



Stopping the gap – a look at contract maintenance

Contract maintenance workers occupy a particular niche in the MRO market; they are usually specialist short-term employees that don't get the same benefits as the permanent workforce, but they work at a higher pay rate with more flexible schedules. Most importantly, they make up the shortfall during peak periods. *Daniella Horwitz reports.*

Over the past five years there has been a steady demand for temporary staff in the MRO sector. The majority of medium- and mid-sized companies performing heavy maintenance regularly use contractors, while there is less demand from smaller MROs and those focusing on component repairs. MROs are the dominant employers with the business aircraft sector employing contractors infrequently. Recently there has been a drive for structure and sheet-metal technicians.

Annual surveys conducted by Tennessee-based Reliance Aerotech Services reveal that outsourced personnel are regarded as a valued link in the supply chain. In 2007, 63 per cent of maintenance managers viewed contract labour as "extremely or very important". The obvious advantage of temporary maintenance workers is that they allow companies to contract and expand the workforce according to the peaks and troughs of the MRO market. A further advantage, notes Fraser Currie, CEO of Cambridge, UK-based Qualitair, is that contractors with

specific type experience enable MROs and operators to move quickly into a new aircraft type while their permanent staff is being trained.

Contract employers are continuously recruiting to ensure that they can provide MRO/airline customers with the most current and qualified workers. Ian Rollo, president and COO of Illinois-based PlaneTechs, believes that contractor providers can help streamline a business. He explains: "One call to a staffing company can replace the expense and weeks of time spent advertising, recruiting, assessing and hiring a maintenance worker."

Panning for gold

Contract maintenance providers screen potential candidates to find the best individual for the job. The Reliance surveys found that employers are looking for the following contractor characteristics (in order of importance): dependability, technical competency, attention to detail, punctuality and personal values/attitude. Ron Jordan,



Specialist contractors enable MROs to move quickly into a new aircraft type while the permanent staff undergoes training.

GM, Reliance Aerotech Services, observes that providing a quality workforce requires a holistic approach that includes screening for less tangible employee qualities such as integrity and a sound work ethic.

Rollo says that contractors need to be flexible and enjoy working in a variety of settings. He adds: "They need to be reliable and understand that the maintenance manager and their employer are both counting on them to see the project through to completion. Our hiring and orientation process ensures that each worker understands the role they play in the completion of the project."

Staffing companies should ensure that a potential candidate has the necessary qualifications, training and experience, in addition to the relevant security clearance. The latter is arguably top of the list at the moment for MROs/airlines. In the US, many contract maintenance providers subscribe to 'voluntary' government programmes that provide instant verification of employment eligibility as well as any possible security threats. Mark Smith, SVP of Florida-based STS Services, says that typical employment screening includes FAA license verifications, and depending on the location, varying levels of criminal record searches and FBI fingerprint

checks. He says that at the time of orientation, all supporting documentation for employee paperwork should be reviewed "very closely" for authenticity.

Rigorous vetting procedures also occur in the UK. Currie states: "Qualitair have always had a policy to interview contractors before placing them on assignment. The interview is conducted by qualified and experienced engineering staff and covers both technical knowledge and character profiling. We are not aware of any other supplier that interviews all contract workers."

Depending on the project, contract personnel may or may not be rated/certified. Jordan explains: "For example, on a military aircraft programme it may be preferable to have an individual who has formal training on the specific aircraft type, rather than an A&P certification. The rating and qualification requirements are determined by the customer, based on the programme and in accordance with the rules of the relevant airworthiness authority."

Work environment

While contract maintenance providers strive to meet the maintenance staffing needs of airlines/MROs it is equally important for them to assess the potential work conditions of the contractors. STS maintains that factors to be considered include:

- workplace safety;
- if out of the country, the ability to get work visas;
- the reputation of the company the employees would be working for;
- training the employees will receive or be required to have; and
- labour laws for a specific location.

Jordan says: "We believe that workplace environment is critical to programme success. We work with customers through our aviation staffing firm (ASF) Audit process to provide education on how to effectively work with contracted workforces to increase return on investment."

Contractors work on flexible rotas, but sometimes there are limitations on how many hours they can work per week. Legal hours in Europe vary depending on country's interpretations of the EU working time directive. "Our belief is that these restrictions make the business of maintaining aircraft safer," says Currie. According to STS Services, contract technicians generally work away from home and want to work as many hours as they safely can. Thus limitations that drastically

“Unless contract service providers come to the table with more of a value-added solution, they will not be able to remain competitive in the ever evolving industry.”

— Philip Anson, president of STS Holdings

reduce the number of hours contractors may work could have a negative effect on a particular location. Smith stresses that STS and their clients adhere to regulations set forth by the relevant governmental agency.

Cost-cutting pressures

As the price of oil soars, the pressure to find greater costs savings in all sectors of the aviation industry remains unrelenting. Thus the trend of outsourcing looks set to continue as it allows companies to take advantages of economies of scale and focus on their core competencies. Rollo observes: “Shifting the burden of employing MRO technicians to a third-party outsourcing vendor shifts other hard costs of employment: FICA, unemployment insurance, workers’ compensation, health insurance, vacation, holiday and sick days.” Philip Anson, president of STS Holdings, the parent company of STS Services thinks outsourcing will continue. “There may be some tweaking needed,” he says, “such as changes to the QC/QA processes, but all in all the trend of outsourcing is here to stay and will grow as the demands for higher

levels of efficiency and lower costs continue to pressure all levels of the industry.”

In the tightening economy, MROs want more bang for their buck. To this end STS Services and its sister business units have broadened their offerings to include:

ATR — a line maintenance company with eight stations across the US; MOS Engineering — an engineering services company providing DERs; and STS Component Solutions — a parts company that also is an authorised distributor of specialty products.

Anson says that all of these services have grown in support of the aviation staffing organisation and “unless contract service providers come to the table with more of a value-added solution, they will not be able to remain competitive in the ever evolving industry.”

Smith believes it is easy to identify qualified personnel — the real challenge is having the right compensation to attract them. He says that the aviation industry is becoming more competitive every year and that each level of service provider, from the cleaning crew, to the MRO, to the airline, has

Offering Total Compliant Manpower Service Solutions

AEROPEOPLE
A Marshall Aerospace Company

Project Management
Specialist's in the Provision of Foreign Labour
Avionic Embodiments, Structural Repairs, Modifications, SB's & AD's
Total Line Maintenance Support: UK CAA EASA Part 145 Approved
Strategic Alliances Offering: AOG - Fuel Tank & System Maintenance
Military Aircraft: Technical Support Contracts (UK & Overseas)
Placement of Short Term Personnel

www.aeropeople.com

Aeropeople Ltd The Quorum, Barnwell Road, Cambridge CB5 8RE, England Tel: +44 (0) 1223 373333
Photograph courtesy of Lockheed Martin

to look long and hard at providing better service and reducing costs "It is inevitable that part of the cost cutting has reached down to the contractor technician's pay check," he comments. "The law of supply and demand steps in nicely here... Unless we are given a good compensation package, we will ultimately be unsuccessful in attracting and retaining quality employees. Once the demand becomes great enough, the squeeze on compensation is relaxed and rates increase."

Risks

A problem for contract maintenance providers affects the whole MRO sector — a potential shortage of qualified technicians. Some companies such as Qualitair have tried to address this by sponsoring their own apprentices. The reduced pool of talent may be good news for the contractors as increased competition for their services often means higher rates.

Occasionally it is revealed in glaring news headlines that maintenance contractors do not have the correct

qualifications for the job. Jordan observes that some staffing firms are putting their customers at risk by failing to install quality monitoring processes where employee licenses, qualification, and intangible traits are concerned. He says that some companies will decide to install a contracted workforce without first acquiring the proper knowledge foundation to manage it in a productive and profitable way. "This includes the commonly referred to practice of ordering up 'warm bodies' without a full understanding of how well their own request will meet their objectives and how well the contract maintenance provider they call upon can produce the requested result. This approach hurts everyone in our industry."

However, with rising fuel costs, increasing industry oversight and continued efforts to communicate the benefits of quality staff, Jordan sees an increasing number of potential customers understanding the need for a "path of professionalism" and the necessity of working together to appropriately design, implement, utilise, and maintain a successful contracted workforce. ■



Contracting maintenance workers can help MROs to effectively reduce their operating costs.



BCT
Aviation Maintenance Ltd

**The UK's fastest growing
Line Maintenance Provider**
LGW LHR MAN EMA CWL LBA LOS

EASA PART 145 UK145.01119

The complete airline maintenance solution

- B737 Classic
- B737 New Gen
- B757 RB211 535 E4/C
- B757 PW2000
- B767 RB211, JT9
- B767 CF6-80, PW4000
- A319 CFM56, V2500
- A320 CFM56, V2500
- A321 CFM56, V2500
- A330 Trent
- A330 PW4000







For more information please visit us at

www.BCTAIR.com

→ **A.O.G Recovery**

→ Logistics → Training

- Line Maintenance
- Storage → Maintrol