



**Request For Capital
Expenditures/Retirements**

REPORTING CLASSIFICATION C2	DATE APPROVED 9/25/79	JOB ORDER NO. OC-4799
SUMMARY OF AMOUNTS		
DESCRIPTION	LOCAL CURRENCY	U.S. DOLLARS
ESTIMATED PROJECT COST		\$3,500
DISMANTLEMENT EXPENSE		700
TRANSFER EQUIPMENT		
GROSS AMOUNT FOR APPROVAL		\$4200
LESS TRANSFER EQUIPMENT		
LESS SALVAGE OR TRADE-IN ALLOWANCE		
NET CASH REQUIRED (GOF-3027)		\$4200

DIVISION OR COMPANY
Organic Chemicals Division

LOCATION
Chicago Plant

J.O. CONTROL POINT
097

JOB TITLE

Replace manhole and sewer line

RETIREMENT DATA		ECONOMICS		REVISION DETAIL (GROSS AMOUNTS)			
	AMOUNT	as called for in General Procedure Memo #3 Attachment C. (Attach calculations)		REV.#	DATE	AMOUNT	CUM. AUTHORIZATION
COST	2,000	ECONOMICS PERIOD		1			
DISMANTLEMENT	700	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	2,700	PAYOUT OF NEW FIXED CAPITAL		7			

DESCRIPTION AND REASONS REQUIRED

Funds of -----\$4200
are requested to remove the existing manhole and sewer line of
approximately 40 feet in length, to the plant, and replace with new.

<u>Dismantlement</u>	<u>Acq. Date</u>	<u>Acq. Amt.</u>	<u>Disposition</u>
Manhole & Sewer Line	6/71	2,000	Scrap

SUMMARY OF ESTIMATED COST - Details on GOF-3027		ESTIMATE NO.	STARTING DATE	COMPLETION DATE	
				Completed	
ITEM NO.	DESCRIPTION	MATERIAL	LABOR	ENGINEERING	TOTAL
	Replace manhole and sewer line	1900	2100	200	4200
NET CASH REQUIRED		1900	2100	200	4200

ACCOUNTING TREATMENT		DEPR. RATE	APPROVALS	
ITEM NO.			NAME	DATE
	Dr. \$3,500 P. P. & E. (196)	7 1/4%	<i>R Johnson</i>	8/27/79
	Cr. \$2,000 P. P. & E. (232)		<i>JAC Gaffey</i>	8/28/79
	Dr. \$2,000 Res. for Depr. (232)		<i>HA McKenney</i>	9/12/79
	Dr. \$700 Res. for Depr. (432)			9/12
ACCOUNTING TREATMENT / ECONOMICS APPROVED BY DIV. CONTROLLER [CHECK BOX(ES)]			DIVISION PRESIDENT/DIRECTOR	
☒ <i>BSA</i>				
POST AUDIT PERIOD		DATE		
		9/25/79		
DISTRIBUTION			CORPORATE OF	

A. PROPOSED WORK AND COST

Funds of -----\$4,200
are requested to remove the existing manhole and sewer line of approximately 40 feet in length, to the plant, and replace with new.

B. PRESENT SITUATION

The Chicago Plant is under citation by the Metropolitan Sanitary District of Greater Chicago (MSDGC) due to lead concentrations in the effluent in excess of the 0.5 ppm limit.

Installation of an effluent filtration system has reduced the lead concentration; however, due to ground water seepage into the sewer line and manhole, there has always been a higher concentration of lead in the samples taken at the manhole versus samples taken at the filter discharge. The MSDGC always samples at the manhole and the latest samples shows lead concentrates above 0.5 ppm.

C. JUSTIFICATION

Eliminating the water seepage into the sewer line and manhole, coupled with other process changes will reduce the lead concentrate of the effluent below 0.5 ppm, thereby preventing a punitive action by the MSDGC which could be a complete plant shutdown and/or a substantial fine.

D. COMMERCIAL FACTORS

This order supports a plant budget as follows:

<u>First Seven (7) Months of 1979</u>		
<u>Sales-Pounds</u>	<u>Sales - Dollars</u>	<u>Profit on Sales</u>
5,369,230	\$3,520,900	892,800 (25.4%)
<u>Budget for 1979</u>		
<u>Sales-Pounds</u>	<u>Sales-Dollars</u>	<u>Profit on Sales</u>
8,650,000 8,650,000	\$4,512,000	1,548,000 (34%) 955,000 (21%) - gross profit

E. DETAILS OF PROPOSAL

Excavate manhole and sewer line from the manhole to the edge of building 19, a distance of approximately 40 feet. Replace both the manhole and sewer line with new. Backfill with approved material.

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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

There are no alternatives.

I. RISKS

No operating risks involved.

J. CONCISE SUMMARY

Replacement of the manhole and sewer line will help to insure that the plant meets the effluent discharge requirements of the M.S.D.C.C.