



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(1)/2008-MED

Office of the VC&MD,
MSRD, HYDERABAD-624.

CIRCULAR NO. 03/2008 - MED, Dt.31.03.2008

SUB: COST CONTROL - Control of Expenditure - Fixing of targets on MED Parameters for the year 2008-2009 - Reg.

We are aware that the financial health of an organization depends on maximizing of earnings as well as minimizing of expenditure. To ride over the present financial burden of the corporation, it is essential that every employee, supervisor, Manager strive 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 2008-09 are worked out Region wise / Zone-wise based on the best performance year in the preceding three years and incrementing the same in different slabs and other criteria. The parameter wise targets are discussed here under.

I. PHYSICAL PARAMETERS:

1. 1 HSD KMPL:

The HSD KMPL of the Corporation for the year 2007-08 upto Jan'08 is 5.23 as against 5.26 in the year 2006-07, 5.27 in 2005-06, 5.29 in 2004-05 and 5.37 in 2003-2004. Thus there is a negative trend during 2007-08 by 0.03 as against the year 2006-07 and 0.12 against 2003-04 years. Further, there is a difference of 0.04 HSD KMPL at Corporate level with and without Volvo operations. Thus, the HSD KMPL of the Corporation for the year 2007-08(upto Jan'07) without Volvo Operations is 5.27. It is opined that with the present level of performance there is a need to revise the target of HSD KMPL. The best performance achieved by individual Regions during last three years i.e. 2005-06, 2006-07 and 2007-08(upto Jan'08) is taken as basis and the same is incremented with different slabs and fixed the targets for the year 2008-09. Accordingly, the Corporation HSD KMPL target is fixed at **5.36** for with Volvo operation and **5.40** for without Volvo operation.

The present average HSD KMPL of Volvo Vehicles is around 3.00. Hence the uniform target of **3.10** is fixed for the Volvo Vehicles in all Regions, as some of the Volvo vehicle Depots were achieved **3.07** already.

The target for the Regions without Volvo Operations is also fixed basing the actual performance achieved individually by the concerned Regions in the previous years.

Thus, the targets for 2008-2009 arrived as explained above are enclosed at ANNEXURE-I.

I.2. BREAKDOWN RATE:

The target of B.D.rate for 2007-08 of the Corporation was 0.12. The actual Breakdown Rate upto Jan'08 is 0.12. The B.D.Rate target is fixed basing on the best performance of the individual Regions during last three years i.e. 2005-06, 2006-07 and 2007-08(upto Jan'08) and reducing the same with different slabs and fixed the targets for the year 2008-09. Accordingly the target for corporation for the year 2008-2009 is arrived at 0.11. 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 unit Officers shall ensure that all BDs are correctly accounted, analyzed & rectification action is taken. Any instances of improper accountal of BDs with a view to show a low BD Rate should be dealt with seriously. The Region wise targets are furnished at ANNEXURE-I.

I.3. PERCENTAGE OF MECHANICAL CANCELLATIONS:

In case of % of mechanical cancellation, the Corporation achieved 0.18 % upto Jan'08 against a target of 0.19% for the year 2007-2008. This is a controllable parameter since cancellations are mainly on account of want of bus and late supply of bus, which also affect punctuality of the Services and passenger satisfaction. With improved quality of maintenance regular inspection of Buses after maintenance & avoiding off road position of vehicles at Depots, it is possible to reduce percentage of KMs cancelled due to mechanical reasons. The target for 2008-2009 is arrived at 0.16 considering the best performance in the previous three years. The Region wise targets are furnished at ANNEXURE-I.

I.4. SPRING CONSUMPTION:

As against a target of 90 kgs per lakh kms for the year 2007-2008, the Corporation has achieved 80 kgs per lakh kms upto Jan'08 on drawls on springs from Stores and Workshops. With improved maintenance practices like effective greasing, regular tightening of U bolts, replacement of spring assemblies in Sch.IV and introduction of stiffer springs, 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. The target of Corporation is fixed at 70 kgs per lakh kms for the year 2008-2009. The Region wise targets are furnished at ANNEXURE-I.

I.5. TOTAL LUB KMPL:

The total Lub oil KMPL Targets are fixed Region-wise for the year 2008-2009 duly considering the volume of operation, the oil required for EOCs based on Vehicle manufacturers recommendations, oil for Air cleaners, washing plants, Generator set, FIP top up etc, The top up lub KMPL achieved by Regions upto Jan'08 is increased by 20% and oil consumption for top up is arrived. Accordingly, the corporation total Lub KMPL target is fixed as 931. Of the above oils required for various purposes the Depots could exercise control through better maintenance practices only on top up LUB oil while oil requirements for EOCs and other miscellaneous purposes are purely based on recommendations of Vehicle Manufacturers & there is no scope for any control, as any delays will damage the Engines. In the current year 2007-2008 upto Jan'08 a total Lub KMPL of 930 was achieved as against a target of 916 fixed for the year 2007-2008.

Hence the total Lub KMPL Targets are worked out Region wise considering the above requirements and targets are thus fixed which are realistic in nature and do not force Depots to indulge in unhealthy practice of delaying the oil changes.

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 931 for the year 2008-2009. The Region wise targets are furnished at ANNEXURE-I.

I.6. FLEET UTILISATION:

The Corporation has achieved a Fleet Utilisation of 99.40 up to Jan'08 as against a target of 99.50%. This is a high figure & very close to ideal value of 100.00 %. The target of for all Regions was fixed as 99.50% for the year 2008-2009. The Region wise targets are furnished at ANNEXURE-I.

I.7. TYRE PERFORMANCE:

Tyres are a major cost component. During 2007-08 up to FEB'08, the Corporation could achieve a New Tyre Scrap Rate of 2.60 against a target of 1.49%. In case of total tyre life, against a target of 1.91 lakh kms, the Corporation could achieve 1.78 lakh kms. In order to improve Total tyre life and reduce NTS, guidelines were issued on selection of tyres for fitment of vehicles based on route, type of Bus and position, which 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 tyre. Targets for NTS & Total tyre life are fixed Region wise for the year 2008-09. Regarding NTS the region wise best performance in last three years is taken as basis and the same is reduced by 10%. Wherever the best of last three years is more than 2%, the target is fixed as 1.95%. The target for average total tyre life for the year 2008-09 is fixed at 1.91 lakh kms considering the best performance achieved in the last three years and incrementing the same as per the slabs mentioned. The Region wise targets for NTS and Total Tyre Life are furnished at ANNEXURE –I.

I.8. LIFE OF MAJOR AGGREGATES:

Target for achieving optimum lives on major aggregates are fixed for the year 2008-09. 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 aggregates and achieve targets. Drawl of CO units will increase on account of the premature failure due to poor workmanship at Workshops or improper maintenance at depots. Hence care shall be taken to avoid premature failures of units. The Region wise targets are furnished at ANNEXURE - III.

II. COST PER KILOMETER ON MED PARAMETERS:

II.1. HSD OIL:

The target for CPK on HSD oil for the year 2008-2009 is fixed by arriving at the average cost per litre of diesel as on **31.01.2008** for each Region and the target KMPL fixed as above. 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. The Region wise targets are furnished at ANNEXURE-IX. The targeted CPK at corporate level is arrived as 616 paise as against the present CPK of 618 paise. The Region wise targets are furnished at ANNEXURE –II.

II.2. TYRES & TUBES:

The Corporation has achieved a CPK of 53 paise up to Jan'08 against target of 33 paise & thus crossed CPK more than the target fixed for 2007-08. The increased CPK on Tyres and Tubes in the current year is on account of pumping of more new tyres due to less induction of New Vehicles and also increased usage of Radial tyres. The CPK on tyres and tubes for the year 2008-09 for the Corporation is arrived at 40 paise basing on the best performance of Regions in 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 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, Retreadability factor & improving the Total tyre life. The Region wise targets are furnished at ANNEXURE –II.

II.3 WORKSHOPS:

The Corporation has achieved a CPK of 40 paise up to Jan'08 against a target of 33 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. The new vehicle induction to the tune of 2212 vehicles will also facilitate for reduction in demand. A target CPK of 33 paise is fixed for the Corporation for 2008-09 basing on best performance of Regions in previous 3 years. The Region wise targets are furnished at ANNEXURE – II.

II.4. STORES:

The Corporation has achieved a CPK of 30 paise upto Jan'08 against target of 21 paise for the year 2007-2008. The increased CPK on stores in the current year is on account of purchasing the costly spares for Volvo Vehicles and also increased cost on overhauling the over aged Vehicles since there is no induction of new Vehicles during the year. Stores expenditure can be controlled by reducing consumption of springs & other costly spares through better maintenance practices. The CPK of stores of the corporation for the year 2008-09 is arrived at 25 paise based on the best performance in the previous 3 years. The Region wise targets are furnished at ANNEXURE-II.

II.5. LUBRICANTS:

The corporation has achieved a CPK of 15 paise upto Jan'08 against target of 12 paise of for the year 2007-08. In view of increased cost of lubricants and use of high cost multigrade oils, the best achieved CPK in previous three years in the Regions is increased by 25% to arrive the target on CPK for lubricants for the year 2008-09. Thus a target of 12 paise was arrived for the year 2008-09. Efforts are to be made to achieve the targets through improved maintenance practices, timely identification of vehicles for leakages and prompt attention. The Region wise targets are furnished at ANNEXURE-II.

The Regional Managers in turn are advised to fix targets Depot wise for all parameters basing on the above guidelines and communicate to Depots. Copy of the same may be sent to ED (E&IT) for review. The Executive Directors of Zones and Regional Managers 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, Dy. chief Mechanical Engineers and Depot Managers are advised to take steps required to improve the performance for achieving the targets.

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

The Executive Directors of Zone, Regional Managers, Dy Chief Mechanical Engineers and Depot Managers are advised to take steps required to improve the performance for achieving the targets.

Please acknowledge,

**VICE CHAIRMAN &
MANAGING DIRECTOR**

To

All the Executive Director (Zones) (By Name)

Copy to: Director (Vig. & security), ED (T&C) & Secretary to Corporation, ED (O&MIS),
ED (A&P), FA & CAO for information

Copy to: CME(C&B), CE (IT), CPM, CM(R&T), CTM & CCOS for information

Copy to: All Regional Managers for necessary action

Copy to: Dy.CME(C&B), Dy.CME(IEU), Dy.CME(P), COS(C)I,
COS(C)II & CSTO for information.

Copy to: Dy.CMEs for necessary action

Copy to: All WMs, COSs, Dy.CAOs & AME (T) s of all Zones & necessary action

Copy to: All Principals of ZSTCs and TA/HPT for information

Copy to: All Depot Managers for necessary action.

Copy to: Manual Section/Head Office for filing.

Copy to: All Maintenance Incharges for necessary action.

REGION/ZONE WISE TARGETS ON PHYSICAL PARAMETERS FOR THE YEAR 2008-09

ANNEXURE -I

SL NO.	REGION / ZONE	HSD KMPL		BD RATE PER 10000 KMS	% OF MECH CANCELLATIONS	SPRING CONS. PER LAKH.KMS	TOTAL LUB KMPL	FLEET UTILISATION IN %	AVG.TOTAL TYRE LIFE IN LAKH KMS	NEW TYRE SARAP RATE(%)
		WITHOUT VOLVO	WITH VOLVO							
1	HYD REGION	5.05		0.20	0.25	25	969	99.50	2.26	0.66
2	SCD REGION	5.02		0.20	0.25	25	951	99.50	2.32	0.53
3	RR REGION	5.34	3.10	0.10	0.15	60	1107	99.50	1.68	1.73
	GREATER HYD ZONE	5.12	3.10	0.18	0.23	30	1054	99.50	2.13	1.05
4	MBNR REGION	5.47		0.08	0.18	175	954	99.50	1.73	1.95
5	NLG REGION	5.55		0.06	0.09	100	1106	99.50	1.91	1.29
6	MDK REGION	5.38		0.12	0.15	60	944	99.50	1.79	1.17
7	NZB REGION	5.54		0.07	0.09	90	1035	99.50	1.89	1.90
	HYD ZONE	5.49		0.08	0.13	110	1018	99.50	1.82	1.76
8	KRMR REGION	5.53		0.09	0.14	60	1088	99.50	1.98	1.95
9	ADB REGION	5.49		0.08	0.16	90	1019	99.50	1.73	1.95
10	KMM REGION	5.54		0.07	0.08	55	1096	99.50	2.06	1.30
11	WL REGION	5.47	5.44	0.06	0.11	50	1001	99.50	2.02	1.16
	KRMR ZONE	5.51	3.10	0.07	0.12	60	1052	99.50	1.96	1.95
12	NLR REGION	5.49	5.45	0.07	0.15	105	1125	99.50	1.83	1.41
13	OGL REGION	5.49	5.45	0.08	0.09	115	1100	99.50	1.75	1.50
14	CTR REGION	5.30	5.26	0.12	0.18	50	824	99.50	2.19	0.78
	NELLORE ZONE	5.40	3.10	0.09	0.15	80	984	99.50	1.95	1.27
15	ATP REGION	5.29		0.17	0.31	145	786	99.50	1.46	1.95
16	CDP REGION	5.41		0.12	0.15	45	797	99.50	1.66	1.65
17	KRNL REGION	5.39		0.13	0.16	100	832	99.50	1.55	1.95
	KADAPA ZONE	5.36		0.14	0.21	95	806	99.50	1.55	1.89
18	GNT REGION	5.47	5.44	0.09	0.09	60	841	99.50	1.85	1.15
19	KRI REGION	5.39	5.25	0.07	0.11	30	794	99.50	2.17	1.31
20	WG REGION	5.49		0.08	0.13	45	830	99.50	2.00	0.88
	VJA ZONE	5.45	3.10	0.08	0.11	45	820	99.50	1.99	1.20
21	EG REGION	5.49	5.47	0.08	0.12	45	869	99.50	1.94	1.36
22	VSP REGION	5.46	5.32	0.10	0.21	45	792	99.50	2.09	1.28
23	NEC REGION	5.39		0.12	0.19	85	791	99.50	1.98	0.99
	VZM ZONE	5.45	3.10	0.10	0.17	55	818	99.50	2.00	1.38
	CORPORATION	5.40	3.10	0.11	0.16	70	931	99.50	1.87	1.49

REGION / ZONE WISE TARGETS ON COST PARAMETERS OF MED

ANNEXURE-II

SL NO.	REGION / ZONE	CPK ON HSD OIL IN PAISE	CPK ON TYRES & TUBES IN PAISE	CPK ON WORKSHOPS IN PAISE	CPK ON STORES IN PAISE	CPK ON LUBRICANTS IN PAISE
1	HYD REGION	654	28	36	28	11
2	SCD REGION	659	30	37	28	13
3	RR REGION	670	51	28	28	10
	GREATER HYD ZONE	657	34	35	28	11
4	MBNR REGION	609	46	30	28	11
5	NLG REGION	595	42	28	23	9
6	MDK REGION	620	43	33	19	10
7	NZB REGION	599	38	30	22	11
	HYD ZONE	605	42	30	23	10
8	KRMR REGION	601	37	24	18	11
9	ADB REGION	608	40	28	23	11
10	KMM REGION	596	39	25	17	11
11	WL REGION	608	40	27	20	11
	KRMR ZONE	603	39	26	19	11
12	NLR REGION	600	39	26	27	10
13	OGL REGION	603	40	27	27	11
14	CTR REGION	622	39	28	26	13
	NELLORE ZONE	611	39	27	27	11
15	ATP REGION	624	53	42	35	13
16	CDP REGION	606	48	37	23	13
17	KRNL REGION	612	49	40	28	11
	KADAPA ZONE	614	50	40	29	12
18	GNT REGION	606	43	28	23	13
19	KRI REGION	627	35	37	24	13
20	WG REGION	599	37	39	22	13
	VJA ZONE	612	39	34	23	13
21	EG REGION	598	37	30	20	13
22	VSP REGION	609	36	41	26	14
23	NEC REGION	605	41	44	24	14
	VZM ZONE	604	38	38	23	13
	CORPORATION	616	40	33	25	12

TARGETS OF AGGREGATE LIVES FOR 2008-09

ANNEXURE-III

ZONE	ENGINE		F I P		GEAR BOX		FRONT AXLE		REAR AXLE		ALTERNATOR		SELF STARTER	
	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC
HYD (U)	6.50	3.32	5.00	1.74	6.50	2.71	11.00	7.00	11.00	7.00	5.74	2.25	5.69	1.95
HYD (R)	7.00	3.61	5.00	1.91	7.00	2.70	11.00	7.00	11.00	7.00	5.99	2.40	6.00	1.85
KRMR	7.00	4.05	5.00	2.44	7.00	3.78	11.00	7.00	11.00	7.00	6.00	2.50	6.00	2.25
NLR ZONE (OGL & NLR)	7.00	3.94	5.00	2.34	7.00	4.48	11.00	4.69	11.00	7.00	6.00	2.50	6.00	2.20
LEYLAND AREA	6.90	3.78	5.00	2.16	6.92	3.19	11.00	6.41	11.00	7.00	5.93	2.40	5.93	2.05

LEYLAND AREA

TATA AREA

VJA (U)	6.50	2.75	5.00	2.50	5.85	2.55	9.00	4.73	9.00	4.76	4.62	2.15	5.47	1.75
VJA (R)	7.00	3.21	5.00	2.50	6.50	3.11	9.00	4.77	9.00	5.27	5.33	2.30	5.82	1.85
VZM (U)	6.50	3.02	5.00	2.50	4.71	2.86	9.00	5.22	8.76	6.00	5.31	2.30	5.00	1.95
VZM (R)	7.00	2.9	5.00	2.50	6.16	3.08	9.00	4.17	9.00	5.52	5.25	2.35	5.75	2.00
KDP	7.00	2.54	5.00	1.86	6.50	3.13	9.00	3.43	9.00	3.95	6.00	2.50	6.00	2.05
NLR ZONE (TPT)	7.00	2.52	5.00	1.82	6.48	2.54	9.00	3.09	9.00	4.85	4.96	2.10	6.00	1.55
TATA AREA	6.99	2.81	5.00	2.22	6.33	2.98	8.94	3.96	8.99	4.76	5.41	2.30	5.85	1.90