

FGC: ~~100~~ 4116: RF
XF: OSHA Labeling

TO: R. E. Lehmkuhl

FROM: Tom Grumbles
DATE: September 4, 1985

Interoffice
Communication

SUBJ: OSHA LABELING REQUIREMENTS: PROPOSED VISTA SYSTEM

VISTA

The OSHA Hazard Communication Standard requires that by November 25 all containers of hazardous materials, as defined by OSHA, must be labeled with specific information. The OSHA "hazard" definition is very broad and will cause approximately 75% of our products to be labeled. There is no volume exemption in the regulation and samples will also be labeled.

In order to comply with this standard, we have reviewed the options to produce and maintain the required labels. There are basically two choices as described below.

1. Purchase label stocks: This would involve having an outside vendor design and print label stock for each product required to be labeled. Initial estimates based on the lowest of three vendor quotes indicate this method would cost approximately \$20,000 for the first year and approximately \$15,000 per year after the initial year. The high cost is for silk screen labels, which is the cheapest process to produce "cured" labels so the ink will not smear and rub off if contacted with the contents of container.

The advantage to this method is that little in-house labor is necessary to produce the labels. The disadvantages are the time to produce a new label (4-6 weeks), logistics and costs of label stocking, and coordination of reprinting stocks to assure volume discounts are achieved.

2. In-house Computer Design and Printing: This option involves purchasing a system to design and print labels in-house. The "system" includes a software label design package, and a special printer. Additionally a PC is necessary to "drive" the system. The software allows for professional style label design. The printer is necessary to enable the production of durable labels with appropriate graphics, such as the Vista logo. Several systems have been reviewed and based on current estimates, the initial cost for a system meeting our needs would cost approximately \$14,500. This system cost includes a printer, software package, installation, training, and maintenance. There is no cost for the PC because arrangements have been made with S&T to use an existing unit. Label stock for the first year needs would cost approximately \$8,000. Annual costs to maintain the labeling program after the initial costs are estimated at \$5,000-6,000.

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The advantages to this system are flexibility to design and print new labels on demand, flexibility to change existing labels with no cost, and there would be no label stocking costs.

Although in-house labor will be necessary for this system, it has been decided that the new production specialist in Public Relations can handle this work load.

Based on a review of the options available, it is recommended that an in-house computer driven labeling system be obtained. The reasons for this choice are the:

1. initial cost is nearly the same as purchasing labels for the first year, with subsequent yearly costs being one-third of the purchase option.
2. flexibility to meet requirements for new labels.
3. potential to use the system for other design and printing needs such as Material Safety or Technical Data Sheets.

Please let me know if you need further details on the logistics and operation of the recommended system.



Thomas G. Grumbles

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cc DAK

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