



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(1)/2009-MED

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

CIRCULAR NO. 05/2009 - MED, Dt.01.04.2009

SUB: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2009-2010 - Reg.

The financial health of an organization depends on maximization of the revenue and minimizing the operational costs. Keeping this in mind, every year targets on key parameters of maintenance, which influences the operational cost are prepared and communicated for making all efforts by one and all to excel. While finalizing the targets to the Regions, the ground realities and potentialities of the Regions are taken into consideration.

In the similar lines, the targets for the year 2009-10 in key MED parameters are worked out for the Regions basing on the best performance achieved by individual Region for the last three years and incrementing the same reasonably in different slabs and criteria. The details of the targets are furnished here under, parameter wise.

I. PHYSICAL PARAMETERS:

I.1 HSD KMPL:

Description	Excl. Volvo	Volvo	Incl. Volvo
The target of HSD KMPL for the year 2008-09	5.40	3.10	5.36
Actual KMPL up to Feb'09	5.28	2.85	5.24
Variance over target	-0.12	-0.27	-0.12
Target proposed for 2009-10	5.40	3.10	5.36

While fixing the targets, the following criteria is adopted.

- The best performance (excl. Volvo) among the years 2006-07, 2007-08 and 2008-09 of the Regions is adopted as base KMPL and incremented in different slabs for arriving the targets.
- An uniform target of 3.10 is adopted for Volvo vehicles.
- The effect of Meghdoot vehicles operation is also taken into consideration while fixing the targets.

HSD KMPL is the most important cost parameter and influences the financial health of the corporation to a great extent. By following the guidelines issued vide Circular no.19/2007-MED will definitely improve the KMPL. The Region/Zone wise targets worked out as above for the year 2009-10 are enclosed at ANNEXURE-I.

I.2. BREAKDOWN RATE:

Description	B.D.Rate
The target for the year 2008-09	0.11
Actual up to Feb'09	0.10
Variance over target	0.01
Target proposed for 2009-10	0.09

- The B.D.Rate target is fixed basing on the best performance of the individual Regions during three years i.e. 2006-07, 2007-08 and 2008-09 (upto Jan'09) and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2009-10 are furnished at ANNEXURE-I.

Any reduction in breakdowns will have a remarkable impact on quality of operation and image of the corporation. Proper accounting and analysis for taking corrective action as envisaged in Circular no.09/2008-MED will definitely reduce the breakdowns.

I.3. PERCENTAGE OF MECHANICAL CANCELLATIONS:

Description	% of Mech. Cancellations
The target for the year 2008-09	0.16
Actual up to Feb'09	0.16
Variance over target	0.00
Target proposed for 2009-10	0.15

- The % of Mech. Cancellations target is fixed basing on the best performance of the individual Regions during three years i.e. 2006-07, 2007-08 and 2008-09 (upto Jan'09) and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2009-10 are furnished at ANNEXURE-I.

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.

I.4. SPRING CONSUMPTION:

Description	Spring Consumption
The target for the year 2008-09	70
Actual up to Feb'09	63
Variance over target	-7
Target proposed for 2009-10	60

- The spring consumption per lakh Kms target is fixed basing on the best performance of the individual Regions during three years i.e. 2006-07, 2007-08 and 2008-09 (upto Jan'09) and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2009-10 are furnished at ANNEXURE-I.

With improved maintenance practices like effective greasing, regular tightening of U bolts and replacement of spring assemblies in Sch.IV maintenance, 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.

I.5. TOTAL LUB KMPL:

Description	Total Lub KMPL
The target for the year 2008-09	931
Actual up to Feb'09	964
Variance over target	33
Target proposed for 2009-10	1116

- The total Lub oil KMPL Targets are fixed Region-wise for the year 2009-10 duly considering the volume of operation of different types of vehicles., 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'09 is increased by 20% and oil consumption for top up is arrived.
- The Region/Zone wise targets thus arrived for the year 2009-10 are furnished at ANNEXURE-I.

Exercising strict controls in usage of lubricant oils without compromising maintenance standards is the pre-requisite for conservation of lubricants. Better top up practices, avoiding leakages, timely top-overhauls and engine changes are some of the measures which influence this cost parameter. The starvation of engines and manipulation of accountal to project higher total lub KMPL shall be eliminated.

I.6. FLEET UTILISATION:

Description	Fleet Utilisation
The target for the year 2008-09	99.50
Actual up to Feb'09	99.52
Variance over target	0.02
Target proposed for 2009-10	99.50

- The Corporation has achieved a Fleet Utilisation of 99.52 up to Feb'09 as against a target of 99.50. This is a high figure & very close to ideal value of 100.00 % and hence, same target of 99.50 was fixed for all Regions for the year 2009-10 also.
- The Region wise targets are furnished at ANNEXURE-I.

I.7. TYRES PERFORMANCE

Description	NTS
The target for the year 2008-09	1.49
Actual up to Feb'09	2.37
Variance over target	0.88
Target proposed for 2009-10	1.37

- New Tyre Scrap Rate target for the year 2009-10 is fixed by reducing the best i.e., lowest NTS during the last 3 years including 2008-09 up to Feb'09, by keeping 1.95 as the maximum NTS.
- Whenever the target such fixed is more than the last year's target, then the target fixed for the last year is continued for the year 2009-10.

Description	TTL
The target for the year 2008-09	1.91
Actual up to Feb'09	1.68
Variance over target	0.23
Target proposed for 2009-10	1.89

- Total Tyre Life target for the year 2009-10 is fixed by taking the best performance during the last three years including 2008-09 up to Feb'09 and then by increasing the same as per the slabs.
- Whenever the target such fixed is more than the last year's target, then the target fixed for the last year is continued for the year 2009-10.
- The Region wise Targets are furnished at ANNEXURE-I.

With the improved tyre management and tyre maintenance practices stipulated in the circulars 11/2005, 5/2008, 12/2008, 16/2008, 20/2008, and 3/2009, it is quite possible to improve the performance of tyres which are major cost component and to achieve the given targets.

I.8 LIFE OF MAJOR AGGREGATES

Target for achieving optimum lives on major aggregates are fixed for the year 2009-10. 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/ C O 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

Description	CPK on HSD
The target for the year 2008-09	616
Actual up to Feb'09	695
Variance over target	79
Target proposed for 2009-10	622

- The target for CPK on HSD oil for the year 2009-2010 is fixed by arriving at the average cost per litre of diesel as on 28.02.2009 for each Region and the target KMPL fixed for the year 2009-10. This takes care of the variation in cost of HSD oil on account of the transportation charges of diesel supplied by oil companies from their supply point.
- The Region wise targets thus arrived are furnished at ANNEXURE-II.

II.2 TYRES & TUBES

Description	Tyres & Tubes
The target for the year 2008-09	40
Actual up to Feb'09	54
Variance over target	14
Target proposed for 2009-10	49

- The CPK Target on Tyres & Tubes for the year 2009-10 is fixed by taking the best i.e., lowest CPK during the last 3 years including the year 2008-09 up to Feb'09
- The Region-wise targets thus arrived are furnished at ANNEXURE-II.

II.3 WORK SHOPS

Description	Workshops
The target for the year 2008-09	33
Actual up to Feb'09	39
Variance over target	6
Target proposed for 2009-10	37

- The CPK Target on Work Shops for the year 2009-10 is fixed by taking the best i.e., lower CPK during the last 3 years including the year 2008-09 up to Feb'09
- Work shops expenditure can be controlled by improving the life of aggregates on vehicles through better maintenance practices at depots, improving the quality of overhaul practices at zonal work shops and avoiding premature failures. The new vehicle induction in the recent past will also facilitate for reduction in demand.

II.4. STORES:

Description	CPK on Stores
The target for the year 2008-09	25
Actual up to Feb'09	32
Variance over target	7
Target proposed for 2009-10	27

- The best performance on CPK of stores of the individual Regions during three years i.e. 2006-07, 2007-08 and 2008-09 (upto Jan'09) is fixed as target for the year 2009-10.
- The Region wise targets are furnished at ANNEXURE-II

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

II.5. LUBRICANTS:

Description	CPK on Lubricants
The target for the year 2008-09	12
Actual up to Feb'09	17
Variance over target	5
Target proposed for 2009-10	13

- The best performance on CPK of Lubricants of the individual Regions during three years i.e. 2006-07, 2007-08 and 2008-09 (upto Jan'09) is fixed as target for the year 2009-10.
- The Region wise targets are furnished at ANNEXURE-II.

Efforts are to be made to achieve the targets through improved maintenance practices, timely identification of vehicles for leakages and prompt attention.

The Regional Managers in turn are advised to fix targets Depot wise for all parameters basing on the above guidelines and communicate to Depots and to send a copy of the same 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.

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 and are personally accountable for achieving targets in respect of Zone, Region and Depot in regard to all parameters.

Please acknowledge.

**VICE CHAIRMAN &
MANAGING DIRECTOR**

To
All the Executive Directors (Zone) (By Name)

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

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

Copy to: All Regional Managers for necessary action

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

Copy to: Dy.CMEs for necessary action

Copy to: All DVMs of HYD and SCD Regions for necessary action

Copy to: All WMs, COSs, Dy.CAOs of all Zones & necessary action

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

Copy to: All AMEs(T) for necessary action

Copy to: All AOs of Regions for necessary action

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 2009-10

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	FOR VOLVO							
1	HYD REGION	5.06	5.06		0.14	0.27	30	969	99.50	2.30	0.66
2	SCD REGION	5.02	5.02		0.13	0.38	35	951	99.50	2.32	0.53
	HYD CITY ZONE	5.04	5.04		0.14	0.32	30	960	99.50	2.31	0.60
3	RR REGION	5.32	5.03	3.10	0.08	0.14	50	1310	99.50	1.72	1.73
4	MBNR REGION	5.47	5.47		0.06	0.17	165	1026	99.50	1.75	1.95
5	NLG REGION	5.51	5.51		0.05	0.04	95	1245	99.50	1.91	1.29
6	MDK REGION	5.43	5.43		0.10	0.10	45	1047	99.50	1.81	1.17
	HYD ZONE	5.44	5.37	3.10	0.07	0.11	95	1139	99.50	1.79	1.60
8	KRMR REGION	5.58	5.57	3.10	0.06	0.08	40	1176	99.50	1.98	1.95
7	NZB REGION	5.55	5.55		0.07	0.04	70	1204	99.50	1.89	1.90
9	ADB REGION	5.47	5.47		0.06	0.09	65	1177	99.50	1.75	1.95
10	KMM REGION	5.54	5.54		0.06	0.07	35	1316	99.50	2.06	1.30
11	WL REGION	5.51	5.49	3.10	0.05	0.08	40	1173	99.50	2.02	0.80
	KRMR ZONE	5.53	5.53	3.10	0.06	0.07	45	1202	99.50	1.94	1.63
12	NLR REGION	5.56	5.52	3.10	0.04	0.07	95	1301	99.50	1.83	1.41
13	OGL REGION	5.49	5.44	3.10	0.06	0.07	80	1287	99.50	1.77	1.50
14	CTR REGION	5.35	5.31	3.10	0.11	0.15	40	1247	99.50	2.19	0.77
	NELLORE ZONE	5.44	5.40	3.10	0.08	0.11	65	1273	99.50	1.95	1.18
15	ATP REGION	5.29	5.29		0.16	0.31	120	1027	99.50	1.53	1.95
16	KDP REGION	5.41	5.41		0.12	0.14	50	1025	99.50	1.70	1.65
17	KRNL REGION	5.39	5.39		0.11	0.15	85	1086	99.50	1.59	1.95
	KADAPA ZONE	5.36	5.36		0.13	0.20	85	1048	99.50	1.60	1.86
18	GNT REGION	5.47	5.45	3.10	0.08	0.16	45	1059	99.50	1.85	1.15
19	KRI REGION	5.39	5.23	3.10	0.06	0.07	10	1155	99.50	2.17	1.31
20	WG REGION	5.50	5.50		0.08	0.08	30	1083	99.50	2.00	0.88
	VJA ZONE	5.45	5.37	3.10	0.07	0.11	25	1099	99.50	1.99	1.17
21	EG REGION	5.50	5.47	3.10	0.07	0.13	35	1101	99.50	1.95	1.36
22	VSP REGION	5.46	5.29	3.10	0.07	0.11	35	1064	99.50	2.09	0.90
23	NEC REGION	5.40	5.40		0.10	0.18	90	1052	99.50	1.98	0.99
	VZM ZONE	5.46	5.39	3.10	0.08	0.14	50	1073	99.50	2.00	1.10
	CORPORATION	5.40	5.36	3.10	0.09	0.15	60	1116	99.50	1.89	1.37

**REGION / ZONE WISE TARGETS ON COST PARAMETERS OF MED FOR THE
YEAR 2009-10**

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	662	39	47	28	13
2	SD	668	40	53	28	13
HYD CITY ZONE		665	39	50	28	13
3	RR	670	63	30	36	12
4	MBNR	623	62	42	28	12
5	NLG	608	51	33	23	10
6	MDK	623	55	36	19	11
HYDZONE		630	58	36	27	11
7	KRMR	603	39	32	22	12
8	NZB	604	43	31	22	12
9	ADB	619	48	35	23	13
10	KMM	605	45	26	17	12
11	WL	600	47	34	24	12
KRMR ZONE		606	44	32	22	12
12	NLR	576	48	32	29	12
13	OGL	611	51	22	33	13
14	CTR	628	48	31	29	14
NLR ZONE		609	49	29	30	13
15	ATP	638	66	49	35	14
16	KDP	616	57	47	23	14
17	KRNL	626	59	40	28	14
CDP ZONE		627	61	45	29	14
18	GNT	611	47	28	23	13
19	VJA	630	44	34	29	14
20	WG	609	45	35	22	13
VJA ZONE		618	45	32	25	13
21	EG	610	43	36	25	14
22	VSP	617	42	45	32	15
23	NEC	609	49	47	24	14
VZM ZONE		612	45	42	27	14
COPORATION		622	49	37	27	13

TARGETS OF AGTGREGATE LIVES FOR 2009-10														
ZONES	ENGINE		FIP		GEAR BOX		FRONT AXLE		REAR AXLE		ALTERNATOR		SELF STARTER	
	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC
LIFE IN LAKH KMS														
LEYLAND AREA														
HYD (U)	6.50	3.28	4.23	1.74	6.50	2.66	11.00	7.00	11.00	7.00	5.74	2.26	5.51	1.96
HYD (R)	7.00	3.61	5.00	1.91	7.00	2.66	11.00	7.00	11.00	7.00	5.98	2.30	6.00	1.83
KRMR	7.00	4.30	5.00	2.46	7.00	3.78	11.00	7.00	11.00	7.00	6.00	2.50	6.00	2.27
NLR	7.00	4.24	5.00	2.35	7.00	4.55	11.00	4.85	11.00	7.00	6.00	2.50	6.00	2.20
(OGL & NLR)														
LEY. AREA	6.87	3.92	4.73	2.16	6.87	3.21	11.00	6.25	11.00	7.00	5.90	2.40	5.80	2.06
TATA AREA														
VJA (U)	6.50	3.17	4.46	2.50	5.77	3.14	9.00	5.58	9.00	6.00	4.97	2.50	5.27	1.98
VJA (R)	7.00	3.26	4.39	2.50	6.50	3.13	9.00	4.86	9.00	5.34	5.48	2.50	5.81	2.14
VZM (U)	6.50	3.07	4.72	2.50	6.00	2.86	9.00	5.71	9.00	6.00	4.32	2.33	5.82	1.89
VZM (R)	7.00	3.12	4.00	2.50	6.50	3.37	9.00	4.86	9.00	5.41	5.25	2.42	5.99	2.03
KDP	7.00	2.52	5.00	1.85	6.50	3.12	9.00	3.51	9.00	4.03	6.00	2.50	6.00	2.17
NLR (CTR)	7.00	2.52	3.56	1.72	6.35	2.38	9.00	2.86	9.00	5.08	4.89	2.05	6.00	1.55
TATA AREA	6.97	2.87	4.30	2.18	6.42	3.02	9.00	4.06	9.00	4.87	5.41	2.39	5.98	2.00