
M E M O R A N D U M

DATE: November 3, 1998
TO: Jim Rabbia
FROM: Rifle Engineering Group
RE: M/710 Rev. 4 High Spot Estimate
CC: Joe Mead, Danny Diaz

The M/710 estimate provided for your review contains the following assumptions

1. This is a Class I high spot estimate. Quotations have not been received, due to insufficient time. When they are, the part costs will be updated.
2. Where applicable this estimate uses the Ilion Plants 05 cost structure, which is the most up to date costing.
3. Where applicable this estimate does not include the recent 2.7% non-exempt raise to reflect the most up to date costing.
4. The departmental overhead rates used for calculating cost are 98' rates. They do not reflect any increase or decrease due to increased earned hours, increased departmental spending, and/or increased capital depreciation which would occur with a product introduction of this nature.
5. The high capital costs of several components are due to the uniqueness of the design. Unknown production quantities preclude Ilion from using some of our current in-house equipment. (See notes in spreadsheet)
6. Any working capital increases/decreases due to this project were not looked at in this estimate.
7. Current final assembly, inspection and packing costs were used. The final design may or may not be easier to build at final assembly.
8. The magazine assembly used in the Rev. 1 estimate is also used in this Rev. 4 estimate at the request of R&D.
9. This quotation reflects a stock with butt plate. A stock/recoil pad option was also quoted per R&D request. The cost burden of the stock/recoil pad option is an additional \$3.58 per unit.
10. This quotation reflects a threaded bolt body. The proposed design option was also quoted per R&D request. The cost burden of the proposed design is an additional \$.59 per unit.
11. This quotation reflects a MIM firing Pin Head per the proposed design, including finish operations.

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