



## ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(01)/2023-MED.

O/o the VC&MD,  
RTC House, VJA,

### **Circular No.05/2023-MED, Dt.03.04.2023**

Sub: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2023-24 - Reg.

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Corporation has registered a loss of Rs.1478 Cr. up to Feb'23 during the year 2022-23. The financial health of an organization depends on maximization of the revenue and minimizing the operational costs. It is observed that expenditure is more than earnings in our Corporation in the recent past due to continuous increase in input costs like Personnel, HSD oil, Lub oils, Spares, Tyres etc,. While every effort has to be made to improve earnings, it is equally important to reduce the cost of operation on HSD oil, Lub Oil, Spares, Tyres and Workshops. There is ample scope for reduction of expenditure on these cost parameters by improving preventive maintenance of buses. Keeping this in mind, targets on the key MED parameters of maintenance, which influence the operational cost are communicated every year.

Generally, Targets are fixed based on the best performance in the preceding 3 years. But, all MED Parameters reported abnormally high during 2020-21 as the operations were very unstable due to Covid lockdowns and restrictions and taking such performance as base may result in abnormal targets for this year also which couldn't be achieved. Hence, the targets for the year 2023-24 are worked out District wise /Zone-wise taking the best performance in the preceding two years i.e., 2021-22 & 2022-23 (up to Feb'23) as the base duly adding the estimated improvements.

The details of the targets at Corporation level are furnished here under, parameter wise:

#### **Key Maintenance Parameters:**

1. HSD KMPL.
2. Spring consumption / 1 Lakh KMs.
3. Breakdown Rate.
4. % of MED Cancellation.
5. Total tyre life.
6. % of New Tyre Scrap Rate.
7. Life of Major Aggregates.

The finalized District wise targets for the year 2023-24 are fixed and filed at Annexure -1 & 2.

**Methodology adopted in Fixing Targets:**

**1. HSD KMPL:**

- a) Last year, the HSD KMPL Targets (for both AC & Non-AC) were calculated by taking best of three year's KMPL (2018-19,2019-20, 2021-22 by eliminating 2020-21 KMPL due to Covid) and incremented with slabs as below:

Slab	Increment	Slab	Increment
Upto 5.20	0.05	5.31 - 5.40	0.03
5.21 – 5.30	0.04	5.41 & above	0.02

But, Districts viz., NTR & TPT represented that the KMPL targets communicated with the above method are abnormally high as there is no AC buses & Ghat road buses operations due to Covid-19 pandemic restrictions and processed notefiles for reduction of KMPL targets for the year 2022-23.

In these circumstances, it is proposed to take best of 2 years (2021-22 & 2022-23) Product wise & Engine wise KMPL (2020-21 KMPL is very high due to Covid, hence, not taken in to consideration) and incremented with slabs as shown below for all non-AC products KMPL:

Slab	Increment	Slab	Increment
Upto 5.20	0.04	5.31 - 5.40	0.02
5.21 – 5.30	0.03	5.41 & above	0.01

For AC Products, KMPL of 2022-23 (up to Feb'23) was taken as target without giving any increment.

**Product wise & Engine wise operated KMs during Feb'23 is taken as base** for arriving the HSD to be consumed with the KMPL arrived as per the above method and calculated the district wise HSD KMPL targets for the year 2023-24.

Description	HSD KMPL
Target for the year 2022-23	5.28
Actual 2022-23	5.22
Variance	-0.06
<b>Target for 2023-24</b>	<b>5.25</b>

While observing the month wise KMPL trend over year average KMPL for the last few years, it is observed that the KMPL is stable at 1<sup>st</sup> quarter, falling down gradually in 2<sup>nd</sup> quarter, rising up to the year average in 3<sup>rd</sup> quarter and achieved beyond the year average in 4<sup>th</sup> quarter. Hence, proposed to set target KMPL for 1<sup>st</sup> quarter as it is, -0.03 over target for 2<sup>nd</sup> quarter, -0.02 over target for 3<sup>rd</sup> quarter and +0.05 over target for 4<sup>th</sup> quarter. Accordingly, the District wise KMPL targets are prepared and furnished at Annexure – I.

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The HSD KMPL is the most important cost parameter which strongly influences the financial health of the corporation to a great extent. By implementing the guidelines issued by MED on HSD KMPL improvement in true spirit and with constant monitoring, the KMPL can be further improved and the targets can easily be exceeded.

## 2. **BREAKDOWN RATE:**

- The B.D.Rate target is fixed basing on the best performance of the individual Districts during years 2021-22 & 2022-23 (up to Feb'23) and reducing the same at different slabs as below:

Slab	BD Rate Reduced	Slab	BD Rate Reduced
0.02 & below	No Reduction	0.06 - 0.08	0.02
0.03 - 0.05	0.01	0.08 & Above	0.03

Description	B.D. Rate/ 10000 KMs
Target for the year 2022-23	0.03
Actual 2022-23	0.04
Variance	0.01
<b>Target for 2023-24</b>	<b>0.03</b>

- The district wise targets thus arrived for the year 2023-24 are furnished at annexure-II

To provide reliable service to the travelling public, all efforts must be made to reduce breakdowns to the minimum possible extent. Proper accountal of breakdowns, micro level analysis of BDs & corrective actions help in reducing the breakdown rate. Any reduction in breakdowns will have a remarkable impact on quality of operation and image of the corporation. Micro level analysis of each breakdown for taking corrective action will certainly reduce the breakdowns.

## 3. **% OF MECH CANCELLATION OF KMs:**

- The MED Cancellation target is fixed basing on the best performance of the individual Districts during years 2021-22 & 2023-24 (upto Feb'23) and reducing the same at different slabs. The Slabs are:

Slab	MED Cancellation Reduction by	Slab	MED Cancellation Reduction by
0.03 & below	No Reduction	0.06 - 0.08	0.02
0.04 - 0.05	0.01	0.08 & Above	0.03

Description	% Mech. Cancellation
Target for the year 2022-23	0.02
Actual 2022-23 (up to Feb'23)	0.07
Variance	0.05
<b>Target for 2023-24</b>	<b>0.04</b>

- The district wise targets thus arrived for the year 2023-24 are furnished at annexure-II

This is a controllable parameter as cancellations are mainly due to want of bus, late supply of bus and bus failures which directly effects the punctuality of services and passenger satisfaction. With improved quality of preventive maintenance and by regular inspection of buses and by avoiding backlog in preventive maintenance schedules at depots, it is quite possible to achieve the targets.

**4. SPRING CONSUMPTION PER 1 LAKH KMs:**

District-wise targets for spring consumption are fixed basing on the best performance of the individual Districts during years 2021-22 & 2022-23 (upto Feb'22) and reducing the same at different slabs as below:

Slab	Spring Consumption Reduction by	Slab	Spring Consumption Reduction by
15 & below	1	16 to 30	2
30 to 50	5	51 & above	6

Description	Spring Consumption in KGs/ Lakh KMs
Target for the year 2022-23	25
Actual 2022-23 (upto Feb'23)	61
Variance	36
<b>Target for 2023-24</b>	<b>38</b>

- The District wise targets thus arrived for the year 2023-24 are furnished at annexure-II

By exercising proper maintenance and spring preparation may reduce the spring consumption. Better assembling practices, regular tightening of U-Clamps, lubricating, and timely replacement of broken springs are some of the measures which may reduce the spring consumption.

**5. NEW TYRE SCRAP RATE:**

The New Tyre Scrap Rate Target for the year 2023-24 is fixed by reducing as per the slabs given below on the actuals of 2022-23 (upto Feb'23):

S.No.	NTS%	To be reduced by
1	Less Than or equal to 1.00%	0%
2	1.01% to 2.00%	5%
3	2.01% to 3.00%	15%
4	Above 3.00%	20%

Description	% of NTS
Target for the year 2022-23	2.00
Actual 2022-23 (upto Feb'23)	2.55
Variance	0.55
<b>Target for 2023-24</b>	<b>2.16</b>

- The District wise targets for New Tyre Scrap Rate for the year 2023-24 are furnished at annexure-II

### **6. TOTAL TYRE LIFE:**

The Total Tyre Life Target for the year 2023-24 is fixed by increasing as per the slabs given below on the best of last 3 years i.e., 2020-21, 2021-22 & 2022-23 (upto Feb'23):

S.No.	Total Tyre Life	To be increased by
1	Upto 2.15 lakh kms	6000 kms
2	Upto 2.15 to 2.20 lakh kms	3000 kms
3	Upto 2.21 to 2.30 lakh kms	2000 kms
4	Upto 2.31 to 2.40 lakh kms	1000 kms
5	Above 2.41 lakh kms	0

Description	Total Tyre Life in Lakh KMs
Target for the year 2022-23	2.40
Actual 2022-23 (upto Feb'23)	2.40
Variance	0.00
<b>Target for 2023-24</b>	<b>2.43</b>

- The District wise targets for Total Tyre life for the year 2023-24 are furnished at annexure-II

### **7. LIFE OF MAJOR AGGREGATES:**

Targets of Major aggregates are fixed for the year 2023-24 to achieve optimum lives. The New Life targets are calculated considering the Best of Last 3 Years and increased by 3%.

SL. No.	UNIT		TGT 2022-23	Actuals 2022-23	Variance	TGT 2023-24
1	ENGINE	NEW	10.00	10.68	0.68	9.92
		RC	4.50	4.40	-0.10	4.85
2	F.I.P	NEW	7.00	8.24	1.24	7.83
		RC	2.90	3.21	0.31	3.53
3	GEAR BOX	NEW	10.00	10.41	0.41	9.84
		RC	4.26	4.25	-0.01	5.02
4	FRONT AXLE	NEW	12.00	12.52	0.52	11.78
		RC	4.16	4.04	-0.12	4.71
5	REAR AXLE	NEW	13.00	13.45	0.45	12.95
		RC	6.00	7.17	1.17	7.89
6	SELF STARTER	NEW	6.50	7.40	0.90	6.97
		RC	4.00	3.65	-0.35	4.27
7	ALTERNATOR	NEW	7.00	7.45	0.45	6.97
		RC	4.00	3.62	-0.38	4.03

However, the new life targets are restricted as mentioned below to avoid further deterioration of internal parts of major units.

SL.No.	UNIT	CITY	DIST
1	ENGINE	9.00	10.00
2	F.I.P	7.00	8.00
3	GEAR BOX	9.00	10.00
4	FRONT AXLE	11.00	12.00
5	REAR AXLE	12.00	13.00
6	SELF STARTER	6.50	7.00
7	ALTERNATOR	6.50	7.00

CO life targets are calculated among the Best of Last 3 Years or 10% increased on achieved RC life of 2022-23 (upto Feb'23) whichever is higher.

- To obtain optimum life from New/CO aggregates and to reach the targets. The following to be implemented:
  - a. Proper Implementation of preventive maintenance schedules.
  - b. Carrying out oil changes at stipulated mileages.
  - c. Timely rectification of minor defects on sub-assemblies.

- Increase in drawl of CO units indicates premature failures/ Low life of units due to poor workmanship at Workshop or improper maintenance at Depots.

Hence care shall be taken to avoid premature failures of units. The ZWS wise targets are furnished at **Annexure-III**.

In order to achieve the targets fixed for the year 2023-24, regular training on better maintenance practices and on latest technologies are to be arranged for the maintenance staff and supervisors by ED (Zones), WMs and Dy.CMEs so as to bring about a total change in the quality of maintenance at the depots.

The District Public Transport Officers are advised to fix Depot wise targets for all parameters basing on the above guidelines and communicate to Depots and to send a copy of the same to CME(M) by 15<sup>th</sup> April, 2023 without fail.

The District Public Transport Officers are advised to review the MED performance of the Depots with reference to the MED targets fixed and pull up the Managers and Supervisors who are not performing well in this regard.

The DPTOs, Dy.CMEs and Depot Managers are advised to improve the overall MED performance and put sincere efforts for achieving the targets in respect of all MED parameters.

Please acknowledge.



**EXECUTIVE DIRECTOR (E)**

Copy to: ED (O), ED (A), FA&CAO and all EDs(Zone) for information

Copy to: CE (IT), CPM, CTM, CCOS, CFM & All DPTOs for information & n/a.

Copy to: All Dy.CMEs/ WMs, COSs, Dy.CAOs & AMEs(T) f Zones for necessary action

Copy to: All Dy.CPMs, Principal/ZSTC/KRNL and Principal/TA/VJA for information

Copy to: Copy to: All DMs & AOs of Districts for information.

Copy to: All Maintenance In-charges for information & necessary action.

**District wise KMPL Targets for 2023-24 :**

DIST.	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter		3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter		2023-24 KMPL TGT	
	April - June		July - Sept.		Oct. - Dec.		Jan - March		with AC	w/o AC
	with AC	w/o AC	with AC	w/o AC	with AC	w/o AC	with AC	w/o AC		
SKLM	5.46	5.47	5.43	5.44	5.44	5.45	5.51	5.52	5.46	5.47
PPM MNM	5.29	5.30	5.26	5.27	5.27	5.28	5.34	5.35	5.29	5.30
VZM	5.06	5.06	5.03	5.03	5.04	5.04	5.11	5.11	5.06	5.06
AKP	5.25	5.25	5.22	5.22	5.23	5.23	5.30	5.30	5.25	5.25
ASR	4.44	4.44	4.41	4.41	4.42	4.42	4.49	4.49	4.44	4.44
VSP	4.87	5.07	4.84	5.04	4.85	5.05	4.92	5.12	4.87	5.07
KKD	5.05	5.32	5.02	5.29	5.03	5.30	5.10	5.37	5.05	5.32
EG	5.43	5.45	5.40	5.42	5.41	5.43	5.48	5.50	5.43	5.45
KNSM	5.21	5.41	5.18	5.38	5.19	5.39	5.26	5.46	5.21	5.41
WG	5.35	5.42	5.32	5.39	5.33	5.40	5.40	5.47	5.35	5.42
ELR	5.30	5.39	5.27	5.36	5.28	5.37	5.35	5.44	5.30	5.39
KRI	5.29	5.38	5.26	5.35	5.27	5.36	5.34	5.43	5.29	5.38
NTR	4.75	5.22	4.72	5.19	4.73	5.20	4.80	5.27	4.75	5.22
GNT	5.32	5.42	5.29	5.39	5.30	5.40	5.37	5.47	5.32	5.42
PLND	5.38	5.39	5.35	5.36	5.36	5.37	5.43	5.44	5.38	5.39
BPTL	5.60	5.65	5.57	5.62	5.58	5.63	5.65	5.70	5.60	5.65
PKSM	5.70	5.81	5.67	5.78	5.68	5.79	5.75	5.86	5.70	5.81
SPS NLR	5.77	5.91	5.74	5.88	5.75	5.89	5.82	5.96	5.77	5.91
TPT	5.30	5.45	5.27	5.42	5.28	5.43	5.35	5.50	5.30	5.45
CTR	5.36	5.38	5.33	5.35	5.34	5.36	5.41	5.43	5.36	5.38
ANM	5.35	5.35	5.32	5.32	5.33	5.33	5.40	5.40	5.35	5.35
YSR	5.17	5.30	5.14	5.27	5.15	5.28	5.22	5.35	5.17	5.30
KRNL	5.13	5.22	5.10	5.19	5.11	5.20	5.18	5.27	5.13	5.22
NDL	5.25	5.28	5.22	5.25	5.23	5.26	5.30	5.33	5.25	5.28
ATP	5.35	5.37	5.32	5.34	5.33	5.35	5.40	5.42	5.35	5.37
SSS	5.33	5.33	5.30	5.30	5.31	5.31	5.38	5.38	5.33	5.33
<b>Zone-1</b>	<b>5.09</b>	<b>5.19</b>	<b>5.06</b>	<b>5.16</b>	<b>5.07</b>	<b>5.17</b>	<b>5.14</b>	<b>5.24</b>	<b>5.09</b>	<b>5.19</b>
<b>Zone-2</b>	<b>5.11</b>	<b>5.35</b>	<b>5.08</b>	<b>5.32</b>	<b>5.09</b>	<b>5.33</b>	<b>5.16</b>	<b>5.40</b>	<b>5.11</b>	<b>5.35</b>
<b>Zone-3</b>	<b>5.58</b>	<b>5.66</b>	<b>5.55</b>	<b>5.63</b>	<b>5.56</b>	<b>5.64</b>	<b>5.63</b>	<b>5.71</b>	<b>5.58</b>	<b>5.66</b>
<b>Zone-4</b>	<b>5.28</b>	<b>5.35</b>	<b>5.25</b>	<b>5.32</b>	<b>5.26</b>	<b>5.33</b>	<b>5.33</b>	<b>5.40</b>	<b>5.28</b>	<b>5.35</b>
<b>CORP</b>	<b>5.25</b>	<b>5.38</b>	<b>5.22</b>	<b>5.35</b>	<b>5.23</b>	<b>5.36</b>	<b>5.30</b>	<b>5.43</b>	<b>5.25</b>	<b>5.38</b>

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**District wise MED Key Indicator Targets for 2022-23 :**

DIST.	KMPL with AC	KMPL w/o AC	BD Rate	% MED Cancellation	Spring Consumption per Lakh KMs	Total Tyre Life	% of NTS
SKLM	5.46	5.47	0.03	0.05	16	2.55	1.56
PPM MNM	5.29	5.30	0.04	0.09	27	2.42	1.89
VZM	5.06	5.06	0.05	0.13	29	2.39	1.66
AKP	5.25	5.25	0.03	0.03	42	2.49	1.26
ASR	4.44	4.44	0.06	0.05	68	2.00	1.51
VSP	4.87	5.07	0.04	0.04	21	2.42	2.44
KKD	5.05	5.32	0.02	0.03	28	2.54	1.62
EG	5.43	5.45	0.02	0.03	69	2.37	2.86
KNSM	5.21	5.41	0.02	0.04	33	2.42	2.61
WG	5.35	5.42	0.02	0.04	119	2.21	2.25
ELR	5.30	5.39	0.03	0.02	65	2.22	2.33
KRI	5.29	5.38	0.03	0.04	33	2.23	2.99
NTR	4.75	5.22	0.02	0.03	7	2.21	3.03
GNT	5.32	5.42	0.02	0.03	37	2.39	1.37
PLND	5.38	5.39	0.03	0.05	37	2.38	2.59
BPTL	5.60	5.65	0.03	0.03	39	2.51	1.49
PKSM	5.70	5.81	0.01	0.01	20	2.70	1.42
SPS NLR	5.77	5.91	0.01	0.01	34	2.52	1.73
TPT	5.30	5.45	0.01	0.01	40	2.51	1.12
CTR	5.36	5.38	0.02	0.03	17	2.72	0.73
ANM	5.35	5.35	0.03	0.09	41	2.58	1.14
YSR	5.17	5.30	0.04	0.04	34	2.40	2.25
KRNL	5.13	5.22	0.04	0.04	51	2.27	4.01
NDL	5.25	5.28	0.04	0.09	61	2.30	3.95
ATP	5.35	5.37	0.02	0.01	51	2.41	2.19
SSS	5.33	5.33	0.00	0.03	57	2.65	1.72
<b>Zone-1</b>	<b>5.09</b>	<b>5.19</b>	<b>0.05</b>	<b>0.06</b>	<b>25</b>	<b>2.44</b>	<b>1.97</b>
<b>Zone-2</b>	<b>5.11</b>	<b>5.35</b>	<b>0.03</b>	<b>0.03</b>	<b>43</b>	<b>2.30</b>	<b>2.62</b>
<b>Zone-3</b>	<b>5.58</b>	<b>5.66</b>	<b>0.02</b>	<b>0.02</b>	<b>32</b>	<b>2.51</b>	<b>1.75</b>
<b>Zone-4</b>	<b>5.28</b>	<b>5.35</b>	<b>0.03</b>	<b>0.04</b>	<b>43</b>	<b>2.47</b>	<b>2.11</b>
<b>CORP</b>	<b>5.25</b>	<b>5.38</b>	<b>0.03</b>	<b>0.04</b>	<b>38</b>	<b>2.43</b>	<b>2.16</b>

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**Unit Lives Targets for the year 2023-24:**

ZONES	ENGINE		FIP		GEAR BOX		FRONT AXLE		REAR AXLE		SELF STARTER		ALTERNATOR	
	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC
VJA(U)	9.00	3.77	6.95	3.74	9.00	3.25	11.00	4.33	12.00	2.96	7.00	4.21	5.60	3.00
VJA( R)	10.00	4.29	6.79	3.87	9.19	4.28	12.00	4.21	13.00	10.54	5.34	3.93	5.60	3.21
VZM(U)	9.00	5.03	7.00	2.84	9.00	6.22	11.00	7.62	12.00	8.78	6.14	4.73	6.02	4.97
VZM(R)	10.00	4.68	8.00	2.96	10.00	6.08	12.00	6.76	13.00	9.25	7.00	4.52	7.00	4.90
KDP	10.00	5.16	8.00	3.39	10.00	5.01	12.00	5.25	13.00	6.52	7.00	4.10	7.00	4.53
NLR(TATA)	10.00	5.91	8.00	4.47	10.00	4.30	12.00	4.16	13.00	5.39	6.62	3.34	7.00	3.23
NLR(AL)	10.00	5.98	8.00	4.20	10.00	4.52	12.00	3.22	13.00	8.59	7.00	4.60	7.00	4.80
APSRTC (AVG. TGT)	9.92	4.85	7.83	3.53	9.84	5.02	11.78	4.71	12.95	7.89	6.97	4.27	6.97	4.03
<b>TARGETS FOR 2022-23</b>	<b>10.00</b>	<b>4.50</b>	<b>7.00</b>	<b>2.90</b>	<b>10.00</b>	<b>4.26</b>	<b>12.00</b>	<b>4.16</b>	<b>13.00</b>	<b>6.00</b>	<b>6.50</b>	<b>4.00</b>	<b>7.00</b>	<b>4.00</b>

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