

Ilion, New York
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CHECK OF SPTS '58 ECONOMICS - PROJECT AD-853

A review has been made of the current status of Sportsman '58 product costs and economics.

Present indicated normal unit Factory Cost of the Sportsman '58 ADL is estimated at \$38.65 as compared to \$38.10 estimated in November, 1955. The current estimate of \$38.65 per gun reflects increases in manufacturing costs resulting from design and process changes. These increases have been off-set to the extent of approximately \$.15 per gun, however, by removing vendor tooling from the Tool Amortization charged to the gun.

The comparisons of the current estimated unit cost with the estimates made in November, 1955, of Sportsman '58 and M/11-'48 costs are as follows:

	M/11-'48 3-Shot	Spts '48 3-Shot	Spts '58 ADL Estimates 11-11-55	1-4-56
Material	\$ 7.04	\$ 7.07	\$ 6.41	\$ 6.40
Direct Labor	5.35	5.98	6.27	6.40
Operating Labor	2.48	2.56	2.68	2.74
Dept'l Expense	4.80	4.93	5.26	5.37
Industrial Relations	2.17	2.23	2.34	2.39
Gas & Electric	.26	.26	.26	.26
Direct Depreciation	.91	.93	1.07	1.13
Manufacturing Expense	2.71	2.77	2.91	2.97
Plant Overhead	7.34	7.48	7.58	7.74
Inventory Adjustment	.34	.34	.35	.35
Tool Amortization	2.50	2.50	2.97	*2.90
Factory Cost	\$ 36.40	\$ 37.05	\$ 38.10	\$ 38.65

*Vendor tooling not amortized

It has not been possible to make a new project calculation. Certain comparisons have been made with the AD-853, Part III, calculation, however, which indicate that the economics have been adversely affected.

Total indicated expenditures for Part III of AD-853 were \$469,600, including \$25,300 for vendor tooling. At present, the total indicated expenditure is \$651,500, excluding vendor tooling in the amount of \$55,000. On a comparable basis, therefore, indicated expenditures are up approximately \$181,900 plus \$55,000, or \$236,900.

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