

RD-6565
Rev.
SM: 3-26-79

ESTIMATE # 4305

ESTIMATED SAVINGS & RETURN ON INVESTMENT

M-100 TOOLING ASSEMBLY - PRESENT VS PROPOSED NEW ASSEMBLY DESIGNED WHERE THE SAFETY IS REVISED

ENGINEER: A.E. DEWAND

CUTTING OFF THE LOCKING ARM AND ADDING A COUNTERSINK TO ACTIVATE THE SAFETY PLUNGER WHEN THE SAFETY IS ON.

DATE: 5-17-81

Forecast Year	PRESENT #2-1981	PROPOSED		
Quantity Forecast	110,308			
<u>OPERATING COSTS</u>				
Purchased Parts	\$ 181,300	\$ 195,000	\$	\$
Raw Material				
Standard Labor	120,060	131,280		
Labor Variances @ 5%	6,000	6,560		
Industrial Relations @ 47.0%	60,390	66,230		
Supplies	1,680	1,770		
Tool Replacement	1,520	2,300		
Cutter Grind	1,320	3,320		
Tool Maintenance	890	1,020		
Maintenance	1,160	1,400		
Energy				
Equipment Depreciation @				
Sub Totals	\$ 374,400	A \$ 409,670	\$	A \$
Gross Savings Before Admin. Exp.		B (\$ 35,270)		B \$
Admin. Exp. @ 4.3% Gross Savings		B \$		B \$
Sub Totals	\$ 374,400	A+B \$ 409,670	\$	A+B \$
<u>SAVINGS IN OPERATING COST</u>				
Less: Income Tax @ 48.5 %		(\$ 17,110)		(\$
Plus: Amortization of Investment Tax Credit		\$		\$
<u>NET SAVINGS</u>		(\$ 18,160)		\$
<u>INVESTMENT</u>				
Project Expenditures		\$ -		\$
Manufacturing & Working Facilities		\$		\$
Net Change in Working Capital		\$ 11,930		\$
<u>Total Capital Required for this Project</u>		\$ 11,930		\$
<u>RETURN ON INVESTMENT - THIS PROJECT</u>				
Net Savings - After Amortization of Operation Charges		(\$ 16,800)		\$
Project Operation Charges		\$ 16,500		\$
Less: Administration Expense @ 4.3 % & Income Taxes @ 48.5 % (Factor .5072)		(\$ 8,370)		(\$
<u>Total Capital Required Including Research & Development & Other Charges</u>		\$ 20,060		\$
<u>RETURN ON TOTAL CAPITAL REQUIRED</u>		(83.7%)		
Equipment to be Released				
Increased Space Requirements (Decrease)				
Production Capacity				
Forecast Burending				31