

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.AE(M)/367(04)-2019-IED
e-office N.F.No. APSRTC/12021(31)/8/19



O/o the VC & MD,
RTC House, VJA.

CIRCULAR NO.06/2019-IED, Dt. 28-11-2019.

Sub:- **DIS** – Depot Incentive Scheme along with linked Schemes applicable for all Depots of the Corporation – Extension of validity with certain modifications – Circular instructions issued – Reg.

Ref: 1.Board Resolution No.44/1993, Dated; 21.4.1993.
2.Circular No.23/2010-IED,Dt.26.11.2010
3.Circular No.13/2018-IED,Dt.29.11.2018
4.Circular No.14/2018-IED, Dt.29.11.2018
5.Circular No.02/2019-IED, Dt.25.10.2019
6.Lr.No.M/AMT/Gen(02)/2019-OPD(M), Dt.16.05.2019.

01. INTRODUCTION:

Modified Depot Incentive scheme was implemented at all the Depots of the Corporation with effect from 01-12-2010 issued vide circular cited at ref:2.

Vide circulars cited at ref: 3 to 5, linked Depot Incentive Schemes were introduced to meet the field requirements, from time to time.

02.FIXATION OF QUARTERLY SERVICE TARGET AMOUNTS:

In existing method, for any service which is in operation, the quarterly service targeted amount is the product of previous quarter average EPK, schedule KMs & Fixed Correction factor of that Depot.

a) Quarterly Service wise Correction Factor:

In the beginning region wise correction factor was adopted and then depot wise correction factor was adopted for mofussil services and region wise correction factors were adopted for city depot operations.

In any Bus Depot vivid number of services ranging from Amaravati to City Ordinary is being operated. Each type of product is having its own EPK trends in the same depot and in the same period. Again these EPK trends of each service differs from one quarter to other, it means it requires **Dynamic** service wise correction factor. Hence the Targets fixed by using Depot level correction factor is not so nearer to the practical factual targeted amount. The corresponding correction factors arrived for that particular service shall be used to get nearer to the factual service wise target.

The quarterly service wise moving Correction Factor (SCF) is used to arrive the service targeted EPK for every quarter which is a multiple factor based on the performance and growth of EPK of corresponding periods of immediate previous two years to neutralize the seasonal variations in the service earnings for that particular service.

b) Fixation of Quarterly Service Wise Moving Correction Factor (SCF) for the year 2020:

1. 1st Quarter (Jan'20 to Mar'20)

Earnings of ((Jan'19 to Mar'19)+(Jan'18 to Mar'18)) of that particular service =A
 Optd. KMs of ((Jan'19 to Mar'19)+(Jan'18 to Mar'18)) of that particular service =B
 Earnings of ((Oct'18 to Dec'18)+(Oct'17 to Dec'17)) of that particular service =C
 Optd. KMs of ((Oct'18 to Dec'18)+(Oct'17 to Dec'17)) of that particular service =D

$$\text{Correction Factor} = (A \times D) / (B \times C)$$

Likewise for 2nd & 3rd quarters, the quarterly service wise moving correction factor can be arrived. For better understanding it is shown for 4th quarter also.

2. 4th Quarter (Oct'20 to Dec'20)

Earnings of ((Oct'19 to Dec'19)+(Oct'18 to Dec'18)) of that particular service =M
 Optd. KMs of ((Oct'19 to Dec'19)+(Oct'18 to Dec'18)) of that particular service =N
 Earnings of ((Jul'19 to Sep'19)+(Jul'18 to Sep'18)) of that particular service =O
 Optd. KMs of ((Jul'19 to Sep'19)+(Jul'18 to Sep'18)) of that particular service =P

$$\text{Correction Factor} = (M \times P) / (N \times O)$$

The above methodology is to be adopted for arriving quarterly moving Service Correction Factor in **Dynamic method** for 2nd & 3rd quarters of 2020. For fourth quarter of 2021, the same procedure is adopted, to arrive SCF, which is as follows:

1. 4th Quarter (Oct'21 to Dec'21)

Earnings of ((Oct'20 to Dec'20)+(Oct'19 to Dec'19)) of that particular service =M
 Optd. KMs of ((Oct'20 to Dec'20)+(Oct'19 to Dec'19)) of that particular service =N
 Earnings of ((Jul'20 to Sep'20)+(Jul'19 to Sep'19)) of that particular service =O
 Optd. KMs of ((Jul'20 to Sep'20)+(Jul'19 to Sep'19)) of that particular service =P

$$\text{Correction Factor} = (M \times P) / (N \times O)$$

Likewise quarterly moving service wise correction factors are to be arrived dynamically to get nearer to the practical factual service targets.

c. Service Targeted EPK (as per Cir.No.23/2010, Clause No.03.3): It is a product of Quarterly moving average EPK of a service and correction factor.

d. Fixation of Quarterly Service targeted earnings (as per Cir.No. 23/2010, Clause No.03.4):

It is a product of the quarterly service targeted EPK and Service Schedule KMs. The service target fixed is valid for entire quarter.

For a particular service, if the quarterly moving average EPK is decreased by 15% or more, then the targeted EPK of the service for ensuing quarter shall be the targeted EPK of the current quarter, which needs to be highlighted by the CIS module and to be verified by the Dy.CTM while recommending for sanction of Regional Manager.

The CIS module will generate quarterly service moving EPK for the quarter under consideration along with existing quarterly service moving EPK of that particular service enable the sanctioning authority to review the variance for taking appropriate decision.

If a Depot is unable to produce the sanction of the Regional Manager, the AO/Dy.CAO shall stop the monthly incentive payment and not to release the funds.

e. CONDITIONS TO ARRIVE SERVICE WISE MOVING CORRECTION FACTOR:

- i. If a product of service is transferred from one depot to other depot & the same product of service is not available at the recipient depot, then the correction factor for that product of service should be taken as the correction factor of that service from which depot the service was transferred, maximum for a period of two years.
- ii. If a product of service is transferred from one depot to other depot & the same product of service is available at the recipient depot then the correction factor for that service should be taken as the average of correction factor of same product of services of recipient depot available, maximum for a period of two years.

Illustration for fixing the Quarterly Service Target Amount on Dynamic method:

To fix the target amount for a service for the quarter July 2019 to September 2019 (3rd quarter), the average moving EPK of the service for existing quarter (April 2019 to June 2019) of the service should be multiplied with corresponding quarterly service correction factor and the service schedule kilometres.

As per quarterly moving Service Correction factor (SCF):

Example No. 1

DEPOT = VIJAYAWADA
 SERVICE No. = H028
 SERVICE TYPE = INDRA
 SERVICE = VJA TO BHEL

Calculation of service Correction Factor of 3rd Quarter i.e., Jul'19-Sep'19

Earnings of ((Jul'18 to Sep'18)+(Jul'17 to Sep'17)) = **I**
 Optd KMs of ((Jul'18 to Sep'18)+(Jul'17 to Sep'17)) = **J**
 Earnings of ((Apr'18 to Jun'18)+(Apr'17 to Jun'17)) = **K**
 Optd KMs of ((Apr'18 to Jun'18)+(Apr'17 to Jun'17)) = **L**

$$\text{Correction Factor} = (I \times L) / (J \times K) =$$

Earnings of (3916604)+(4226169) = 8142773 = **I**
 Optd KMs of (55316)+(55638) = 110954 = **J**
 Earnings of (4477299)+(4555949) = 9033248 = **K**
 Optd KMs of (55328)+(56352) = 111680 = **L**

Correction Factor = (8142773 X 111680) / (110954 X 9033248) = **0.91**
 Applicable correction factor (H028 Service) for Jul' 19 to Sep' 19
 (Rounded off to two decimals) = **0.91**

Average EPK of the Quarter of the Service =
 (Apr' 19 Earnings + May'19 Earnings + Jun'19 Earnings) /
 (Apr' 19 operated KMs + May' 19 operated KMs + Jun' 19 KMs) =
 4575970/54540 =

Average EPK of service (rounded off to two decimals) = ₹ 83.90
 Targeted Service EPK of the previous quarter Apr' 19 to Jun' 19 = ₹ 88.86
 % of decrease in service targeted EPK =
 (88.86 – 83.90) / 88.86% = 5.58%

Since the % of decrease in achieved Service EPK is below 15%,
 Targeted EPK (Average EPK of quarter X Correction factor) =
 83.90 X 0.91 = ₹76.35

Schedule KMs of the Service = 606 KMs
 Service target for the Quarter (Jul' 19 to Sep'19)
 (Quarterly moving average targeted EPK X Schedule KMs) =
 76.35 X 606 = ₹46269.00

Example No.2

DEPOT = GVPT-II
 SERVICE No = 4803
 SERVICE TYPE = CITY ORDINARY
 SERVICE NAME = NSB NAGAR TO ATNR

Calculation of service Correction Factor of 4th Quarter i.e., Oct'19-Dec'19.

Earnings of ((Oct'18 to Dec'18)+(Oct'17 to Dec'17)) = M
 Optd. KMs of ((Oct'18 to Dec'18)+(Oct'17 to Jul'17)) = N
 Earnings of ((Jul'18 to Sep'18)+(Jul'17 to Sep'17)) = O
 Optd KMs of ((Jul'18 to Sep'18)+(Jul'17 to Sep'17)) = P

Correction Factor = (M X P) / (N X O) =

Earnings of (220420)+(349790) = 570210 = M
 Optd KMs of (6524)+(10734) = 17258 = N
 Earnings of (257138)+(377312) = 634450 = O
 Optd KMs of (7222)+(11647) = 18869 = P

Correction Factor = (570210 X 18869) / (17258 X 634450) = 0.98

Applicable correction factor (4803 Service) for Oct' 19 to Dec' 19
 (Rounded off to two decimals) = 0.98

Average EPK of the Quarter of the Service =
 (Jul' 19 Earnings + Aug'19 Earnings + Sep'19 Earnings) /
 (Jul' 19 operated KMs + Aug' 19 operated KMs + Sep' 19 KMs) =
 194307/6634 = ₹29.29

Average EPK of service (rounded to two decimals) = ₹29.29
 Targeted Service EPK of the previous quarter (Apr' 19 to Jun' 19) = ₹36.24
 % of decrease in service targeted EPK (36.24 – 29.29) / 36.24% = 19.18

Since the % of decrease is more than 15%, Target fixation is done as follows:
 Targeted EPK (Targeted EPK of quarter (Jul-Sep'19) X Service wise moving Correction
 factor) = 36.24 X 0.98 = ₹35.51

Schedule KMs of the Service = 128 KMs

Service target for the Quarter (Oct' 19 to Dec'19)
 (Quarterly moving average targeted EPK X Schedule KMs)
 = 35.51 X 128 = ₹4,549.00

Similar calculations as indicated above shall be adopted whenever the service quarterly EPK decreased by more than 15% for the quarter under consideration when compared with previous quarterly EPK.

3.0 Revised Incentive Slab Rates:

The implementation of quarterly moving service wise correction factor, the service targets would change. To achieve changed targeted amounts the incentive rates are revised and are as follows:

S.No	Type of Service	For Conductor / Driver					
		On Reaching Target in %	> Target & Up to 110%	> 110% & Up to 120%	> 120% & Up to 130%	> 130% & Up to 140%	> 140%
DISTRICT SERVICES							
1	PVG	0.40%	0.50%	1.55%	2.50%	3.10%	3.60%
2	Ultra PVG.	0.38%	0.50%	1.55%	2.20%	2.76%	3.32%
3	EXP	0.20%	0.25%	0.80%	1.20%	1.70%	2.12%
4	U.DLX/ Delux	0.18%	0.87%	0.98%	1.09%	1.30%	1.52%
5	Sup.Lux	0.15%	0.38%	1.15%	1.10%	1.28%	1.62%
6	INDRA	0.15%	0.22%	1.30%	1.34%	1.62%	1.66%
7	M.Lux.A/C.(Dist.)	0.14%	0.34%	0.75%	1.70%	2.94%	3.38%
CITY SERVICES							
8	CITY ORD.	0.44%	1.20%	1.60%	2.00%	2.46%	2.56%
9	METRO EXP.	0.24%	0.75%	1.28%	1.80%	2.25%	2.70%
10	METRO DLX.	0.22%	0.74%	1.27%	1.70%	2.20%	2.65%
11	City Sheetal A/C	0.15%	0.22%	1.30%	1.34%	1.62%	1.66%
Operations up to TML from farway destinations (Other than TPT) & TPT - PPAVINASANAM							
12	TML. EXP	0.16%	0.98%	1.10%	1.50%	2.10%	2.40%
13	TML.PVNM EXP	0.19%	0.80%	1.02%	1.10%	1.20%	1.95%

4.0 ELIGIBILITY TO EARN INCENTIVE ON EARNINGS PARAMETER:

- i. The Conductors / Drivers are eligible to receive incentive on earnings parameter on spot as per eligibility clauses. The incentive rates shall be applied only on coach earnings and shall not include the amount due to collection of passenger cess, tollgate plaza earnings, luggage earnings, TAYL, sale proceeds of RFID cards, Recharge amounts on RFID cards etc. The incentive amounts shall be calculated purely based on earnings realized due to sale of basic passenger tickets only.
- ii. At the calendar month end, the total incentive amount paid on spot to the Conductor for that month shall be arrived. 50% of that amount shall be paid to that Conductor subject to the terms and conditions, along with other depot employees. This incentive amount of Conductor shall be rounded off the nearest rupee.
- iii. The drivers operating TIMs are eligible to receive incentive on earnings, besides TIM Incentive on spot for having issued tickets through TIMs without conductors and TIM Driver Allowance (TDA) at month end (for RTC drivers only) vide Cir.No.03/2019-IED.

- iv. **PHB DRIVERS** : The REWARD amount shall be paid to the private hire bus driver on spot on par with the RTC Driver on Earnings parameter for all the services of Private Hire Buses.

5.0 Super Luxury AC Economy, Night Riders-42 & 48 and Vennela – 30 Products.

The corporation has introduced and operating Super Luxury Economy, Night Riders-42 & 48 and Vennela-30 products to meet the requirement of esteemed passengers of A.P.S.R.T.C.

- i. **Weighted Avg. Basic Fare**: Super Luxury Economy, Night Riders 42 & 48 and Vennela-30 are mixed basic fare products. There is a difference in basic fares, the weighted average basic fare to be taken for calculation of correction factor.

The weighted average basic fare calculation is as follows:

Name of the Product	: Night Rider-48
Weighted Avg. Basic Fare per KM	: ((Total no. of Seats X Seats basic fare) + (Total (Total no of Upper Berths X Upper Berths basic fare)) / Seating Capacity (Seats + Berths)) =
	= $(33 \times 171) + (15 \times 200) / (33+15) = 8643 / 48 = 180.06 \text{ Ps.}$

The Weighted Avg. Basic fares of Super Luxury Economy, Night Riders 42 & 48 and Vennela-30 is furnished hereunder:

PRODUCT TYPE	BASIC FARE (Ps.)				SEATING CAPACITY				Total No. of		Weighted Avg. Basic Fare (Ps.)
	AC			NON AC	AC			NON AC	Seats	Berths	
	Per Seat	Per Upper Berth	Per Lower Berth	Per Seat	Seats	Berths		Seats			
						Upper	Lower				
SLX AC ECONOMY	136	-	-	116	15	-	-	21	36	-	128
NIGHT RIDERS 48	171	200	-	-	33	15	-	-	33	15	180
NIGHT RIDERS 42	171	200	220	-	22	15	5	-	22	20	187
VENNALA 30	-	240	240	-	-	15	15	-	-	30	240

- ii. **FIXATION OF TARGETS FOR NEW SERVICES** (As per the clause no.03.6, Cir.No.23/2010-IED):

Illustration for fixation of service target as per the instructions in vogue :-

Name of the Depot	: Visakhapatnam
Type of Service	: Night Rider -42
Name of the Service	: TP07
EPK @ 100% OR per KM	: Seating Capacity X Weighted Avg. Basic Fare/100 =
	$42 \times 187 / 100 = \text{Rs.}78.54$

Targeted EPK @75% OR per KM : Rs.78.54 X 0.75=Rs.58.90
 Service KMs : 1633
 Fixation of Service Target : Service KMs X Targeted EPK
 @75%OR= : 1633 X Rs.58.96=Rs.96183.00

In order to promote the new range of products & to motivate the drivers for successful operation of these bus services, the following incentive amounts shall be paid to the crew and maintenance staff operating these prestigious products is as follows:

6.0 INCENTIVE RATES ON EARNINGS PARAMETER:

Incentive rates for Super Luxury Economy, Night Riders 42 & 48 and Vennela-30 on earnings parameter are furnished hereunder:

S.No	Type of Service	For Conductor / Driver					
		On Reaching Target in %	> Target & Up to 110%	> 110% & Up to 120%	> 120% & Up to 130%	> 130% & Up to 140%	> 140%
1	Sup.Lux.A/C-Economy	0.14%	0.38%	1.04%	1.00%	1.16%	1.47%
2	Night Rider-48	0.12%	0.18%	1.05%	1.09%	1.31%	1.35%
3	Night Rider-42	0.12 %	0.17 %	1.01%	1.05%	1.26%	1.29%
4	Vennela-30	0.09%	0.13%	0.80%	0.82%	0.99%	1.01%

7.0 HSD KMPL PARAMETER:

- i. Methodology to earn incentive on fuel performance applicable to driver and maintenance staff on the services of Super Luxury A/C Economy, Night Rider-42, Night Rider-48 & Vennela-30.:

The existing methodology shall be applied for these types of vehicles also to arrive group incentive to maintenance staff and individual incentive to drivers based on performance on HSD KMPL parameter, with capping value, multiple factor & sharing slabs.

Once the driver achieved / crossed the eligible KMPL, the driver is eligible to receive incentive amount from the calculating base HSD saved, at various level of performance computed on daily basis and accumulated up to the month under consideration to pay month end incentive. If a driver HSD KMPL is less than the eligible base, no incentive shall be paid.

Multiple factors are envisaged on achievement of higher KMPL, compared with the targeted KMPL on a particular route / type applicable to drivers and maintenance staff.

ii. Capping Value, Multiple factor & Slabs and sharing:

Capping Value, Multiple factor and slabs and sharing for Super Luxury A/C Economy Services are same as Super Luxury Non-AC Services (Clause No.15.1.2.c, 15.1.4 & 15.1.5 of Circular No.23/2010-IED, Dt.26.11.2010.

Capping value, Multiple factor and slab and sharing for Night Rider-42, Night Rider-48 & Vennela-30 Services are same as Vennela Sleeper Services (Clause No.I, II & III of Circular No.13/2018-IED, Dt.29-11-2018.

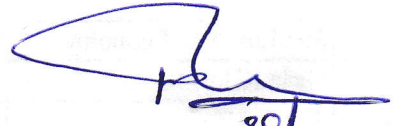
The validity of the existing Depot Incentive Scheme (DIS) vide Circular No.13/2018-IED, Circular No.14/2018-IED and Cir.No.02/2019-IED including all linked schemes for all depots of the Corporation is extended up to **30-11-2020** or till a new / modified scheme is introduced.

All other terms and conditions stipulated in the relevant circulars, communicated from time to time shall remain unchanged.

Whenever the fares are revised, the above clauses will be reviewed and revised.

IT Department is informed to make necessary modifications in the relevant software and update in CIS modules of Units duly allowing the existing methodology up to **31.12.2019** and thereafter to update the software as per the circular instructions w.e.f., **01.01.2020** as the implementation of service wise moving correction factor and modification of software and testing of software with IT, has to ensure suitability.

The validity of Depot Incentive Scheme (DIS) with these modifications is extended up to **30-11-2020** or till a new / modified incentive scheme is introduced, whichever occurs earlier.



**VICE CHAIRMAN &
MANAGING DIRECTOR.**

- Copy to
- : ED(E), ED(A), ED(O), Director(V&S), FA&CAO & all EDs(Z) for favour of inf. pl.
 - : Sr.RAO(AG), RTC House, Vijayawada for information please.
 - : All RMs / HODs for information please.
 - : CE (IT) is requested to arrange to keep the scanned copy of this circular in web portal under "IED" circulars.
 - : Secretary to Chairman and Secretary to VC&MD for kind information please.
 - : All WMs/Dy.CMEs/Dy.CAOs/AOs/Principals of ZSTCs/Principal of Transport Academy
 - : PO (R&T) for inclusion in monthly index.
 - : The General Secretary, APSRTC, E.U, PNBS, Vijayawada.
 - : The General Secretary, APSRTC, National Mazdoor Union, Vijayawada.
 - : The General Secretaries of APSRTC Karmika Parishat, APSRTC SWF, APSRTC BWU, APSRTC Karmika Sangh, APSRTC Workers Union & YSR RTC Mazdoor Union.
 - : The General Secretary, APSRTC Class-II Supervisors' Association.

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