

Request For Capital Expenditures/Retirements

REPORTING CLASSIFICATION

DATE APPROVED

JOB ORDER NO.

E-1

6/14/85

PP-1193

4100

DIVISION OR COMPANY

Polymer Products, Div.

Chicago Plant

J.O. CONTROL POINT
097

JOB TITLE

Purchase particle size measurement instrument.

SUMMARY OF AMOUNTS

DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
ESTIMATED PROJECT COST		\$23,760.
DISMANTLEMENT EXPENSE		
TRANSFER EQUIPMENT		
GROSS AMOUNT FOR APPROVAL		\$23,760.
LESS TRANSFER EQUIPMENT		
LESS SALVAGE OR TRADE-IN ALLOWANCE		
NET CASH REQUIRED (GOF-3027)		\$23,760.

RETIREMENT DATA

ECONOMICS

as called for in General Procedure Memo #3
Attachment C. (Attach calculations)

REVISION DETAIL (GROSS AMOUNTS)

	AMOUNT		REV.#	DATE	AMOUNT	CUM. AUTHORIZATION
COST		ECONOMICS PERIOD	1			
DISMANTLEMENT		NET SALES	2			
LESS SALVAGE		NAT (PROFIT/SAVINGS)	3			
		TOTAL INVESTMENT	4			
		% ROI (ON TOTAL INVEST.)	5			
		INTERNAL RATE OF RETURN	6			
TOTAL - CHARGE RESERVE		PAYOUT OF NEW FIXED CAPITAL	7			

DESCRIPTION AND REASONS REQUIRED

Funds of \$23,760.
are requested to purchase a particle size distribution measurement instrument - HORIBA CAPA - 500.

RECEIVED

MAY 16 1985

M. ODIAN

Closed
10/85

RECEIVED

SUMMARY OF ESTIMATED COST - Details on GOF-3027

ESTIMATE NO.

STARTING DATE

ITEM NO.	DESCRIPTION	MATERIAL	LABOR	ENGINEERING	TOTAL
	Particle size measurement instrument	\$22,000.		CHEM. GRP. AC.	\$22,000.
	Illinois sales and use tax	1,760.			1,760.
	NET CASH REQUIRED	\$23,760.			\$23,760.

ACCOUNTING TREATMENT

DEPR. RATE

APPROVALS

ITEM NO.	ACCOUNTING TREATMENT	DEPR. RATE	NAME	DATE
0198	DR. \$1760 OPERATING EXPENSE	7 1/2	Project Sponsor	5/10/85
	DR. \$22,000 EQUIPMENT (320)			5/14/85
				5/20/85
				5/23/85

ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER (CHECK BOXES)

POST AUDIT PERIOD

POST AUDIT DUE DATE

DATE

DIVISION PRESIDENT/DIRECTOR

DISTRIBUTION

CORPORATE OFFICER

DESCRIPTION AND REASONS REQUIRED

A. PROPOSED WORK AND COST

FUNDS TALLING _____ \$23,760.00
are requested to purchase a Horiba particle size
distribution instrument.

B. PRESENT SITUATION

Our only means of determining particle size is a wet screen technique. This method is time-consuming. Each analysis takes about ½ man-hour and 1½ hours elapsed time to complete. It is somewhat operator- dependent for its accuracy, and only provides a single data point; Percent greater than 325 mesh (44 microns). In addition, this method results in substantial quantities of Lead-containing effluent which must be disposed of. Disposal is a serious problem. It cannot legally be put into the dumpster or sewer, and recycling to process water is suspected of having an adverse effect on product quality.

The screens used in the present test method are delicate, and must be replaced from time to time, at a cost of about \$77.00 each.

Various customers have requested particle size distribution data on our products from time to time. We had to have the work done in Stamford at considerable cost and time delay.

C. JUSTIFICATION

This instrument will enable us to test our products faster and more accurately. Time savings would be on the order of 400 man-hours per year.

Quality control would also be improved by providing a hard copy of results for future reference.

This instrument will also solve a serious effluent disposal problem.

N14602.01

C. JUSTIFICATION (CONTINUED)

The ability to generate more sophisticated particle size analysis data will also improve our image with customers and enable us to do development work we now cannot handle.

D. COMMERCIAL FACTORS

This order supports a 1985 budget as follows:

BUDGET FOR 1985

<u>SALES- POUNDS</u>	<u>SALES - DOLLARS</u>	<u>PROFIT ON SALES</u>
6,500,000	4,345,000	914,000 (37.7%)

FIRST 3 MONTHS OF 1985

<u>SALES - POUNDS</u>	<u>SALES - DOLLARS</u>	<u>PROFIT ON SALES</u>
1,461,058	834,000	142,000 (17%)

E. DETAILS OF PROPOSAL

A Horiba Centrifugal Particle Size Distribution Analyzer Model CAPA 500 will be purchased. Included in the purchase price are installation, a one year warranty on parts and labor, and required accessories. The instrument will be installed in the laboratory of the Chicago Plant.

F. PRODUCTION FACTORS

This proposal will help assure high product quality.

G. CONTINGENT FUTURE COMMITMENTS

This proposal will not require additional funds to complete.

H. ALTERNATIVES CONSIDERED

Six other varieties of particle size distribution instruments were evaluated, and found to be less suitable.

I. RISKS

No operating risks are involved.