

xc: ~~W.H. Hall~~) In
H.E. Boyle) Turn
R.A. Morris
G.E. Fletcher
J.C. Hutton
J.H. Sweeney
C.O. Pardee
R.L. Snedaker
R.W. Farrington, Jr.

Est. #4298

June 3, 1981

J.D. Sarricks

Replace (2) Worn Geiger Lathes
M/700-788 Long Stocks D-71

An evaluation of your proposals to replace (2) worn Geiger lathes with either (2) new Richardson copy lathes or a new Zuckerman wood carver has been completed.

Proposal #1

Purchasing (2) Richardson copy lathes would reduce annual operating costs in this area \$72,470. A return of 64.7% could be expected on a total expenditure of \$46,040.

Proposal #2

Replacing (2) Geigers with (1) Zuckerman wood carver would reduce the annual operating cost \$61,230. Total capital required for this machine is \$179,580 and the estimated return on investment would be 10.7%.

Richardson copy lathes now in production have proven to be dependable and require minimum maintenance. This fact, together with the estimated R.O.I. on Proposal #1, indicate it to be more favorable.

Industrial Engineering Section
F.G. Organisciak, Acting Group Leader

F.G. Organisciak

By: B.J. Potter

B.J. Potter

BJP/kc
Attached