



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.OP2/791(01)/2021-MED.

O/o the VC&MD,
RTC House, VJA,
Dt.22.04.2021.

Circular No.02/2021-MED, Dt.22.04.2021

Sub: **COST CONTROL** - Control of Expenditure - Fixing of targets on MED Parameters for the year 2021-22 - Reg.

Corporation has registered a loss of Rs.2748 Cr up to Feb'21 during the year 2020-21. 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, and due to the non operation of bus services on account of Covid-19 Pandemic. 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 2021-22 are worked out Region wise/Zone-wise taking the best performance in the preceding three years 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 Region wise targets are filed at Annexure -1 & 2.

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Methodology adopted in Fixing Targets:

1. HSD KMPL:

Description	HSD KMPL
Target for the year 2020-21	5.27
Actual 2020-21	5.27
Variance	0.00
Target for 2021-22	5.31

a) For arriving the HSD KMPL Targets, the best of three years 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:

Type of Bus	Achieved in 2020-21	TGT FOR 2021-22 (Increased by 3%)
Dolphine Cruiser	3.08	3.17
Amaravathi	3.09	3.18
Vennela	3.95	4.07
Garuda Plus	2.86	2.95
Garuda	3.53	3.64
Indra	4.07	4.19
Night Rider	4.09	4.21
Metro Luxury	3.28	3.38
AC Economy	4.94	5.09

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 Region/Zone wise targets worked out as above for the year 2021-22 are furnished at Annexure -I.

2. BREAKDOWN RATE:

Description	B.D.Rate/ 10000 KMs
Target for the year 2020-21	0.03
Actual 2020-21	0.03
Variance	0.00
Target for 2021-22	0.02

- The B.D.Rate target is fixed basing on the best performance of the individual Regions during years 2018-19, 2019-20 & 2020-21 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 Region/Zone wise targets thus arrived for the year 2019-20 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 MECH CANCELLATION OF KMs:

Description	% Mech. Cancellation
Target for the year 2020-21	0.04
Actual 2020-21	0.02
Variance	-0.02
Target for 2021-22	0.02

- The MED Cancellation target is fixed basing on the best performance of the individual Regions during years 2018-19, 2019-20 & 2020-21 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 Region/Zone wise targets thus arrived for the year 2021-22 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 of buses 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	Total Lub KMPL
The target for the year 2020-21	NA
Actual 2020-21	34 KGs
Variance over target	--
Target proposed for 2021-22	25 KGs

- Region-wise targets for spring consumption are fixed basing on the best performance of the individual Regions during years 2018-19, 2019-20 & 2020-21 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 Region/Zone wise targets thus arrived for the year 2021-22 are furnished at annexure-I

By exercising proper maintenance in spring maintenance for reducing 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 2021-22 is fixed by reducing as per the slabs given below on the least of last 3 years.

S.No.	NTS%	To be reduced by
A	Less Than or equal to 1.00%	nil
a	1.01% to 2.00%	5%
b	2.01% to 3.00%	15%
c	Above 3.00%	20%

6. TOTAL TYRE LIFE:

The Total Tyre Life Target for 2021-22 is taken as keeping the same targets given for the year 2020-21 for Regions except KDP Zone regions. The actual total tyre life achieved during the year 2020-21 is the best performance during the last 3 years. This is due to Covid-19 Pandemic and the buses are not operated for many days in the rural sector. The Targets for KDP Zone regions has slightly increased as the targets given in the previous year are too less.

- The Region wise targets for New Tyre Scrap Rate & Total Tyre life are furnished at annexure-I

7. LIFE OF MAJOR AGGREGATES:

Targets of Major aggregates are fixed for the year 2021-22 to achieve optimum lives. The New Life targets are calculated considering the Best of Last 3 Years and increased by 3 %. The new life targets are restricted as mentioned below to avoid further deterioration of internal parts of major units. 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.

S.No	NEW UNITS	CITY	DIST
1	ENGINE	8.00	9.00
2	F.I.P	6.00	7.00
3	GEAR BOX	8.00	9.00
4	FRONT AXLE	12.00	13.00
5	REAR AXLE	12.00	13.00
6	SELF STARTER	7.00	8.00
7	ALTERNATOR	7.00	8.00

Proper 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 reach the targets. Drawl of CO Units will increase on account of the 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 Region wise targets are furnished at annexure - II.

In order to achieve the targets fixed for the year, 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 Regional Managers 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 30th April, 2021 without fail.

The Regional Managers 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 Regional Managers, Dy.CMEs, DVMs 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.

 23/4/21

EXECUTIVE DIRECTOR (E)

- Copy to: ED (O), ED (A), and FA&CAO for information
- Copy to: All EDs of Zones for information and necessary action
- Copy to: CME(M), CME(C&B), CE (IT), CPM, CTM, CCOS & CFM for information
- Copy to: All Regional Managers for necessary action
- Copy to: Dy CME(M), Dy.CME(C&B), Dy.CME(W), Dy.CME(IEU), Dy CTM(Comp), COS(C-II) & CSTO for information.
- Copy to: All Dy.CMEs/DVMs of Regions/ Divisions for necessary action
- Copy to: All WMs, COSs, Dy.CAOs & AMEs(T) of all Zones for necessary action
- Copy to: All Dy.CPMs, Principal/ZSTC/KRNL and Principal/TA/VJA for information
- Copy to: Copy to: All AOs of Regions for necessary action
- Copy to: All Depot Managers & Maintenance Incharges for necessary action.

Region wise KEY MED Parameters Targets for the year 2021-22

RGN	HSD KMPL (Incl. AC)	HSD KMPL (Excl. AC)	BD RATE	MED CANC.	SPRING CONS.	TOTAL TYRE LIFE	NEW TYRE SCRAP RATE
NLR	5.77	5.83	0.01	0.01	19	2.46	0.95
PKSM	5.70	5.80	0.01	0.01	12	2.41	0.65
CTR	5.27	5.32	0.02	0.01	28	2.41	0.78
KDP	5.23	5.33	0.03	0.04	20	2.20	1.49
KRNL	5.25	5.32	0.03	0.03	27	2.00	2.08
ATP	5.30	5.36	0.03	0.01	28	2.10	0.96
GNT	5.30	5.32	0.03	0.02	20	2.18	3.32
KRI	4.94	5.36	0.02	0.01	12	2.05	3.52
WG	5.37	5.42	0.03	0.02	33	2.24	1.84
EG	5.25	5.40	0.02	0.02	14	2.31	2.88
VSP	4.89	5.13	0.04	0.04	18	2.24	3.19
NEC	5.27	5.28	0.03	0.04	14	2.28	1.67
CORP	5.31	5.39	0.03	0.02	25	2.21	2.09

B
AME (M)

PROPOSED UNIT LIVES TARGETS FOR THE YEAR 2021-22

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)	8.00	3.56	5.67	2.73	8.00	4.14	11.08	4.56	12.00	7.36	7.00	2.84	7.00	3.50
VJA (R)	9.00	3.91	5.27	2.37	8.56	3.59	9.53	3.67	13.00	6.83	5.75	3.29	6.53	3.52
VZM (U)	8.00	4.66	6.00	3.95	8.00	5.88	12.00	6.08	12.00	7.68	7.00	4.00	6.46	3.88
VZM(R)	9.00	4.98	7.00	2.70	9.00	5.73	12.52	6.66	13.00	7.45	6.81	3.93	4.78	4.21
KDP	9.00	4.17	7.00	3.00	9.00	5.15	11.93	4.96	12.58	6.67	8.00	3.41	8.00	3.86
NLR (TATA)	9.00	4.21	7.00	2.86	9.00	3.66	12.02	4.87	13.00	7.05	7.33	3.04	6.11	3.50
NLR (AL)	9.00	4.74	6.28	3.40	9.00	3.89	13.00	5.70	13.00	8.59	5.96	3.25	5.81	3.78
APSRTC	8.72	4.24	6.43	2.90	8.83	4.26	11.62	4.16	12.84	6.78	6.81	3.42	6.78	3.76

and
A. S. S. S.