

# Effective OUTSOURCING

A full service lease program with Penske Truck Leasing's Specialized Equipment Services group is benefiting Blue Ridge Communications in a number of ways

BY SETH SKYDEL | CONTRIBUTING EDITOR

For Blue Ridge Communications, the decision to lease a fleet of vehicles and outsource maintenance services has been very beneficial. "Overall, we could not be happier with the arrangement we've made with Penske Truck Leasing's Specialized Equipment Services group," says Fred Masenheimer, Executive Vice President of Pencor Services Inc., the parent company of several telecommunications and media companies. "Their consistent service and performance has boosted our productivity, and the morale of employees who are using quality equipment."

The full-service lease that Masenheimer is referring to involves approximately 100 vehicles leased from Penske by Blue Ridge Communications, a division of Pencor Services. The Palmerton, Pennsylvania-based company is a cable, telephone and Internet services provider serving nearly 200,000 sub-

scribers in a 15-county area in eastern parts of the state.

"Penske Truck Leasing's Specialized Equipment Services group is dedicated to managing and maintaining unique fleets, which include those like Blue Ridge with cable and telecommunica-



Penske - GMC G33405 Cargo Van

tions operations," says Russ Scaramastra, Vice President - Specialized Equipment Services at Penske. "We initially approached

Pencor about a contract maintenance arrangement, and from those discussions grew the opportunity to lease vehicles as well. The arrangement started small but has expanded from there."

The Blue Ridge Communications fleet includes Ford F-350 Super-Duty utility bucket trucks powered by Triton 5.4-liter V-8 engines and GMC G33405 cargo vans with Vortec 4800 V-8 gas engines. Also in the operation are GMC K2500 4x4 pickups, and Ford F-450 heavy-duty utility trucks. Another standard specification calls for Goodyear tires.

## Ideal solution

The Blue Ridge lease from Penske was established based on a study of mileage criteria. "We reviewed our fleet use over a period of time, and worked with Penske to determine an ideal solution," Masenheimer relates.

"When I first became involved with the maintenance of our fleet," Masenheimer says, "we were buying

vehicles and running them until they dropped. With the Penske lease, we are able to operate newer vehicles that turn over on a five-year cycle, providing for lower operating and maintenance costs and the ability to avoid the capital outlay necessary to buy new vehicles.”

While Penske performs the majority of full-service maintenance work on the Blue Ridge fleet, the company has also retained an in-house service department of technicians and support staff. Those associates service Blue Ridge vehicles in select areas and the fleets of other Pencor companies.



Penske - Ford F-350 Utility Truck

### Excellent job

“Our customer service area includes rural locations, so we need newer trucks that require a minimum of upkeep,” Masenheimer states. “Penske maintenance technicians have done an excellent job of making themselves a part of the Blue Ridge team. Overall, this combination of maintenance services means our trucks get attention when they need it.”

The Blue Ridge fleet’s fuel needs are met through commercial accounts with several national companies, Masenheimer reports, while parts and tires are supplied through Penske’s national account inventory program. Penske also has a wide array of training resources, which has been invaluable to Blue Ridge for understanding the complexities of regulatory issues.

For Blue Ridge Communications, there’s simply been no downside to the decision to outsource its vehicle and maintenance needs. “In addition to the savings this decision has brought,” Masenheimer concludes, “we are also presenting a very professional fleet and company image to our customers and to the general public.” ■

## specialized equipment services

For a number of utility fleets, Penske Specialized Equipment Services is bringing the benefits of outsourcing vehicles and maintenance to the bottom line. The company works with each customer to determine specific fleet maintenance and leasing needs and establishes a program that helps reduce costs and increase uptime. Included on its customer list are electric, telecom, cable and other utility companies across the country.

Utility fleet customers of Penske can choose from a wide selection of vehicles including bucket and boom trucks, van mount and insulated aerials, augers, digger derricks and ditch witches. Bucket and digger rentals are also available at peak times or during storm restoration. Company-owned utility fleets can also utilize Penske’s contract maintenance services, including bucket truck repair, at a network of facilities or in house.

Municipal fleets are also taking advantage of Penske Specialized Equipment Services. Managed competition is increasingly benefiting government agencies that decide to contract out services, the company notes, and its experience has helped municipalities cut costs and increase efficiency while staying focused on serving their communities. Penske technicians receive continuous training on best practices for repairing and maintaining buses, police cruisers, and fire equipment, ambulances and public works vehicles.

The experience of one Penske municipal fleet customer, the City of Chelsea (Massachusetts) Department of Public Works illustrates the value this service can bring to a fleet. The following are excerpts of an August 2007 letter from Katharine M. Sacca, the municipality’s Chief Procurement Officer:

*When we at the City of Chelsea Department of Public Works were first approached by Penske regarding our fleet maintenance contract, we were nearing the end of a contract year with another vendor. We had an option to renew with that vendor, but our relationship had been less than satisfactory. Additionally, the previous invitation for bids had only produced one (incumbent) bidder, so we decided that we really had nothing to lose by going out to bid again with a little competition.*

*After much delay on our part getting the specifications together, by the time we opened the bids we were just two weeks from the end of the contract. I was slightly nervous about that, but I half expected the incumbent to be the low bidder by virtue of having no startup costs. Penske, though, by revamping the way the clerical work is done as well as offering a more favorable parts markup, won the bid. By the time I actually had a signed contract to deliver to Penske, I had only two days before I needed them to be in the garage working full-steam on our fleet maintenance.*

*One of the questions we had asked the sales people from Penske in the early stages was whether they had the ability to get in and set up shop quickly if they were to win the bid. They were adamantly confident that there would be no problem they couldn’t handle.*

*Every step forward was like a touchdown to them, and every two steps back were no more than a minor irritant. The previous vendor refused to sell them any equipment or parts inventory, and made it very difficult for them to get into the facility to make any plans. Two of the mechanics opted to leave for the private sector to avoid future bidding wars and Penske had to bring in personnel. Not once, though, with all the delays and problems, did they ever complain or whine about the shortage of time; they stayed buoyant and confident in the face of ridiculous odds. In two weeks they had themselves poised to pop in at 6:00 AM on day one of their contract and be ready to work on vehicles by 7:00 AM, with little or no help from us.*

*We didn’t have to remind them of anything, or point out anything, or make suggestions; they were two steps ahead of us, asking the right questions, making their plans and contingency plans, gathering tools, equipment and personnel, talking to all the concerned parties, making friends with city employees, and generally moving in and taking over.*

*Since then, which was almost a month ago, the pattern has pretty much continued. Our vehicle listing is an embarrassment of misinformation; the previous vendor took all our preventive maintenance records and has not cooperated in returning them; our department contacts are shameful about complying with scheduled maintenance; we have over a dozen surplus vehicles sitting around taking up valuable space. Still, the Penske team just keeps humming along, updating our vehicle list, scheduling PMs, chasing contacts, fixing trucks, cleaning up vehicle and equipment abuse, making regular reports, and still adamantly confident that there’s no problem they can’t handle.*

**For more information about Penske Specialized Equipment Services, visit [www.pensketruckleasing.com/leasing/specialized\\_equipment](http://www.pensketruckleasing.com/leasing/specialized_equipment).**