

Est.
Date: 3-26-79

ESTIMATE # 4019

ESTIMATED SAVINGS & RETURN ON INVESTMENT
#400,789 RIVETLESS EXTRACTOR

ENGINEER: T. R. ANDREWS

DATE: 7/21/80

	Present	Proposed	Present	Proposed
Forecast Year (1980-1984 Five Year Est)	1981		1983	
Quantity Forecast	188,005		204,175	

OPERATING COSTS

Purchased Parts	\$ 109,200	\$ 53,400	\$ 142,500	\$ 62,600
Raw Material	36,200	36,200	46,400	46,400
Standard Labor	115,600	91,400	149,000	117,800
Labor Variance @	47,700	38,300	61,500	49,400
Industrial Relations @.419	76,300	62,100	100,200	80,300
Supplies	32,500	29,900	41,800	38,500
Tool Replacement	27,700	25,400	35,500	32,700
Cutter Grind	7,800	7,200	10,100	9,300
Tool Maintenance	7,900	7,200	10,200	9,300
Maintenance	24,800	22,800	31,800	29,200
Energy	11,600	9,200	15,000	11,900
Equipment Depreciation @	-	3,800	-	3,800
Gross Repairs	4,100	3,200	5,300	4,200

Sub Totals	\$ 503,300 ✓	A \$ 390,100 ✓	\$ 649,900 ✓	A \$ 502,300 ✓
Gross Savings Before Admin. Exp.		\$ 113,200		\$ 147,600
Admin. Exp. @4.3% Gross Savings		B \$ 4,900		B \$ 6,300
Sub Totals	\$ 503,300 A+B	\$ 395,000	\$ 649,900 A+B	\$ 508,600

SAVINGS IN OPERATING COST

	\$ 108,300	\$ 141,300
Less: Income Tax @48.5 %	(\$ 52,500)	(\$ 68,500)
Plus: Amortization of Investment Tax Credit	\$ 500	\$ 500
<u>NET SAVINGS</u>	<u>\$ 56,300</u>	<u>\$ 73,300</u>

INVESTMENT

Project Expenditures	\$ 50,000	\$ 50,000
Manufacturing & Working Facilities	\$	\$
Net Change in Working Capital	< \$ 40,500 >	< \$ 52,800 >
<u>Total Capital Required for this Project</u>	<u>\$ 9,500</u>	<u>< \$ 2,800 ></u>

RETURN ON INVESTMENT - THIS PROJECT

	593. %	Infinite
Net Savings - After Amortization of Operation Charges	\$ 51,300	\$ 68,300
Project Operation Charges	\$ 135,000	\$ 135,000
Less: Administration Expense @4.3 %		
Income Taxes @48.5 % (Factor .5072)	(\$ 68,500)	(\$ 68,500)
Total Capital Required Including Research & Development & Other Charges	\$ 76,000	\$ 63,700

RETURN ON TOTAL CAPITAL REQUIRED

	68. %	107. %
Equipment to be Released		
Increased Space Requirements (Decrease)		
Production Capacity		
Forecast Burdening	31	