

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

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

Office of the VC&MD
HYDERABAD-20

CIRCULAR NO.10/2004-MED, Dt.20.05.2004

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

REF: Circular No.09/2004-MED, Dt.13.05.2004.

Vide Circular cited, Targets for 2004-2005 in respect of HSD KMPL, Total Lub KMPL, BD Rate, Percentage Mechanical cancellations, Spring consumption, Fleet Utilisation, Total Tyre Life and New Tyre Scrap Rate were communicated.

The targets for the following parameters are now communicated.

- Lives of major Aggregates.
- CPK on Power, Tyres, Workshops, Stores and Lubricants.

I. LIFE OF MAJOR AGGREGATES:

Targets for achieving optimum lives on major aggregates are fixed for the year 2004-05 based on the performance achieved in the respective Zonal Workshops in the previous 3 years. Implementation of preventive maintenance schedules, carrying out oil changes at stipulated mileages, timely rectification of minor defects on sub assemblies at Depots will help to obtain optimum life from New/CO aggregates. While taking all measures for enhancing the lives of the aggregates, it shall be ensured that the aggregates like Engine, Gear Box, Rear Axle etc., are removed at appropriate stages without resorting to extending the life unreasonably and causing extensive damages to the major components.

Care shall be taken by Zonal Workshops to prevent premature failures of units supplied to Depots on account of poor workmanship during overhaul. The targets for Lives of major Aggregates are enclosed at ANNEXURE-I.

II. COST PER KILOMETER ON MED PARAMETERS:

1. HSD OIL:

The CPK on HSD oil is fixed by arriving at the average cost per litre of diesel as on 01.03.2004 for the respective Region from the individual cost per litre for the Depots of Region. This takes care of the variation in cost of HSD oil on account of the transportation cost of diesel supplied by oil companies from their supply point to the Depots.

2. TYRES & TUBES:

The Corporation has achieved CPK of 35 paise upto Feb'04 & thus achieved target for 2003-2004. The CPK on tyres and tubes for the year 2004-05 for the Corporation is fixed at 33 paise duly considering the performance of Regions/Zones for the previous 3 years. In order to reduce expenditure on tyres, quality of repair, recap of tyres at Tyre Retreading shops have to be improved besides increasing the productivity. The depots should concentrate on ensuring proper inflation, timely rotation, reducing Mechanical defects on Vehicles affecting Tyre life, New Tyre Scrap Rate, Total Tyre Scrap and Retreadability factor & improving the total tyre life.

3. WORKSHOPS:

The Corporation has achieved CPK of 34 paise against a target of 30 paise. The CPK on workshops for all Regions / Zones for the year 2004-2005 is worked out based on the best performance of last 3 years & the target for Corporation is fixed at 29 paise.

Workshops expenditure can be controlled by improving the life of aggregates on vehicles through better maintenance practices at depots, improving quality of overhaul practices at Zonal Workshops & avoiding premature failures.

4. STORES:

The Corporation has achieved a CPK of 20 paise upto Feb'04 against target of 19 paise for the year 2003-2004. For 2004-2005, the targets are fixed based on the best performance of Regions in last 3 years. Thus a target of 18 paise is fixed for Corporation.

Stores expenditure can be controlled by reducing consumption of springs & other costly spares through better

maintenance practices & obtaining optimum life out of spares.

5. LUBRICANTS:

The corporation has achieved a CPK of 8 paise upto Feb'04 against target of 7 paise. CPK on lubricants is fixed at 7 paise for the year 2004-05. Efforts shall be made to achieve the targets through improved maintenance practices, timely identification of vehicles for leakages and prompt attention.

The targets fixed for the year 2004-05 on MED cost parameters cited above are enclosed in the ANNEXURE-II.

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 above parameters and communicate to Divisions and Depots. Copy of the same should be sent to this office for review.

The Regional Managers and Executive Directors are advised to review the performance of the Depots at regular intervals 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