



OXFORD CAMBRIDGE AND RSA EXAMINATIONS

**LEVEL 3 CERTIFICATES OF PROFESSIONAL
COMPETENCE**

05609

UNIT 5 MANAGING NATIONAL ROAD PASSENGER TRANSPORT OPERATIONS

FRIDAY 4 MARCH 2011

12.45pm – 2.45pm

TIME: 2 HOURS

SCENARIO

BACKGROUND

OCR Transport Ltd (OCR) is a bus and coach operator which was formed in 1958 by the current Managing Director, Brian Wood. Since then, the number of shareholders has expanded so that Brian, his wife Jenny and children Graham and Linda now each own 25% of the authorised share capital in the company. Brian and Jenny are about to retire from any involvement with the business and will sell their shareholding to Graham and Linda. Brian is currently the nominated CPC holder and you have been recruited by Graham and Linda to take over that role once Brian retires. To date, Graham and Linda have had little involvement in the strategic management of the business.

OCR holds a Standard National Operator Licence authorising 32 vehicles. The company owns two sites from which it operates PSVs. The principal depot is at Newmarket, where all maintenance and administration functions are based. The maximum number of vehicles that could be accommodated on the Newmarket site is 36. However, in February 2008, when the O Licence was subject to a five yearly review, OCR undertook to operate no more than 24 vehicles from this site. The secondary depot is at Ely, 20km from Newmarket. This depot accommodates 12 vehicles, but it has no facilities for maintenance, consisting of hard standing and a small office/drivers' room.

Maintenance of all vehicles is undertaken in-house at the Newmarket depot. However a local maintenance contractor has a 'call-off' contract to deal with minor problems with the vehicles based at Ely.

CURRENT FLEET

OCR currently operates the following vehicles:

1 x 32-seat single deck bus, first registered in 2008, operating registered local bus services
 6 x 52-seat single deck buses, first registered between 2002 and 2008, operating registered local bus services

2 x 74-seat double deck buses, first registered in 1996, operating school contracts and occasional private hire

2 x 32-seat executive coaches, first registered in 2004, providing transport for bands and film crews. These vehicles always tow trailers of 1200 MAM

8 x 35-seat coaches, first registered in 2007, used exclusively on contract to, and in the livery of, an airline

8 x 45-seat coaches, first registered between 1993 and 2001, operating school contracts and occasional private hire

4 x 49-seat coaches, first registered in 2005, operating private hire and tours. The vehicles are fitted with a toilet, servery and reclining seats. They occasionally tow trailers of 1050 MAM

2 x trailers of 1200 MAM

3 x trailers of 1050 MAM

CURRENT STAFF

8 full time drivers, who drive the 49 and 32-seat coaches
 12 part time drivers, who undertake school contracts and occasional bus driving duties
 20 full time bus drivers, who also operate some school contracts
 30 full time drivers, exclusively used on the airport contract
 4 full time fitters, all of whom hold Category D driving entitlement
 4 general office assistants, dealing with private hire and tour bookings and general clerical tasks, one of whom acts as relief supervisor at Ely
 Accounts manager
 Administration Manager
 Coach Manager (Graham Wood)
 Depot supervisor (based at Ely) who holds Category D driving entitlement
 Engineering Manager
 General Manager (Linda Wood)
 Managing Director and nominated CPC holder (Brian Wood)
 Operations Director (Jenny Wood)
 Transport Manager designate (you)

CURRENT OPERATIONS

OCR operates local bus services, school contracts, private hire, day tours and extended tours within the United Kingdom, and a contract with an airline for moving passengers between London and Stansted Airport.

FINANCIAL INFORMATION (all in £)

	32 seat buses	52 seat buses	74 seat buses	32 seat coaches	35 seat coaches	45 seat coaches	49 seat coaches
Standing and overhead cost per day	160	190	90	200	170	120	200
Driver cost per day – full time driver	80	80	80	70	70	70	70
Driver cost per day – part time driver	40	40	40	n/a	n/a	40	n/a
Overnight allowance	n/a	n/a	n/a	20	20	n/a	20
Fuel cost per km	0.25	0.30	0.35	0.30	0.25	0.30	0.30
Maintenance cost per km	0.50	0.50	0.50	0.25	0.30	0.40	0.30
Tyre cost per km	0.05	0.04	0.06	0.04	0.04	0.04	0.05

The business requires a 10% mark up to be added to all costs.

LOCAL BUS SERVICES

Four registered local bus services are operated, as follows:

Service 1: Newmarket, Soham, Ely, Littleport – Mondays to Saturdays

Service 3: Newmarket, Mildenhall, Bury St Edmunds – Mondays to Saturdays

Service 6: Newmarket, Haverhill - Mondays to Saturdays

Service 8: Newmarket, Fulbourn, Cambridge – Mondays to Saturdays

Service number	Single journey (km)	Average speed (kph)	Frequency/ Headway (minutes)	Minimum vehicle capacity	First journey departs from Newmarket terminal	First journey departs from outer terminal	Last journey departs from Newmarket terminal	Last journey departs from outer terminal
1	32	30	60	50	06.00	06.15	19.00	19.15
3	35	30	60	50	06.30	07.45	17.30	18.45
6	22	25	120	30	06.45	07.45	18.45	19.45
8	25	30	60	30	19.30	20.25	23.30	00.25

In all cases, the minimum stand time at any terminal is 4 minutes.

Drivers are allowed fifteen minutes to sign on and ten minutes to sign off for each shift.

Services 1, 3 and 6 are operated commercially and in each case, the Newmarket terminal point is the OCR depot. Service 8 is operated under contract to Cambridgeshire and Suffolk County Councils and for this service the Newmarket terminal is the Bus Station, 1km (5 minutes) from the OCR depot.

In Ely, the OCR depot is adjacent to the principal bus stop.

SCHOOL CONTRACTS

OCR operates the following school contracts:

Contract number	Number of passengers to be carried	Single journey distance Per vehicle (km)	Total daily distance Per vehicle (km)	Morning operating period	Afternoon operating period
C25	200	18	45	07.30 – 09.30	14.15 – 16.15
C32	40	35	95	07.00 – 09.45	14.15 – 17.00
D11	130	20	52	07.30 – 09.30	14.15 – 16.15
D87	30	56	140	06.30 – 10.00	14.00 – 17.30
F5	40	10	24	07.45 – 09.00	14.45 – 16.00

TOURS

OCR is planning to operate a programme of extended tours from March to October, utilising 49-seat coaches. The outline programme is as follows:

	Duration (In days)	Total distance (km)
Cornwall and Devon	6	1,800
Lake District	5	1,500
Bournemouth	4	1,000
North Wales	5	1,400
Royal Scotland	6	1,700

AIRLINE CONTRACT

The contract for the airline is for a seven day a week operation between Central London and Stansted Airport, a single journey distance of 60km. The service has no intermediate pick up or set down points. The frequency of the service is every 30 minutes and is timetabled with an average speed of 60 kph. The first journey from London departs at 04.00, the first journey from Stansted departs at 05.00, the last journey from London departs at 23.00 and the last journey from Stansted departs at 00.30. To allow time for loading and unloading, plus traffic congestion at peak time, each journey except the first and last has 30 minutes stand time at each end of the route. The first and last journeys are allowed 10 minutes stand time.

Vehicles and drivers work out of the Newmarket depot, which is 50km from the Airport and 100km from Central London. Apart from at the start and end of each day when a coach is commencing/ending work for the day, drivers transfer between Newmarket and Stansted Airport using a company owned car. The journey between the depot and Airport, using either coach or car, is scheduled for 40 minutes. The journey from Newmarket to Central London by coach is scheduled for 90 minutes. Drivers who will be the 'first user' of a coach each day are allowed 15 minutes for vehicle checks and signing on.

The terms of this contract do not allow OCR to use the vehicles on any other operations.

BAND AND FILM CREW TRANSPORT

The next contract which OCR is to operate will be for a band from the USA undertaking a four and a half week tour of the UK. One vehicle will be required for the band and one for the band crew. During the four weeks, each vehicle will cover 4,000km. The vehicles will be used as follows:

Week 1	Monday to Sunday inclusive
Week 2	Monday, Tuesday, Thursday, Friday, Saturday and Sunday
Week 3	Tuesday to Sunday inclusive
Week 4	Tuesday, Thursday, Friday, Saturday and Sunday
Week 5	Monday to Wednesday inclusive

BUSINESS OPPORTUNITIES

Graham Wood has asked you to investigate how the 49-seat coaches could be used during the winter months, and you are considering running ski-ing trips to Aviemore, long weekends in London, and 'Turkey and Tinsel' breaks.

You have to date made the following calculations:

The Aviemore operation would run weekly from January until mid-March as a Shuttle, departing Newmarket depot on Saturday morning at 10.00. The single journey distance is 855km and average speed will be 90kph.

The London weekend trips would depart Newmarket depot every Friday at 09.00 and return on Monday, departing London at 17.30, for 16 weeks, from the first Friday in November. The single journey distance is 100km. The coach would not be used on Saturday or Sunday and would therefore be available for other work.

The 'Turkey and Tinsel' breaks would run from the third week of November until a week before Christmas, as follows:

Destination	Duration (In days)	Total distance travelled (km)
Eastbourne	4	600
Chester	4	800
Bath	3	750
Bradford	3	650

CURRENT ISSUES

In order to buy their parents' shares in the business, Graham and Linda Wood have to raise some capital, and they have asked you to research the operational implications of selling the Ely site and moving all vehicles to Newmarket.

OCR has received a letter from the local VOSA office, requesting that an Inspector should visit OCR, within the next 14 days to carry out a compliance check, as referred to in the "Safe Operator's Guide".

During a recent tour to Bournemouth, a passenger was taken ill at the hotel, and had to remain in hospital, being returned to Newmarket by ambulance at a later date. It transpired that the passenger had declined the insurance offered by OCR, but had not taken out any individual travel insurance, with the result that the passenger's family are now claiming out of pocket expenses from OCR.

A driver who has worked for OCR for twenty seven years, and is now 58 years old, has developed diabetes. He has been told by his doctor that the diabetes should be able to be controlled by diet.

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