Chapter 15

Private Vehicle Cost Benefit Analysis

Introduction

This chapter provides procedures and guidelines for letter carrier route conversion to incorporate the use of private vehicles.

A potential private vehicle route is a route where the conversion from the present mode of conveyance to the private vehicle mode of conveyance will result in a cost saving to the Corporation.

Management will identify those routes conducive to the use of private vehicles by conducting a detailed costs/benefit analysis in conjunction with the volume count/assessment exercise, before restructuring letter carrier routes. All routes within an installation are to be evaluated on the cost/benefit analysis form to determine potential private vehicle routes.

Procedure

The private vehicle cost/benefit analysis is to be completed based on the applicable "existing" mode of transportation, as follows:

Foot Transportation Routes				
For routes where the carrier walks (W) or rides (R) to or from the route for all or a portion of the day, consult the following chart:				
Category	**AM Out**	**AM In**	**PM Out**	**PM In**
1	W	W	W	W
2	W	W	W	R
3	W	W	R	W
4	W	W	R	R
5	W	R	W	W
6	W	R	W	R
7	W	R	R	W
8	W	R	R	R
9	R	W	W	W
10	R	W	W	R
11	R	W	R	W
12	R	W	R	R
13	R	R	W	W
14	R	R	W	R
15	R	R	R	W

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Procedure
continued

If a route falls into category...	**Consider the...**	**Then...**
1, 2, 3, 5, 6, 7, 9, 10, or 11	route unavailable for conversion to private vehicle.	Indicate by printing the word “Foot” in the “Total Cost” column 12 and N/A, for Not Applicable, in columns 21 and 22.
4, 8, or 12	PM portion of the route available for conversion to private vehicle.	Assess the AM or PM portion accordingly on The cost/benefit analysis form.
13, 14 or 15	AM portion of the route available for conversion to private vehicle.	

Reference

All times referred to in the following headings are to be determined as per the instructions in Chapter 7 and found on the following forms:

33-082-079	"Letter Carrier Route Transportation Allowance"
33-082-098	"Workload Equalization & Transportation"

Cost/Benefit Analysis

Information required to complete the "Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis" form (page 11):

Public Transportation Section
Contract, Bus, Ticket

Column	Heading	Information Required
1	Route Number	Enter the route identification number
2	Waiting Allowance Time	Total daily waiting time allocated for all trips found on the "Summary of Adjusted Individual Route Assessment" form 33-082-**075** column14
3	Waiting Allowance Cost	Waiting time allowance (column 2) multiplied by the current cost per minute for productive time for letter carriers.
4	Travel Allowance Time	Total of all daily riding time allowances including any walking time (i.e. between office and transportation facility, between transportation facility and route, between route and street letter box and/or postal facility, etc.) found on the "Summary of Adjusted Individual Route Assessment" form 33-082-**075** column15.
5	Travel Allowance Cost	Riding time allowance (column 4) multiplied by the current cost per minute for productive time for letter carriers.
6	Transportation Facility Cost	The daily cost of providing public transportation. Enter the bus cost per trip multiplied by the number of trips.

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"Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis" form, Continued

Special Transportation Routes Section
Taxi, CPC Vehicle

Column	Heading	Information Required
7	Waiting Allowance Time	The total daily waiting time allowance (columns 6 and 13 – "Workload Equalization & Transportation" form 33-082-098) found on the "Summary of Adjusted Individual Route Assessment" form 33-082-075 column14.
8	Waiting Allowance Cost	Waiting time allowance (column 7) multiplied by the current cost per minute for productive time for letter carriers.
9	Travel Allowance Time	The total daily travel time allowance (column 3, 8, and 15 – "Workload Equalization & Transportation" form 33-082-098) found on the "Summary of Adjusted Individual Route Assessment" form 33-082-075 column15.
10	Travel Allowance Cost	Travel time allowance (column 9) multiplied by the current cost per minute for productive time for letter carriers.

NOTE: A motorized route that has duties on other routes, such as delivery of relays or parcel post, is to be considered potentially available for conversion to private vehicle only if the duties performed on the other route(s) can be transferred to other motorized routes and/or the MSCs or CUS contractor as applicable and such action does not create an additional position.

A motorized route (including CMB routes) where the carrier requires the vehicle to deliver from call to call, on a portion of the route is to be considered not available for conversion to private vehicle. Such a route would become available only when it is feasible to convert the route to a foot route operation.

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"Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis" form, Continued

Special Transportation Routes Section
Taxi, CPC Vehicle

Column	Heading	Information Required
11	Vehicle Cost	**Taxi Cost - If ...** the letter carrier is the only passenger, enter the daily cost of the taxi. the taxi is shared, allocate the daily cost to each route based on the percentage, of the total assessed riding time for the group that each route's riding time represents (see example below). If the group differs on any trip, allocate the costs on a trip-by-trip basis and enter the total of all trips. **Corporate Vehicle Cost:** **Daily Depreciable Cost -** If the requirement for the vehicle can be eliminated, the annual depreciation cost of the vehicle is to be divided by the number of working days and this cost is to be included in any subsequent calculations. **Daily operating/Maintenance cost -** This cost is on a per kilometer basis and reflects the appropriate distance traveled by the vehicle daily. **NOTE:** The operating/maintenance cost/km and the annual depreciation cost are to be obtained from divisional automotive services.

Route #	Min.	% of Daily Cost
1	8	14
2	20	36
3	28	50
Total	56	

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"Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis" form, Continued

Special Transportation Routes Section
Taxi, CPC Vehicle

<table>
<tr><th>Column</th><th>Heading</th><th>Information Required</th></tr>
<tr><td>11</td><td>Vehicle Cost, Continued</td><td>Corporate Vehicle Cost

<table><tr><td>If...</td><td>the vehicle can be used strictly for conveyance purposes,</td></tr><tr><td>Then…</td><td>allocate the total vehicle cost in the same manner as for a taxi. The cost in this case should include the daily depreciable cost and the operating/maintenance cost.</td></tr></table>
<table><tr><td>If...</td><td>foot route(s) are conveyed by a motorized route and the vehicle is required by the driver to effect delivery,</td></tr><tr><td>Then…</td><td>the motorized route is to be considered not available. The distance for all trips daily that each foot route requires the driver to deviate from and back to the most direct possible line of travel, if the foot route was not conveyed by the motorized route, is to be entered as a cost to the applicable foot route. This cost is to be the operating/maintenance cost per km only and must not include any depreciation cost. When measuring the applicable distance, do not include any distance that is parallel to the most direct line of travel for the motorized route.</td></tr></table></td></tr>
<tr><td>12</td><td>Total Cost</td><td>This column is the sum of columns 3, 5, 6, 8, 10 and 11. This cost should be the total daily cost of the current mode(s) of transportation.</td></tr>
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"Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis" form, Continued

Private Vehicle Section

Column	Heading	Information Required
13	Travel Allowance Time	Total of all daily traveling time which would be credited to the route. This time would be the same if the letter carrier were transported alone in a taxi.
14	Travel Allowance Cost	Travel time allowance (column 13) multiplied by the current cost per minute for productive time for letter carriers.
15	Vehicle Allowance km	Enter the total daily distance traveled.
16	Vehicle Allowance Cost	The total daily distance traveled (col. 15) multiplied by the applicable rate.
17	Vehicle Allowance Insurance	The daily cost of the applicable additional compulsory insurance premium provided by Divisional Risk Management (annual premium divided by number of working days). If required, the daily cost of freeway and/or bridge tolls is to be included.
18	Actual Cost	This column is the sum of columns 14, 16 and 17. This cost should be the total daily cost of the proposed (private vehicle) mode of transportation.
19	Amount Payable to L/C Daily	Column 16 or $2.65 (whichever is greater).
20	Amount Payable to L/C Annual	Column 19 multiplied by 250 days
21	Projected Savings	Column 12 minus column 18 will indicate the potential savings. If column 12 is smaller than column 16, the negative difference is to be enclosed in brackets and the route is to be considered not available for conversion to private vehicle
22	PV Option Accepted	If, during the initial bidding (see below), the letter carrier accepts the PV option, enter a tick on the appropriate line.

"Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis"

Preliminary Selection of Routes

Listing the results obtained from the cost/benefit exercise, complete the form "Preliminary Selection of Routes," ensuring that all routes that show a cost savings to the Corporation are identified as PPV in column 2.

After the carriers have identified, by seniority the walks/routes they wish to take and their willingness to utilize private vehicles, those walks/routes so identified may be restructured for private vehicle usage based on a one- on-one taxi concept.

"Letter Carrier Conveyance - Private Vehicles Cost/Benefit Analysis"

Column	Instructions
1	Enter route identification number.
2	Enter time allowance – column 14 (075).
3	Column 2 X current cost per productive min, for LCs.
4	Enter time allowance – column 15 (075).
5	Column 4 X current cost per productive min. for LCs.
6	Enter bus cost per trip x number of trips.
7	Enter time allowance – column 14 (075).
8	Column 7 X current cost per productive min. for LCs.
9	Enter time allowance – column 15 (075).
10	Column 9 X current cost per productive min. for LCs.
11	Consult LCRM page 15-4.
12	Enter total of columns 3 + 5 + 6 + 8 + 10 + 11.
13	Enter the time allowance determined as follows - total daily km. traveled/ km. per hour (average speed) X 60 = min.
14	Column 13 X current cost per productive min, for LCs.
15	Enter total daily driven mileage in kms.
16	Column 15 X rate per kilometer payable.
17	Average cost of insurance premium levied for business use, divided by 250 days.
18	Enter the sum of columns 14 + 16 + 17.
19	Column 15 X rate per km or $2.65 (whichever is greater).
20	Column 19 X 250 days.
21	Column 12 minus column 18 [if negative indicate (-)].
22	If employee opts to use PV, enter a tick.

LETTER CARRIER CONVEYANCE-PRIVATE VEHICLES

COST/BENEFIT ANALYSIS

REGION: ____________________
LOCATION: ____________________
STATION/DEPOT: ____________________
DATE: ____________________

	PUBLIC TRANSPORTATION					SPECIAL TRANSPORTATION						PRIVATE VEHICLE									
	Contract. Bus. Ticket					Taxi, CPC Vehicle															
ROUTE #	Waiting Allowance		Travel Allowance		Trans-Facility	Waiting Allow ance		Travel Allowance		Vehicle	Total	Travel Allowance		Vehicle Allowance ($.____/km)			Actual	Amount Payable to L/C		Projected	PV Option
	Time	Cost	Time	Cost	Cost	Time	Cost	Time	Cost	Cost	Cost	Time	Cost	Km	Cost	Insur.	Cost	Daily	Annual	Savings	Accepted
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22