



# MONEY THROWN AWAY

A Presentation to the Joint Transportation  
and  
Transit Committees

by ATU Local 1760  
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## ***MONEY THROWN AWAY***

ATU Local 1760 is the newest Union at OC Transpo having been recognized in 2004 as the voice of the many administrative and support staff that are vital to putting transit services on the road in Ottawa. Like our brothers and sisters of Local 279 and CUPE 5500, we are making these submissions to you today in the hope of ending what we all see as the decline of transit services in this City.

As you will have learned from the materials put forward by Local 279, there are a number of significant problems affecting OC Transpo that must be solved and solved soon. And again as you have heard and will shortly hear from my brothers within other Unions, our concern is that too much attention is being paid to the future of transit in this city and not enough to the very real problems of the present.

### **I. Warranty Tracking**

Buses, like cars come with a warranty. In many ways the warranties are similar in their operation and scope – low cost or easily damaged components such as accessories and body work are provided very minor protection. More substantial components such as engines and transmissions are provided with more extensive and longer lasting protection.

Unlike cars however, warranties for new buses can vary dramatically from buyer to buyer and even from contract to contract with the same buyer reflecting the negotiations inherent in a purchase of this scale.

Given this, tracking each and every element of warranty coverage on a new bus is of central importance.

As recently as a few years ago, whenever a new bus was delivered from the manufacturer, each and every warranted component of that bus was tagged with information relating to the terms and length of the warranty. Were that component to have broken down or failed in the future, the first thing that would have been done was a check of the computer system to see the work needed to get the bus back up and running was covered by the manufacturer's warranty.

If the part was indeed still within the warranty period, then from that point forward all work orders and repair slips would indicate that the work was to be billed to the manufacturer and the part potentially saved for return.

Although efforts are still made to track warranty repair work today, the process is much less effective. This results in repairs that are the properly the responsibility of the manufacturer being done by OC Transpo without any charge back to the manufacturer.

Given that the cost of warranty coverage is built into the price of any new bus, such mistakes mean that OC Transpo pays twice over for the same repair.

## **II. Loss of Teamwork**

Not only did tracking each of the individual components of a new bus allow for financial savings for OC Transpo, this system provided the opportunity for warranty clerks and others within the maintenance team to be proactive – allowing them to monitor trends developing with either a particular part or a particular model of bus.

If for example, one component of a new bus seemed particularly problem prone, it was normal at the time for the warranty clerk to meet with the many other members of the maintenance team such as stores persons, technical services officers or mechanics – either all at once or separately - in order to discuss the issue as a team and determine how best to approach the situation.

Was it necessary for example to order in extra spare parts in order to account for future failures of the same component?

Could a local repair or inspection program be developed that corrected the problem?

Should the local representative of the manufacturer be brought in the loop to see if this was a problem experienced by other transit companies?

The goal of each member of the team during this process was always to find the quickest and most cost effective solution to the problem so that the buses could be returned to the road as soon as possible.

Regrettably, with the breaking up of OC Transpo into its component elements by the Ottawa Transition Board in 2001 and then the opening of Swansea garage in 2007 this type of close knit teamwork simply doesn't occur any more. People are no longer close together, they no longer share the same supervisor and often they no longer share the same objective of making OC Transpo a better, more efficient transit system.

As a result, repairs now take longer and cost more. Money is being thrown away that could be much better spent improving transit in this city.

### **III Changing Warranty Terms**

As was mentioned above, when buying vehicles as large and as expensive as buses, the terms and extent of the warranty coverage is very often open to negotiation. In past negotiations for bus purchases, the City would always negotiate for itself the right to make warranty repairs using its own staff and resources.

Past arrangements of this nature have included agreements with several large manufacturers including Harper Detroit Diesel, Cummings Diesel and Orion Bus Industries.

By having these agreements in place, OC Transpo mechanics were able to diagnose and then repair problems with new buses locally and quickly. Not only did this arrangement maximize the time that new buses spent on the road rather than in the shop awaiting repairs, it allowed a healthy percentage of the overhead associated with OC Transpo's equipment division to be charged back to the bus manufacturers rather than the taxpayers.

Much like the close team environment discussed above, these arrangements too have now largely ended. OC Transpo no longer has the right to fix any of the key components in the buses it purchases and charge back the costs to the manufacturer.

For anything other than the most minor repairs, buses must instead be put back together by the mechanic without repairs being made and then driven or towed to the nearest authorized service depot.

In many cases this process of transporting buses back and forth from external garages adds days to the period that buses are out of revenue service.

With buses unavailable, service to the public suffers.

Local 1760 sees no reason why OC Transpo cannot revert to its former practice of ensuring that its mechanics and garages, rather than some outside contractor, is designated as the authorized service provider for warranty work on any future bus purchase.

Making this change will allow for better service and stop the needless waste of scarce resources.

#### **IV Conclusions**

While Local 1760 may as a Union be a relative newcomer to OC Transpo, many of its members are not. Our members have worked behind the scenes for many years to put transit on the streets of this City. We care about OC Transpo and take pride in our work.

All we are asking is that you consider the suggestions we have put forth so that we can stop wasting resources needlessly. Let's fix the problems we have now so that we will have the financial resources to invest in transit for the future.