

✓ E. I. DU PONT DE NEMOURS & COMPANY

C & P Department - Newport Plant

copy *ASW*
Done 7/23

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July 19, 1982

DU PONT CONFIDENTIAL - SPECIAL CONTROL

W. H. MC COY
C & P DEPARTMENT
WILMINGTON

COST REDUCTION FORECAST /ACCOMPLISHMENT REPORT

1982 YEAR TO DATE

NEWPORT PLANT

Attached is subject report.

L. R. Pasquale
L. R. PASQUALE
CONTROL SUPERVISOR

LRP/tg

attach.

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

SECOND QUARTER 1982 - SUMMARY

	<u>SAVING FORECAST</u>		
	<u>Realized Year to Date</u>	<u>Committed</u>	<u>Goal</u> <u>Current Estimate</u>
Ingredients	114	122	394
Labor and Salaries	1023	1071	1414
Maintenance Material	80	157	334
Energy	247	590	841
Other	<u>281</u>	<u>364</u>	<u>822</u>
GRAND TOTAL	1745	2304	3805
1982 Cost Reduction Index	9.4%	5.2%	8.3%
			8.8%

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
SECOND QUARTER - 1982

Area - QA	Rsp'y	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
\$M						
<u>Ingredients</u>						
QAQ - New vs. Old Proc. 72¢/lb. saving	QA	11	72	120	30	(1)
Sitol - Use liq. vs. dry Sitol in 2,9 Di- methyl oxidation 45¢/lb. saving	QA	73	-	24	100	
Reduced Sodium Methylate	R&D	30	50	250	130	(2)
Sub-Total		114	122	394	260	
<u>Labor and Salaries</u>						
Reduce staff from 18 to 17	QA	112	-	48	200	
Manpower	R&D	110	20	20	170	
Sub-Total		222	20	68	370	
<u>Energy</u>						
Steam - Save 1168M#/Mo.	QA	95	108	144	240	
Electricity - Save 70M KW/Mo.	QA	6	24	48	24	(1)
Water - Save 2.5MM Gal./Mo.;	QA	6	36	48	16	(1)
Sub-Total		107	168	240	280	
<u>Other</u>						
Incr. Fin. Yields by .5%	QA	95	72	108	200	
Reduce Substandard	QA	18	60	120	36	(3)
Cost reduction by first- line supervision	QA	98	180	240	120	(4)
Sub-Total		211	312	468	356	
QA GRAND TOTAL		654	622	1170	1266	

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

SECOND QUARTER - 1982

\$M

SAVING FORECAST						
Area - CPC	Rsp'y.	Realized Year to Date	Committed	Goal Total	Current Estimates	Notes
<u>Labor and Salaries</u>						
Supv. from 18 to 13.5	CPC	108	216	216	216	
Wage from 44 to 40	CPC	115	144	144	200	
Manpower - Tech. from 11 to 10; Wage from 16 to 15	R&D	<u>26</u>	<u>72</u>	<u>72</u>	<u>90</u>	
Sub-Total		249	432	432	506	
<u>Energy</u>						
Economizer - #4 Boiler	CPC	60	244	244	120	(7)
Ins. 200M Ga. #6 Fuel	CPC	<u>7</u>	-	<u>16</u>	<u>16</u>	
Oil Tk. - Powerhouse		67	244	260	136	
Sub-Total						
<u>Other</u>						
Reduce kerosene	R&D	9	-	100	30	
Pigment losses	R&D	-	40	40	40	
Substandard reduction	R&D	6	-	6	6	
Low cost BT-417/487	R&D	<u>-</u>	<u>-</u>	<u>60</u>	<u>-</u>	(5)
Sub-Total		15	40	206	76	
CPC GRAND TOTAL		331	716	898	718	

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
SECOND QUARTER - 1982

\$M

AREA - Control & E.R. Energy	Rsp'y.	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
Shut down A-52/A-41, turn off utilities	Cont.	2	1	4	4	
Sub-Total		2	1	4	4	
<u>Labor and Salaries</u>						
Reduce N.E. from 5 to 4	E.R.	8	27	27	25	
Reduce Exempt from 9 to 7	E.R.	24	144	144	50	
Reduce Exempt from 7 to 5	SH&E	20	96	96	45	
Reduce Exempt from 13 to 12)						
Reduce N.E. from 27 to 23)	Cont.	82	29	239	175	
Reduce Wage from 24 to 22)						
Sub-Total		134	296	506	295	
<u>Other</u>						
Asbestos disposal	SH&E	16	-	-	50	
Copier Rental (A-52)	Cont.	2	-	2	2	
Computer Rental	Cont.	8	12	12	12	
Reduce accts. payable verifications charges from \$91M to \$60M/yr.	Cont.	12	-	30	24	
Reloc. gasoline tk., and ins. Keytrol System	Cont.	-	-	11	-	
Reduce l.d. calls by improved monitoring	Cont.	-	-	5	1	
Switch pallet recon'd'rs reduce cost from \$5.70 to \$2.50 per pallet	Cont.	-	-	28	-	
Kerosene frt.rate red'n.	Cont.	17	-	60	45	
Sub-Total		55	12	148	134	
CONTROL AND E.R. GRAND TOTAL.		191	309	658	433	

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NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
SECOND QUARTER - 1982

Area - Mechanical	Rsp'y.	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
			\$M			
Maintenance Material						
Incr. use of recond. mat'ls.	Mech.	20	40	40	40	
Alloy repair of glass-lined kettles	Mech.	1	-	20	-	
Better contract adm. through bid packages	Mech.	5	-	72	42	
Incr. SMD sales	Mech.	8	-	20	20	
Expand use of T&M vs. bid price on CPC steel repl. due to uncertainties for bid	Mech.	14	40	40	20	
Spare caustic scrubber fan installed in CPC	Mech.	6	4	4	12	
Use avail. C&P equipment vs. rental	Mech.	4	-	10	10	
New vendor-road repair	Mech.	8	20	20	20	
Protective coat plt. roads	Mech.	-	-	30	30	
Auth'd. proj. will elim. sewer line emer'y. repairs	Mech.	7	28	28	28	
Undefined items	Mech.	7	25	50	42	
Sub-Total		80	157	334	264	
Labor and Salaries						
Expand use of C.Wks. shop facs.	Mech.	8	50	50	40	
Red. exempt from 29 to 26	Mech.	113	120	120	200)	(6)
Red. wage from 119 to 112	Mech.	247	126	126	450)	(8)
Less use of temp. supvrs.	Mech.	6	2	2	-	
Incr. prod'y. of insulators	Mech.	11	-	60	30	

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
SECOND QUARTER - 1982

		<u>\$M</u>					
		<u>SAVING FORECAST</u>					
<u>Area - Mechanical (Cont.)</u>	<u>Rsp'y.</u>	<u>Realized</u>	<u>Committed</u>	<u>Goal</u>	<u>Current</u>		
		<u>Year to Date</u>		<u>Total</u>	<u>Estimates</u>		
<u>Labor and Salaries (cont.)</u>							
Undefined items	Mech.	33	25	50	50		
Sub-Total		418	323	408	770		
<u>Energy</u>							
Impr. steam trap							
maint. program	Mech.	23	150	300	100		
Roller bearing vs. old							
babbit bearing on two							
new CPC mills	Mech.	8	27	27	12		
Impr. doors and windows							
Mech'l. Bldg.	Mech.	25	-	10	40		
Miscellaneous	Mech.	15	-	-	11		
Sub-Total		71	177	337	163		
MECHANICAL GRAND TOTAL		569	657	1079	1197		

(9)

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

SECOND QUARTER 1982

NOTES

- (1) Decreased savings due to reduced production demand.
- (2) Working with R&D to increase savings.
- (3) Cannot work off as rapidly at lower production rates.
- (4) Implementing "Zero Base" budgeting 5/82.
- (5) Terminated.
- (6) Ahead of "Zero Base" budget schedule.
- (7) Start-up problems.
- (8) Now at 105 Wage Roll.
- (9) Program to be fully implemented in third quarter.