

**Location:**

Lafayette, Indiana

**Project Duration:**

Ongoing since February 1998

**AMECO Work Scope:**

Fleet Management, Fleet Purchase, Equipment Rentals, Operator Training

AMECO began providing a mobile equipment fleet management program to ALCOA's extruded aluminum manufacturing facility in Lafayette, Indiana, in February 1998. ALCOA-Lafayette's goal in outsourcing its in-plant mobile fleet equipment operations to AMECO was to increase equipment reliability and availability while reducing equipment investment and maintenance costs. The condition of the existing fleet, poor equipment utilization, and equipment hoarding were causing production-related problems for the plant.

Under a 5-year agreement, AMECO purchased the Lafayette plant's existing mobile equipment fleet (approximately

184 units) and replaced the equipment with newer, more modern, and reliable units.

During the first year of operation, AMECO reduced ALCOA's fleet size by 12 percent and lowered annual repair and maintenance parts costs by 75 percent. These savings have resulted from AMECO's monitoring, tracking, and managing equipment utilization and providing newer and more reliable equipment units. Additional fleet size reductions of 3 to 5 percent were targeted for the second year of the contract.

As part of the program, AMECO is providing onsite program management, mobile equipment, preventive maintenance parts, and basic operator training. ALCOA's contract with its local union specified that the union's mechanic craft workforce perform required and scheduled maintenance and repair work on the AMECO-provided equipment. This arrangement has worked extremely well for all participants.

