Rev.
MK 3-26-79

ESTIMATE # 4019

ESTIMATED SAVINGS & RETURN ON INVESTMENT
M/400,789 RIVETLESS EXTRACTOR

ENGINEER: T.R ANDREWS

DATE: 7/21/80

	Present	Proposed	Present	Proposed
Forecast Year (1980-1984 Five Year Fct)	1981		1983	
Quantity Forecast	188,005		204,175	
OPERATING COSTS				
Purchased Parts	$ 109,200	$ 53,400	$ 142,500	$ 69,600
Raw Material	36,200	36,200	46,400	46,400
Standard Labor	115,600	91,400	149,000	117,800
Labor Variance @	47,700	38,300	61,500	49,400
Industrial Relations @ .419	78,200	62,100	100,800	80,200
Supplies	32,500	29,900	41,800	38,500
Tool Replacement	27,700	25,400	35,500	32,700
Cutter Grind	7,800	7,200	10,100	9,300
Tool Maintenance	7,900	7,200	10,200	9,300
Maintenance	24,800	22,800	31,800	29,200
Energy	11,600	9,200	15,000	11,900
Equipment Depreciation @	—	3,800	—	3800
Gratus Repairs	4,100	3,200	5300	4200
Sub Totals	$ 503,300 ✓	A $ 390,100 ✓	$ 649,900 ✓	A $ 502,300
Gross Savings Before Admin. Exp.		$ 113,200		$ 147,600
Admin. Exp. @4.3% Gross Savings		B $ 4,900		B $ 6300
Sub Totals	$ 503,300	A+B $ 395,000	$ 649,900	A+B $ 508,600
SAVINGS IN OPERATING COST		$ 108,300		$ 141,300
Less: Income Tax @48.5 %		($ 52,500)		($ 68,500)
Plus: Amortization of Investment Tax Credit		$ 500		$ 500
NET SAVINGS		$ 56,300		$ 73,300
INVESTMENT				
Project Expenditures		$ 50,000		$ 50,000
Manufacturing & Working Facilities		$		$
Net Change in Working Capital		⟨$ 40,500⟩		⟨$ 52,800⟩
Total Capital Required for this Project		$ 9,500		⟨$ 2,800⟩
RETURN ON INVESTMENT - THIS PROJECT		593. %		Infinite
Net Savings - After Amortization of Operation Charges		$ 51,300		$ 68,300
Project Operation Charges		$ 135,000		$ 135,000
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($ 68,500)		($ 68,500)
Total Capital Required Including Research & Development & Other Charges		$ 76,000		$ 63,700
RETURN ON TOTAL CAPITAL REQUIRED		68. %		107. %
Equipment to be Released				
Increased Space Requirements (Decrease)				
Production Capacity				
Forecast Burdening		%		

CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER
KINZER V. REMINGTON

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