

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

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Office of the VC&MD
HYDERABAD-20

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SUB:COST CONTROL - Control of Expenditure - Fixing of
targets on MED parameters for the year 2003-2004-
- Reg.

The Corporation is passing through a critical financial position. It is, therefore, essential that every employee, supervisor, Manager strive hard to improve the performance. Financial health of an organisation depends on enhancement of earnings as well as reduction of expenditure. It is unfortunate that expenditure is more than earnings in our Corporation in the recent past. While every effort has to be made to improve earnings, it is very essential to reduce the cost of operation on HSD oil, Lub Oil, Spares, Tyres and Tubes and Workshops. Reduction of expenditure on these cost parameters is within our control.

The targets for the year 2003-04 are worked out Region wise/Zone-wise with the best performance in the preceding three years taken as the base duly adding/reducing the improvement factors.

With the recent vigorous training of Low KMPL Drivers and constant monitoring, 13 Depots have exceeded a KMPL of 5.50 during the current year upto Feb'03 and 76 Depots have recorded 5.30 & above for the period from April'02 to Feb'03 out of 212 Depots of the Corporation. It is also noted that the HSD KMPL of 6.00 was recorded at MADHIRA Depot in the month of Feb'03. The Corporation could achieve remarkable improvement in KMPL upto Feb'03 by achieving 5.22 against 5.07 for 2001-02. If all the Managers and supervisors take up a vigorous drive in imparting training to all drivers and with constant monitoring, achieving a KMPL of 5.75 for the year 2003-2004 should not be a difficult task. Keeping this in view, a uniform target of 5.75 for all Regions excluding HCR Region is fixed for the year 2003-04. The target for HCR Region is fixed as 5.35.

The total Lub oil KMPL Targets are fixed Region-wise for the year 2003-04 based on the best performance in previ-

ous 3 years. There shall not be any delay in Engine Oil changes to show higher Lub Oil KMPL. Lub Oil KMPL mainly depends on top up practices, timely top overhaul of engines and arresting leakages. All Officers should ensure that proper accountal of Engine oil, RC oil & base oil is carried out at all Depots as per Circular instructions so as to eliminate the chances of manipulation of accountal to project higher total Lub KMPL.

The target for B.D.rate for 2003-04 for the Corporation is fixed as 0.11 Breakdown of vehicle enroute causes inconvenience to the passengers & affects the image of the Corporation. To provide reliable service, all efforts must be made to reduce breakdowns to the minimum possible extent. Honest & proper accountal of breakdowns, analysis & corrective action helps in reducing the breakdown rate.

In the case of % of mechanical cancellation, some Regions like ATP,CDP,SKLM,TPT & NZB have shown high percentages during the previous years. This is controllable parameter since cancellations are mainly on account of want of bus and late supply of bus, which affect punctuality of the Services and passenger satisfaction. With improved quality of maintenance followed by regular inspection of Buses after maintenance & avoiding off road position of vehicles at Depots. It is possible to restrict this percentage to within 0.25%. Hence targets not exceeding 0.25% in case of mechanical cancellation are fixed for the year 2003-04.

Springs constitute a major cost element in the Corporation. With improved maintenance practices like effective greasing, regular tightening of U bolts, replacement of spring assemblies in Sch.IV, it impossible to reduce the spring consumption. Hence challenging targets in respect of spring consumption per lakh KMs are fixed Region wise to reduce CPK on spares.

Tyres are a major cost component. In order to improve Total tyre life and reduce NTS, guidelines issued on selection of tyres for fitment on vehicles based on route, type of Bus and position shall be implemented. Proper repairing of Tubes, preparation of tyre assemblies. timely rotation

and proper inflation will help to reduce NTS and obtain more No. of recaps per tyres. Targets for NTS & Total tyre life are fixed Region wise for the year 2003-04. The maximum ceiling for NTS is fixed at 2.00%.

Targets for achieving optimum lives on major aggregates are fixed for the year 2003-04. Implementation of preventive maintenance schedules, carrying out oil changes at stipulated mileages, timely rectification of minor defects on sub assemblies will help to obtain optimum life from New/CO aggregate4s. drawal of CO units will increase on account of the premature failures due to poor workmanship at Workshops or improper maintenance at depots. Hence care shall be taken to avoid premature failures of units.

The CPK on HSD oil is fixed by arriving at the average cost per litre of diesel as on 01.02.2003 for Region from the individual cost per litre for the Depots of Region. This takes care of the higher . lower cost of HSD oil on account of the transportation cost of diesel supplied by oil companies from their supply point.

CPK on lubricants is fixed at 7 paise for the year 2003-04. efforts shall be made to achieve the targets through improved maintenance practices, timely identification of vehicles for leakages and prompt attention.

The budgeted CPK of stores for the corporation for the year 2003-04 is fixed at 19 paise. Stores expenditure can be controlled by reducing consumption of springs & other costly spares through better maintenance practices.

The budgeted CPK on tyres and tubes for the year 2003-04 for the Corporation is 35 paise. In order to reduce expenditure on tyres, quality of repair, recap of tyres at Tyre Retreading shops have to be improved. Tyre Retreading Shop have to carry out R.C. or repair of tyres on first in first out basis. The tyres should not be kept idle at Depots, stores or at Tyre shops. The depots should concentrate on reducing NTS, TTS, RTF & improving total tyre life.

The budgeted CPK on workshops is 30 paise for the Corporation for the year 2003-04. Workshops expenditure can be controlled by improving the life of aggregates on vehicles through better maintenance practices at depots.

To the extent of labour available in workshops, vehicles are to be drawn for CO to improve the vehicle condition. On account of revision of maintenance staff norms, coach builders have become surplus in most of the Regions, Gangs maybe formed and Body repairs may be carried to improve body condition at Depot level itself to reduce cost on body repairs.

The targets fixed for the year 2003-04 on all the parameters cited are enclosed in the ANNEXURE- I to III.

In order to achieve the targets fixed for the year, regular training programmes on better maintenance practices, improved technologies shall be arranged for the garage staff so as to bring about a total change in the quality of maintenance at the depots.

The Regional managers in turn are advised to fix targets Division wise & Depot wise and communicate to Divisions and Depots. Copy of the same may be sent to this office for review. The Regional Managers and Executive Directors are advised to review the performance of the Depots with reference to the targets fixed and pull up the Managers not responding.

Executive Directors of Zone, Regional Managers, Divisional Managers and Depot Managers are advised to take steps required to improve the performance for achieving the targets.

The Executive Directors, Regional Managers and Divisional Managers are personally accountable for achieving targets in respect of Zone, Region and Division in regard to all parameters.

