## ABSTRACT

Over the past two decades, Sri Lanka has been engaged with an intense civil war. Even though, the mission of Sri Lanka Air Force is to protect the Sri Lankan skies, by maintaining air superiority, it have to take more active ground roles, both in support of its air operations as well as to supplement the role of the Army due to the intensity of the conflict. Hence, the vehicle fleet of the Air Force has had to be adapted to this new role. The fleet had to expand rapidly to meet this contingency. However, the maintenance facilities and infrastructure facilities of the Air Force were not upgraded with the rapid expansion of its vehicle fleet. As a result, the fleet breakdowns increased and the recovery time also increased. Consequently, the utilisation came down to as low as 66%. Hence, it was felt study of the applicability of concept "outsourcing the Mechanical Transport functions" in order to overcome this problem is more apt in order to analyse the viability of outsourcing in SLAF.

In this study, my objectives are to find out the relationship between outsourcing and operational efficiency. Also it will endeavour to identify the areas, which can be outsourced in Mechanical Transport and how it contributes towards the effectiveness of the Mechanical Transport function.

I visited most of the bases and units of the Air Force and interviewed the users, operators and the maintenance staff to obtain their opinions on the existing Mechanical Transport operation. A questionnaire was distributed among them too. During my discussions it was observed that the majority of the breakdowns were of the Staff vehicles. Further, all the users clearly indicated that they were desirous of seeing greater reliability in the fleet, and that they would willingly participate in any efforts to bring this situation arrested. It was also observed that most of them had a positive idea about outsourcing.

At the onset I discovered that there were ample statistical data available in the Air Force for my analysis, but that data was neither compiled nor was in organised manner. I extracted the necessary information to determine the utilisation rate of the Air Force vehicle fleet, using the general activities records of the entire Air Force, which span over 18 Bases and Units. For my analysis, data from the questionnaire and other available data were examined and analysed to arrive at a possible solution.

In my analysis, it was revealed that 41% of the total cost of the maintenance budget is spent on staff cars, which is 14% of the total fleet. 34% of the manpower utilisation on

Mechanical Transport maintenance is spent on staff cars, which is 14% of the total fleet. Staff cars are in many different models and it needs considerable time to rectify a defect (30%) as well as to find the correct spare part. As the staff cars change among uses very frequently, Mechanical Transport Mechanics are unable to master the systems and carryout defect rectifications on trial and error method. Maintenance work in progress will come to a grinding halt when attending to a defect on a staff car due to lack of Mechanical Transport Mechanics. Most neglected area of operation is the specialist vehicles that are purchased at a greater cost and which has a direct bearing towards the operational efficiency.

In order to achieve the optimum utilisation, I have offered two options, the first is to outsource the staff vehicle function; the second is to outsource the heavy maintenance in MT function. This will be a long-term solution for the main bottlenecks in the MT functions in the SLAF. Hence, it can reap the benefit of optimum utilisation of in-house facilities and the expertise of outside organisations to improve the operational efficiency.

This has given a thought to find out ways and means to adopt the concept of outsourcing in other non-core functions such as Construction and Maintenance activities, Catering services, IT activities etc. It stresses the importance of having a well-planned, well-coordinated change when adopting this outsourcing concept, in order to ensure success, especially during the transformation period.

No doubt, this can be the turning point as well as the base stone for the future development of Mechanical Transport in the SLAF as well as successful implementation of the concept of outsourcing too. Hence, this will be a cost saving effort and will uplift the availability of vehicles. This will contribute to the overall operational efficiency of the SLAF. Therefore, SLAF will be in a better footing to serve the nation with pride.