Monsanto

FROM (NAME & LOCATION) Sauget, Ill.

DATE June 27, 1968

cc: Messrs. J. R. McClain
J. W. Molloy
R. D. Williams
R. S. Yates
R. M. Kountz

SUBJECT Start-up Expense Budget for Aroclor Expansion Project (CEA 1800)

REFERENCE

TO : Mr. W. A. Kuhn (2)
General Offices

Attached for your approval is the Start-up Expense Budget for the Aroclor Expansion Project including estimates of Preparation Expense and Operation Expense. These estimates have been prepared to conform to policy given in Controller's Bulletin 12-06 and Organic Division Bulletin No. OA 5-1.

The totals for Preparation Expense and Operation Expense are summarized below.

Preparation Expense	- $82,000
Operation Expense	- $33,000
Total Start-up Expense	- $115,000

The total start-up Expense of $115,000 is approximately 7⅓% of the estimated capital provided on CEA 1800 for this project. The basis for the timing of the start-up is Revision No. 5 of the Master Project Schedule dated 5/20/68.

The attached pages give a detailed break-down of expense estimates by type and an estimate basis for major expense items.

Service Account Number 916.55 will be used to collect Preparation Expense charges. These charges will be closed out to the division start-up account (715.00) monthly.

Starting in July, a variance report comparing actual start-up expenses with budget will be sent to you monthly.

H. F. Ray

Mfg. Representative

ghw

Approval J. W. Molloy
J. W. Molloy

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IN 10 REV 11-65

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Preparation Expense Budget

Aroclor Expansion (CEA 1800)

Job No. 916.55

Budget Item Factory Expense	Totals	3rd Qtr. 1967	4th Qtr. 1967	1st Qtr. 1968	Phase I June 1968	2nd Qtr. 1968	Phase I July 1968	Phase I Aug. 1968	Phase II Sept. 1968	3rd Qtr. 1968	Phase II Oct. 1968	4th Qtr. 1968
Chemicals (505)	7,000	0	0	0	0	0	0	0	0	0	7000	7000
Utilities	5,150	0	0	0	1000	1000	1000	0	0	1000	3150	3150
Mfg. Wages (570)	5,790	0	0	0	100	100	965	0	0	965	4725	4725
Mfg. OH (578)	810	0	0	0	15	15	140	0	0	140	655	655
Salaries (575)	16,450	600	900	1500	1200	2200	1200	1650	4200	7050	4200	5200
Salaries OH (578)	2,950	100	150	250	200	350	200	300	650	1150	650	300
Factory Supplies (590)	8,000	0	0	0	0	0	1000	2000	3000	6000	2000	2000
Laboratory (610)	3,300	0	0	0	0	0	1000	1000	1300	3300	0	0
Clothing & Laundry (614)	2,900	0	0	0	0	0	100	0	0	100	2800	2800
Safety Equipment (613)	400	0	0	0	0	0	100	0	100	200	200	200
TSD (621)	3,000	0	0	500	500	500	1000	0	1000	2000	0	0
Mech.Expense (694)	20,000	0	0	0	0	0	1000	1000	8000	10000	10000	10000
Sub-Total -	75,750											
Other Expense												
Vendor Fees (715)	5,000	0	0	0	0	0	0	1000	1000	2000	3000	3000
Meetings (798)	1,000	0	0	0	0	0	0	0	500	500	500	500
Office Supplies (864)	250	0	0	0	0	0	100	0	100	200	50	50
Sub-Total -	6,250											
TOTAL -	82,000											

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Estimated Preparation Expense

for

Aroclor Expansion (CEA 1800)

Job No. 916.55

1. Chemicals — $7,000

Phase I

Since only storage tanks and associated equipment are involved, it is anticipated no start-up cost for chemicals will be incurred. — $0

Phase II

Process simulation on new process equipment using Aroclor 1242 -10,000G. @ $0.70/gal. — $7,000

2. Utilities — $5,150

Phase I

	6/68	7/68
Steam @ 15% Std. -	$900	$900
Electricity @ 10% Std. -	$100	$100
	$1000	$1000

Phase II — 10/68

Steam @ 40% Std. -	$2500
Electricity @ 25% -	250
Purchased Water @ 50% Std.	$400
	$3150

3. Mfg. Wages — $5,790

Phase I	No.	Rate	Hours	Cost
Repairman	2	3.705	24	90
Second Operator	5	3.540	180	635
Std. Operator	2	3.405	48	165
Swingman	1	3.855	12	45
				935
Vac. & Hol. @ 12.824% -				130
				$1065

Phase II	No.	Rate	Hours		Cost
Premium Operator	4	3.660	240		880
Still Operator	4	3.620	480	(1)	1735
Second Operator	4	3.540	48		170
Swingman	1	3.855	60		230
Swingman	1	3.620	320	(1)	1160
					$4175
Vac. & Hol. @ 12.824% -					550
					$4725

(1) New classifications. Will receive training on straight time. All others are regular department personnel and will be trained on overtime.

4. Mfg. Wages O.H. (13.993%) — $810

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5.	Salaries (Training, Start-up Planning, Preparation for Start-up)	$16,450
	Phase I	
	a. Mfg. Representative $300/mo. - 8/67 thru 12/67, $500/mo. 1/68 thru 8/68 -	$5,500
	b. Production Supervisor $250/mo. 6/68 thru 8/68	$750
	c. Production Foreman $450/mo. 6/68 thru 7/68	$900
		$7,150
	Phase II	
	a. Mfg. Representative $500/mo. 9/68 thru 10/68	$1,000
	b. Start-up Foreman $900/mo. 8/68 thru 10/68	$2,700
	c. Production Supervisor $250/mo. 9/68 thru 10/68	$500
	d. Shift Supervision 3 men $850/mo. 9/68 thru 10/68	$5,100
		$9,300
6.	Salaries OH (17.75%)	$2,950
7.	Factory Supplies a) Housekeeping Equipment b) Safety Signs c) Equipment Tags d) Safety Equipment e) Laboratory Equipment f) Miscellaneous Start-up Supplies	$8,000
8.	Laboratory a) Develop routine methods for electrical property measurement based on Organic Research Work. b) Analyst Training	$3,300
9.	Clothing & Laundry (5% of Wages)	$2,900
10.	Safety Equipment	$400
11.	Technical Services a) Training Assistance b) Materials Engineer c) IFO Review	$3,000

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12. Mechanical Expense — $20,000

Phase I -	$ 2,000
Phase II -	$18,000
	$20,000

Includes:

a) Equipment, Instrument and Electrical checkout prior to start-up (beyond nominal service provided by Engineering).

b) Alterations to equipment prior to and during process simulation (water batching).

c) Maintenance coverage during start-up.

13. Vendor Fees — $5,000

14. Meetings — $1,000

15. Office Supplies — $250
$50/mo. - 6/8 thru 10/68

Total - $82,000

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Operation Expense Budget

Aroclor Expansion

(Over-and-Above Standard)

Budget Items	Totals	Phase I Aug.'68	Phase I Sept.'68	3rd Qtr. '68	Phase I Oct.'68	Phase II Nov.'68	Phase II Dec. '68	4th Qtr. 1968
Utilities	3,000	1000	1000	2000	1000	0	0	0
Salaries	5,100	0	0	0	0	2,550	2,550	5,100
Salaries OH	900	0	0	0	0	450	450	900
Factory Supplies	2,000	0	0	0	0	1,000	1,000	2,000
Laboratory	2,000	0	0	0	0	1,000	1,000	2,000
Mechanical Expense	20,000	0	2000	2000	0	9,000	9,000	18,000
TOTAL -	33,000							

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Estimated Operation Expense
for
Aroclor Expansion (CEA 1800)
(Over-and-Above Standard)

Following is the basis for estimating Operation Expense for the Aroclor Expansion Project. These costs are for over and above standard costs for chemical operation. All other costs were assumed at standard.

Utilities (Tank farm on line prior to Mfg. Plant) Phase I Steam @ 15% Std. - 900 Elec. @ 10% Std. - 100 1000/mo. 8/68, 9/68, 10/68	$3,000
Salaries (Shift supervision on start-up) Phase II Shift Supervision 3 men @ $850/mo. 11/68 & 12/68	$5,100
Salaries OH (17.750%)	$900
Factory Supplies $1000/mo. over-and-above standard 11/68 & 12/68	$2,000
Laboratory $1000/mo. over-and-above standard 11/68 & 12/68	$2,000
Mechanical Expense Phase I - $2,000 Phase II - $18,000 $20,000 Includes: All mechanical expense required for minor modifications and correction of facilities to obtain smooth and trouble free operation at design rate, quality and cost.	$20,000
TOTAL -	$33,000

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