



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

NEWPORT, DELAWARE 19804

CHEMICALS AND PIGMENTS DEPARTMENT

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October 22, 1982

DU PONT CONFIDENTIAL - SPECIAL CONTROL

W. H. McCoy
C & P Department
Wilmington

COST REDUCTION FORECAST/ACCOMPLISHMENT REPORT

1982 YEAR TO DATE

NEWPORT PLANT

Attached is subject report.


L. R. PASQUALE
CONTROL SUPERVISOR

LRP:pmh
Attach.

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

THIRD QUARTER 1982 - SUMMARY

	Realized Year to Date	SAVING FORECAST		
		Committed	Goal	Current Estimate
Ingredients	198	122	394	247
Labor and Salaries	1594	1071	1414	2190
Maintenance Material	179	157	334	254
Energy	332	590	841	508
Other	<u>428</u>	<u>364</u>	<u>822</u>	<u>646</u>
GRAND TOTAL	<u>2731</u>	<u>2304</u>	<u>3805</u>	<u>3845</u>
1982 Cost Reduction Index	10.0%	6.6%	10.4%	10.4%

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
THIRD QUARTER - 1982
\$M

Area - QA	Rsp'y	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
<u>Ingredients</u>						
QAQ - New vs. Old Proc. 72¢/lb. saving	QA	18	72	120	30	(1)
Sitol - Use liq. vs. dry Sitol in 2,9 Dimethyl oxida- tion 45¢/lb. saving	QA	80	-	24	100	
Reduced Sodium Methyiate	R&D	43	50	250	60	(2)
Dowtherm - Make vs. purchase	R&D	57	-	-	57	
Sub-Total		198	122	394	247	
<u>Labor and Salaries</u>						
Reduce staff from 18 to 17; and reduce labor	QA	251	-	48	350	
Manpower	R&D	45	20	20	60	
Sub-Total		296	20	68	410	
<u>Energy</u>						
Steam - Save 1168M#/Mo.	QA	133	108	144	200	
Electricity - Save 70M KW/Mo.	QA	8	24	48	10	(1)
Water - Save 2.5MM Gal./Mo.	QA	6	36	48	8	(1)
Sub-Total		147	168	240	218	
<u>Other</u>						
Incr. Fin. Yields by .5%	QA	59	72	108	100	
Reduce Substandard	QA	29	60	120	36	(3)
Cost reduc.by first-line supv.	QA	127	180	240	150	(4)
Waste Neutralization - Reduce caustic consumption by im- proved Ph control	QA	88	-	-	120	
Sub-Total		303	312	468	406	
QA GRAND TOTAL		944	622	1170	1281	

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

THIRD QUARTER - 1982

\$M

Area - CPC	Rsp'y	Realized Year to date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
<u>Labor and Salaries</u>						
Supv. from 18 to 13.5	CPC	170	216	216	230	
Wage from 44 to 40	CPC	210	144	144	300	
Manpower - Tech. from 11 to 10; Wage from 16 to 15	R&D	45	72	72	60	
Sub-Total		425	432	432	590	
<u>Energy</u>						
Economizer - #4 Boiler	Mech.	86	244	244	120	(7)
Ins. 200M Ga. #6 Fuel Oil						
Tank - Powerhouse	Mech.	10	-	16	16	
Sub-Total		96	244	260	136	
<u>Other</u>						
Reduce kerosene	R&D	13	-	100	30	
Pigment losses	R&D	-	40	40	40	
Substandard reduction	R&D	6	-	6	6	
Low cost BT-417/487	R&D	-	-	60	-	(5)
Powerhouse - Demineralizer						
Resin replacement	CPC	16	-	-	30	
Sub-Total		35	40	206	106	
CPC GRAND TOTAL		331	716	898	832	

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

THIRD QUARTER - 1982

\$M

Area - Control & E.R.	Rsp'y	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
<u>Energy</u>						
Shut down A-52/A-41, turn off utilities	Cont.	3	1	4	4	
Sub-Total		3	1	4	4	
<u>Labor and Salaries</u>						
Reduce N.E. from 5 to 4	E. R.	17	27	27	25	
Reduce Exempt from 9 to 7	E. R.	48	144	144	70	
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)						
Reduce Wage from 24 to 22)	Cont.	139	29	239	175	
Sub-Total		224	296	506	315	
<u>Other</u>						
Asbestos disposal	SH&E	20	-	-	50	
Copier Rental (A-52)	Cont.	2	-	2	2	
Computer Rental	Cont.	12	12	12	12	
Reduce Accts. Payable verifications charges from \$91M to \$60M/year	Cont.	18	-	30	24	
Relocate gasoline tank, 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 reduction	Cont.	38	-	60	45	
Sub-Total		90	12	148	134	
CONTROL & E.R. GRAND TOTAL		317	309	658	453	

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NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

THIRD QUARTER

\$M

Area - Mechanical	Rsp'y	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
<u>Maintenance Material</u>						
Incr. use of recond. mat'ls.	Mech.	31	40	40	40	
Alloy repair of glass-lined kettles	Mech.	1	-	20	1	
Better contract adm. through bid packages	Mech.	21	-	72	30	
Incr. SMD sales	Mech.	15	-	20	20	
Expand use of T&M vs. bid price on CPC steel repl. due to un- certainties for bid	Mech.	16	40	40	20	
Spare caustic scrubber fan installed in CPC	Mech.	11	4	4	15	
Use avail. C&P equipment vs. rental	Mech.	6	-	10	10	
New vendor-road repair	Mech.	12	20	20	30	
Protective coat plt. roads	Mech.	-	-	30	10	
Auth'd. proj. will elim. sewer line emergency repairs	Mech.	11	28	28	20	
Undefined items	Mech.	55	25	50	58	
Sub-Total		179	157	334	254	
<u>Labor and Salaries</u>						
Expand use of Chambers Works shop facilities	Mech.	8	50	50	10	
Red. exempt from 29 to 26	Mech.	170	120	120	225	(6)
Red. wage from 119 to 112	Mech.	401	126	126	550	(8)

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

THIRD QUARTER

\$M

Area - Mechanical (Cont.) <u>Labor & Salaries (Cont.)</u>	Rsp'y	Realized Year to Date	SAVING FORECAST			Notes
			Committed	Goal Total	Current Estimates	
Less use of temp. supervisors	Mech.	9	2	2	10	
Incr. productivity of insulators	Mech.	23	-	60	35	
Undefined items	Mech.	38	25	50	45	
Sub-Total		649	323	408	875	
<u>Energy</u>						
Improve steam trap maintenance program	Mech.	23	150	300	75	(9)
Roller bearing vs. old babbit bearing on two new CPC mills	Mech.	11	27	27	15	
Impr. doors and windows Mechanical Bld.	Mech.	34	-	10	40	
Miscellaneous	Mech.	18	-	-	20	
Sub-Total		86	177	337	150	
MECHANICAL GRAND TOTAL		914	657	1079	1279	

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

THIRD QUARTER 1982

NOTES

- (1) Decreased savings due to reduced production demand.
- (2) Program to reduce sodium methylete by 10% was not successful.
- (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.