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Examination Details:

Paper Title:	June 2022 Series R2 (Road Haulage) Case Study
Paper No:	CPCR20622
Date of Examination:	10/06/2022 13:00 - 15:15

Time allowed: 2 hours 15 minutes

You must have:

- This case study
- A question/answer booklet

You may use:

- a calculator
- a dictionary
- any permitted written materials

Instructions

- Use the case study information to answer all the questions.
- Write your answer to each question in the space provided in the question/answer booklet. If you need extra space, use the lined page(s) at the end of the question/answer booklet. The question numbers must be clearly shown.
- Additional paper may be used if required but you must clearly show your name, date of birth and question number(s).
- Answer all the questions.

Information

- The total mark for this paper is 60.
- The marks for each question are shown in brackets () in the question/answer booklet.
- This document has 4 pages.
- Assessment material has been prepared in line with legislation current at the time of production. Any subsequent changes to legislation have not been taken into account, however, responses that refer to amended legislation will be credited.
- Covid-19: Candidates will not be questioned on any temporary rules introduced due to Covid-19. Answers that reflect such measures will not be credited.

Background

The Walvingham Motor Corporation plc (WMC) manufactures cars in its owned factory in Walvingham, in the West Midlands Traffic Area. The company also owns a large parts warehouse in Littlewich, in the East of England Traffic Area.

Current contracts

WMC contracts with Freddie Tobin Haulage plc (Tobins) for the haulier to transport car components from WMC's warehouse to its factory and deliver new cars to WMC's dealer network.

WMC provides roadside assistance to its customers, marketed as 'WMC Assist'. This support is provided under a contract with Yellow Banner Ltd.

Both of these contracts end on 30 September 2022, which is also WMC's financial year end.

WMC's future transport plan

WMC proposes not to renew its contracts with Tobins and Yellow Banner Ltd when they end. Its transport plan includes the following:

Warehouse to factory deliveries

WMC intends to acquire two new 40,000kg GTW articulated combinations with curtain-sided semi-trailers. These vehicles will complete all deliveries from the Littlewich warehouse to the Walvingham factory. The combinations will be parked overnight in a rented secure yard, on land immediately behind the Walvingham factory. Road access is through the factory.

Car deliveries

WMC intends to acquire three articulated car transporters to deliver new cars to dealers. The combinations will also be parked overnight in the rented yard behind the factory.

Each of the transporters can carry up to ten cars on its two decks. The upper decks are in three sections, each of which can be independently lowered, lifted and tilted.

An analysis of current movements shows that each of these transporters will be able to complete an average of 1.2 delivery runs per day, always fully loaded. Deliveries will be completed on 250 days each year. Each vehicle combination is expected to drive 100,000km each year.

WMC Assist

WMC intends to acquire eight 3,500kg GVW vans to provide this customer service. Each of the vans will be based at its driver's home. There will be one van based in each of eight Traffic Areas.

Operator licence

WMC will have to obtain its first operator licence.

Vehicle and trailer maintenance

WMC will have to plan a maintenance programme for the vehicles that it plans to acquire.

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Company policies

WMC proposes the following transport policies:

- All drivers must be scheduled to complete a 15-minute vehicle and trailer check, at the start of every day.
- All driver breaks are to be taken as late as possible, for the shortest possible time.
- Loading a car transporter at the factory is to take 1 hour 30 minutes.
- Delivering the first car at a dealership is to take 10 minutes. Schedules must allow 5 minutes for each additional car delivered at each site.

Driver scheduling

WMC wishes to establish a template for scheduling single-manned car deliveries using the transporters. Details of a typical delivery route are set out below.

Load new cars on transporter	Loading to start at 06.15hrs. Driver to complete
Drive to LGV fuel station	4.5km at 30kph
Fuel tractor unit	Allow 20 minutes
Drive to Cirlingham Motors	291km at 60kph
Deliver two cars	Driver to complete
Drive to Ricksan Dealer Group	40km at 50kph
Deliver eight cars	Driver to complete
Return to factory	222km at 60kph

Financial information – car transporters

Rex Vehicle Leasing (Rex) have offered to supply the vehicle combinations for new car deliveries. They have tendered a price of £70,000 per combination per year for the five-year contract hire that includes the following items only:

- Tractor unit and transporter semi-trailer
- All maintenance
- Tyres
- Comprehensive vehicle and trailer insurance

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WMC has estimated the costs of buying the vehicle combinations outright, to allow comparisons with the quote from Rex. The following information is for one vehicle and trailer combination.

Purchase price, excluding tyres	£260,000
Estimated residual value after 5 years	£100,000
VED and HGV Levy	£1,460 per year
Vehicle and trailer insurance	£7,000 per year
Other standing costs	£10,000 per year
Driver wages	£156 per working day
Tyre set	£4,800 per set
Expected tyre life	60,000km
Fuel consumption	10kpl
Fuel price	£1.20 per litre
Maintenance – contract with local dealer	£0.15 per km