RD-6565
Rev.
SMT: 3-26-79

ESTIMATE # 4357

ESTIMATED SAVINGS & RETURN ON INVESTMENT
M/700 MAGAZINE FOLLOWER
TOOL STEEL C-1112

REVISION I

ENGINEER: D S VEROUER
DATE: 11-11-81

	1983 Current	1983 Proposed	1985 Current	1985 Proposed
Forecast Year				
Quantity Forecast	106,095		123,535	
OPERATING COSTS				
Purchased Parts	$292,100	$	$411,400	$
Raw Material		36,680		50,740
Standard Labor	27590	51410	38160	71100
Labor Variance @	9650	15450	13360	21320
Industrial Relations @	17840	29620	24680	40920
Supplies	1790	3500	2480	4830
Tool Replacement		20950		28980
Cutter Grind		1860		2580
Tool Maintenance	10	220	14	300
Maintenance		1970		2730
Energy		6470		8950
Equipment Depreciation @ 7½ %		23850		23850
Sub Totals	$353,980	A $191980	$490,100	A $256400
Gross Savings Before Admin. Exp.		$162,000		$233,700
Admin. Exp. @4.3% Gross Savings		B $6970		B $10,050
Sub Totals	$353,980	A+B $198950	$490100	A+B $266450
SAVINGS IN OPERATING COST		$155,030		$223650
Less: Income Tax @48.5 %		($75,190)		($108,470)
Plus: Amortization of Investment Tax Credit		$3180		$3180
NET SAVINGS		$83020		$118,360
INVESTMENT				
Project Expenditures		$318,000		$318,000
Manufacturing & Working Facilities		$ —		$ —
Net Change in Working Capital		$(104,775)		$(147,590)
Total Capital Required for this Project		$213,225		$170,410
RETURN ON INVESTMENT - THIS PROJECT		38.9 %		69.5%
Net Savings - After Amortization of Operation Charges		$79570		$114910
Project Operation Charges		$46,000		$46,000
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($23330)		($23,330)
Total Capital Required Including Research & Development & Other Charges		$235900		$193100
RETURN ON TOTAL CAPITAL REQUIRED		33.7 %		59.5%
Equipment to be Released				
Increased Space Requirements (Decrease)				
Production Capacity				
Forecast Burdening		%		

CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER
KINZER V. REMINGTON