000 miles and Penske would be responsible for the maintenance. Penske agreed to the challenge, and delivered.

### A Successful Partnership

Since 1999, Penske has been under contract to maintain TriMet's paratransit fleet. Because of Penske's ability to help TriMet meet its preventive maintenance and fleet reliability compliance goals, the initial contract was renewed, even with a second competitive bid. Since Penske has taken over fleet maintenance responsibilities, TriMet has had full compliance with all its service goals at a competitive price.