

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(1)/2004-MED

Office of the VC&MD
HYDERABAD-20

CIRCULAR NO.09/2004-MED, Dt.13.05.2004

SUB:COST CONTROL - Control of Expenditure - Fixing of
targets on MED parameters for the year 2004-2005-
- Reg.

We are aware that the 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.

Since the Corporation is passing through a critical financial position, it is essential that every employee, Supervisor & Manager strives hard to improve the performance. 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 in these cost parameters is within our control.

The targets for the year 2004-05 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 except in case of HSD KMPL & BD Rate where the ED(Zones) were advised to furnish Depot-wise, Region wise targets, taking into consideration the various types of Engines & their fuel efficiency into consideration for HSD KMPL & no.of Breakdowns & the BD Rate per Bus/ year in case of Breakdown Rate.

Accordingly the information was obtained from the Zones / Regions & considering the previous years performance as well as the best performance in the previous 3 years, the proposals submitted by Zones / Regions were examined & following targets are fixed for 2004-2005.

1. HSD KMPL:

It is decided to accept the proposals of ED(Zones) / RMs for retaining the same target of 5.75 HSD KMPL uniformly for all District Regions and 5.35 for HCR, except CTR. The

proposed target of 5.71 by RM/CTR is agreed to in view of Ghat Operations. Hence the Target for HSD KMPL at Corporate level is 5.70 for 2004-2005. 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 5.70 for the year 2004-2005 should not be a difficult task. The Depot-wise targets for HSD KMPL as furnished by the ED(Zones) / RMs to match the target of individual Regions is furnished for communication to Depots. The Depot-wise target of HSD KMPL is enclosed in the Annexure-II.

2. B.D RATE:

During the review meeting held on 19.04.2004, it was felt that the no. of breakdowns in a year per Bus held in the Region may be indicated along with the B.D Rate per 10,000 KMs for clarity. Accordingly, the Depot-wise & Region wise targets in Breakdown Rate per 10,000 KMs and no. of breakdowns per bus per year based on the average fleet available in the Depots was obtained from the Zones and Regions. The same was reviewed & considering the best performance achieved in the previous 3 years, the Depot/Region/Zone wise targets in respect of BD Rate and No. of Breakdowns per Bus per year are fixed and enclosed in the Annexure-III.

To provide reliable service, all efforts must be made to reduce breakdowns to the minimum possible extent as breakdown of vehicle enroute causes inconvenience to the passengers & affects the image of the Corporation. The RMs & other Managers shall ensure honest & proper accountal of breakdowns, analysis & corrective action to reduce the breakdown rate.

3. PERCENTAGE OF MECHANICAL CANCELLATIONS:

In the case of % of mechanical cancellation, the Corporation achieved 0.25% as against a target of 0.20% for the year 2003.2004. Some Regions 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 2004-05. The Corporation target is fixed at 0.18% for the year 2004.2005.

4. SPRING CONSUMPTION:

As against a target of 126 kgs per lakh kms for the year 2003-2004, the Corporation could achieve 121 kgs per lakh kms.

With improved maintenance practices like effective greasing, regular tightening of U bolts, replacement of spring assemblies in Sch.IV, it is possible 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. Hence, the target of Corporation is fixed at 101 kgs per lakh kms for the year 2004.2005.

5. TOTAL LUB KMPL:

The total Lub oil KMPL Targets are fixed Region-wise for the year 2004-05 based on the best performance in previous 3 years. Some Regions have shown a very high total Lub KMPL which surpasses the actual Lub KMPL possible if all the oils are properly accounted & oil changes are carried out strictly in accordance with prescribed intervals. Hence considering these aspects, it was decided to fix a maximum Lub KMPL of 1020 in Leyland area and 887 in Tata area. 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. Hence, the target of Corporation on Total Lub oil consumption is fixed as 918 for the year 2004.2005.

6. FLEET UTILISATION:

The Corporation has achieved a Fleet Utilisation of 99.28% for 2003-2004 as against a target of 99.00%. This is a high figure & very close to ideal value of 100.00 %. Hence it is proposed to retain the target of 99.00% for all Regions also for 2004-2005.

7. TYRE PERFORMANCE:

Tyres are a major cost component. During 2003-2004, the Corporation could achieve a New Tyre Scrap Rate of 1.48% against a target of 1.20%. In case of total Tyre life, as against a target of 1.63 lakh Kms, the Corporation has achieved 1.66 lakh kms. 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 2004-05. Thus, the Corporation target for NTS is fixed at 1.10% while for average tyre life, it is fixed at 1.71 lakh KMs.

The targets fixed for the year 2004-05 on Physical parameters cited are enclosed in the ANNEXURE-I to III.

In order to achieve the targets fixed for the year, regular monitoring of MED parameters and training programs 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 in respect of parameters where Region wise targets are fixed by Corporate Office 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.

Please acknowledge,

VICE CHAIRMAN &
MANAGING DIRECTOR