

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

**05689**

**Friday 11 June 2021  
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 Haulage & Warehousing Ltd (OCR) holds Standard National operator licences for its owned operating centres (depots) in Sunderland (North East of England Traffic Area) and Bristol (West of England Traffic Area), authorising 12 vehicles and three trailers at each centre. The company currently operates the following fleet, all box bodied.

Type	GVW / GTW	Number operated from Sunderland	Number operated from Bristol
Van	3,500kg	3	1
Rigid lorry	7,500kg	3	3
Rigid lorry	18,000kg	7	7
Tractor unit	40,000kg	2	1
Semi-trailer	40,000kg	2	1

OCR's work is entirely within the UK. It includes warehousing and haulage contracts, general haulage work and traction-only services. From time to time, the company's tractor units collect unaccompanied trailers from Folkestone, containing goods imported from mainland Europe and delivered by OCR to customers in the UK.

## Proposed contract

A customer is offering OCR a contract to transport goods using an 18,000kg GVW box-bodied rigid lorry. The vehicle would have to be based at the customer's Coventry premises, in the West Midlands Traffic Area. The work will start on 1 October 2021.

OCR would transfer one vehicle from its Sunderland fleet to Coventry, to be maintained by a local garage. The transfer would create a vehicle margin in Sunderland.

## Fleet changes

OCR intends to buy a used semi-trailer. The trailer has one previous owner, a French company that recently closed its UK subsidiary. The trailer has always been operated from the UK.

The price asked is €11,550. OCR expects to operate the trailer from Bristol for eight years and hopes to sell it for £2,500 at the end of that period. The exchange rate is £1 = €1.10.

The only other proposed change is the transfer of one vehicle to Coventry, as described above. This transfer will only take place if OCR wins the contract.

## Company driver scheduling policies

- All journeys must use the fewest number of drivers in the smallest possible vehicles.
- Drivers must be scheduled 15 minutes other work every day for vehicle walkround checks, at the start of every shift.
- Drivers always assist with loading and unloading vehicles. The times allowed for these activities include allowances for site delays, the whole periods to be scheduled as other work.
- Overnight sleeping accommodation is available to drivers at both OCR depots.
- Driver breaks must be scheduled as late as possible, for the shortest possible time.
- Drivers must always be scheduled to take Regular Daily Rest periods.

## OCR routes

The company is planning for three routes, as described below.

### Route A

<ul style="list-style-type: none"> <li>• Maximum load: 20,000kg</li> <li>• Dates of operation: 14–15 June 2021 and 17–18 June 2021</li> <li>• Loading/unloading time: 40 minutes for 100% of load, 20 minutes for 50% of load</li> </ul>			
Place	Distance from previous place	Driving time	Activity
Sunderland depot	—	—	Driver start
Chester-le-Street	10km	30 minutes	Load 100%
Bristol depot	450km	9 hours 25 minutes	Unload 100% Load 100%
Walsall	150km	3 hours 10 minutes	Unload 50%
Sunderland depot	300km	6 hours 5 minutes	Unload 50%

### Routes B and C

<u>Route B</u> <ul style="list-style-type: none"> <li>• Maximum load: 8,000kg</li> <li>• Dates of operation: 14 June 2021 and 17 June 2021</li> <li>• Loading/unloading time: 20 minutes for 100% of load, 10 minutes for 50% of load</li> </ul>			
Place	Distance from previous place	Driving time	Activity
Bristol depot	—	—	Driver start, load 100%
Almondsbury	10km	30 minutes	Unload 50%
Coventry	160km	3 hours 15 minutes	Load 50%
Sunderland depot	330km	6 hours 15 minutes	Unload 100%
<u>Route C (to follow after Route B)</u> <ul style="list-style-type: none"> <li>• Maximum load: 8,500kg</li> <li>• Dates of operation: 15 June 2021 and 18 June 2021</li> <li>• Loading/unloading time: 20 minutes for 100% of load, 10 minutes for 50% of load</li> </ul>			
Place	Distance from previous place	Driving time	Activity
Sunderland depot	—	—	Driver start, load 100%
Leicester	160km	3 hours 15 minutes	Unload 50%
Bristol depot	330km	6 hours 15 minutes	Unload 50%

## Insurance policies

OCR currently holds only those insurance policies required by law, at the minimum level. Its practice has been to cover other potential liabilities from its own significant cash resources. The company's management is reviewing this decision.

## Costing information

OCR uses the following information for costing its routes.

	Vehicles			
Gross weight	<b>3,500kg</b>	<b>7,500kg</b>	<b>18,000kg</b>	<b>40,000kg</b>
Kerbside weight	<b>1,600kg</b>	<b>5,000kg</b>	<b>8,000kg</b>	<b>16,000kg</b>
<b>Cost item</b>				
Standing costs per day	£180	£195	£225	£235
Driver costs, per driver per day	£120	£130	£135	£145
Fuel consumption, per litre	11km	10.5km	10km	10km
Maintenance & tyres costs per km	£0.20	£0.235	£0.29	£0.35
Fuel price per litre	£1			

## Driver training

OCR provides Driver CPC Periodic Training courses for its drivers. All drivers have completed one 7-hour session in the last week of August every year employed at OCR. None of the drivers has attended any other Periodic Training.

Drivers Rita Khan and Alan McDowell joined the company when they gained Category C driving entitlement. All other OCR drivers have been with the company for at least six years and these drivers all completed the required Driver CPC Periodic Training before previous deadlines.

### Driver information

Driver name	Date passed Category C driving test	Date passed Category CE driving test	Date Driver Qualification Card obtained
Rita Khan	4/3/2021	n/a	15/3/2021
Alan McDowell	9/10/2016	23/11/2016	29/11/2016
Other drivers	Before 2009	Before 2009	10/9/2009

## Financial standing

The Senior Traffic Commissioner's Statutory Document No. 2 states the following:

'In calculating the sum required by Multiple Licence Holders or applicants, the sum required for the first vehicle should be applied only once across the licences.'

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