



Oxford Cambridge and RSA

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

**05689**

**Friday 4 March 2016 – 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.**

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## Background

DIPGO Haulage Ltd (DIPGO) is an established haulage company, operating from leased premises in Atherstone, Warwickshire. DIPGO has authorisation for 22 vehicles and 25 trailers, under a Standard International operator licence. DIPGO is registered with the DVSA for online services. The most recent OCRS reports show a score of Amber in both the Roadworthiness and Traffic bands.

DIPGO's business has declined in recent years, and the company now has only one customer, Devron Dairies Ltd (Devron).

Current work comprises a daily milk collection service from 40 local dairy farms, using 26,000kg GVW rigid milk tankers, some with drawbar trailers attached, and deliveries of bulk consignments of cream to European locations, using 15-metre articulated road tanker combinations.

Last week, DIPGO's owner and Transport Manager, Bert Wrekin, announced his intention to sell the assets of the business and retire.

You have worked closely with Bert for 15 years covering planning and scheduling responsibilities.

## Devron Dairies Ltd (Devron)

Devron is based in Hinckley, Leicestershire. Because Bert Wrekin is retiring, the directors of Devron have decided to take control of their own transport requirements. Devron will acquire the assets of DIPGO on 30 June 2016, including DIPGO's vehicle fleet, as follows:

- 5 x 40,000kg GVW tractor units (manual transmission, sleeper cab)
- 6 x 26,000kg GVW rigid milk tankers (automatic transmission)
- 7 x Semi-trailer milk tankers (30,000 litre capacity)
- 4 x Drawbar trailer insulated tankers (18,000 litre capacity)

Devron has agreed terms for a 12-month renewable lease to continue to operate the acquired vehicles from Atherstone.

Devron does not hold an operator licence, and has no experience of operating large goods vehicles. Devron's Managing Director, Mark Gaytes, has offered you the post of Transport Manager, and you have been seconded to work directly for them.

## Drivers

Devron currently operates 150 diesel milk floats (all under 3,500kg GVW), supplying a door-step delivery service. However, this market is in decline and Mark has decided to reduce the number of milk float drivers. He hopes to achieve this by reallocating some of them to drive the lorries to be acquired from DIPGO and through redundancies.

Mark has produced a table – **Fig 1**, which shows the driving entitlements of the 193 drivers currently employed by Devron.

Driver group	Number of Drivers	Maximum Category of Entitlement	Restriction Code
1	5	B+E	-
2	125	C1+E	107
3	1	C+E	78
4	32	B	-
5	1	C+E	103
6	14	C	-
7	9	C+E	102
8	6	C+E	01

Fig 1

All drivers must be allowed 10 minutes to complete one vehicle/tractor unit walk round check daily, at the start of every shift.

Drivers have signed a workforce agreement that allows them to exceed the 10-hour shift limit for night workers.

#### Future work

Devron will take over the daily milk collection service and the European deliveries of cream.

Devron do not wish to undertake hire or reward work.

#### Potential Belgium contract

Devron, has been invited to supply a bulk load of cream every week to a new customer in Lot, Belgium. Devron's driver will use a 15-metre articulated road tanker combination. Details of the journey are set out below.

Outward journey details	Information and instructions	Distance (km)	Average speed (kph)
Atherstone	Start work as late as possible, vehicle checks	-	-
Atherstone to Hinckley		20	60
Hinckley	Couple trailer, check seals, collect paperwork	-	-
Hinckley to Dover ferry port		315	70
Dover to Calais, France	The only available ferry departs at 02.00hrs and arrives at 04.05hrs (local time)	-	-
Calais to Lot, Belgium	Consignments MUST arrive in Lot as early as possible	210	70
Lot to tank-wash station, Meer, Belgium	Driver must uncouple trailer and take a rest period while the tank is cleaned	80	80

Fig 2

Journey details for the Belgium contract:

- A semi-trailer will be pre-loaded at Devron Dairies Ltd, Hinckley. It will take the driver 15 minutes to complete a pre-use check of the trailer and couple it to the tractor unit.
- Before leaving Hinckley, the driver is required to witness seals being attached to all inlet and outlet points on the semi-trailer, and he must collect relevant paperwork. These combined driver activities take 10 minutes.
- Ferry embarkation takes 30 minutes (driving) and ferry disembarkation takes 10 minutes (driving).
- On arrival at Lot, seals will be broken and the load quality sampled immediately before discharge. Sampling takes 30 minutes, driver assisting.
- Discharging the bulk cream takes 1 hour, driver assisting.
- When delivery is complete, the vehicle must travel to Meer, Belgium for its tank to be thoroughly cleaned internally at the tank-wash station.
- On arrival at the tank-wash station, it will take the driver 20 minutes to book-in and uncouple the semi-trailer, before taking a rest period in the facilities provided on site.
- The driver will re-couple the cleaned tank semi-trailer when he has completed a rest period and will return to Atherstone along the same route as the outward journey.
- The total time for outward and return journeys will be two days.

<b>Costing Information for the Belgium contract</b>	
Depreciation, articulated combination	£0.31 per km
VED and motor insurance	£3,250.00 p.a.
Other standing costs	£0.08 per km
Driver wage	£110.00 per day
Overnight allowance (for each rest period away from base)	£30.00
Average fuel consumption	2.50 km/l
Fuel cost	£1.18 per litre
Ferry cost - Dover to Calais, each way	£12.50 per metre
Tyres cost	£0.04 per km
Eurovignette cost per trip	€16.00
Tank wash and parking (Meer)	€78.00 per visit
Articulated combination usage	250 days p.a.
Currency exchange	€1 = £0.81

**Fig 3**

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