



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(1)/2010-MED

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

CIRCULAR NO. 08/2010 - MED, Dt.10.04.2010

Sub: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2010-11 - 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 2010-11 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:

1. 1 .HSD KMPL:

Description	Excl. Volvo	Volvo	Incl. Volvo
Target of HSD KMPL for the year 2009-10	5.40	3.10	5.36
Actual KMPL up to Feb'10	5.32	2.88	5.27
Variance over target	-0.08	-0.22	-0.09
Target proposed for 2010-11	5.40	3.10	5.30

While fixing the targets, the following criteria is adopted.

- The best performance (excl. Volvo) among the years 2007-08, 2008-09 and 2009-10 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, Sheetalhamsa, Vestibule and SLF 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 in true spirit, the KMPL can be further improved

and the targets can be achieved easily.

The Region/Zone wise targets worked out as above for the year 2010-11 are enclosed at ANNEXURE-I.

I.2. BREAKDOWN RATE:

Description	B.D.Rate
The target for the year 2009-10	0.09
Actual up to Jan'10	0.09
Variance over target	0.00
Target proposed for 2010-11	0.08

- The B.D.Rate target is fixed basing on the best performance of the individual Regions during three years i.e. 2007-08, 2008-09 and 2009-10 (upto Jan'10) and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2010-11 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 at micro level 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 Mch. Cancellations
The target for the year 2009-10	0.15
Actual up to Jan'10	0.14
Reduction over target	0.01
Target proposed for 2010-11	0.13

- The % of Mech. Cancellations target is fixed basing on the best performance of the individual Regions during three years i.e. 2007-08, 2008-09 and 2009-10 (upto Jan'10) and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2010-11 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 2009-10	60
Actual up to Jan'10	61
Variance over target	0.01
Target proposed for 2010-11	50

- The spring consumption per lakh Kms target is fixed basing on the best performance of the individual Regions during three years i.e. 2007-08, 2008-09 and 2009-10 (upto Jan'10) and reducing the same with different slabs.
- The Region/Zone wise targets thus arrived for the year 2010-11 are furnished at ANNEXURE-I.

With improved maintenance practices like effective greasing, regular tightening of U bolts, replacement of spring assemblies in Sch.IV and introduction of stiffer springs and Air suspension, 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 2009-10	1116
Actual up to Jan'10	1152
Variance over target	64
Target proposed for 2010-11	1129

- The total Lub oil KMPL Targets are fixed Region-wise for the year 2010-11 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'10 is increased by 20% and oil consumption for top up is arrived.
- The Region/Zone wise targets thus arrived for the year 2010-11 are furnished at ANNEXURE-I.

By exercising strict controls in usage of lubricant oils without compromising maintenance standards in the pre-requisites 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 2009-10	99.50
Actual up to Jan'10	99.57
Variance over target	0.07
Target proposed for 2010-11	99.60

- The Corporation has achieved a Fleet Utilisation of 99.57 up to Jan'10 as against a target of 99.50. A uniform target of 99.60 was fixed for all Regions for the year 2010-2011.
- The Region wise targets are furnished at ANNEXURE-I.

I.7. TYRE PERFORMANCE:

1.7.A. New Tyre Scrap Rate.

Description	NTS
The target for the year 2009-10	1.37
Actual up to Feb'10	2.31
Variance over target	0.94
Target proposed for 2010-11	1.37

- New Tyre Scrap Rate target for the year 2010-11 is fixed by reducing the best i.e., lowest NTS during the last 3 years including 2009-10 (up to Feb'10) by 10% and 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 2010-11.

1.7.B. Total Tyre life

Description	TTL
The target for the year 2009-10	1.89
Actual up to Feb'10	1.69
Variance over target	0.20
Target proposed for 2009-10	1.84

- Total Tyre Life target for the year 2010-11 is fixed by taking the best performance during the last three years including 2009-10 up to Feb'10 and then by increasing the same as per the slabs.
- The Region wise Targets are furnished at ANNEXURE-I.

With the improved tyre management and tyre maintenance practices following the guidelines stipulated in the circulars 11/2005, 5/2008, 12/2008, 16/2008, 20/2008, 3/2009 and 16/2009, 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 2010-11. The New lives targets are calculated as Best of 3 Years and adding 5000Kms. CO lives targets are calculated as per the Circular No.13/2009-MED, dt 27.06.2009. (i.e., 60% of New Life achieved last year).

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 to achieve targets. Drawel of CO Units will increase on account of the premature failure due to poor workmanship at workshop or improper maintenance at depots. Hence care shall be taken to avoid premature failures of units. There shall be immediate attention & corrective action on premature failures. 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 2009-10	622
Actual up to Jan'10	665
Variance over target	33
Target proposed for 2010-11	730

- The target for CPK on HSD oil for the year 2010-2011 is fixed by arriving at the average cost per litre of diesel as on 28.02.2010 for each Region and the target KMPL fixed for the year 2010-11. 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 2009-10	49
Actual up to Feb'10	52
Variance over target	3
Target proposed for 2010-11	51

- The CPK Target on Tyres & Tubes for the year 2010-11 is fixed by taking the best i.e., lowest CPK during the last 3 years including the year 2009-10 up to Feb'10
- The Region-wise targets thus arrived are furnished at ANNEXURE-II.

II.3 WORKSHOPS:

Description	Workshops
The target for the year 2009-10	37
Actual up to Feb'10	40
Variance over target	3
Target proposed for 2010-11	37

- The CPK Target on Work Shops for the year 2010-11 is fixed by taking the best i.e., lower CPK during the last 3 years including the year 2009-10 up to Feb'10
- 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 expenditure. The Region wise targets are furnished at ANNEXURE -II.

II.4. STORES:

Description	CPK on Stores
The target for the year 2009-10	27
Actual up to Jan'10	31
Variance over target	4
Target proposed for 2010-11	29

- The best performance on CPK of stores of the individual Regions during three years i.e. 2007-08, 2008-09 and 2009-10 (upto Jan'10) is fixed as target for the year 2010-11.
- 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 2009-10	13
Actual up to Jan'10	13
Variance over target	0.00
Target proposed for 2010-11	13

- The target for CPK on Lubricants for the year 2010-11 is fixed by adopting the best CPK on lubricants during three years i.e. 2007-08, 2008-09 and 2009-10 (upto Jan'10).

- The target CPK on lubricants is not reduced over previous year, as there is a possibility of increase in cost of lubricants and any compromise in change periodicity of lubricants will adversely affect the unit aggregates.
- 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 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), ED(E&IT), ED(O&MIS), ED (A&P),ED(T&C) and Secretary to Corporation, FA & CAO for information

Copy to: CME(O),CME(C&B), CE (IT), CPM, 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: All Dy.CMEs of Regions 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: All Maintenance Incharges for necessary action.

Copy to: Manual Section/Head Office for filing

REGION/ZONE WISE TARGETS ON PHYSICAL PARAMETERS FOR THE YEAR 2010-11

S. 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 ALL SPECIAL TYPES BUSES	WITH ALL SPECIAL TYPES BUSES							
1	HYD REGION	5.05	4.78	0.14	0.27	28	975	99.60	2.20	0.66
2	SCD REGION	4.95	4.69	0.12	0.29	28	1009	99.60	2.18	0.53
HYD CITY ZONE		5.00	4.73	0.13	0.28	28	990	99.60	2.19	0.60
3	RR REGION	5.31	5.01	0.07	0.15	47	1422	99.60	1.50	1.73
4	MBNR REGION	5.47	5.46	0.05	0.16	136	1039	99.60	1.61	1.95
5	NLG REGION	5.54	5.54	0.04	0.04	88	1333	99.60	1.80	1.29
6	MDK REGION	5.47	5.47	0.09	0.08	45	1100	99.60	1.74	1.17
HYD ZONE		5.45	5.38	0.07	0.11	77	1195	99.60	1.65	1.60
8	KRMR REGION	5.61	5.58	0.05	0.07	37	1248	99.60	1.94	1.95
7	NZB REGION	5.57	5.56	0.05	0.02	67	1321	99.60	1.83	1.90
9	ADB REGION	5.47	5.46	0.05	0.10	64	1281	99.60	1.75	1.95
10	KMM REGION	5.58	5.58	0.06	0.05	33	1482	99.60	2.00	1.30
11	WL REGION	5.56	5.53	0.04	0.06	42	1274	99.60	1.97	0.80
KRMR ZONE		5.56	5.55	0.05	0.06	45	1306	99.60	1.90	1.63
12	NLR REGION	5.59	5.50	0.04	0.05	71	1497	99.60	1.78	1.41
13	OGL REGION	5.51	5.42	0.05	0.07	87	1436	99.60	1.74	1.43
14	CTR REGION	5.35	5.31	0.11	0.13	43	1202	99.60	2.09	0.77
NELLORE ZONE		5.46	5.39	0.07	0.09	62	1283	99.60	1.89	1.18
15	ATP REGION	5.25	5.25	0.14	0.29	94	1034	99.60	1.50	1.92
16	KDP REGION	5.35	5.35	0.10	0.10	44	1051	99.60	1.59	1.65
17	KRNL REGION	5.31	5.30	0.11	0.10	78	1015	99.60	1.50	1.95
KADAPA ZONE		5.30	5.30	0.12	0.16	74	1031	99.60	1.52	1.86
18	GNT REGION	5.53	5.49	0.07	0.12	45	1060	99.60	1.85	1.15
19	KRI REGION	5.42	5.26	0.05	0.06	5	1113	99.60	2.10	1.25
20	WG REGION	5.50	5.50	0.08	0.05	39	1113	99.60	1.92	0.88
VJA ZONE		5.48	5.40	0.06	0.08	25	1092	99.60	1.96	1.17
21	EG REGION	5.52	5.48	0.06	0.10	27	1188	99.60	1.94	1.36
22	VSP REGION	5.46	5.27	0.07	0.11	32	938	99.60	2.08	0.90
23	NEC REGION	5.44	5.43	0.09	0.15	70	1081	99.60	1.91	0.99
VZM ZONE		5.48	5.38	0.07	0.13	42	1036	99.60	1.97	1.10
CORPORATION		5.40	5.30	0.08	0.13	50	1129	99.60	1.84	1.37

NOTE: Special Type vehicles means Volvo, Meghdoot, Vestibule, Meghamala and SLF and the individual targets for these vehicles are furnished below

S.No.	Type of Vehicles	Target KMPL
1	Volvo City	2.25
2	Volvo District	3.10
3	Meghdoot A.C.	3.45
4	Meghdoot NON-A.C.	3.95
5	Vestibule	3.05

S.No.	Type of Vehicles	Target KMPL
6	Meghamala	3.55
7	SLF	
	For HYD & SCD Regions	4.30
	For VSP Region	5.10
	For CTR Region	5.10

**REGION / ZONE WISE TARGETS ON COST PARAMETERS OF MED
FOR THE YEAR 2010-11**

S.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	816	41	47	28	15
2	SCD REGION	828	42	48	28	15
GREATER HYD ZONE		823	41	47	28	15
3	RR REGION	776	67	30	38	13
4	MBNR REGION	719	66	42	31	13
5	NLG REGION	697	55	33	24	12
6	MDK REGION	713	55	35	23	11
HYD ZONE		724	61	35	29	12
8	KRMR REGION	695	42	32	23	13
7	NZB REGION	694	52	31	28	13
9	ADB REGION	712	51	35	24	13
10	KMM REGION	695	49	26	20	11
11	WL REGION	697	50	35	25	13
KRMR ZONE		699	48	32	24	13
12	NLR REGION	696	48	30	27	11
13	OGL REGION	708	51	22	34	13
14	CTR REGION	727	51	32	33	14
NELLORE ZONE		714	50	29	32	13
15	ATP REGION	745	64	49	35	15
16	KDP REGION	720	54	42	26	14
17	KRNL REGION	738	61	41	30	14
KADAPA ZONE		735	60	44	30	14
18	GNT REGION	701	47	29	23	13
19	KRI REGION	728	44	34	32	14
20	WG REGION	701	46	35	23	13
VJA ZONE		712	46	32	27	13
21	EG REGION	700	47	37	27	12
22	VSP REGION	719	47	45	38	14
23	NEC REGION	707	52	44	28	14
VZM ZONE		712	49	42	31	13
CORPORATION		730	51	37	29	13

TARGETS OF AGGREGATE LIVES FOR 2010-11														
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)	6.07	3.46	3.29	1.94	6.50	3.75	11.00	7.18	11.00	7.42	5.60	3.33	5.45	3.24
HYD (R)	6.95	3.76	5.00	2.60	7.00	4.16	11.00	7.27	11.00	7.56	5.98	3.56	5.94	3.25
KRMR	7.00	4.97	5.00	2.76	7.00	5.81	11.00	8.21	11.00	8.14	6.00	4.31	6.00	4.39
NLR	7.00	5.01	5.00	3.59	7.00	6.25	11.00	7.61	11.00	7.83	6.00	3.87	6.00	4.10
(OGL&NLR)														
LEY.AREA	6.69	4.32	4.53	2.71	6.85	4.58	11.00	7.63	11.00	7.84	5.86	3.77	5.84	3.68
TATA AREA														
VJA (U)	6.50	5.28	5.00	2.98	6.00	4.00	9.00	5.72	9.00	6.26	4.97	2.44	6.00	5.89
VJA (R)	7.00	4.95	5.00	2.12	6.50	4.56	9.00	6.13	9.00	6.87	5.48	2.47	6.00	2.65
VZM (U)	6.50	4.43	4.94	2.93	6.00	3.46	9.00	5.96	8.55	4.66	4.32	2.09	5.20	3.09
VZM (R)	7.00	4.19	4.34	1.96	6.50	3.55	9.00	6.00	9.00	6.04	5.25	1.67	5.73	1.37
KDP	7.00	4.06	5.00	2.30	6.5	3.97	9.00	5.39	9.00	5.83	6.00	3.04	6.00	3.40
NLR (CTR)	7.00	3.34	5.00	1.06	5.87	3.40	9.00	4.97	9.00	5.23	4.89	2.50	6.00	2.99
TATA AREA	6.94	4.16	4.87	2.00	6.35	3.87	9.00	5.57	8.99	5.97	5.43	2.48	6.00	2.90