

INTER-OFFICE MEMORANDUM

TO L. H. Oppenheim
AT Oakland

DATE January 18, 1968

FROM D. A. Daly

AT Middletown

JOB NO. 6471-00

COPIES TO See Distribution

SUBJECT Summary Cost and Comparison to Estimate Report - December, 1967
Middletown Works Expansion Program, Armco Steel Corporation

Attached is the December, 1967 Summary Cost and Comparison to Estimate Report for the Middletown Works Expansion Program.

Project 6471-00, Indirect Management Costs for 1967, was closed out this month with an overall project saving of \$9,518 below the appropriation, and project 6471-08, Oxygen Systems, was closed out with an overall project saving of \$84,020 below the appropriated amount.

A supplemental appropriation for project 6471-10, Power Distribution, was received in the amount of \$751,000 covering scope changes recognized by Armco and reduces the indicated appropriation overrun by the same amount.

No changes were reflected in projects 6471-13, Railroads and Rolling Stock; 6471-14, Locker Rooms; 6471-50, Green Coil Storage Building; 6471-56, No. 4 Strip Pickler Facilities; 6471-59, No. 5 Strip Pickle Line; and 6471-60, Tandem Cold Mill.

Major changes are in 6471-28, Basic Oxygen Shop, which increased \$558,124, and in 6471-48, Hot Strip Mill, which increased \$591,820.

Details of these significant changes are as follows:

6471-28, Basic Oxygen Shop

- | | |
|---|----------------|
| - Increase in structural steel quantities for the BOF Shop | 190,770 |
| - Decrease in structural and miscellaneous steel quantities for the Lab and Office Structure | (119,408) |
| - Decrease in foundation concrete and related work in the Pump Enclosure | (98,800) |
| - Increase for Steam Tracing, pipe insulation, and field wiring in the Gas Handling System | 255,000 |
| - Increase for cost of instrumentation control panel for Gas Handling System | 50,000 |
| - Increase in concrete encasement quantities for BOF Shop Raceways | 88,700 |
| - Increase in Engineering & Staff to cover preparation of bills of material, abandoned engineering and additional engineering required for authorized changes and electrical drawings deleted from Chemico's work | 202,000 |
| - Minor changes | (10,138) |
| | <u>558,124</u> |



KEN 009819

January 18, 1968

6471-48, Hot Strip Mill

- Increase in Metalwork accounts required by remaining work to complete the fume elimination ductwork, walkways and platforms, and final payments to structural steel subcontractor	53,280
- Increase in major mill equipment (United) to cover escalation payment	469,800
- Increase to cover rework for month of December	58,230
- Increase for minor changes	10,510
	<u>591,820</u>

The increase for 6471-28, Basic Oxygen Shop is offset by a reduction of \$558,124 in contingency, and the increase for 6471-48, Hot Strip Mill is offset by a reduction of \$591,820 in Evaluated Exposure.

Other significant changes during December include increases of \$30,425 in 6471-05, Water Systems; \$9,000 in 6471-46, Slab Mill; \$25,000 in 6471-86, Pollution Abatement, Pickling Waste Disposal; and a decrease of \$77,200 in 6471-09, Gas-Fuel Systems.

The remaining projects show either minor changes or offsetting minor increases and decreases for a net increase of \$5,742.

DAD:ms

Distribution:

Oakland

W. F. Bort
J. L. Friedman
J. E. Hughes
E. D. Lowell
H. O. Tracy
R. J. Wolf
Butler
R. D. Sahlberg

Middletown

C. Billings (3)
H. C. Boucher
R. C. Hulseman
J. W. Irvin
F. X. Kast
G. L. Roberts
B. H. Scott

R. Auld (7110)
E. J. Denner (7143, -45, -46, -48)
J. J. Healy (7150, -56, -59)
K. D. Killin (7150, -56, -59)
C. R. Schwalen (7143, -45, -46)
C. C. Smith (7160)
R. D. Smith (7186)
S. Wortman (7128)

KEN 009820

KAISER ENGINEERS
INTER-OFFICE MEMORANDUM

TO R. J. Wolf
AT Oakland

DATE December 22, 1967

FROM E. D. Lowell
ORIGINAL SIGNED BY
ED. LOWELL

COPIES TO

AT Oakland

JOB NO. 6471-00

SUBJECT Indirect Costs for Middletown

In reference to Don Daly's memo dated December 11, 1967 on the same subject, we have prepared a study on prior KE jobs with the following results:

- A. Percent contractor's field overhead, construction plant, engineering, supervision and procurement costs are of total direct construction costs, all with 100% overhead on engineering, etc. costs, and based on costs at the time of construction.

Job No. 55111	- Fontana	12.62%
Job No. 5942/6227	- Ashland	11.94%
Job No. 5522/55100	- Ravenswood	13.37%
Job No. 6326	- D. R. Mill, Fontana	12.19%
Summary of preceding jobs		12.89%

- B. Percent contractor's field overhead, construction plant, engineering, supervision and procurement costs are of total direct construction costs. The 100% overhead applied to detail design only with the balance at 20%.

Job No. 55111	- Fontana	12.00%
Job No. 5942/6227	- Ashland	11.19%
Job No. 5522/55100	- Ravenswood	12.76%
Job No. 6326	- D. R. Mill, Fontana	11.38%
Summary of preceding jobs		12.25%

Attached is a copy of my worksheet for your records.

I have not sent a copy of this material to Don as I was not sure that we would want it in the Middletown area at this time.

EDL:ow
Attach.

KEN 009821

6171 STEEL PLANT FACILITIES
ARMCO, MIDDLETOWN, OHIO

KEN 009818