RD-6505
Rev.
ENT. 3-26-79

ESTIMATE # 4388

ESTIMATED SAVINGS & RETURN ON INVESTMENT

ENGINEER: J. M. Ferriolatto   XP-100 TURN AND CHAMBER
DATE: 2-10-82   PRESENT PROCESS vs. NEW BRITAIN CHUCKER

	PRESENT	PROPOSED	PRESENT	PROPOSED
Forecast Year	1982		1984	
Quantity Forecast	920		1680	
OPERATING COSTS				
Purchased Parts	$	$	$	$
Raw Material				
Standard Labor	1450	420	3260	930
Labor Variance @ 35%	510	150	1140	[illegible]
Industrial Relations @ 47.9	940	270	2110	[illegible]
Supplies	10	20	10	[illegible]
Tool Replacement	110	280	250	420
Cutter Grind	520	90	1160	170
Tool Maintenance	10	20	10	40
Maintenance	30	20	70	40
Energy	-	-	-	-
Equipment Depreciation @ 7.5%	-	350	-	350
Other Expense	10	10	10	10
Sub Totals	$ 3590	A $ 1620	$ 8020	A $ 2200
Gross Savings Before Admin. Exp.		$ 1970		$ [illegible]
Admin. Exp. @4.3% Gross Savings		B $ 86		B $ [illegible]
Sub Totals	$ 3590	A+B $ 1700	$ 8020	A+B $ 2410
SAVINGS IN OPERATING COST		$ 1890		$ 4510
Less: Income Tax @48.5 %		($ 920)		($ [illegible])
Plus: Amortization of Investment Tax Credit		$ 50		$ 50
NET SAVINGS		$ 1020		$ 2420
INVESTMENT				
Project Expenditures		$ 4700		$ 4700
Manufacturing & Working Facilities		$ -		$ -
Net Change in Working Capital		($ 630)		($ 1520)
Total Capital Required for this Project		$ 4070		$ 3180
RETURN ON INVESTMENT - THIS PROJECT		25.1 %		76.1 %
Net Savings - After Amortization of Operation Charges		$ 590		$ 1000
Project Operation Charges		$ 11,700		$ [illegible]
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($ 5,930)		($ [illegible])
Total Capital Required Including Research & Development & Other Charges		$ 9840		$ [illegible]
RETURN ON TOTAL CAPITAL REQUIRED		5.9 %		22.2 %
Equipment to be Released				
Increased Space Requirements (Decrease)				
Production Capacity				
Forecast Burdening		$		

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