



OXFORD CAMBRIDGE AND RSA EXAMINATIONS

**LEVEL 3 CERTIFICATE OF PROFESSIONAL
COMPETENCE FOR TRANSPORT MANAGERS
(ROAD HAULAGE)**

05689

**UNIT R2 CERTIFICATE OF PROFESSIONAL COMPETENCE
(ROAD HAULAGE) CASE STUDY**

FRIDAY 5 DECEMBER 2014 1.00 PM – 3.15 PM TIME: 2 HOURS 15 MINUTES

CASE STUDY

BACKGROUND

Optimum Cable Ramps Limited (OCR) sells and rents plastic cable ramps. These are used to protect power and other cables from vehicles and pedestrians. OCR also hires out portable electricity generators. Providing portable power to events is a major source of the company's income.

OCR was established in 2001 by its sole shareholder and director, Oliver Tring. It has always operated from a leased warehouse in Maidstone, Kent. OCR does not hold an Operator Licence.

OCR STAFF

OCR employs an administrative assistant, two warehouse operatives, an electrical technician and a number of part-time driver/electricians. All staff report to Oliver.

OCR VEHICLE FLEET

Vehicle type	Number owned	GVW (kg)	Used for
Dual purpose vehicles	11	2,400	Towing generator trailers & general duties
Generator lorries*	3	18,000	Providing electricity on customer sites
Generator trailers	25	1,200	Providing electricity on customer sites

* The generator lorries have been converted from 18,000kg GVW box-bodied goods vehicles. Each lorry contains a power generator and this equipment is permanently attached to the vehicle.

CABLE RAMP DELIVERIES AND COLLECTIONS

All customer deliveries and post-rental collections of the cable ramps to and from OCR's customers are carried out by a local haulier. Oliver believes that profit margins on the cable ramp business could be improved if OCR were to acquire its own vehicle to carry out this transport. He has placed an order for a 4,500kg GVW box van which will be used for this work. The box van is not fitted with a towing bar.

COMPANY VEHICLE POLICIES AND PROCEDURES

At the start of every working day all drivers are allowed 15 minutes to complete a vehicle walkaround check.

All drivers have signed a Workforce Agreement to opt out of the 10-hour limit for night workers.

Drivers who are using the generator lorries are only permitted to carry small personal items and essential tools and equipment for their own use with the generator on customer sites.

INSURANCE POLICIES

Oliver has scheduled an appointment with an insurance broker for next week. He wants to review OCR's current policies, and get quotes for any additional insurance policies that the company should take out.

CRATUS CONTRACT

Cratus Power Company plc (Cratus) has purchased 52 power generators. These will be constructed at the rate of one per week by a manufacturer based in Cabourg, France. Cratus has contracted OCR to collect each generator from France, test it in Maidstone and install it at one of Cratus' sites across the UK. Cratus requires a generator to be installed every week for one year.

Each completed generator (weighing 6,000kg and valued at £65,000) will be permanently mounted inside an ISO container by the manufacturer in France. OCR will load each container on to a skeletal trailer for transportation. Oliver has placed an order for a new skeletal trailer and has identified a suitable tractor unit, to which the skeletal trailer will be coupled. The tractor unit is fitted with a sleeper cab.

Matthew Marthews, currently one of OCR's part-time drivers, has volunteered to carry out all the collections and deliveries.

Cratus requires all deliveries to be made as soon as possible when testing is completed at midnight each Wednesday. The first generator is to be delivered to Edinburgh. This installation site is 690km from OCR's Maidstone base.

Oliver requires the vehicle combination to arrive at all destinations as early as possible, within the constraints of the outline schedule, below.

Outline schedule for all Cratus collections and deliveries

	<u>Road Distance</u>
Sunday Finish Weekly Rest at midnight, Sunday night.	
Monday Start 00.00hrs. Drive to Channel Tunnel terminal, Folkestone. Le Shuttle departing 01.10hrs Drive to Cabourg. Immediately load containerised generator for 2 hours, driver assists. Reduced Daily Rest in vehicle, on site.	45km 330km
Tuesday Drive to Channel Tunnel terminal, Coquelles. Le Shuttle departing 02.35hrs Drive to Maidstone. Complete paperwork etc. for 1 hour. Take Weekly Rest.	330km 45km
Wednesday Driver not required, not paid. Generator tested by OCR technician (not unloaded).	n/a
Thursday Start 00.00hrs, deliver to site as required. Unload time 1 hour, driver assists. Return to Maidstone as early as possible, complete paperwork etc. for 1 hour. Take Weekly Rest.	Different for each delivery

[Turn over

Other data for Cratus journeys

Average speed on all road journeys	60kph
Le Shuttle crossing time on train (to be treated as break)	35 minutes
Embarkation, including any waiting time (all to be treated as driving).	10 minutes
Disembarkation, including any waiting time (all to be treated as driving).	10 minutes

Financial Information

<u>Tractor unit</u>	
Purchase price (excluding tyres)	£75,000
Depreciation per annum (reducing balance)	21%
<u>Skeletal trailer</u>	
Purchase price (excluding tyres)	£15,000
Depreciation per annum (reducing balance)	21%
Number of days the new vehicle combination will be used on the road in the first year	180
Driver wages, per day or part-day	£120
Other standing costs per vehicle combination, per day or part-day in use on road	£50
Running costs, per km	£0.46
Channel Tunnel costs, per return crossing	£650
Driver overnight allowance, per night when taking rest periods away from base	£45
<u>Other costs</u>	
Consultants and other fees (total for all 52 deliveries)	£3,900

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