

What's Driving Fleet Maintenance Costs?

Anyone who's visited a gas pump recently already knows about the high cost of operating a vehicle. According to a 2005 study recently released by GE Commercial Finance Fleet Services, the cost of preventive maintenance is going up too—though thankfully, not as dramatically as gasoline! Nevertheless, maintenance costs for fleet cars are on the rise, up 10 to 15% on average, with preventive maintenance accounting for most of the overall costs.

One of the primary drivers of this increase is larger engine oil capacity—with newer model vehicles increasing from five quarts to six, the cost of a simple oil change—your most common maintenance expense—increases 20%—and that doesn't even take into account the increased price of the oil! In addition, many manufacturers are recommending blended synthetic oil, which is a more expensive grade. These increases are balanced somewhat by vehicles with extended recommended time or mileage between oil changes, or onboard oil life monitoring systems. Still, as the price of crude continues to climb, your oil change costs will follow suit.

Other preventive maintenance costs that are on the rise include replacement tires and brakes. If your fleet comprises mostly rear-wheel-drive vehicles, you'll need to replace tires more frequently, and you may be incurring costs for snow tires as well. And, brake pad costs are up because manufacturers are moving toward ceramic brake pads that last longer, but cost more to replace.

Preventive maintenance is a fact of vehicle ownership—having it performed regularly comes with the territory—but that doesn't mean paying through the nose. And even though the costs of these routine services are rising, it's still the unexpected, larger-ticket maintenance that can throw your budgets out of whack. So how do you get control of the maintenance costs for your fleet? Motorlease offers these recommendations.

Monitor routine service and make sure it is performed regularly.

Get to know what routine services are recommended by the manufacturer, at what mileage. Pay attention to what your service facility is suggesting you have done. Remember, the shop is trying to make a living, but it does not need to be at your expense. Tell them specifically what service(s) you want done when, and avoid buying those that are not required in the manufacturer's schedule simply because your service provider is suggesting they be done. Some makes and models simply cost less to maintain than others. Ask your fleet supplier for guidance in selecting vehicles with lower operating costs. Depending on the size of your fleet, carefully selecting the right vehicles up front can add up to substantial savings over time. Track your maintenance expenses in terms of "cost-per-mile" and know your baseline cost. When you see the cost-per-mile begin to rise, understand this is a one way street—it does not come back again, and it's time to replace the unit. Experience will help you anticipate this curve and avoid spending big dollars on units that are at the end of their lifecycle. Establish and stick to a replacement cycle that gets your cars off the road before maintenance costs start to climb.

Following these simple steps can help you keep tabs on your overall costs, derive maximum value from your vehicles, and minimize unexpected expenses.

