

PRELIMINARY COST ESTIMATE FOR THE MANUFACTURE OF LOW PRESSURE MAGNESITE.

Set-up

Equipment:		\$600
Installation:	10 hours x \$ 120/hr	\$1,200
(for mixer if needed)		
(2 x 1 gal.) familiarization runs, 10 hrs total.		\$1,200
Total set-up cost:		\$3,000

Production

Labor:	343 hours x \$ 120/hr	\$41,160
Maint.:	17.2 hours x \$ 120/hr	\$2,058
Tolls:	43 days x \$ 400/day (discounted)	\$17,067

Materials:

Supplied by the customer

Waste Disposal:	443 gals @ \$2.50 /gal	\$1,108
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Total production cost:		\$61,393
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SUMMARY

Set-up cost:		\$3,000
Production cost:		\$61,393
Total cost:		\$64,393
No. of days for the campaign:		43
Product quantity:	200 lbs	
Cost of material per lb:	\$321.71 /lb	

BASED UPON OUR CURRENT SCHEDULE, WE CAN BEGIN THIS PROJECT IN THE FIRST OR THE SECOND WEEK OF OCTOBER, 1991.

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