

**Level 3 Certificate of Professional
Competence for Transport Managers
(Road Haulage) Unit R2 Case Study**

05689

Friday 12 June 2015 – 1.00 PM – 3.15 PM

Time Allowed: 2 hours 15 minutes

Case Study

This document consists of 8 pages. Any blank pages are indicated.

BACKGROUND

OCR Foods Ltd (OCR) is a well-established wholesale distributor of packaged goods to restaurants and shops in the UK. The company operates from a site in north London where it has offices, a warehouse and parking for all vehicles. OCR holds a Restricted Operator Licence. Maintenance for OCR's 27 refrigerated vehicles is contracted out to a local garage.

OCR's board of directors is keen to ensure that the transport operation is as efficient as possible and is fully compliant. It has recently appointed you as the company's Transport Manager. You hold an international CPC and hope to be promoted to OCR's board in due course.

CURRENT ISSUES

Delivery times

Some of OCR's customers have demanded that delivery times must be advised to them in advance. One customer has also complained about drivers stopping for up to 30 minutes at their premises for 'tea and a chat'.

You have been asked to prepare a detailed schedule for one of the routes (Route 27) and you have produced the following table for the drivers to follow. This Route utilises a 7,499kg GVW lorry.

ROUTE 27

	Delivery Point	Distance	Average speed to delivery point	Unloading
	Picking & loading at base (1 hour)	n/a	n/a	n/a
1	Blogs Deli, Acton	14km from base	40kph	5 minutes
2	Blogs Deli, Hounslow	12km from Acton	40kph	5 minutes
3	CheeseUlike, Crawley	74km from Hounslow	60kph	10 minutes
4	Jones' Cheese, Hove	35km from Crawley	70kph	10 minutes
5	Blogs Deli, Victoria	84km from Hove	60kph	5 minutes
	Return to base	8km from Victoria	40kph	n/a

Dutch cheese deliveries

OCR buys cheese from a supplier in Moordrecht, the Netherlands. This gourmet cheese is of the highest quality, is priced reasonably, and is one of OCR's best-selling items. The Dutch supplier makes monthly deliveries of cheese to OCR as its only UK customer. You believe that its annual delivery charge of €20,000 is excessive.

OCR's 18,000kg GVW refrigerated box lorry could be made available to collect chilled cheese from Moordrecht, but only on the first Tuesday of every month (the vehicle must be available for other work on the following day). Your initial research has revealed the following information.

- The distance from OCR's base to the Channel Tunnel Terminal at Folkestone is 120km.
- Embarkation and disembarkation for the Channel Tunnel train each take 10 minutes (driving time).
- The train crossing time is 35 minutes (departures every 10 minutes).
- The distance from the Channel Tunnel Terminal at Coquelles, France to the supplier's premises in Moordrecht is 315km.
- Loading at Moordrecht will take 1 hour.
- Average speeds are estimated at 60kph in England and 70kph elsewhere.
- The single fare for the Channel Tunnel train is £231.00.
- Eurovignette fees are €8 per day.
- Fuel costs £1.24 per litre.
- €1 = £0.84.

Joint venture

An importer of food products from Thailand (Bangkok Foods Ltd, based very near to OCR's premises) has proposed a joint venture with OCR. They want to offer their goods to OCR's customers and also want OCR to deliver these goods alongside its own products, using existing delivery routes. Bangkok Foods Ltd would invoice customers for its own sales and pay OCR a percentage for delivering its goods.

Driver recruitment

OCR employs a number of van drivers for its 3,499kg GVW vehicles, none of whom hold Category C1 entitlement.

OCR employs two other drivers who have Category C entitlement and 11 drivers with Category C1 entitlement. You are aware that a number of the drivers with C1 entitlement are likely to retire within the next six years.

COMPANY POLICIES

1. Drivers start work at 0730 hrs.
2. All drivers must clean and fuel their vehicles and carry out a vehicle walkround check at the beginning of every day. 30 minutes must be allowed in schedules for all of this work.
3. For drivers working on the numbered delivery routes, a further 30 minutes must be allowed for them to deal with paperwork, before they are allowed to start to load their vehicles.
4. For drivers working on the numbered delivery routes, unloading times must be treated as Other Work.
5. Drivers are not permitted to take breaks until they are legally required to do so.
6. Drivers on numbered delivery routes may only take one break each day.
7. Driver breaks must be for the shortest possible time.

COSTING INFORMATION

	3,499kg GVW refrigerated box van	7,499kg GVW refrigerated box lorry	18,000kg GVW refrigerated box lorry
Number of vehicles	15	11	1
Purchase price (excluding tyres)	£17,000.00	£20,000.00	£30,000.00
Estimated residual value Vehicles are sold after five years	£7,000.00	£7,500.00	£12,500.00
Driver cost, per day	£135.00	£145.50	£155.00
Other standing costs, per vehicle per day	£35.00	£45.00	£47.50
Number of tyres, per vehicle	4	6	6
Cost per tyre	£95.00	£100.00	£125.00
Tyre life span	30,000km	25,000km	25,000km
Maintenance cost, per km	£0.04	£0.06	£0.08
Fuel consumption	8km per litre	6km per litre	4km per litre
Average days in use, per annum	260	260	250

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