Steve Perniciaro

From: Doolittle, James F.
Sent: 06/24/2005 02:39:23 PM
To: Perniciaro, Stephen; McGlory, Jeffrey; Balio, John R.; Pugliese, Joseph M.; Mead, Joseph P.; Allen, Gerald R.; Luke, Kyle D.; Orf, Robert J.
CC: Cahan, Paul L.; Shumway, Daniel W.
BCC:
Subject: RE: New Fire Control and Mayfield

A meeting was held on 6/20/95 at 2pm in Steve's office. I have placed our comments in Blue next to the items listed in the agenda.

1. We do not plan on shipping any SPL Fire controls to Mayfield until Ilion has the process under control and we are meeting our schedule.
(It is more important to have the SPL Fire control in the M700 than the M710.)
Based on the cycle time requirements of the PO, the new fire control line will be able to produce 700 fire controls for Ilion and 250 for Mayfield. These numbers will be depicted more accurately once we see the machines run starting in the middle of August.

2. We do not change our plan of 1,000 SPL Fire controls a day at this time.
According to the available information our plan is to still have the capability to produce 1000 per day without overtime.

3. By June 30, 2005, engineering will have calculated the addition manpower, equipment and time required to get to 1,200 and 1,500 SPL Fire controls a day.
These budgetary estimates are under review and should be completed on time. Manpower and equipment budgetary estimates are complete. Capital to machine 1200 units is $530,000. Capital needed to machine at the 1500 unit level is an additional $160,000. To outsource the additional quantities over 1000 units is $90,000 in capital and approximately $3.80 additional component cost based on May 2004 budgetary estimates from Cambridge Valley Machining and Penn United Technology, INC.

4. Once Ilion has demonstrated that we have the 1,000 SPL Fire controls capacity, then we can project a date to begin shipping to Mayfield.
Once Ilion is fully manned and process issues have been resolved we believe we can produce the fire control for Mayfield in 4 -5 weeks from that point.

5. If we stay on schedule, then sometime in November 2005 we can use the information in 3 above to set the date for Mayfield.
If production levels increase over 1000 units per day additional equipment will be needed or a plan to work overtime, or outsource additional quantities will be required.

6. We also recognize that if we get to 1,000 a day, then with the Ilion schedule of approximately 700 per day, we have the capacity to provide some SPL Fire controls to Mayfield. However, I don't think we want to commit our and Mayfield's schedule to the full 1,000 per day. I would recommend that we don't commit over 85% of our production capability.
With the information available at this time, at 100% efficiency the machines are capable of producing 1188 units per day. At 85% of our production capability, the machines should produce 1000 units per day.

Goal – Set a date to begin supplying SPL Fire controls to Mayfield.
Based on 1000 units per day and maintaining present schedule, Ilion will be manned up and producing at 1000 units per day in November. We will be able to supply Mayfield in January 2006.