NA 3006 REV. 11-69 11-69

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REQUEST AND AUTHORITY FOR CAPITAL EXPENDITURES / RETIREMENTS

REPORTING CLASSIFICATION	DATE APPROVED	JOB ORDER NO.
D 5	1/9/78	OC-3853

DIVISION OR COMPANY: Organic Chemical Dept.

LOCATION: Chicago, Illinois

J.O. CONTROL POINT: 097

JOB TITLE: Install locker room heating system

SUMMARY OF AMOUNTS

DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
ESTIMATED PROJECT COST		$4500.
DISMANTLEMENT EXPENSE		
TRANSFER EQUIPMENT		
GROSS AMOUNT FOR APPROVAL		$4500.
LESS TRANSFER EQUIPMENT		
LESS SALVAGE OR TRADE-IN ALLOW.		
NET CASH REQUIRED (GOF-3027)		$4500.

RETIREMENT DATA	AMOUNT	ECONOMIC JUSTIFICATION	6-YEAR AVG.	REVISION DETAIL (GROSS AMTS.) REV. #	DATE	AMOUNT	CUM. AUTHORIZATION
COST		NET SALES		1			
DISMANTLEMENT		NET SAVINGS BEFORE TAXES		2			
LESS SALVAGE		NET AFTER TAXES		3			
		% ROI (ON TOTAL INVEST.)		4			
		PAYOUT YRS.		5			
TOTAL - CHARGE RESERVE				6			

DESCRIPTION AND REASONS REQUIRED

Funds of ----------$4500.00
are requested to install a new heating system in the employees locker room.

SUMMARY OF ESTIMATED COST - Details on GOF-3027

ESTIMATE NO.	STARTING DATE	COMPLETION DATE
	12/21/77	1/23/78

ITEM NO.	DESCRIPTION	MATERIALS	LABOR	ENGINEERING	TOTAL
	Install heaters and new duct work	$1500.	$1643.	$220.	$3363.
	Electrical hook-up	$ 500.	$ 537.		$1037.
	Illinois Sales and Use Tax	$ 100.			$ 100.
	NET CASH REQUIRED	$2100.	$2180.	$220.	$4500.

ACCOUNTING TREATMENT

ITEM NO.		DEPR. RATE
	Dr. $4,400 P. P. & E. (132) Dr. $100 Expense as incurred	7 1/4%

RECOMMENDATIONS AND APPROVALS (CHECK BOX)

NAME	REC.	APPR.	DATE
PROJECT SPONSOR: R. Johnson	✓		1/3/78
[illegible]	✓		1/3/78
[illegible]	✓		1/9/78
[illegible]		✓	1/9/78

ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOX(ES)): ☒ [illegible] ☐ [illegible] DATE 1/11/78

POST AUDIT PERIOD

POST AUDIT DUE DATE

GENERAL MANAGER

DISTRIBUTION: JAN 10 [illegible]

VICE-PRESIDENT

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DESCRIPTION AND REASONS REQUIRED

A. Proposed Work and Cost

Funds totaling ----------$4,500.00
are requested to install a new heating system in the employees locker room.

B. Present Situation

All production and supervisory personnel are required to shower at the end of their shift in accordance with industrial hygiene regulation. Presently the only source of heat in the five room locker-shower complex is a unit heater in one locker room and a radiator in the rest room. This is not adequate and is creating a morale problem.

C. Justification

The installation of a central heating system will:

a. Assure adequate heat throughout all five rooms.

b. Improve employee morale.

c. Keep the locker room under a slight positive pressure at all times which will minimize the amount of lead dust entering the locker room from the work area.

D. Commerical Factors

This order supports a 1977 plant budget as follows:

First ten (10) months of 1977

Sales-Pounds	Sales-Dollars	Profit on Sales
6,616,000	$3,064,000	786,000 (25.7%)

Budget for 1977

Sales-Pounds	Sales-Dollars	Profit on Sales
7,950,000	$13,985,000	$1,062,000 (26.6%)

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E. Details of Proposal

An electric heater will be installed in the existing air conditioning system which will allow for equal distribution of heat throughout the five rooms.

F. Production Factors

This proposal will not alter production quality or production rates.

G. Contingent Future Commitments

This proposal will not require additional funds to complete.

H. Alternatives Considered

Installation of steam heat instead of electrical heat was rejected because of cost. Due to design and space limitations a complete new system would have to be installed instead of modifying the present duct work.

I. Risks

No operating risks are involved.

J. Concise Summary

The installation of heat in the locker room will provide the employees with the proper climate in which to take their mandatory shower.

RJ:ck

R. Johnson