

SHEET A

REMINGTON ARMS COMPANY, INC.
CAPITAL APPROPRIATION REQUEST

Date:
Title:

Site:
Category:

Justification:

Current:

The current M/700 X-Mark Pro Trigger Assembly does not allow the consumer to adjust the Trigger pull themselves. Four years ago, Savage introduced the AccuTrigger which offers adjustment of Trigger pull by the consumer. Sako, Browning, Winchester, Thompson Center, and Smith & Wesson now all offer consumers an adjustable Trigger. It is critical that Remington develop an externally adjustable X-Mark Pro Trigger to protect our Market Share.

Proposed:

R&D has re-designed, and tested an externally adjustable X-Mark Pro Fire Control. This re-designed X-Mark Pro Fire Control will require a new Trigger and Trigger Housing Rear Spacer from PMPD, as well as additional processing. The design also introduces a secondary Trigger Pull Screw and Spring. The secondary Screw and Spring are easily accessible and will allow the customer to easily adjust the Trigger pull weight.

Benefits are highlighted below:

1. The new design allows the Trigger pull to be adjusted at Final Inspection without the need to remove the Stock from the Rifle.
2. The introduction of an externally adjustable Trigger matches our competition's offerings and preserves market share.
3. Minor changes to the processing and assembly of the new X-Mark Pro Fire Control will also allow us to produce the externally non-adjustable version of the X-Mark Pro Fire Control.

This CAR provides the needed funds required to produce M/700 Externally Adjustable X-Mark Pro Trigger Assembly.

Project No.

--

Budget Amount:	
Budget Period:	
Annualized Cost:	\$ 720,406
R O I C:	-217.7%
Payback:	-

3/7/2008
M/700 X-Mark Pro Trigger Assembly - Externally Adjustable

Ilion, New York
Necessity & Support:
Maintenance of Production
Health & Safety
Expansion & Improvement
R & D

X

Expenditures

Capital Amount	\$ 293,995
Operations Amount	\$ 36,861
Total Project Commitment	\$ 330,856

An Economic analysis indicates a cost increase of (\$4.94)/unit on an incremental basis, and (\$720,406) annually based on (146,000) units.

Submitted By:

Approvals:

C. J. Lane Jr.

R. Krol

S. Perniciaro

R. Skinner

Craig Becker

Date	J. Gross	Date
Date	J. Gyure	Date
Date	S. Jackson	Date
Date	T. Torbeck	Date

Sheet B

Remington Arms Company, Inc.
Capital Appropriation Request
Support Detail
Exhibit III

M/700 X-Mark Pro Trigger Assembly - Externally Adjustable

Capital Costs

Tooling, Gauges, Dies, Molds	\$ 153,322
Buildings	\$ -
Equipment & Machinery	\$ 140,673
Computer Software	
Computer Hardware	

Contingency

Total Capital Cost \$ 293,995

Charges to Operations

Tooling, Gauges, Dies, Molds	\$ 14,240
Ammo	\$ 5,865
Guns	\$ 13,756
Trial & Pilot	\$ 500
Dismantle & Rearrange	\$ -
Travel	\$ 2,500

Total Operations Cost \$ 36,861

Total Authorization Requested \$ 330,856

Sheet C

Remington Arms Company, Inc.
Capital Appropriation Request
Calculation of Annualized Savings
Exhibit IV

M/700 X-Mark Pro Trigger Assembly - Externally Adjustable

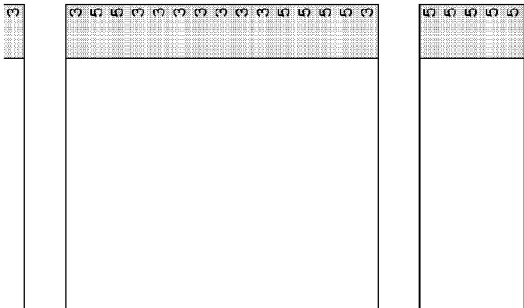
* Do Not Fill in Shaded Areas		
Calculation of Annualized Savings		
Cost Basis	Present	Proposed
Sales Information, if applicable		
Sales Volume		
Net Sales Price		
Sales Dollars		
Material	\$ 864,320	\$ 1,109,600
Direct Labor	\$ 1,500,568	\$ 1,788,188
Variable Overhead (Maintenance)	\$ 697,157	\$ 824,177
Product Scrap		
Fixed Costs (Including asset write-offs)		
Book Depreciation	\$ -	\$ 60,486
Interest Expense		\$ 28,123
Total	\$ 3,062,045	\$ 3,810,573
Annualized Savings, Net Savings, Earnings or (Loss) (Int not Included)		\$ (720,406)
Project Expenditures:		
Capital		\$ 293,995
Total Related Operations		36,861
Total		\$ 330,856
Return on Investment Capital		-217.7%
Payback		-

****Do Not Fill In Shaded Areas**

RE0011797

[illegible]

[illegible]



Cell: G35
Comment: vallabhacp:
Est by Rich Morris & given to Craig.

Cell: D47
Comment: vallabhacp:
Toolroom

Cell: A52
Comment: vallabhacp:
for Trigger Pull Test by Final Inspector.

Sheet E
Remington Arms Co., Inc.
Firearms Division
Ops Summarization (Supplement to Exhibit III)

**Do Not Fill In Shaded Areas

Check One

Quantity	Per Unit Cost	Cost	Shipping	Installation	Total Cost	Eng Estimate	Vendor Quote	Vendor Name	Useful Life
Molds, Gauges, Dies, Tooling									
Alter existing Rivet Fixture	1	1,000	1,000	-	-	1,000	x		
Step Drill	24	30	720	-	-	720	x		
Step Drill	24	30	720	-	-	720	x		
Piloted C Bore	12	75	900	-	-	900	x		
Taps	24	25	600	-	-	600	x		
Chatillon Scales	6	100	600	-	-	600	x		
Benches / Tables	7	714	5,000	-	-	5,000	x		
(2) PCs	2	1,100	2,200	-	-	2,200	x		
MIM Development Cost (Trigger)	1	2,500	2,500	-	-	2,500		x	Remington PMPD
			-		-				
Total			14,240		14,240				
Ammo									
	25,500	0.23	5,865		5,865	x			
			-		-				
Total			5,865		5,865				
Guns									
M/700	38	362	13,756		13,756	x			
	-	-	-		-				
Total			13,756		13,756				
Total D&R									
			-		-				
Total T&P									
	1	500	500		500	x			
Total Travel									
	5	500	2,500		2,500	x			

Cell: A10
Comment: vallabhacp:
Trigger housing assembly

Cell: A15
Comment: vallabhacp:
Springs

Cell: C25
Comment: vallabhacp:
For EET (Eng'g Evaluation Test) +
DAT (Design Acceptance Test).

Cell: D25
Comment: vallabhacp:
P?N: 20040 per Bob Joy

Cell: D30
Comment: vallabhacp:
Weighted Avg Cost/gun

Cell: D38
Comment: vallabhacp:
(3) Trips @ \$400 (Fixtures)
(2) Trips to Dr KJ @ \$500

M/700 X-Mark Pro Trigger Assembly - Externally Adjustable
Cost Comparison
Proposed Design Vs. Current Design

Material
Labor W/EBs
Mfg Overhead
Total incremental Cost/unit
Plant Fixed Overhead
Depreciation - New Investment
<u>Total Mfg Cost/unit</u>

(x)

(y)

(z)

2008 Annual Volume (Units)

Unit Cost	
Current Design	
(F305571) (a)	Additional components & Operations (b)
\$ 5.92	\$ 1.68
\$ 10.28	\$ 1.97
\$ 4.78	\$ 0.87
\$ 20.97	\$ 4.52
\$ 13.58	\$ 2.47
\$ -	\$ 0.42
\$ 34.55	\$ 7.41
Incremental Cost - Proposed Design	
\$ 25.91	

Secondary Trigger Pull Screw (\$1.53) + Secondary Trigger Pull Spring (\$0.04) + Re-designed Trig Housing Rear Spacer (\$0.11).

Additional machining operations - Trigger (\$1.10) + Trigger Assembly (\$0.60) + Trig Housing Assembly (\$0.27).

Manufacturing Overhead associated with additional machining labor

Annual Cost	
Current Design	
(F305571) (a)	Additional components & Operations (b)
146,000	

EXHIBIT "A"

3/7/2008

(Capital Proj - X-Mark Pro Externally Adjustable Eng Assy)

<u>Proposed Design</u>	
	Total
	(a+b)
(x)	\$ 7.60
(y)	\$ 12.25
(z)	\$ 5.65
	\$ 25.49
	\$ 16.05
	\$ 0.42
	\$ 41.96
	(\$25.49+\$0.42)

<u>Proposed Design</u>	
	Total
	(a+b)
	145,000

Material
Labor W/EBs
Mfg Overhead
Total Incremental Cost/unit
Plant Fixed Cost
Depreciation - New Investment
Total Mfg Cost/unit

\$ 864,320	\$ 245,280
\$ 1,500,568	\$ 287,620
\$ 697,157	\$ 127,020
<u>\$ 3,062,045</u>	<u>\$ 659,920</u>
\$ 1,982,680	\$ 360,620
\$ -	<u>\$ 60,486</u>
<u>\$ 5,044,725</u>	<u>\$ 1,081,026</u>

\$	1,109,600
\$	1,788,188
\$	524,177
\$	3,721,965
\$	2,343,300
\$	60,486
\$	6,125,750

Cell: J10

Comment: vallabhacp:

New Add'l Parts:

Secondary Trigger Pull Screw \$1.53

Secondary Trigger Pull Spring \$0.04

Re-designed Trigger Housing Rear Spacer \$0.11

(From PMPD - \$0.26 Vs. \$0.15)

Cell: J12

Comment: vallabhacp:

Add'l Operations:

Trigger before Plate - \$1.10 (Dept #8773)

Trigger Housing Assy - \$0.27 (Dept #8773)

Trigger Assembly - \$0.60 (Dept #8772)

(D/P operations)

Cell: J14

Comment: vallabhacp:

Mfg O/H associated W/Add'l Operations.

- o Secondary Trigger Pull Screw
- o Secondary Trigger Pull Spring
- o Re-design Trigger Housing Rear Spacer
(PMPd part - Proposed Vs. Current)
- o Additional machining operations -
 - o Trigger
 - o Trigger Housing Assembly
 - o Trigger Assembly
- o Depreciation - new investment

[illegible]

3/7/2008

(Capital Proj - X-Mark Pro Externally Adjustable Trig Assy)

Material	Labor W/EBs	Mfg O/H	Plant O/H	Total Cost
\$ 1.53	\$ -	\$ -	\$ -	\$ 1.53
\$ 0.04	\$ -	\$ -	\$ -	\$ 0.04
\$ 0.11	\$ -	\$ -	\$ -	\$ 0.11
\$ -	\$ 1.10	\$ 0.64	\$ 1.42	\$ 3.16
\$ -	\$ 0.27	\$ 0.15	\$ 0.34	\$ 0.76
\$ -	\$ 0.60	\$ 0.08	\$ 0.71	\$ 1.38
		\$ 0.42	\$ 0.42	
\$ -				
\$ 1.68	\$ 1.97	\$ 0.87	\$ 2.89	\$ 7.41

Incremental Cost Increase/unit: \$ 4.94

Cell: N7
Comment: vallabhacp:
Excluding departmental Depreciation.
Depr added separately when calculating gross savings/Cost increase.

Cell: D17
Comment: vallabhacp:
Dept #8773 (Machining)

Cell: P17
Comment: vallabhacp:
Does not include depr cost. Added in the Savings calculation sheet.

Cell: D19
Comment: vallabhacp:
Dept #8773

Cell: P19
Comment: vallabhacp:
Does not include depr cost. Added in the Savings calculation sheet.

Cell: D21
Comment: vallabhacp:
Dept #8772 (Assy)

Cell: P21
Comment: vallabhacp:
Does not include depr cost. Added in the Savings calculation sheet.

Cell: P23
Comment: vallabhacp:
Does not include depr cost. Added in the Savings calculation sheet.

Cell: P26
Comment: vallabhacp:
Does not include depr cost. Added in the Savings calculation sheet.