**ACC BCC Expansion**

**Due to the rising market demand for basic copper carbonate powder, American Chemet Corporation has elected to invest to increase production capacity at their manufacturing plant in East Helena, MT.**

**American Chemet Corporation**

**145 Highway 282**

**East Helena, MT 59635**

**May/02/2025**

**Acceptance Criteria: Double capacity of the current bcc plant, build out a duplicate plant, budget is $10,000,000, completion date of Dec/31/2026.**

**Deliverables: Two identical bcc production plants making quality material.**

**Exclusions: Ancillary components not included, Labor force additions not included.**

**Constraints: Budget is $10,000,000, Deadline is Dec/31/2026, Labor force will not increase until completion.**

**Assumptions: Doubling current plant uses no new technology, Duplicate plant to be as good or better than current, Current labor force is adequate during build outs.**

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# Introduction

This Project Scope Statement serves as a baseline document for defining the scope of the American Chemet Corporation Basic Copper Carbonate Production Capacity Expansion Project, project deliverables, work which is needed to accomplish the deliverables, and ensuring a common understanding of the project’s scope among all stakeholders. All project work should occur within the framework of the project scope statement and directly support the project deliverables. Any changes to the scope statement must be vetted through the approved Project Change Management Process prior to implementation. This completion date for this project is December 31, 2026.

# Project Purpose and Justification

American Chemet Corporation has passed a capital budgeting expenditure to increase production capacity of Basic Copper Carbonate. The purpose of this project is to meet market demands for quality Basic Copper Carbonate. American Chemet Corporation is the world leader in the products we produce and the markets we serve. This expansion will allow American Chemet Corporation to increase its’ market share in the Basic Copper Carbonate market. Having increased volumes of quality products available in the market generates a higher scrutiny over quality of material, pricing, availability, and on time delivery. American Chemet Corporation has an 80-year track record of providing quality products to customers around the globe and intends to do so with Basic Copper Carbonate. Not only does this expansion give American Chemet Corporation a competitive market advantage, but it also increases available jobs in the community. Through efforts towards continual improvement and innovation, adapting to market demands, and robust supply chains, American Chemet Corporation will continue to be a world leader in not one, but a family of copper-based chemicals & compounds for another 80-years.

# Scope Description

The scope of the ACC BCC Expansion project is to plan, design, build, and implement two major facilities upgrades. The first phase of the expansion is to double the capacity of the current production facility. This will effectively double the output of the current plant without an increased footprint. The second phase of the expansion will be to build out a second, identical plant, modelled after the newly doubled current plant. Both plants will consistently produce high quality products with preventative maintenance schedules to ensure maximum uptime. With the addition of these new and updated plants, American Chemet Corporation will become the domestic market leader in Basic Copper Carbonate sales.

# High Level Requirements

The BCC expansion has been approved to meet a market demand that American Chemet can supply. To successfully capture market share, there are several requirements that must be met. The following are the high-level requirements identified for the expansion project.

* Double output capacity of existing BCC plant.
* Build duplicate plant modelled after existing BCC plant (post expansion).
* Consistently produce quality product.
* Completion deadline of Dec/31/2026.

# Boundaries

The ACC BCC Expansion Project includes all work associated with planning, designing, building, and implementing the new production plants. This includes gathering requirements, gathering input from all departments, conceptual and technical design and integration. These facilities upgrades will be documented thoroughly to ensure proper training once operational. This also includes training manuals, standard operating procedures, and materials associated with operations. Not included in the scope of this project are: Additional labor force requirements, ancillary equipment, or replacement components.

# Strategy

The ACC BCC Expansion project will leverage the talents, experience, and expertise of the current staff. This includes, but is not limited to: Engineering, R & D, QC, QA, Production, Purchasing, and Logistics. These departments will utilize existing plant drawings and blueprints to implement the expansion components as outlined in the scope statement. The project manager will ensure that all stakeholders receive premium lines of communication and opportunities for input.

# Deliverables

There are several deliverables to be produced because of the successful completion of the ACC BCC Expansion Project. If all the following deliverables are not met then the project will not be considered successful. The Project Manager is responsible for ensuring the completion of these deliverables.

1. Deliverable 1 – A doubled output capacity for the existing BCC plant, meeting the specifications described in the Project Scope Description.
2. Deliverable 2 – A duplicated plant, modeled after the post expansion existing plant, meeting the specifications described in the Project Scope Description.
3. Deliverable 3 – A complete and thorough Standard Operating Procedure, which provides step by step instructions on how to operate the new production facilities.

# Acceptance Criteria

Acceptance criteria have been established for the ACC BCC Expansion Project to ensure thorough vetting and successful completion of the project. The acceptance criteria are both qualitative and quantitative in nature. All acceptance criteria must be met to achieve success for this project:

1. Meet all deliverables within the scheduled time and budget tolerances.
2. Increase production capacity by 300%.
3. Improve American Chemet Corporation’s market share
4. Increase annual net revenue by $10,000,000

# Constraints

Several constraints have been identified for the ACC BCC Expansion Project. It is imperative that considerations be made for these constraints throughout the project lifecycle. All stakeholders must remain mindful of these constraints as they must be carefully planned for to prevent any adverse impact on the project’s schedule, cost, or scope. The following constraints have been identified for the ACC BCC Expansion Project:

1. External contractors will only work 15% of the billable hours.
2. Project manager will only work 75% of billable hours.
3. The Project Manager working only 75% of billable hours on this project is adequate to complete the project by December 31, 2026
4. The ACC BCC Expansion project has full support from senior management, the leadership team, and board of directors.

# Cost Estimate

The estimated costs for this project are included in the table below. As the project proceeds and any additional costs become known, this cost estimate will be refined and communicated to all project stakeholders.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Expense** | **Estimated Budget** | **Expended to Date** | **Estimate to Complete** | **Variance** |
| Internal | $165,000 | $54,000 | $151,000 | +/- $4,000 |
| External | $15,000 | $3,000 | $9,000 | +/- $1,500 |
| Software | $25,000 | $10,000 | $28,000 | +/- $3,000 |
| Components | $7,500,000 | $5,250,000 | $7,250,000 | +/- $75,000 |
| Other | $7,000 | $0 | $7,000 | +/- $500 |
| Contracted | $1,800,000 | $0 | $1,800,000 | N/A |
| **Total:** | **$9,512,000** | **$5,317,000** | **$9,245,000** | **+/- $100,000** |

# Cost Benefit Analysis

A cost benefit analysis has been performed for the ACC BCC Expansion Project. The successful completion of this project will provide significant benefits to American Chemet Corporation. It is imperative that all stakeholders understand these benefits as well as the importance of the successful completion of this project. The table below shows a net benefit of $59,000,000 over three years after successful completion of the ACC BCC Expansion Project. The total benefit of this expansion is incalculable due to the high market demand.

|  |  |  |
| --- | --- | --- |
|  | With Expansion Project | Without Expansion Project |
| Costs of Project |  |  |
| Recurring Cost | $2,000,000 | $500,000 |
| Non-Recurring Cost | $10,000,000 | $0 |
| Capital Costs | $10,000,000 | $0 |
| **Total Cost of Expansion Project** | **$10,000,000** | **$0** |
|  |  |  |
| Benefits (3 years) |  |  |
| Increase capacity by 300% | $59,000,000 | -$59,000,000 |
| Increase revenue by $10,000,000 | $10,000,000 | -$10,000,000 |
| Improve market share | N/A | N/A |
| **Total Benefits of Project** | **$69,000,000** | **-$69,000,000** |
|  |  |  |
| **Net Benefits of Project** | $59,000,000 | -$59,000,000 |
|  |  |  |

Sponsor Acceptance

Approved by the Project Sponsor:

Date:

Bill H. S.

President and CEO