

Request For Capital Expenditures/Retirements		REPORTING CLASSIFICATION C-1	DATE APPROVED 6/22/83	JOB ORDER NO. PP-5858
DIVISION OR COMPANY Polymer Products		SUMMARY OF AMOUNTS		
LOCATION Chicago Plant	J.O. CONTROL POINT 097	DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
JOB TITLE Install liners in dry white mill		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		ECONOMICS as called for in General Procedure Memo #3 Attachment C. (Attach calculations)		REVISION DETAIL (GROSS AMOUNTS)			
	AMOUNT			REV.#	DATE	AMOUNT	CUM. AUTHORIZATION
COST	2000	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	2500	PAYOUT OF NEW FIXED CAPITAL		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 1 week of approval	COMPLETION DATE	
ITEM NO.	DESCRIPTION	MATERIAL	LABOR	ENGINEERING	TOTAL
	See Attached				
NET CASH REQUIRED		7508	1000	100	8608

ACCOUNTING TREATMENT		DEPR. RATE	APPROVALS	
ITEM NO.			NAME	DATE
	DR \$ 500 Dism. to Depr. Reserve	7 1/4%	PROJECT SPONSOR R. Johnson <i>R. Johnson</i>	5/5/83
	DR \$ 368 Oper. Expense		<i>Al Jaffy</i>	5/11/83
	DR \$7740 Equipment (320)		<i>AM Solisti</i>	6/22/83
	DR \$2000 Depr. Reserve			
	CR \$2000 Equipment (320)			
ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOX(ES)) ☒ <i>HHS</i> ☐ <i>CR</i>			DATE 6/12/83	
POST AUDIT PERIOD		POST AUDIT DUE DATE		DIVISION PRESIDENT/DIRECTOR
DISTRIBUTION				CORPORATE OFFICER

PROPOSED WORK & COST

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

8608

PRESENT SITUATION

PPG Industries, a major customer with potential annual sales of M1.5 pounds has changed their specification with regard 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 develop a chemical means for controlling oil absorption and particle size, two in the plant by upgrading our carbonate mill. ^{1c}

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 losing an estimated M1.5 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.

N14628.01

COMMERCIAL FACTORS

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

	<u>(K\$/lbs.)</u>	<u>K lbs.</u>	<u>K \$</u>	<u>Marginal Income</u>	<u>K \$</u>	<u>POS</u>	<u>%</u>
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.

6/22/82

DETAIL SHEET

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SHEET NO.

JOB ORDER NO.

DATE

May 18, 1983

COMPANY

AMERICAN CYANAMID

LOCATION

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
	<u>DISMANTLEMENT</u>	<u>ACQUISITION</u> <u>DATE</u>	<u>VALUE</u>	<u>DISPOSITION</u>	
	MILL LINER	1971	2,000 EST	SCRAP	