

TRANSPORT COSTS MANAGEMENT

A CASE OF NATIONAL CURRICULUM DEVELOPMENT CENTRE (NCDC)

BY

TOM OBEKE

REGISTRATION NUMBER: 2013/HD06/2531U

STUDENT NUMBER: 202004081

**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF GRADUATE
STUDIES IN PARTIAL FULFILLMENT FOR THE AWARD OF DEGREE OF
MASTER OF BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY.**

JUNE, 2015

PLAN B

ABSTRACT

This study investigated management of transport costs at National Curriculum Development Centre (NCDC). The purpose of the study was to improve the costs of transport and propose appropriate strategies to address the weakness. The study adopted a cross sectional design, targeted vehicle users under different ownership (private, leased and pool vehicles). The study targeted 60 respondents, with response rate of 100%. The key findings of the study show that there is a control system for managing vehicle costs; it includes, assignment of fuel cards, drawing fuel at fuel stations and invoicing by petrol stations based on consumptions. What also came out prominent is that during procurement of vehicles, due consideration is given to the model, status and brand of the vehicle.

Another key finding is that the company does not have any policy on disposal of vehicles. This has directly affected fleet management in terms of keeping vehicles that should have been disposed off due to increased costs of running. However, this seems to have been used by some drivers to justify their extravagance in running the vehicles. Another challenge discovered in this study is the booking system for pool vehicle, although a simple majority support existence of booking system, a reasonable number disagrees with its effectiveness and thus it raises a concern in terms of reviewing the efficiency of the booking system for pool vehicles. The study also discloses that there are not enough vehicles for the workload at NCDC and thus showing that there is need for more vehicles. But this creates a controversy, considering that already the existing fleet presents management with increasing costs.

The study recommended strategies for improving the running costs of the vehicles. Among others, it proposes improving fuel authorization system by introducing checks between the transport officers and drawing fuel from the stations. Similarly, there should also be a check between the stations and transport officer, when invoices are delivered. The study also proposes a strategy on management of pool vehicles and also ensuring fuel is used for official work.

Consequently, the study concludes that there is glaring challenge in managing the running costs of the fleet at NCDC and this affects the efficiency of the organization. Other minor conclusions based on specific outcomes are; absence of policy on disposal of old vehicles is also responsible

for increasing transport costs. The study recommends that the company should adopt the models proposed in the study to improve its transport costs.