



**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**LEVEL 3 CERTIFICATES OF PROFESSIONAL  
COMPETENCE**

**05608**

**UNIT 4 MANAGING NATIONAL ROAD HAULAGE TRANSPORT OPERATIONS**

**FRIDAY 5 JUNE 2009**

**12.45 pm – 2.45 pm**

**TIME: 2 HOURS**

**SCENARIO**

You have successfully applied for the position of Transport Manager and Dangerous Goods Safety Advisor with McNabs a transport, distribution and storage business based in Aberdeen.

Mr John McNab, the owner of the business and 'O' licence holder, has asked you to a meeting to discuss the problems he wishes you to address. At the meeting he has also indicated that he would like to discuss the possible changing of procedures. He believes that such changes would benefit the firm and give you an insight into McNabs' history before you officially take up your position at the beginning of the month.

## **A The Firm's Background**

McNabs was founded by Mr McNab in 1976. The business at that time had a Standard National 'O' licence, operating one vehicle under contract to a national supermarket. At that time Mr McNab operated the business as a sole trader.

By 1988 the business had increased its fleet to over thirty vehicles and Mr McNab's three children had joined the organisation. At this juncture, Mr McNab decided to change the 'status' of the business to that of a partnership to include his three children.

### *Duties of the Partners*

Mr John McNab:	Senior Partner, CPC holder
Mr Gavin McNab:	Stores & Distribution Manager
Miss Margaret McNab:	Administration Manager, CPC holder
Mr Ian McNab:	Senior Driver

## **B Mis-Management Issues to be addressed**

### *1 Drivers' Hours and Records*

Over the past year, a number of experienced drivers have retired and have been replaced by younger, inexperienced staff. Following infringements discovered during VOSA roadside checks, a number of these drivers have been prosecuted and convicted. McNabs has also been convicted of causing or permitting the offences to take place and has subsequently received a warning letter from the Traffic Commissioner. The warning letter also contained a requirement for the organisation to instigate appropriate training for driving staff and management to prevent any recurrences.

McNabs is about to obtain new LGVs which will obviously be supplied, fitted with digital tachographs. None of McNabs' drivers or management has any experience of using digital tachographs.

## 2 *Poor Maintenance*

Mr McNab's policy has been to 'contract out' the maintenance of the fleet to a local garage. Unfortunately, over the past year, a number of McNabs' vehicles have been stopped for roadside checks by VOSA examiners, found to be unsafe and issued with prohibition notices (PG9s).

These prohibition notices have been recorded against the operator's licence at the traffic area office and this has resulted in the Traffic Commissioner sending a warning letter regarding the firm's future conduct.

## 3 *Exceeding Speed Limits*

As and when drivers are promoted to driving larger vehicles, they have not been aware of the reduced speed limits on different classes of roads. This has resulted in a number of drivers being prosecuted for speeding and, due to the 'totting-up' system, some have lost their licence and ultimately their job.

These prosecutions have, like the other problems already mentioned, resulted in a warning letter being sent by the Traffic Commissioner regarding the drivers' future conduct.

## **C New Procedures to be considered, reported and put in place, if viable**

### 1 *In-House Maintenance*

Due to the problems stated above regarding poor maintenance and, with a recent reduction in the storage business, the firm has spare warehouse capacity which could be converted to provide McNabs with its own maintenance facility.

### 2 *Insurance*

The firm has the following insurance cover in place:

- 1) Third Party Fire and Theft motor insurance
- 2) Employers' Liability insurance

## **Additional Information Regarding the Organisation**

### **Current Fleet Information**

McNabs holds a standard operator's licence (road service licence NI) issued by the Scottish Traffic Area. The business operates the following fleet of vehicles:

- 6 x 3.5 tonne vans (not on 'O' licence)
- 10 x 7.5 tonne box vans
- 12 x 18 tonne rigid curtain sided vehicles
- 10 x Tractor units for articulated vehicles (rated at 38 tonnes GVW)
- 14 x Tandem axle semi trailers (including two tank trailers)
- 4 x 32 tonne rigid drawbar combinations

### McNabs' Personnel

Listed below is the number of personnel (and their job titles) employed by the firm prior to both the new contracts and the proposed workshop facility:

Mr John McNab: Senior Partner, 'O' licence holder, CPC holder  
 Mr Gavin McNab: Junior Partner, Stores & Distribution Manager  
 Miss Margaret McNab: Junior Partner, Administration Manager, CPC holder  
 Mr Ian McNab: Junior Partner, Senior Driver (plus relief driver)

42 Drivers  
 2 Forklift Operatives  
 2 Shunters (who act as relief drivers)  
 2 Traffic Clerks  
 2 Traffic Supervisors  
 1 Transport Manager – CPC holder, DGSA certificate holder  
 3 Warehouse Assistants  
 2 Warehouse Clerks

### Drivers' Licence Details

No of Drivers	Licence Category	Notes
6	'B'	Passed Test after 1 Jan 1997
10	'C1'	Passed Test before 1 Jan 1997
12	'C'	_____
10	'C + E'	_____
4	'C + E'	Restriction 102

In addition: The three relief drivers (Mr Ian McNab plus the two shunters) hold full 'C + E' licences.

## **New Contracts**

Prior to you joining the firm, three new contracts were tendered for and secured.

### **Contract One**

Collecting "Flat Pack" furniture from Aberdeen harbour and delivering it to the customer's retail outlets in Edinburgh and Glasgow, returning to base unladen.

The driver will commence work at 0600 hrs, take 30 minutes to check vehicle, fill diesel tank and collect paperwork. The drive to the harbour will take 30 minutes. Here he will help with the loading which takes 2 hours. The journey to Edinburgh takes 3 hours 30 minutes. The driver has no duties to undertake at either the customer's Edinburgh or Glasgow depots but must remain in his cab available to work if required. (Company policy dictates that the driver does NOT take any breaks from driving at customers' premises). The unloading process at each depot takes thirty minutes. The driving time to Glasgow from Edinburgh is sixty minutes and the return journey from Glasgow to Aberdeen takes three hours thirty minutes. Once back at the depot, the driver has 15 minutes to check his vehicle and dispense with the paperwork.

The contract is of 5 days duration each week (Monday to Friday). There is no requirement to purchase a new vehicle for this contract.

### **Contract Two**

Collecting cattle from farms on the southern outskirts of Aberdeen and delivering to an abattoir in the South of England. On each journey the cattle will be in the vehicle for a period of more than ten hours.

Before, during and after the journey the driver must comply with the current animal welfare legislation. The winning of this contract will necessitate the purchase of three new 3 axled, 26 tonne GVW rigid vehicles. Also, it will be necessary to employ three new drivers or promote three existing drivers by upgrading their licences.

### **Contract Three**

This contract involves the carrying of bulk loads of 20,000 litres of diesel fuels to plant operators throughout the east coast of Scotland. There is no requirement to purchase a new vehicle for this contract.

## Financial Information

Listed below are the key figures regarding the operational costs of one of the new 3 axle, 26 tonne GVW rigid vehicles:

Purchase Price (including tyres)	£52,000
Cost of tyres (all tyres have an average life of 60,000 km)	10 tyres at £400 each
VED and 'O' Licence	£1,400 pa
Vehicle Insurance	£2,800 pa
Total cost of Driver	£20,000 pa
Apportionment of Administration Costs	£8,000
Life Expectancy of Vehicle	4 years
Depreciation Method	Straight line
Residual Value	£4,000
Fuel Costs	£1.00 per litre
Fuel Usage	2.5km per litre
Maintenance : Budget for 13 week period (with the vehicle travelling 26,000 km)	£2,470

Work Pattern: 5 days per week, 45 weeks per year

The firm aims to achieve a mark-up of 20% on total costs.