



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(01)/2022-MED.

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

Circular No.04/2022-MED, Dt.21.04.2022

Sub: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2022-23 - Reg.

Corporation has registered a loss of Rs.2699.86 Cr up to Feb'22 during the year 2021-22. 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 revenue 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.

The targets for the year 2022-23 are worked out District wise /Zone-wise taking the best performance in the preceding three years i.e., 2018-19, 2019-20 and 2021-22 (upto Feb'22) as the base duly adding the estimated improvements. Since complete lockdown was implemented for two months in the year 2020-21 and operations were also meager even after lifting of lockdown that too with limited seating capacity, unstable performance was reflected in many parameters in 2020-21 and hence the performance for the year 2020-21 was eliminated for arriving the targets for the year 2022-23.

Note: For the year 2021-22, during the months May'21, June'21 & July'21 KMs optd. are low due to the prevailing curfew and lockdowns imposed in few parts of the State to contain the spread of Covid-19. Hence, KMs operated during above 3 months are not taken in to account in calculating the targets.

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 2022-23 are fixed and filed at
Annexure-I & II

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Methodology adopted in Fixing Targets:

1. HSD KMPL:

Description	HSD KMPL
Target for the year 2021-22	5.31
Actual 2021-22	5.23
Variance	-0.08
Corp. Target for 2022-23	5.28

a) For arriving the HSD KMPL Targets, the best of 2018-19, 2019-20 & 2021-22 (upto Feb'22) performance is taken as basis and incremented as given below:

Slab	Increment	Slab	Increment
Upto 5.20	0.05	5.30 - 5.39	0.03
5.21 – 5.29	0.04	5.40 & Above	0.02

b) For arriving at HSD KMPL targets for A.C. buses, the annual volume of operation of A.C. buses is taken into consideration and fixed the targets as follows, adopting above slabs and rounding off to achieve with little effort.

Product Type	Target 2021-22	Actual KMPL in 2021-22 (upto Feb'22)	KMPL TGT for 2022-23
Dolphine Cruiser	3.17	3.22	3.25
Amaravathi	3.18	3.13	3.15
Vennela	4.07	4.08	4.10
Garuda	3.64	3.47	3.50
Indra	4.19	4.13	4.15
Night Rider	4.21	4.07	4.10
Metro Luxury	3.38	3.27	3.30

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 be exceeded easily.

The District wise targets worked out as above for the year 2022-23 are furnished at **Annexure-I**

2. BREAKDOWN RATE:

Description	B.D.Rate
Target for the year 2021-22	0.03
Actual 2021-22	0.04
Variance	0.01
Corp. Target for 2022-23	0.03

- The B.D.Rate target is fixed basing on the best performance of the individual Districts during years 2018-19, 2019-20 & 2021-22 (upto Feb'22) and reducing the same at different slabs. The Slabs are:

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

- The District wise targets thus arrived for the year 2022-23 are furnished at annexure-I

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 MED CANCELLATION:

Description	% Mech. Cancellation
Target for the year 2021-22	0.02
Actual 2021-22	0.06
Variance	0.04
Corp. Target for 2022-23	0.02

- The MED Cancellation target is fixed basing on the best performance of the individual Districts during years 2018-19, 2019-20 & 2021-22 (upto Feb'22) 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

- The District wise targets thus arrived for the year 2022-23 are furnished at **Annexure-I**

This is a controllable parameter as cancellations are mainly for want of bus and late supply of bus, 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:

Description	Spring Consumption (KGs/ Lakh KMs)
Target for the year 2021-22	25
Actual 2021-22	51
Variance	26
Corp. Target for 2022-23	25

- District-wise targets for spring consumption are fixed basing on the best performance of the individual Districts during years 2018-19, 2019-20 & 2021-22 (upto Feb'22) and reducing the same at different slabs. The Slabs are:

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

- The District wise targets thus arrived for the year 2022-23 are furnished at **Annexure-I**

By exercising proper maintenance and spring preparation practices, the spring consumption can be minimized. 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 2022-23 is fixed by reducing as per the slabs given below on the actuals of 2021-22 (upto Feb'22):

Description	% of NTS
Target for the year 2021-22	2.09
Actual 2021-22	2.29
Variance	0.20
Corp. Target for 2022-23	2.00

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%

- The District wise targets for New Tyre Scrap Rate are furnished at **Annexure-I**

6. TOTAL TYRE LIFE:

The Total Tyre Life Target for the year 2022-23 is fixed by increasing as per the slabs given below on the best of last 3 years i.e., 2019-20, 2020-21 & 2021-22 (upto Feb'22):

Description	Total Tyre Life in Lakh KMs
Target for the year 2021-22	2.21
Actual 2021-22	2.35
Variance	0.14
Corp. Target for 2022-23	2.40

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

➤ The District wise targets for Total Tyre life are furnished at **Annexure-I**

7. LIFE OF MAJOR AGGREGATES:

Targets of Major aggregates are fixed for the year 2022-23 to achieve optimum lives. The New Life targets are calculated considering the Best of Last 3 Years and increased by 3% and rounding off to achieve with little effort.

SL.No.	UNIT		TGT 2021-22	Actuals 2021-22	Variance	TGT 2022-23
1	ENGINE	NEW	8.72	10.66	1.94	10.00
		RC	4.24	4.24	0.00	4.50
2	F.I.P	NEW	6.43	7.03	0.60	7.00
		RC	2.90	2.78	-0.12	2.90
3	GEAR BOX	NEW	8.83	9.99	1.16	10.00
		RC	4.26	4.15	-0.11	4.26
4	FRONT AXLE	NEW	11.62	11.95	0.33	12.00
		RC	4.16	4.07	-0.09	4.16
5	REAR AXLE	NEW	12.84	13.83	0.99	13.00
		RC	6.78	5.32	-1.46	6.00
6	SELF STARTER	NEW	6.81	6.25	-0.56	6.50
		RC	3.42	3.70	0.28	4.00
7	ALTERNATOR	NEW	6.78	6.73	-0.05	7.00
		RC	3.76	3.74	-0.02	4.00

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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 2021-22 whichever is higher.

- To obtain optimum life from New/CO aggregates and to reach the targets, the following measures need 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 Zone wise targets are furnished at **Annexure-II**.

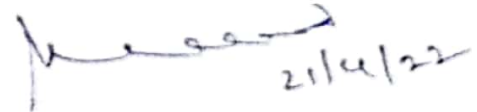
In order to achieve the targets fixed for the year 2022-23, regular training on better maintenance practices and on latest technologies of high end buses are to be arranged for the maintenance staff and supervisors by Dy CMEs and WMs so as to bring about a total change in the quality of maintenance at 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 27th April, 2022 without fail.

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

The District Public Transport Officers, 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 District Public Transport Officers for information & n/a.

Copy to: All Dy.CMEs of Zones information for necessary action

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

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

Copy to: All AOs of Districts for information.

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

Annexure-1:**DISTRICT WISE MED TGTs FOR 2022-23**

DISTRICT	WITH AC KMPL	WITHOUT AC KMPL	BD RATE/ 10000 KMs	% OF MED CANCELLATION	SPRING CONSUMPTION / LAKH KMs in KGs	TOTAL TYRE LIFE in LAKH KMs	% OF NTS
SKLM	5.43	5.43	0.03	0.03	7	2.31	1.41
VZM	5.04	5.04	0.04	0.07	13	2.29	1.22
PPM MANYAM	5.20	5.22	0.02	0.04	13	2.32	1.07
ANAKAPALLI	5.29	5.29	0.02	0.03	25	2.27	1.91
ASR	4.47	4.47	0.06	0.05	72	2.00	0.00
VSP	4.88	5.12	0.03	0.04	10	2.21	3.10
KKD	5.05	5.29	0.02	0.02	11	2.46	1.75
KONASEEMA	5.22	5.46	0.02	0.02	7	2.46	2.95
EG	5.43	5.47	0.02	0.03	29	2.38	3.27
WG	5.28	5.41	0.03	0.02	24	2.28	1.93
ELR	5.31	5.42	0.02	0.02	27	2.20	2.26
NTR	4.84	5.33	0.02	0.02	2	2.18	3.51
KRISHNA	5.30	5.37	0.02	0.03	13	2.20	3.74
GNT	5.31	5.34	0.02	0.03	14	2.40	2.14
PALNADU	5.36	5.38	0.02	0.03	27	2.37	2.59
BPTL	5.59	5.61	0.02	0.03	11	2.42	1.19
PKSM	5.71	5.82	0.01	0.01	17	2.69	0.79
SPS NLR	5.76	5.87	0.01	0.01	24	2.54	0.93
TPT	5.36	5.48	0.01	0.01	26	2.53	1.27
CTR	5.34	5.34	0.01	0.03	18	2.67	0.17
ANNAMAYYA	5.37	5.37	0.02	0.04	24	2.52	0.71
YSR	5.21	5.32	0.02	0.02	23	2.43	1.59
KRNL	5.15	5.24	0.02	0.02	28	2.28	2.86
NDL	5.28	5.31	0.03	0.03	26	2.29	2.26
ATP	5.33	5.35	0.02	0.02	38	2.34	0.96
SRI SATYA SAI	5.31	5.31	0.03	0.02	34	2.59	0.29
CORP	5.28	5.39	0.03	0.02	25	2.40	2.00

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Annexure-2:

Unit Lives Targets for the year 2022-23

ZONES	ENGINE		FTP		GEAR BOX		FRONT AXLE		REAR AXLE		SELF STARTER		ALTER NATOR	
	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC	NEW	RC
VJA(U)	9.00	4.10	5.13	2.90	9.00	3.70	11.00	4.56	12.00	7.36	6.50	4.63	3.94	3.58
VJA(R)	10.00	4.69	5.79	2.86	9.19	4.71	12.00	4.63	13.00	6.83	4.33	4.32	4.40	4.31
VZM(U)	9.00	5.53	7.00	3.95	9.00	5.88	11.00	6.42	12.00	7.68	6.50	4.02	5.31	4.17
VZM(R)	10.00	4.69	7.52	2.95	10.00	5.73	12.00	6.76	13.00	7.45	6.82	3.98	6.65	4.08
KDP	10.00	4.17	7.88	3.63	9.98	5.10	11.79	5.51	13.00	6.16	7.00	4.19	7.00	4.42
NLR(TATA)	10.00	4.22	8.00	3.01	10.00	4.73	12.00	4.87	13.00	5.90	6.62	3.67	6.11	4.28
NLR(AL)	10.00	5.48	7.51	3.80	10.00	4.97	12.00	5.70	13.00	8.59	6.41	4.04	6.37	4.27
CORP.	10.00	4.50	7.00	2.90	10.00	4.26	12.00	4.16	13.00	6.00	6.50	4.00	7.00	4.00

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A. S. R.