Request For Capital Expenditures/Retirements

REPORTING CLASSIFICATION	DATE APPROVED	JOB ORDER NO.
D-1	2/27/86	PP-1347

DIVISION OR COMPANY: Polymer Products Div.

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

JOB TITLE: Purchase and install watt meter

SUMMARY OF AMOUNTS

DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
ESTIMATED PROJECT COST		$8077.
DISMANTLEMENT EXPENSE		
TRANSFER EQUIPMENT		
GROSS AMOUNT FOR APPROVAL		$8077.
LESS TRANSFER EQUIPMENT		
LESS SALVAGE OR TRADE-IN ALLOWANCE		
NET CASH REQUIRED (GOF-3027)		$8077.

RETIREMENT DATA

	AMOUNT
COST	
DISMANTLEMENT	
LESS SALVAGE	
TOTAL - CHARGE RESERVE	

DESCRIPTION AND REASONS REQUIRED

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			

Funds of $8077.
are requested to purchase and install a watt meter recorder for the South Carbonator

RECEIVED
MAR - 3 1986
CHEM. GOP AC.

RECEIVED
M. ODIAN

cc: [illegible]

SUMMARY OF ESTIMATED COST - Details on GOF-3027

ESTIMATE NO.

STARTING DATE: 2 weeks after approval

COMPLETION DATE

ITEM NO.	DESCRIPTION	MATERIAL	LABOR	ENGINEERING	TOTAL
	See attached				
	NET CASH REQUIRED	5577.	2400	100	$8077.

ACCOUNTING TREATMENT

ITEM NO.		DEPR. RATE
0980	DR # 165 OPER. EXPENSE DR # 791Y EQUIPMENT (3Y0)	7-1½ %

ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOX(ES)) ☒ ☒ DATE 12/8/86

POST AUDIT PERIOD

POST AUDIT DUE DATE

DISTRIBUTION

APPROVALS

NAME	DATE
PROJECT SPONSOR	1/3/86
	1/6/86
	2-27-86
DIVISION PRESIDENT/DIRECTOR	
CORPORATE OFFICER	

NA 300 REV. 5-77 5-77

DESCRIPTION AND REASONS REQUIRED

PROPOSED WORK AND COST

Funds totaling $8077.00 are requested to purchase and install a watt meter recorder for the South Carbonator.

PRESENT SITUATION

Lead stabilizer customers have been tightening their specifications as well as adding new parameters. In the carbonate area we lost one * customer (PPG) and have had supply problems with two others.

The carbonate process, started in the early 40's has generated many millions of good quality pounds over the years but tighter control is now a must.

We have already increased the instrumentation on the process to improve our control and data keeping. Recent development work indicates the most effective tool to control the process end point is a wattmeter to record loading on the 100HP motor. In the past the end point was determined by a visual inspection of a sample pulled from the carbonator.

JUSTIFICATION

It has been found by both laboratory experiments and plant trials, that acceptable and reproducable Carbonate can be made by pulling the batch with the aid of a watt meter on the carbonator motor. A rental watt meter easily shows the correct point to the operator as when to pull the batch giving consistant results which meet the customers requirements..

DETAILS OF PROPOSAL

A Esterline Angus recording watt meter will be purchased and installed in the south carbonator motor circuit

PRODUCTION FACTORS

This proposal will improve product quality by providing an exact end point for the operator in which to terminate his reaction.

* PPG's annual requirement is 800k lbs. We lost our 50% supply position due to poor quality. Installation of the wattmeter would eliminate further erosion of market share due to quality problems. The quality problems resulted in losing the PPG business which would have been k$263 in sales and k$79 in POS. With continuing quality problems we could potentially lose our 1986 estimated sales of k$224 with POS of k$30. The wattmeter installation may assist us in realizing our estimated sales and possibly help in regaining position at PPG.

CYWI 25-0007234

CONTINGENT FUTURE COMMITMENTS

This proposal will not require additional funds to complete.

ALTERNATIVES CONSIDERED

No additional alternatives were considered.

RISKS

No operating risks are involved.

CONCISE SUMMARY

Purchase a recording watt meter to improve quality and customer acceptance.

COMMERCIAL FACTORS

THIS ORDER SUPPORTS A PLANT BUDGET FOR LEAD STABILIZERS AS FOLLOWS:

k $/ LBS	SALES		MARGINAL INCOME		POS	
	LBS	$	$	%	$	%
Budget for 1985 all stabilizers	6,500	4,345	1,921	44.2	914	21
Actual all stabilizers first ten months	3,271	1,854	738	39.8	(129)	0
Litharge first ten months	145	37	11	15.2	(15)	0

CYWI 25-00007236

GOP-5027 REV. 7/62 PRINTED IN U.S.A. 7/62

DETAIL SHEET

SHEET NO.	JOB ORDER NO.	DATE
		Dec. 23, 1985

COMPANY	LOCATION
American Cyanamid	Chicago

ITEM OR CODE NO.	DESCRIPTION	EQUIPMENT OR MATERIALS	LABOR	ENG. MECH. SVC.	TOTAL
0V01	Watt meter	2626		100	2726
0V02	Electrical installation	2500	2000		4500
0V03	Cabinet	270	400		670
0V04	Shipping	16			16
0980	Ill. State and use tax (EXP.)	165			165
	Totals	5577	2400	100	$8077.

N14577.03

CYWI 25-0007237

National® Brand 45-606 Eye-Ease® 45-706 20/20 Buff Made in USA

DRUZBACKY'S ESTIMATE OF WHAT WILL BE SOLD IN 1986 - CYASTAB 15

	QTY Kilos	PRICE	SALES $K
PACKHARD ELECT	400	.46	184
SOUTH CHEM	50	.66	33
GRUMBACHER	10	.65	7
TOTAL	460	.487	224
VARIABLE COST		.3116	(143)
MARGINAL INCOME			81
P.C			(16)
			65

N14577.04

CYWI 25-0007238

RECEIVED

J. LINDSAY

JOHN ~

BUD DID NOT KNOW THE MAGNITUDE OF THE SALES FOR LEAD CARBONATE, I SPOKE TO JIM DRUZBACKY WHO GAVE ME THE ATTACHED ESTIMATE OF WHAT HE FEELS THE SALES FOR CYASTAB 15 WILL BE IN 1986.

IF WE LOOK AT THIS ON A MARGINAL INCOME BASES + ASSUME SALES TO BE 1/12, PAYBACK WOULD BE A LITTLE OVER A MONTH. (SEE ATTACHED)

ONE OTHER THING TO CONSIDERED IS THAT WE LOST THE PPG 50% SUPPLY POSITION DUE TO POOR QUALITY, THE CARROT FOR THIS DEAL WOULD BE TO TRY + REGAIN SOME OF PPG'S 800K/LBS ANNUAL REQUIREMENT. WHEN + IF THIS WOULD HAPPEN + AT WHAT PRICE AND QUANITY JIM WOULD NOT VENTURE A GUESS.

BUD HAD INDICATED THE RENTAL COST FOR THE METER IS $560/PER MONTH.

WISDOMER HAS A PROBLEM WITH THIS CAPITAL REQUEST BECAUSE WE ARE RESERVING AGAINST GETTING OUT OF THE BUSINESS AND AT THE SAME TIME ADDING CAPITAL. HE FEELS WE ARE BEING INCONSISTENT WITH OUR PHILOSOPHY.

Jab
2/12/86

N14577.05

CYWI 25-0007239