

# Application to Operate as a Subcontractor to Operate under Africatransport

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[www.transportcontracts.co.za](http://www.transportcontracts.co.za)

**Note: This contract is only for Side Tippers and Slopers**

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Date: \_\_\_\_\_

To: Silvan Pillay – Africatransport

Application for consideration of my truck(s) to operate under The Middelburg Transport Contract.

I confirm that I am the owner of the following side tipper truck(s) or Sloper trucks:

Truck type: Interlink Side Tipper, Tri-axle side tipper or 30 Cube Sloper

Truck Type	Truck Reg. No	Trailer 1 Reg. No	Trailer 2 Reg. No

Date Trucks are Available to Start: \_\_\_\_\_

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Cell: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

Duly Authorised

**Summary - Middelburg Coal Transport Contract**

Area	Middelburg Mine and Sourrounding
Period	1 Year Renewable
Operations	24 Hours 7 Days
Diesel	On Account and Deducted
Payment	30 Days
	History of Proof of Payment Available
Trucks	Side Tippers of Slopers/Back Tippers
Profit	Estimated at R120 000 pm after Diesel
Potential	New routes introduced monthly
	Earlier payment terms in negotiations
Drivers	2 Preferably
Accommodation	Not Available - For Truck Owner's Account
Requirements	Send Truck Information
	Once verified, we will send the contract
Start Date	Anytime after Rotran Inspection and
	Driver Medical - We will assist.

**RATES for Above Contract (Subject to Diesel Price Fluctuation):**

Route	Round Trip	Diesel	Rate/Ton	CPK
<b>Middelburg Routes</b>				
Route 1	66 KM	R 6.92	R 28.27	R 14.56
Route 2	34 KM	R 6.92	R 13.34	R 13.34
Route 3	32 KM	R 6.92	R 12.07	R 12.82

## Middelburg Route Truck Profitability - Estimate

Note that this model cannot be used on its own to decide whether your truck is operating profitably.  
 E.g. A good rate per KM does not necessarily imply that you will meet your monthly fixed expenses.  
 Always consider the full picture and the term of the contract. Below are rules of thumb to assist.

Details of Route		Fixed Monthly Exp.	R 56,800.00
Collection Point (A) eg. Pretoria	Middelburg	Truck/Trailer Lease	R 35,000.00
Delivery Point (B) eg. Joburg	Middelburg Mine	Insurance	R 5,000.00
Distance from A to B (eg. 50)	33	GIT Insurance	R 800.00
Round Trip Distance (eg. 100)	66	License Fees	R 1,000.00
Tonnage per Trip (eg. 30)	34	Driver Salaries	R 15,000.00
Price of Diesel per Litre (eg. 7.00)	R 6.92	Accommodation	R 0.00
Diesel Cost per KM (eg. 3.50)	R 3.46	Toll & Permit Fees	R 0.00
Maintenance per KM (eg. 0.50)	R 0.50	Other & Key Enter	R 0.00
Rate Offered per Ton (eg. 48.00)	R 28.00	EXCLUDE VAT IN ALL INSTANCES	
Max Trips per Month (eg.130)	250	View Your Summary Below	

Scenarios (100% Impossible)	Best Case (100%)	Most Likely (75%)	Worst Case (50%)
Turnover (Rate per Ton)	R 238,000.00	R 178,500.00	R 119,000.00
Less: Diesel	R 57,090.00	R 42,817.50	R 28,545.00
Less: Maintenance	R 8,250.00	R 6,187.50	R 4,125.00
<b>Gross Profit</b>	R 172,660.00	R 129,495.00	R 86,330.00
Less: Fixed Expenses	R 56,800.00	R 56,800.00	R 56,800.00
<b>Profit before Tax</b>	R 115,860.00	R 72,695.00	R 29,530.00
Gross Rate per KM	R 14.42	R 14.42	R 14.42
Cost per KM (Constant)	R 3.96	R 3.96	R 3.96
<b>Gross Profit per KM</b>	R 10.46	R 10.46	R 10.46

REMEMBER:

 This is based on the assumption that your truck will lose 25% production in a month

SUMMARY OF PROFITABILITY		COMMENTS
Your breakeven point is	R 56,800.00	This is your fixed monthly expenses
Likely Pre-tax Profit per Month	R 72,695.00	After diesel, maintenance & fixed costs
Likely Gross Rate per KM	R 14.42	Must never be < than 2 x Cost of Diesel/L
Likely Profit per KM	R 10.46	Must never be < than 1 x Cost of Diesel/L
You will most likely earn	2.28	times your fixed expenses
Truck Payback is most likely	26.32	months based on a 60 month lease

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