

Request For Capital
Expenditures/Retirements

REPORTING CLASSIFICATION

DATE APPROVED

JOB ORDER NO.

C1

DIVISION OR COMPANY

Organic Chemicals Dept.

LOCATION

Chicago Plant

J.O. CONTROL POINT

097

JOB TITLE

Purchase and install lead
carbonate pump

SUMMARY OF AMOUNTS

DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
ESTIMATED PROJECT COST		\$4856
DISMANTLEMENT EXPENSE		500
TRANSFER EQUIPMENT		
GROSS AMOUNT FOR APPROVAL		\$5356
LESS TRANSFER EQUIPMENT		
LESS SALVAGE OR TRADE-IN ALLOWANCE		
NET CASH REQUIRED (GOF-3027)		\$5356

RETIREMENT DATA

ECONOMICS

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

REVISION DETAIL (GROSS AMOUNTS)

	AMOUNT		REV.#	DATE	AMOUNT	CUM. AUTHORIZATION
COST	1,600	ECONOMICS PERIOD	1			
DISMANTLEMENT	500	NET SALES	2			
LESS SALVAGE		NAT (PROFIT/SAVINGS)	3			
		TOTAL INVESTMENT	4			
		% ROI (ON TOTAL INVEST.)	5			
		INTERNAL RATE OF RETURN	6			
TOTAL - CHARGE RESERVE	2,100	PAYOUT OF NEW FIXED CAPITAL	7			

DESCRIPTION AND REASONS REQUIRED

Funds of -----\$5356

are requested to purchase and install an air operated
lead carbonate pump.

SUMMARY OF ESTIMATED COST - Details on GOF-3027		ESTIMATE NO.	STARTING DATE 7/1/79	COMPLETION DATE 10/30/79	
ITEM NO.	DESCRIPTION	MATERIAL	LABOR	ENGINEERING	TOTAL
	See attached	4156	1000	200	5356
	NET CASH REQUIRED	4156	1000	200	5356
ACCOUNTING TREATMENT		APPROVALS			
ITEM NO.	DEPR. RATE	NAME		DATE	
Dr. \$4,440 P. P. & E. (132)	7 1/4%	PROJECT SPONSOR		8/23/79	
Cr. \$1,600 P.P. & E. (232)		8/23/79			
Dr. \$1,600 Res. for Depr. (232)					
Dr. \$500 Res. for Depr. (432)					
Dr. \$219 Expense as Incurred					
Dr. \$197 Inventory					
ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOXES)					
POST AUDIT PERIOD		POST AUDIT DUE DATE		DIVISION PRESIDENT/DIRECTOR	
DISTRIBUTION		CORPORATE OFFICER			

DETAIL SHEET

SHEET NO. 1		JOB ORDER NO.		DATE 5/9/79	
COMPANY American Cyanamid Company			LOCATION Chicago, Ill.		
ITEM OR CODE NO.	DESCRIPTION	EQUIPMENT OR MATERIALS	LABOR	ENG. MECH. SVC.	TOTAL
1	Air operated pump	3190		200	3390
2	Piping	500	500		1000
3	Spare parts	197			197
4	Dismantlement		500		500
5	Shipping charges	50			50
6	Illinois state and use tax	219			219
		4156	1000	200	\$5356
<u>Dismantlements</u>		<u>Acq. Date</u>	<u>Acq. Cost</u>	<u>Disposition</u>	
Carbonate Pump		6/71	1,600	Scrap	

DESCRIPTION AND REASONS REQUIREDA. Proposed Work and Cost

Funds of ----- \$5356
are requested to purchase and install an air operated lead carbonate pump.

B. Present Situation

Basic lead carbonate is made in two carbonating tanks and pumped into a holding tank above the drum dryer. It is then dried, ground and further processed as required. The pumping operation to the holding tank above the drum dryer is accomplished by the use of a steam pump manufactured in June, 1966. This steam pump will require \$1118 in parts and approximately \$1500 in labor to repair for a total outlay of \$2618. Due to the worn parts, the pump leaks carbonate slurry on the floor and into the sewer system, adding to the plants effluent problem. This pump is at the end of its useful life, and the plant has no other pump which could be used as a replacement in case of pump failure.

C. Justification

The plant cannot manufacture basic lead carbonate or make carbonate based blends without a carbonate slurry pump. This pump is used to transfer the slurry from the carbonator to the dryer. Sales for 1978 for basic lead carbonate stabilizers were 2,500 k pounds at \$1,174 k with a profit of \$303 k. In addition, carbonate blend sales were 1,311 k pounds at \$518.8 k with a profit of \$175.4 k.

The existing steam pump can only be operated on the day shift, Monday through Friday, since it requires the use of high pressure steam during the day shift to operate. The plant only operates on high pressure steam during the day shift, Monday through Friday, since a stationary engineer must be present when the boilers are fired on high pressure. Only the services supervisor has a stationary engineer's license. The replacement diaphragm pump will operate on readily available plant air.

A trial pump, the same as will be purchased, was used to pump the carbonate slurry for over a month without a breakdown or problem of any kind.

D. COMMERCIAL FACTORS

This order supports a plant budget as follows:

First five (5) months of 1979

<u>Sales - Pounds</u>	<u>Sales-Dollars</u>	<u>Profit on Sales</u>
4,086,000	\$2,578,000	788,000 (30.6%)

Budget for 1979.

<u>Sales - Pounds</u>	<u>Sales-Dollars</u>	<u>Profit on Sales</u>
8,650,000	\$4,512,000	1,548,000 (34%)

E. DETAILS OF PROPOSAL

The plant will purchase one Wilden Model M-15-S air operated double diaphragm pump, with spare parts and necessary three inch piping and fittings to install. Present steam pump will be scrapped.

F. PRODUCTION FACTORS

This proposal will not alter product quality or production rates.

G. CONTINGENT FUTURE COMMITMENTS

This proposal will not require additional funds to complete.

H. ALTERNATIVES CONSIDERED

Repair the present steam pump. This was rejected because of the high cost of parts, labor, and limited useful life.

The new pump will be cheaper to maintainance.

I. RISKS

No operating risks are involved.

J. CONCISE SUMMARY

This is a replacement of a physically exhausted pump with a better pump.