

TO: *As Listed

November 28, 1978

FROM: J. C. Susil

~~JCS 288-78~~

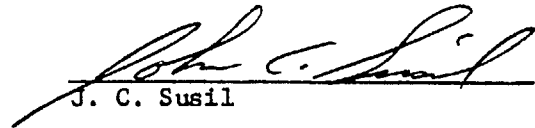
*N. N. Coulter
J. C. Doedyns
D. G. Whitcomb
M. A. John
D. O. McDaniel
C. K. Iorio
T. L. Markham

W. R. Timman
S. Gregorcyk
G. A. Baumgartner
G. L. Cade
C. F. Hall
G. E. Wallace

ARTHUR BROTHERS CONSTRUCTION PROCEDURES

Attached for your use and reference is a revised copy of ARTHUR BROTHERS CONSTRUCTION PROCEDURES.

It is expected that improvements will be developed as we go. Any suggestions you have to make operations smoother will be appreciated.

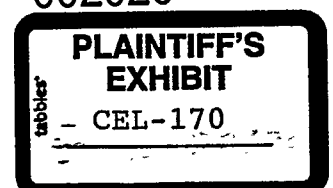

J. C. Susil

JCS:ds

Enc.

cc:
Jim League - Pampa
G.J. Hayman
Roger Farrow - Clear Lake
Jim Harper
W.F. Soward - Bay City
W.W. Hampton
Bill Hartman - CCCTC

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MATERIAL

Material required by ABI is obtained in the following ways:

- 1) Material for a job is usually ordered by the Celanese Engineer. This material can be withdrawn from the warehouse whenever ABI is ready to work on a job. If material is short on a job ABI can write a requisition for the shortage and get the Engineer in charge of that job to approve the requisition or ABI can inform the Engineer of the shortage and request him to order the necessary material.
- 2) Material for the ABI overhead cost accounts is obtained by ABI writing a requisition. These requisitions are sent to the Plant Engineering Superintendent for approval.
- 3) Material can be ordered directly from the companies with which there are open purchase orders. Writing of requisitions to cover these purchases is covered under "INVOICES".
- 4) A list of supplies and expendable items which can be obtained from the Tool Room or Warehouse is attached (ATTACHMENT A). If these items are out of stock or in short supply they can be obtained by any of the methods mentioned above.

INVOICES

Accounting sends all invoices for items that ABI has requisitioned to ABI for approval. These invoices are checked for correct price and proper cost coding. These invoices are approved by the ABI Superintendent and then forwarded to the Plant Engineering Superintendent who approves and returns to Accounting.

Invoices for items ordered against open purchase orders are checked against the ABI release tickets. If they agree, a requisition is written and the requisition, along with the invoice and release tickets, is forwarded to the Plant Engineering Superintendent. The requisition is then approved and sent to Accounting.

MANPOWER

The ABI Superintendent is responsible for analyzing and forecasting manpower requirements based on projected workloads. Major changes in manpower requirements will be reviewed with the Plant Engineering Superintendent to see if schedules can be rearranged to permit leveling of manpower requirements. The ABI Superintendent then makes adjustments in manpower level as needed.

Authorization for overtime is secured from the Project Engineer, Engineering Group Leader, Plant Engineering Superintendent, or appropriate Operations Representative.

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MANPOWER (Continued)

The ABI Superintendent is responsible for all ABI personnel on the plant site. All matters of employment of ABI personnel, including qualifications, supervision, and discipline, are an ABI responsibility.

CONSTRUCTION OVERHEAD

Jobs done by ABI are billed at the monthly average hourly rate plus the ABI mark-up which covers payroll taxes, insurance, employee benefits, and profit. An additional charge is applied to all capital jobs to cover overhead costs which are paid directly by Celanese. This charge ranges from 10% - 30%, and is adjusted periodically to offset actual cost. Construction overhead costs which are paid directly by Celanese are charged to the cost accounts as defined in ATTACHMENT B.

Salaries and wages for the ABI Superintendent, the Safety Coordinator, and the Office Clerks (Payroll, etc.) will be accumulated separately each month. The total of these wages and salaries will be divided by the total ABI hours worked, and the resultant charge/hour will be added to the ABI average hourly rate. In this way, the in-plant ABI administrative cost will be allocated to all ABI manhours worked, whether expense or capital, instead of being charged strictly to the 24900 (construction overhead) account.

General Foremen will be charged directly to overhead unless their time is spent exclusively on a major project.

In general, expendable supplies and rental equipment are charged to the overhead account. However, special items for a particular job only, may be charged directly to the project. For example:

- 1) If weldrod for a specific job is of a type not commonly used, or if it is required in quantities large enough to be delivered directly from the supplier to the project, then those charges go directly to the project. Weldrod bought from the warehouse is normally charged to the overhead account.
- 2) Equipment required for a project is charged to the overhead account. However, if a project wishes to use a piece of equipment exclusively, to the exclusion of all other projects, then that equipment cost should be borne by that project.

REQUISITIONS

All requisitions for material, office supplies, equipment, etc., written by Arthur Brothers are approved by Arthur Brothers' Superintendent. After approval, by Plant Engineering Superintendent (or the Project Engineer if requisition is charged to a project), requisitions are handled as follows:

- 1) Sent directly to Purchasing - Purchasing orders needed items, arranges for our equipment to be repaired, etc., and returns a copy of the purchase order to ABI.

REQUISITIONS (Continued)

- 2) Sent to Material Expediter - Items under \$25 can be purchased from petty cash. He also assists in obtaining items needed in a hurry by letting Transportation pick them up on their trips to Corpus Christi, Kingsville, etc.

EQUIPMENT

Arthur Brothers makes out a requisition for additional equipment or to get equipment repaired, and it goes to Plant Engineering Superintendent for approval. It is processed in the manner described in the section on requisitions. Additional dump trucks with drivers are rented on open purchase order limited to a certain number of hours. Vacuum trucks for Arthur Brothers are obtained by calling the Labor Office and letting them arrange to get one on their open purchase order number. Rental of equipment from ABI should be avoided in order to minimize potential for conflict of interest.

TOOLS

Arthur Brothers furnishes all tools under \$200. Supplies and expendable items, which are furnished by Celanese, are specified on the attached list (ATTACHMENT A). Celanese furnishes all tools over \$200 and specialty tools. Most expendable items are obtained at the Warehouse or Celanese Tool Room. Items which are not stocked in the Warehouse or Tool Room are obtained by writing a requisition and processing as described above.

REPORTS PREPARED BY ARTHUR BROTHERS

- 1) Daily Schedule
Written by: ABI
Distribution: Maintenance (5)
K. Nix
J. C. Susil
J. Doedyns
R. Harden
Norman Coulter
D. Lockwood
Safety Warehouse
Arthur Bros. Foremen (4)
Purpose: Gives information to Celanese management and aids
Arthur Bros. foremen in scheduling next day's work.
- 2) ABI Construction Status Report (Weekly)
Written by: ABI
Distribution: J. C. Susil (6) - Chemical Company Report
J. Doedyns (Plastics Company Report)
J. Merian (Plastics Company Report)
J. C. Susil (Plastics Company Report)
M. A. John (Chemical Company Report)
Chemical Maintenance (6) (Chemical Company Report)
- 3) Monthly Equipment List (Rental & Celanese)
Written by: ABI
Distribution: J. C. Susil and J. C. Doedyns
Purpose: List of current rental equipment and Celanese equipment which is assigned to Arthur Brothers. Also gives rental rates and payout date on rental equipment. Any movement or disposition of equipment should be noted.
- 4) Construction Manpower Projection (Monthly)
Written by: ABI
Distribution: J. C. Susil (2)
M. A. John
J. C. Doedyns
Purpose: Forecast future requirements from projected workload in order to allow leveling of manpower and planning of ABI hiring requirements.
- 5) ABI Overhead Cost Analysis (Monthly)
Written by: ABI
Distribution: J. C. Susil and J. C. Doedyns
Purpose: Report monthly charges to overhead cost accounts for control of 24900 account.

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REPORTS PREPARED BY CELANESE

- 1) Weekly Arthur Brothers Personnel Report
Written by: D. O. McDaniel
Distribution: R. W. James
J. C. Susil
M. A. John
T. L. Markham
Norman Coulter
D. G. Whitcomb
P. J. Volpe
Purpose: Gives numbers and types of people on Arthur Bros. payroll.
- 2) Weekly Labor Distribution
Written by: Computer printout from timecards.
Distribution: D. O. McDaniel (Chemical Maintenance)
Mr. Pinkston (Celcon)
Mr. Harden (Celcon)
Norman Coulter (Crafts)
Purpose: Shows what job each man's time was charged to.
- 3) Monthly Purchase Order Commitments Summary
Written by: Computer printout.
Distribution: J. C. Susil
Norman Coulter
Purpose: Listing of purchase orders for construction supplies which are charged to construction overhead.
- 4) Work Order 24900 Report
Written by: Computer printout.
Distribution: J. C. Susil
Norman Coulter
Purpose: Shows material commitments against construction overhead accounts.
- 5) Monthly Labor Distribution
Written by: Computer printout.
Distribution: Complete report: Ms. Ferguson, Mr. Simank
Mr. Pinkston (Celcon), Mr. N. Coulter, Mr. Downing
D. O. McDaniel (Chemical Maintenance)
Purpose: To convert labor distribution to dollars.
- 6) ABI Equivalent Headcount
Written by: General Accounting
Distribution: D. G. Whitcomb J. C. Susil
A. C. Enlow B. P. Hanson
T. L. Markham P. J. Volpe
M. A. John I. R. (Recap page only)
Purpose: Recap total monthly ABI work force in terms of average men per month and 40 hours per week.

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ATTACHMENT A
SUPPLIES & EXPENDABLE ITEMS
FURNISHED BY CELANESE
January 1, 1977

ITEMS

- 1) Chipping Gun Points
- 2) Concrete Breaking Points
- 3) Diamond Point Chisels
- 4) Masonry Drills
- 5) Drill Bits
- 6) Reamers
- 7) Taps
- 8) Replacement Dies
- 9) Torch Lighter Flints
- 10) Welding Hood Lens
- 11) Cutting Goggles Lens
- 12) Welding Leads & Grounds Special Order
- 13) Blasting Hose, Nozzles, & Connectors Special Order
- 14) Welding & Cutting Units & Accessories Special Order
- 15) Welding Supplies (Electrodes & Gases) Special Order
- 16) All Files
- 17) All Pipe Cutter Wheels
- 18) Cutting Oil
- 19) Penetrating Oil
- 20) All Lubricating Oil
- 21) All Greases
- 22) Permatex
- 23) Graphite
- 24) All Wire Brushes

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- 25) Wire Buffing Wheels
- 26) Grinding and Cutting Discs
- 27) Grinding Stones & Wheels
- 28) All Abrasive Cloths
- 29) Grinding Compound
- 30) Needle Gun Needles
- 31) Sandblast Hood - Clear Glass
- 32) Air Hose & Authorized Fittings
- 33) Tarps
- 34) Drop Cloths
- 35) Water Hose
- 36) Paint Hose Special Order
- 37) Metal Markers (Stencils)
- 38) All Gasket Materials
- 39) Rags
- 40) Janitor Supplies
- 41) Gloves for use with Toxic Chemicals
- 42) Hand Cleaner
- 43) All Wire Rope
- 44) Chokers & Slings
- 45) Rope (Manila) over 5/8"
- 46) Filter Mask for Tank Car Rack Special Order
- 47) Bits for Shears Special Order
- 48) Ice & Salt Tablets Safety
- 49) Carpenter Chalk & Powder
- 50) Hammer Handles

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- 51) Shim Stock
- 52) Soap Stone
- 53) Lumber Crayon
- 54) Band-It Materials & Buckles
- 55) Curing Compounds
- 56) All Saw Blades
- 57) All Brushes

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ATTACHMENT B
ARTHUR BROTHERS
OVERHEAD COST ACCOUNTS
(2-4900-XXX)

<u>Cost Acct.</u>	<u>Description</u>	<u>Remarks</u>
901	Salaries (Labor Only)	All ABI overhead salaries. Includes general foremen, except superintendent and clerical help as defined on Page 2 "Construction Overhead", clerks, warehousemen, and instrument men. Foremen and leadmen are charged directly to the jobs they supervise.
906	Rentals (Material & Labor)	Includes all leased or rented equipment, tools, furniture, office machines, vehicles, etc., used on construction. Operators for cranes, cherry pickers, go-devils, etc., are charged to labor.
908	Janitorial & Clean-up (Material & Labor)	Janitor services and supplies in construction offices, clean-up outside battery limits of jobs and around shops. Clean-up at jobsites should be charged to work orders.
909	Equipment Repair (Material & Labor)	Repair and maintenance of rented and Celanese owned equipment. Mechanics and mechanic helpers are charged to labor. Also includes routine servicing and inspection.
912	Office Supplies (Material Only)	Stationery items and other expendables. Does not include furniture or equipment.
917	Testing & Lab Services (Material & Labor)	Environmental testing, welder qualification tests.
919	Show-up Pay (Labor Only)	Per contract.
921	Benefits (Material & Labor)	Distribution of drinking water and lunches for unscheduled overtime.
922	Temporary Facilities (Material & Labor)	Installation, erection, or construction of temporary construction facilities as requested or approved by Celanese Plant Engineer.
923	Construction Supplies (Material Only)	Supplies and consummable items which are not directly chargeable to individual work orders.
927	Purchased Equip- ment & Tools (Material Only)	Purchase cost of equipment and tools costing \$200 or more which are not furnished by ABI

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