

October 19, 1967

TO: R. M. Burns
FROM: H. G. North
RE: Purchases Of Asbestos Fibre

For some time now, we have been purchasing the bulk of our asbestos fibres from Johns-Manville, via Smith & Kanzler largely due to two reasons:

1. Mr. Binger was felt to be the more knowledgeable - procurement-wise recognizing his background on fibre.
2. Smith & Kanzler, as a distributor for Johns-Manville, granted a 5% discount on certain grades of fibre where they had not done so previously.

Several things have occurred which I feel change past procurement policies.

1. Mr. Binger is no longer a member of our organization.
2. Other approved sources would have met the 5% discount on any given type and still will.
3. Acquisition by Dana and conversion to a profit center concept makes it mandatory for effective procurement.

Summary

We would like to resume control over at least the portion of the fibres required for this profit center, utilize more than one source (if we feel that a more effective procurement job can be done) and we believe that this is possible.

The yearly contracts will be up on December 31, 1967 - we should be sitting down with our people sometime next month for initial discussions. We would appreciate your comments, inasmuch as we must assure Mr. Sheehan that every effort is being expended to reduce costs.

H. G. North

jm

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DANA-091

<u>Type Of Asbestos Fibre</u>	<u>Cost Per Ton</u>	<u>Total Purchased To Date In 1967</u>	<u>Application</u>	<u>Number Of Approximate Sources</u>	<u>Source Normally Used</u>
4-K	220.00 Per Ton less 5%	90,000 lbs.	Victopac	2	Johns-Manville (Now Obsolete) Via S&K
5-K	165.00 Per Ton less 5%	2,490,000 lbs.	Victopac	2	" "
5-R	140.00 Per Ton less 5%	800,000 lbs.	Asbestos Millboard	1	Lake Asbestos
6-DAX	101.00 Per Ton less 5%	150,000 lbs.	Asbestoprene	2	Johns-Manville Via S&K
7-MF5	47.00 Per Ton less 10%	40,000 lbs.	Corpac	2	" "

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