90-3072-1

MEMORANDUM

TO	SUBJECT	
Mr. Harvey J. Borgen	EXXON WASHINGTON - Newport News - 1976 shipyard Period	
FROM	DATE	FILE NO.
W. A. Ingham, Jr.	November 11, 1976	

11/4/76 - latest projected total cost figures from Mr. Reynolds via phone this date.

Material - included tugs, drydock, etc. and 10% $202,242.00

Repairs

Straight time hours @ $12.50 -	$84,475MH =	1,055,937.5
1 1/2 time hours @ $16.00 -	3,030MH =	48,480.0
double time hours @ $19.50	520MH =	10,140.0
Included betterments total	$88,025MH =	1,114,557.5

Material -	$202,242.00
Repairs -	1,114,557.50
Total -	$1,316,799.50

Note: Factors to consider in negotiating final settlement - too many items took too many hours to complete. Instead of a particular item taking (x) number of hours - an excessive number of items were dragged out - ie; boilers, condensers, butterworth heater, evaporator, feed pumps, sandblasting, pipe work, catwalk, etc.
Material strike - slowed work - I told branch to take people off job who couldn't get material - He suggested no he'd make an adjustment in manhours charged in order to keep job moving during strike. He did not.

On second shift - He promised not to remove people to other jobs - but he did and often - key personnel were changed at will.
We had numbers of people working on items but at a noticeably slower rate in the last several years.
The cumulative effect of the above plus difficulty in getting material out of yard shops is indicated in the manhour production rate graph which should normally show a decline in manhours as items are completed as the yard period draws to a close. The graphs show no such decline in manhours.

In my opinion, the reason for the slowdown is capable yard personnel seeing less capable personnel being hired at the same pay with the same benefits to do the same job and getting the same rewards and the resentment is obvious.

WAI:kvm