

AD-6565

Rev.

SMC: 3-26-79

ESTIMATE # 4368

ESTIMATED SAVINGS & RETURN ON INVESTMENT

ENGINEER: T.R. AndrewsDATE: 12/1/81Forecast Year
Quantity ForecastPRESENT
(BRASS)
1982
248,000PROPOSED
(IRON)

OPERATING COSTS

Purchased Parts	\$ 67,010	\$ 51,520	\$	\$
Raw Material	-	-		
Standard Labor	22,040	27,440		
Labor Variance @	5,000	6,510		
Industrial Relations @	11,710	15,040		
Supplies	670	820		
Tool Replacement	790	1,140		
Cutter Grind	580	850		
Tool Maintenance	190	570		
Maintenance	2,070	2,360		
Energy	500	700		
Equipment Depreciation @	-	170		

Sub Totals	\$ 110,640	A \$ 107,180	\$	A \$
Gross Savings Before Admin. Exp.		\$ 3,460		\$
Admin. Exp. @4.3% Gross Savings		B \$ 150		B \$
Sub Totals	\$ 110,640	A+B \$ 107,330	\$	A+B \$

SAVINGS IN OPERATING COST

Less: Income Tax @48.5 %	(\$ 1,610)	(\$	
Plus: Amortization of Investment Tax Credit	\$ 20	\$	
NET SAVINGS	\$ 1,720	\$	

INVESTMENT

Project Expenditures	\$ 2,300	\$	
Manufacturing & Working Facilities	\$	\$	
Net Change in Working Capital	(\$ 4,570)	\$	
Total Capital Required for this Project	(\$ 2,370)	\$	

RETURN ON INVESTMENT - THIS PROJECT

Net Savings - After Amortization of Operation Charges	\$ 1,660	\$	
Project Operation Charges	\$ 1,800	\$	
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)	(\$ 910)	(\$	
Total Capital Required Including Research & Development & Other Charges	(\$ 1,400)	\$	

RETURN ON TOTAL CAPITAL REQUIRED

Equipment to be Released			
Increased Space Requirements (Decrease)			
Production Capacity			
Forecast Burdening		\$	