CYANAMID

Request For Capital Expenditures/Retirements

REPORTING CLASSIFICATION	DATE APPROVED	JOB ORDER NO.
C-1	6/22/83	PP-5858

DIVISION OR COMPANY: Polymer Products

LOCATION: Chicago Plant — J.O. CONTROL POINT: 097

JOB TITLE: Install liners in dry white mill

SUMMARY OF AMOUNTS

DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
ESTIMATED PROJECT COST		8608
DISMANTLEMENT EXPENSE		
TRANSFER EQUIPMENT		
GROSS AMOUNT FOR APPROVAL		8608
LESS TRANSFER EQUIPMENT		
LESS SALVAGE OR TRADE-IN ALLOWANCE		
NET CASH REQUIRED (GOF-3027)		8608

RETIREMENT DATA

	AMOUNT
COST	2000
DISMANTLEMENT	500
LESS SALVAGE	
TOTAL - CHARGE RESERVE	2500

ECONOMICS as called for in General Procedure Memo #3 Attachment C. (Attach calculations)

ECONOMICS PERIOD	
NET SALES	
NAT (PROFIT/SAVINGS)	
TOTAL INVESTMENT	
% ROI (ON TOTAL INVEST.)	
INTERNAL RATE OF RETURN	
PAYOUT OF NEW FIXED CAPITAL	

REVISION DETAIL (GROSS AMOUNTS)

REV.#	DATE	AMOUNT	CUM. AUTHORIZATION
1			
2			
3			
4			
5			
6			
7			

DESCRIPTION AND REASONS REQUIRED

Funds of $8608 are requested to install new liners in the dry white (carbonate) mill.

JUN 9 1983

SUMMARY OF ESTIMATED COST - Details on GOF-3027	ESTIMATE NO.	STARTING DATE	COMPLETION DATE
		1 week of approval	

ITEM NO.	DESCRIPTION	MATERIAL	LABOR	ENGINEERING	TOTAL
	See Attached				
	NET CASH REQUIRED	7508	1000	100	8608

ACCOUNTING TREATMENT

ITEM NO.		DEPR. RATE
	DR $ 500 Dism. to Depr. Reserve DR $ 368 Oper. Expense DR $7740 Equipment (320) DR $2000 Depr. Reserve CR $2000 Equipment (320)	7¼%

ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOX(ES)) ☒ [signature] ☐ [signature] DATE 6/22/83

POST AUDIT PERIOD | POST AUDIT DUE DATE

DISTRIBUTION

APPROVALS

NAME	DATE
PROJECT SPONSOR R. Johnson [signature]	5/5/83
[signature]	5/31/83
[signature]	6/22/83
DIVISION PRESIDENT/DIRECTOR	
CORPORATE OFFICER	

NA 3006 REV. 5-77

PROPOSED WORK & COST

Funds of ____ 8608
are requested to install new liners in the dry white (carbonate) mill.

PRESENT SITUATION

PPG Industries, a major customer with potential annual sales of Ml.5 pounds has changed their specification with reguard to oil absorption and dispersion of our Cyastab® #40.

After the Cyastab® #40, a basic lead carbonate is manufactured and dried, it is milled in a C-E Raymond #50 Imp Mill. This mill was built in 1926, and has never been relined. The mill was inspected by C-E Raymond and found to be in need of new liners and hammers. The hammers have been since installed.

We are currently only partially approved as a supplier, since our product is only borderline acceptable to the customer. We are attacking this problem on two fronts; one in the laboratory to develope a chemical means for controling oil absorption and ~~partical~~ le size, two in the plant by upgrading our carbonate mill.

We cannot guarantee that the mill liners will resolve the problems, but it is sound business logic to maintain process equipment at peak efficiency.

JUSTIFICATION

By not being able to meet the customers new specifications, the plant is loosing an estimated Ml.5 pounds of Cyastab® #40 sales.

Hammond Lead, a competitor, meets their new specifications. Their product has some other undesirable effects, and therefore is not completely acceptable to PPG. This customer will soon be accepting bids to supply 100% of their needs.

COMMERCIAL FACTORS

This order supports a plant budget for lead stabilizers as follows:

	Sales		Marginal Income		POS	
(~~K$/lbs.~~)	K Lbs.	K$	K$	%	K$	%
First quarter carbonate 1983	253	131	89	67.5	-3	-
Budget Carbonate Stabilizers 1983 1st quarter	376	242	114	46.9	62	25.6

DETAILS OF PROPOSAL

A complete set of new liners will be purchased from C.E. Raymond and installed by plant maintenance personnel.

PRODUCTION FACTORS

This proposal will improve product quality by improving the products grind and therefore improving its dispersion properties.

CONTINGENT FUTURE COMMITMENTS

This proposal will not require additional funds to complete. Further testing will be done by laboratory personnel to reduce oil absorption.

ALTERNATIVES CONSIDERED

Do nothing------- This would result in the loss of 1.5M pounds of basic lead carbonate sales. We would also not be able to bid on PPG 1984 business requirements.

Purchase from other manufactures and repackage for resale------- This is not possible, since no present manufacture completely meets the customers new specifications.

Replace present mill with a new mill-- rejected as too expensive, and long lead time required.

RISKS

No operating risk are involved.

CONCISE SUMMARY

Reline the present carbonate mill to enable the plant to meet the customers new specifications and regain a estimated M1.5 pounds in sales.

GOF-3027 REV. 7/62 PRINTED IN U.S.A. 7/62

DETAIL SHEET

SHEET NO.	JOB ORDER NO.	DATE
		May 18,1983

COMPANY	LOCATION
AMERICAN CYANAMID	CHICAGO

ITEM OR CODE NO.	DESCRIPTION	EQUIPMENT OR MATERIALS	LABOR	ENG. MECH. SVC.	TOTAL
1.	Mill liner and parts	5440	1000	100	6540
2.	Mill bearing	950			950
3.	Shipping	250			250
4.	Dismantlement	500			500
5.	Tax	368			368
		7508	1000	100	8608

DISMANTLEMENT	ACQUISITION DATE	ACQUISITION VALUE	DISPOSITION
MILL LINER	1971	2,000 EST	SCRAP