



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(01)/2024-MED.

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

Circular No.02/2024-MED, Dt.28.03.2024

Sub: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2024-25 - Reg.

Corporation has registered a loss of Rs.1329 Cr. up to Jan'24 during the year 2023-24. The financial health of an organization depends on maximization of the revenue and minimizing the operational costs. It is observed that expenditure is more than earnings in our corporation due to continuous increase in input costs like Personnel, HSD oil, Lub oils, Spares, Tyres, etc., While every effort has to be made to improve earnings, it is equally important to reduce the cost of operation on HSD oil, Lub Oil, Spares, Tyres and Workshops. There is ample scope for reduction of expenditure on these cost parameters by improving preventive maintenance of buses. Keeping this in mind, targets on the key MED parameters of maintenance, which influence the operational cost are communicated every year.

Generally, Targets are fixed based on the best performance in the preceding 3 years. But, last year 2023-24 targets were fixed based on the performance of 2021-22 (Excluding 1st quarter) and 2022-23 only due to unstable operations during the 1st quarter of 2021-22 in view of covid restrictions.

On working out KMPL targets based on previous 3 years performance, the arrived targets are on very high side. But, the actual KMPL achieved during 2023-24 is far below the target of 2023-24.

Hence, the District wise / Zone-wise KMPL targets for the year 2024-25 are worked out by taking the best performance of product wise in the preceding two years only i.e., 2022-23 & 2023-24 (upto Feb'24) as the base duly adding the estimated improvements. For all other parameters i.e., BD Rate, MED Cancellation & Spring consumption best of preceding 3 years performance is taken duly adding the estimated improvements.

The details of the targets at Corporation level are furnished here under, parameter wise:

Key Maintenance Parameters:

1. HSD KMPL.
2. Breakdown Rate.
3. % of MED Cancellation.
4. Spring consumption / Lakh KMs.
5. % of New Tyre Scrap Rate.
6. Total tyre life.
7. % of F - Mark tyres generation
8. Life of Major Aggregates.

Methodology adopted in Fixing Targets:

HSD KMPL:

District wise KMPL targets are fixed based on the performance of best of last 2 years of each district, duly considering Product wise & Engine wise KMPL for 2022-23 & 2023-24 (upto Feb'24).

Description	HSD KMPL
Target for the year 2023-24	5.25
Actual 2023-24 (upto Feb'24)	5.19
Variance	-0.06
Target for 2024-25	5.26

Increment over best kmpl in product & engine wise is as per the slabs shown below:

Slab	Increment
Upto 5.25	0.03
5.26 to 5.40	0.02
5.41 & above	0.01

The HSD KMPL is the most important cost parameter which strongly influences the financial health of the corporation to a great extent. By implementing the guidelines issued by MED on HSD KMPL improvement in true spirit and with constant monitoring, the KMPL can be further improved and the targets can be exceeded easily.

Note: The minimum KMPL target for Amaravati, Indra & Cargo product is kept at 3.00, 4.00 and 5.00 respectively.

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

BREAKDOWN RATE:

The B.D.Rate target is fixed basing on the best performance of the Districts during years 2021-22, 2022-23 & 2023-24 (upto Feb'24) and reducing the same at different slabs as below:

Slab	BD Rate Reduced	Slab	BD Rate Reduced
0.02 & below	No Reduction	0.06 - 0.08	0.02
0.03 - 0.05	0.01	0.08 & above	0.03

Description	B.D.Rate/ 10000 KMs
Target for the year 2023-24	0.03
Actual 2023-24 (upto Feb'24)	0.04
Variance	0.01
Target for 2024-25	0.03

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

To provide reliable service to the travelling public, all efforts must be made to reduce breakdowns to the barest minimum possible. Proper accountal of breakdowns, micro level analysis of BDs & corrective actions helps in reducing the breakdown rate. Any reduction in breakdowns will have a remarkable impact on quality of operation and image of the Corporation. Micro level analysis of each breakdown for taking corrective action will certainly reduce the breakdowns.

% OF MECH CANCELLATION OF KMs:

The MED Cancellation target is fixed basing on the best performance of the Districts during years 2021-22, 2022-23 & 2023-24 (upto Feb'24) and reducing the same at different slabs. The Slabs are:

Slab	MED Cancellation Reduction by	Slab	MED Cancellation Reduction by
0.03 & below	No Reduction	0.06 - 0.08	0.02
0.04 - 0.05	0.01	0.08 & Above	0.03

Description	% Mech. Cancellation
Target for the year 2023-24	0.04
Actual 2023-24 (upto Feb'24)	0.05
Variance	0.01
Target for 2024-25	0.04

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

This is a controllable and qualitative parameter as cancellations are mainly due to want of bus, late supply of bus and bus failures which directly affects the punctuality of services and passenger satisfaction. With improved quality of preventive maintenance and by regular inspection of buses and by avoiding backlog in preventive maintenance schedules at depots, it is quite possible to achieve the targets.

SPRING CONSUMPTION PER LAKH KMs:

District-wise targets for spring consumption are fixed basing on the best performance of the Districts during years 2021-22, 2022-23 & 2023-24 (upto Feb'24) and reducing the same at different slabs as below:

Slab	Spring Consumption Reduction by	Slab	Spring Cons. Reduction by
15 & below	1	16 to 30	2
30 to 50	5	51 & above	6

Description	Spring Consumption in KGs/ Lakh KMs
Target for the year 2023-24	43
Actual 2023-24 (upto Feb'24)	53
Variance	10
Target for 2024-25	37

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

By exercising proper maintenance and spring preparation reduces the spring consumption. Better assembling practices, tightening of spring 'U bolts for three consecutive days after change of springs, regular tightening of U-Clamps, lubrication and timely replacement of broken springs and better driving habits are some of the measures which reduces the spring consumption.

% of NEW TYRE SCRAP RATE:

The % of NTS Target for the year 2024-25 is fixed by reducing as per the slabs given below on the best of last 3 years i.e., 2021-22, 2022-23 & 2023-24 (upto Feb'24):

S.No.	NTS%	To be reduced by
1	Less Than or equal to 1.00%	0%
2	1.01% to 2.00%	5%
3	2.01% to 3.00%	15%
4	Above 3.00%	20%

Description	% of NTS
Target for the year 2023-24	2.16
Actual 2023-24 (upto Feb'24)	3.65
Variance	1.49
Target for 2024-25	1.79

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

TOTAL TYRE LIFE:

The Total Tyre Life Target for the year 2024-25 is fixed by increasing as per the slabs given below on the best of last 3 years i.e., 2021-22, 2022-23 & 2023-24 (upto Feb'24):

S.No.	Total Tyre Life	To be increased by
1	Above 2.4 lakh kms	0
2	Upto 2.15 lakh kms	6000 kms
3	Upto 2.15 to 2.20 lakh kms	3000 kms
4	Upto 2.21 to 2.30 lakh kms	2000 kms
5	Upto 2.31 to 2.40 lakh kms	1000 kms

Description	Total Tyre Life in Lakh KMs
Target for the year 2023-24	2.43
Actual 2023-24 (upto Feb'24)	2.27
Variance	-0.16
Target for 2024-25	2.42

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

% of F-Mark Tyres Generation:

The base target for % of F-Mark Tyres generation for the year 2024-25 is fixed as 30%. For the districts which crossed 30% is increased by 10%.

S.No	% of F-Mark Tyres generation	Target fixed as
1	Upto 29%	30%
2	Equal & Above 30%	Increased by 10% on actual of 2023-24

Description	% of F-Mark Tyres in Lakh KMs
Target for the year 2023-24	--
Actual 2023-24 (upto Feb'24)	29%
Target for 2024-25	33%

The Dist. wise targets thus arrived for the year 24-25 are furnished at Annexure-I

LIFE OF MAJOR AGGREGATES:

Targets of Major aggregates (New&RC) are fixed for the year 2024-25 as below:

Sl. No.	UNIT	NEW / RC	TGT 2023-24	Actuals 2023-24 (upto Feb'24)	Var	TGT 2024-25	
						City	Rural
1	ENGINE	NEW	9.92	11.18	1.26	9.00	10.00
		RC	4.85	4.83	-0.02	4.75	5.39
2	F.I.P	NEW	7.83	9.19	1.36	7.00	8.00
		RC	3.53	3.01	-0.52	2.78	3.43
3	GEAR BOX	NEW	9.84	10.58	0.74	9.00	10.00
		RC	5.02	4.03	-0.99	4.09	4.70
4	FRONT AXLE	NEW	11.78	13.26	1.48	11.00	12.00
		RC	4.71	4.62	-0.09	5.49	5.03
5	REAR AXLE	NEW	12.95	13.89	0.94	12.00	13.00
		RC	7.89	8.51	0.62	7.20	7.08
6	SELF STARTER	NEW	6.97	7.90	0.93	6.50	7.00
		RC	4.27	3.65	-0.62	4.13	4.33
7	ALTERNATOR	NEW	6.97	8.00	1.03	6.50	7.00
		RC	4.03	3.83	-0.20	4.16	4.31

The New Life targets are calculated considering the Best of Last 3 Years and increased by 3%.CO life targets are calculated among the Best of Last 3 Years or 10% increased on achieved RC life of 2023-24 (upto Feb'24) whichever is higher. However, the new life targets are restricted as mentioned below to ensure serviceability of major spares and to avoid deterioration of internal parts.

Sl.No.	UNIT	CITY	DIST
1	ENGINE	9.00	10.00
2	F.I.P	7.00	8.00
3	GEAR BOX	9.00	10.00
4	FRONT AXLE	11.00	12.00
5	REAR AXLE	12.00	13.00
6	SELF STARTER	6.50	7.00
7	ALTERNATOR	6.50	7.00

- To obtain optimum life from New/CO aggregates and to reach the targets, the following guidelines to be implemented:

- Proper Implementation of preventive maintenance schedules.
- Carrying out oil changes at stipulated mileages.
- Arresting lub oil leakages promptly.
- Timely rectification of minor defects on sub-assemblies.

Hence care shall be taken to avoid premature failures of units. The ZWS wise targets are furnished at Annexure-II.

In order to achieve the targets fixed for the year 2024-25, regular training on better maintenance practices and on latest technologies are to be arranged for the maintenance staff and supervisors by ED (Zones), WMs and Dy.CMEs so as to bring about a total change in the quality of maintenance at the depots.

The District Public Transport Officers are advised to fix Depot wise targets for all parameters basing on the above guidelines and communicate to Depots and to send a copy of the same to CME(M) by 15th April, 2024 without fail.

The District Public Transport Officers are advised to ensure that garage supervisors and DMs shall inspect buses as per circular instructions without any deviation besides reviewing the MED performance of the Depots with reference to the MED targets fixed and pull up the Managers and Supervisors who are not performing well in this regard.

The DPTOs, Dy.CMEs and Depot Managers are advised to improve the overall MED performance and put sincere efforts for achieving the targets in respect of all MED parameters.

Please acknowledge the receipt of this circular.



EXECUTIVE DIRECTOR (E)

- Copy to: ED (O), ED (A), FA&CAO and all ED(Zones) for information
Copy to: CE (IT), CM(P), CTM, CCOS, CFM & All DPTOs for information & n/a.
Copy to: All Dy.CMEs/ WMs, COSs, Dy.CAOs& AMEs(T) of Zones for n/ action.
Copy to: All Dy.CPMs, Principal/TA/VJA &Principal/ZSTC/KRNL for information
Copy to: OSD to VC&MD for information.

DISTRICT WISE MED TARGETS FOR THE YEAR 2024-25

S. No.	DISTRICT	HSD KMPL TGT 2024-25	% MED Cancellat ion	BD Rate/ 10000 kms	Spring Consumption per Lakh KMs	Total Tyre Life in Lakh KMs	% NTS	% of F- Mark Tyres
1	SRIKAKULAM	5.46	0.04	0.03	22	2.55	1.62	36
2	PPM MANYAM	5.29	0.10	0.04	29	2.41	1.11	30
3	VIZIANAGARAM	5.05	0.09	0.05	34	2.36	1.19	39
4	ANAKAPALLI	5.26	0.03	0.03	34	2.48	1.16	30
5	ASR	4.59	0.05	0.06	90	2.00	1.00	30
6	VISAKHAPATNAM	4.80	0.04	0.04	24	2.42	1.83	30
7	KAKINADA	5.04	0.03	0.02	29	2.52	1.79	30
8	KONASEEMA	5.18	0.03	0.02	28	2.42	2.79	30
9	EAST GODAVARI	5.43	0.02	0.02	57	2.37	2.86	30
10	WEST GODAVARI	5.38	0.02	0.03	90	2.16	2.04	30
11	ELURU	5.27	0.03	0.02	56	2.20	2.46	30
12	NTR	4.74	0.03	0.02	11	2.21	3.21	30
13	KRISHNA	5.36	0.04	0.02	46	2.22	3.01	30
14	GUNTUR	5.34	0.03	0.02	45	2.38	1.52	30
15	PALNAMDU	5.41	0.04	0.03	54	2.38	2.41	30
16	BAPATLA	5.61	0.03	0.02	40	2.49	1.23	30
17	PRAKASAM	5.70	0.01	0.01	22	2.70	0.96	34
18	SPS NELLORE	5.82	0.01	0.01	40	2.52	0.98	30
19	TIRUPATHI	5.25	0.01	0.01	40	2.50	1.05	55
20	CHITTOOR	5.35	0.03	0.02	16	2.73	0.31	52
21	ANNAMAYYA	5.38	0.03	0.03	42	2.58	0.80	30
22	YSR	5.17	0.03	0.04	35	2.41	1.76	30
23	KURNOOL	5.19	0.04	0.04	54	2.27	3.15	30
24	NANDYAL	5.28	0.06	0.04	52	2.29	2.32	30
25	ANANTHAPURAM	5.36	0.01	0.02	40	2.44	0.97	30
26	SRI SATYASAI	5.35	0.03	0.04	45	2.61	0.65	30
	Zone-1	5.05	0.05	0.04	29	2.43	1.53	32
	Zone-2	5.11	0.03	0.02	40	2.27	2.73	30
	Zone-3	5.59	0.02	0.02	34	2.50	1.35	31
	Zone-4	5.28	0.03	0.03	40	2.46	1.40	38
	CORPORATION	5.26	0.03	0.04	37	2.42	1.79	33

[Signature]
DT CME (M)

ANNEXURE-II

PROPOSED UNIT LIVES TARGETS FOR THE YEAR 2024-25

ZWS	TYPE	ENGINE		FIP		GEAR BOX		FRONT AXLE		REAR AXLE		SELF STARTER		ALTERNATOR	
		NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC
VJA	CITY	9.00	4.41	5.71	2.87	9.00	3.47	11.00	4.24	12.00	7.20	5.53	3.90	5.60	3.90
	RURAL	10.00	5.46	7.64	3.47	9.97	4.36	12.00	4.49	13.00	7.80	5.28	4.20	5.71	3.64
VZM	CITY(VSP)	9.00	5.20	7.00	2.68	9.00	5.72	11.00	6.60	12.00	7.98	6.50	4.62	6.50	4.75
	RURAL	10.00	5.42	8.00	2.94	10.00	5.32	12.00	5.84	13.00	7.80	7.00	4.27	7.00	4.80
KDP		10.00	4.88	8.00	3.19	10.00	4.56	12.00	5.15	13.00	6.48	7.00	4.20	7.00	4.22
NLR	TATA	10.00	5.42	8.00	3.92	10.00	5.28	12.00	4.53	13.00	5.39	7.00	4.35	7.00	4.81
	AL	10.00	6.40	8.00	4.70	10.00	4.59	12.00	6.00	13.00	6.50	7.00	4.71	7.00	5.01
CORP. TGT. 2024-25	CITY	9.00	4.75	7.00	2.78	9.00	4.09	11.00	5.49	12.00	7.20	6.50	4.13	6.50	4.16
	RURAL	10.00	5.39	8.00	3.43	10.00	4.70	12.00	5.03	13.00	7.08	7.00	4.33	7.00	4.31


Dy. Commr (A)