

49-22

Schenectady, August 8, 1949

Mr. H. P. Arnold
Supervisor of Purchasing
FT. WAYNE WINTER STREET

We have followed through on the suggestions made by yourself and other Air-Conditioning people and have utilized specialist suppliers who members of the Purchasing Department provided and submit status summary accordingly.

On this job we studied certain parts from the hermetic compressor, not the entire compressor.

As usual, many of the parts were found to represent good value. They are listed at the end of the report.

There have been substantial raw material price decreases since some of the quotations were issued. No doubt further reductions will be applicable when you request revisions.

Copies of all quotations noted in the report are attached for your use.

If we can further assist on these items or any others, advise accordingly.

PURCHASING DEPARTMENT

L. D. Miles
Value Analysis Division

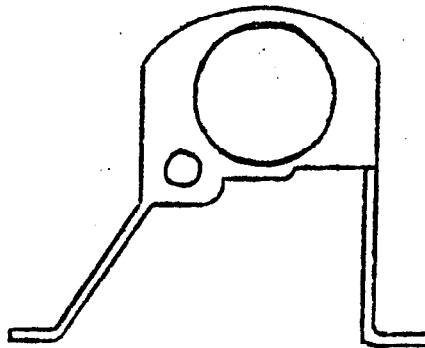
LDM:AEM

CC: F. J. VanPoppelen
G. W. Partington
O. L. Weitzman
S. J. Levine

VALUE ANALYSIS
CS HERMETIC COMPRESSOR

PURCHASING DEPARTMENT
Value Analysis Division

Fan Bracket
8747039 G1
100,000 per year



Present Cost
Proposed Cost

\$23.16/C
12.20/C



COMMENTS:

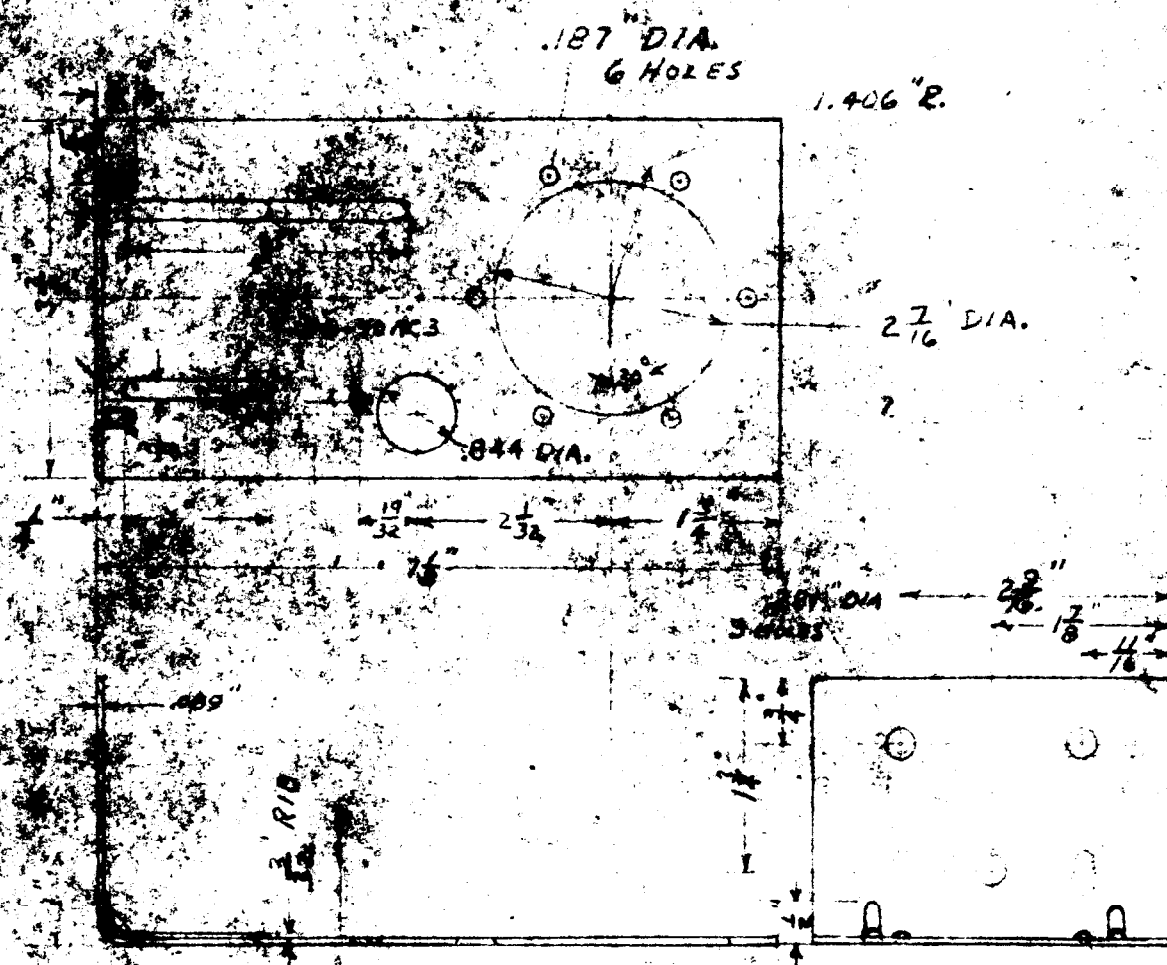
A stamping specialist quotes on a modified bracket as shown on the next page:

15,000 pieces	\$12.30/C
25,000 pieces	12.25/C
50,000 pieces	12.20/C

There would be a tool charge of \$1335.00.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM



MATL- SHEET STL.

CS FAN BRACKET

COMPILED BY 12/3/48 INSPECTED BY _____

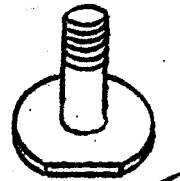
K SKETCH 12-2-48

SHEETS: SHEET NO. _____

GENERAL ELECTRIC COMPANY, SCHENECTADY 5, N. Y.

PRINTED IN U.S.A.

Screw
8133629



Present Cost
Proposed Cost

\$11.37/0 ✓

2.38/C ✓

\$ 8.99/0

COMMENTS:

1. A screw-machine parts vendor quotes the following:

10,000	\$29.80/M
50,000	25.50/M
100,000	23.80/M

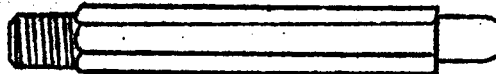
2. Another specialist quotes:

25,000	\$24.60/M
50,000	23.65
100,000	23.15

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AFM

Strainer Assembly
8703301
100,000 per year



Present Cost
Proposed Cost

\$16.03/C ✓
8.45/C ✓

COMMENTS:

The present part has an outer shell which requires drilling of much brass from the solid hex. bar.

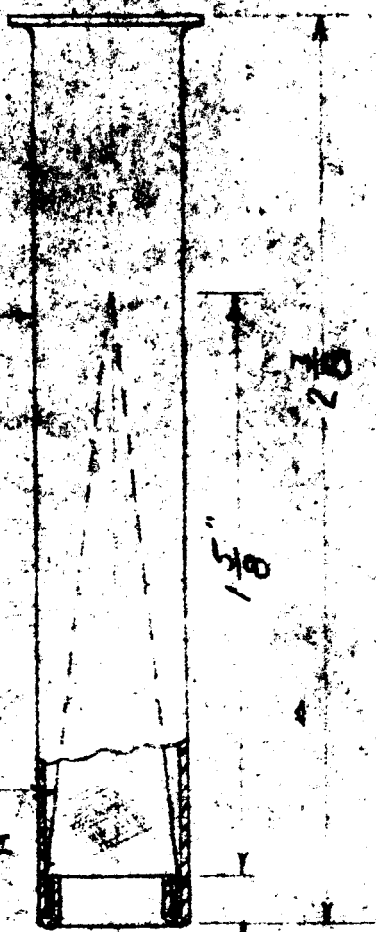
A strainer specialist has quoted \$8.45/C for a new design as shown on the following prints.

Copies of the prints and quotation have been given to purchasing and engineering representatives at Winter Street, Ft. Wayne.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

EXTENDED, FLANGED
 FERRULE .020 IN. WALL
 1/2" - BRASS



SCREEN
 150 MESH, TWILL WEAVE
 .003" MONEL WIRE.



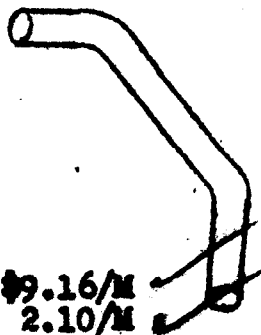
OIL FILTER
 CS COMPRESSOR

COMP. 11-26-48 INSPECTED BY K SKETCH 11-26-48

SHEETS: SHEET NO.

GENERAL ELECTRIC COMPANY, SHELTON, CONNECTICUT, U.S.A. PRINTED IN U.S.A.

Tube
8743452
100,000 per year



Present Cost
Proposed Cost

\$9.16/M
2.10/M

COMMENTS:

A vendor of non-ferrous tubing will supply this part with a tool charge of \$45.00. He quotes as follows:

25,000 pieces	\$21.87/M
50,000 pieces	21.47/M
100,000 pieces	21.06/M

If an O. D. of .250"/.254" can be used, the price would be as follows:

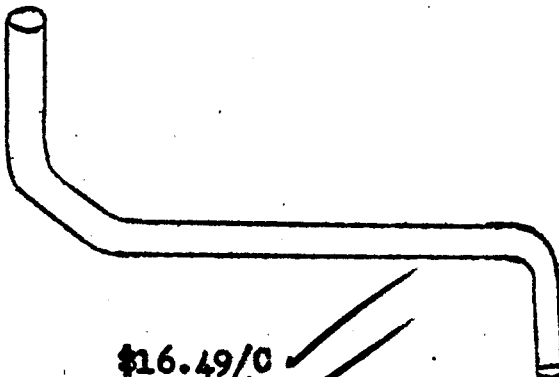
25,000 pieces	\$20.96
50,000 pieces	20.55
100,000 pieces	20.14

There would be a set-up charge of \$6.00 for any quantity in either case.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Tube
8747013
100,000 per year



Present Cost
Proposed Cost

\$16.49/C ✓
9.73/C ✓

COMMENTS:

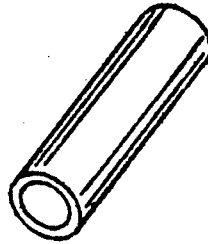
A vendor of copper tubing specialties will supply this part with a tool charge of \$90. He quotes as follows:

10,000 pieces	\$100.14/M
25,000 pieces	97.34/M
50,000 pieces	96.64/M

PURCHASING DEPARTMENT
Value Analysis Division

JHL:ARM

Tube
8165680-4
100,000 per year



Present Cost
Proposed Cost

\$3.96/c
0.684
\$3.176

COMMENTS:

1. A tubing specialist quotes:

20,000 pieces	\$7.33/M
40,000 pieces	6.84/M

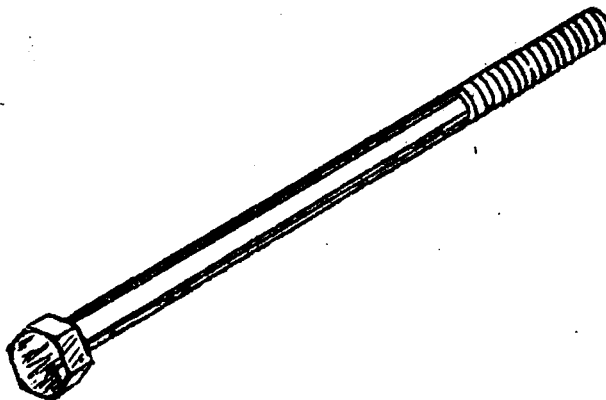
2. Another tube supplier quotes:

(195 lbs) 20,000 pieces	\$0.7522/lb.
less metal value	0.23375/lb.
(389 lbs) 40,000 pieces	\$0.7022/lb.
less metal value	0.23375/lb.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AFM

Screw
8717902
100,000 per year



Present Cost
Proposed Cost

\$3.84/C
\$1.18/C

COMMENTS:

1. A screw company quotes as follows:

25,000 pieces	\$11.84/M
50,000 pieces	11.09/M
100,000 pieces	10.71/M

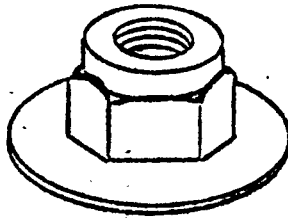
2. Another vendor quotes:

25,000 pieces	\$14.65/M
50,000 pieces	13.40
100,000 pieces	12.90

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AMM

Locknut and Washer
8743489



Present Cost
Proposed Cost

\$8.38/C
5.75/C

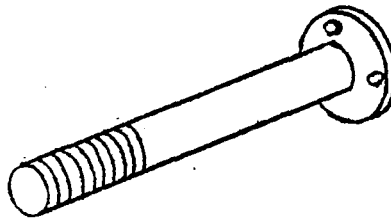
COMMENTS:

A vendor of locknuts will furnish the assembly in lots of 200,000 or more for \$57.50/M. There would be no tool charge.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AMM

Weld Bolt
8747054
100,000 per year



Present Cost	\$3.12/C
Proposed Cost	1.15/C

COMMENTS:

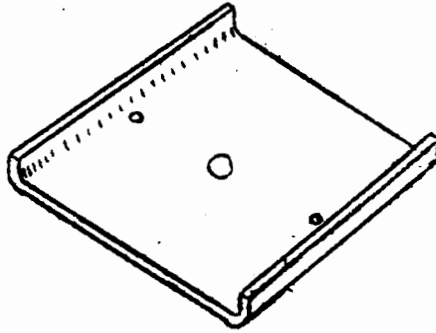
A supplier of screws and bolts will furnish the part per drawing at the following prices:

5,000 pieces	\$2.05/C
10,000 pieces	1.50/C
25,000 pieces	1.15/C
50,000 pieces	1.10/C

PURCHASING DEPARTMENT
Value Analysis Division

JHL: AEM

Bracket
8743115
100,000 per year



Present Cost
Proposed Cost

\$2.17/C
0.99/C

COMMENTS:

A stamping specialist will supply this part in

25,000 lots at	\$0.99/C
50,000 lots at	0.98/C

with a die charge of \$795.00.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Jiffy Clip
8747228-2
100,000 per year



Present Cost
Proposed Cost

\$1.94/C
0.80/C

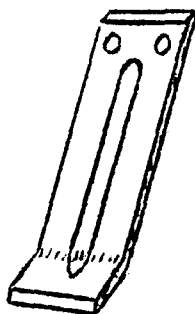
COMMENTS:

A fastener specialist will furnish this clip with a tool charge of \$500.00. He quotes \$8.00 per M.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Bracket
8747225G1
100,000 per year



Present Cost
Proposed Cost

\$4.23/C
3.10/C

COMMENTS:

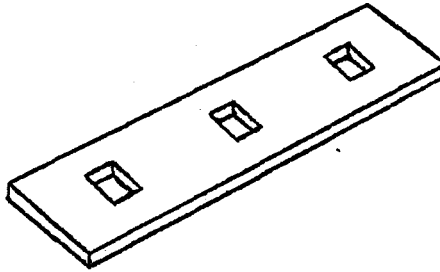
A stamping specialist quotes as follows with a die charge of \$520.00:

5,000 pieces	\$3.20/C
10,000 pieces	3.10/C

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Insulation
8717929
100,000 per year



Present Cost
Proposed Cost

\$2.30/C
1.30/C / \$6.00 set-up

COMMENTS:

A supplier of insulation parts quotes on #1834 compound:

5,000 and 10,000 pieces	\$13.04/M
Tool charge	\$80.00
Set-Up Charge	\$ 6.00

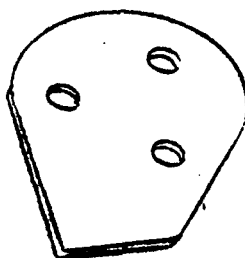
With #1838 as an alternate material, he quotes:

5,000 and 10,000 parts	\$14.37/M
Tool charge	\$80.00
Set-up charge	\$ 6.00

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Thrust Disc
8717775
100,000 per year



Present Cost
Proposed Cost

\$1.84/C
0.89/C

COMMENTS:

A vendor of stampings quotes as follows:

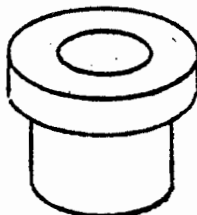
25,000 pieces	\$0.89/C
50,000 pieces	\$0.83/C

There would be a tool charge of \$77.00.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Bushing
8717933
100,000 per year



Present Cost
Proposed Cost

\$2.81~~C~~
1.96~~C~~

COMMENTS:

1. A specialist in screw machine parts quotes as follows:

25,000 pieces	\$19.60/M
50,000 pieces	18.75/M
100,000 pieces	18.10/M

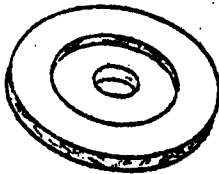
2. Another vendor will supply this part in:

25,000 lots at	\$24.60/M
50,000 lots at	23.65
100,000 lots at	23.15

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AMM

Retainer
8703295
100,000 per year



Present Cost
Proposed Cost

\$1.19/C
0.45/C

COMMENTS:

A stamping specialist quotes as follows:

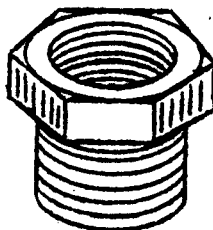
25,000 pieces	\$0.45/C
50,000 pieces	0.42/C
100,000 pieces	0.40/C

There would be a die charge of \$265.00

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Flare Nut (Inverted)
8703825-1
100,000 per year



Present Cost
Proposed Cost

\$1.77/C
1.10/C

COMMENTS:

1. A screw-machine parts specialist would furnish this nut at the following prices:

5,000 pieces	\$20.30/M
50,000 pieces	11.00/M
100,000 pieces	9.95/M

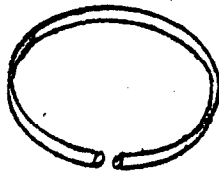
2. Another vendor quotes:

5,000 pieces	\$23.45/M
50,000 pieces	11.10/M
100,000 pieces	10.75/M

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Ring
8743448
100,000 per year



Present Cost
Proposed Cost

\$0.64/C
0.18/C

COMMENTS:

A spring vendor quotes as follows:

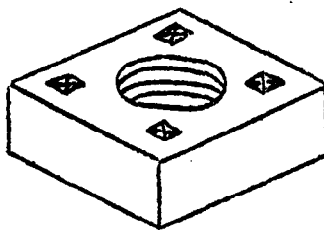
25,000 pieces	\$1.76/M
50,000 pieces	1.54/M
100,000 pieces	1.45/M

There would be no tool charge.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AFM

Welding Nut
5048419-9
100,000 per year



Present Cost
Proposed Cost

\$0.64/C
0.325/C
\$0.315

COMMENTS:

A screw manufacturer has developed a low-cost process of making weld nuts.

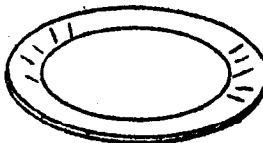
He quotes as follows:

50,000 pieces	\$3.25/M
100,000 pieces	\$3.10/M

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AFM

Retainer
8703918
100,000 per year



Present Cost	\$0.63/C
Proposed Cost	0.34/C

COMMENTS:

of A stamping vendor will supply this part in quantities

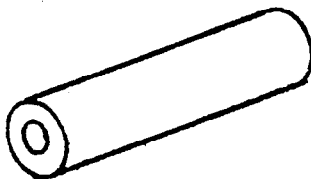
25,000 pieces at	\$0.34/C
50,000 pieces at	0.33/C
100,000 pieces at	0.32/C

There would be a tool charge of \$245.00.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AMH

Insulator
8102735-18
100,000 per year



Present Cost
Proposed Cost

\$0.85/C
0.75/C

\$0.10/C

COMMENTS:

A rubber company quotes:

10,000	\$0.99/C
25,000	0.79/C
50,000	0.75/C

This material is standard sponge rubber tubing. The tensile is slightly less than spec. A12A5A4, but all other requirements can be met.

Since this is a sound insulator, the tensile requirement should be lowered to take advantage of the cost saving.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Drive Screw
8102480-17



Present Cost	\$0.42/C
Proposed Cost	<u>0.13/C</u>
	\$0.29

COMMENTS:

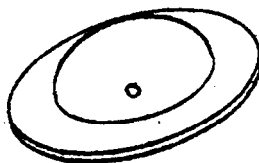
1. One vendor quotes \$1.40/M from stock.
2. Another vendor quotes as follows:

50,000 pieces	\$1.40/M
100,000 pieces	1.29/M

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Orifice
8717998
100,000 per year



Present Cost
Proposed Cost

\$1.42/ C
1.15/ C

COMMENTS:

A stamping vendor will supply this part at the following costs:

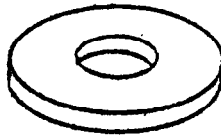
5,000 pieces	\$1.25/C
10,000 pieces	1.15/C
50,000 pieces	.84/C

There would be a die charge of \$360.00

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AKM

Washer
8717976
100,000 per year



Present Cost
Proposed Cost

\$0.80/C
0.57/C / \$5.00 set-up

COMMENTS:

1. A supplier of insulation products will furnish the part in #1838A

25,000 lots	\$6.27/M	
50,000 and over	5.73/M	
Plus set-up charge		\$5.00

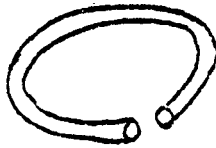
2. If #1834 compound can be used, a further saving will be realized:

25,000 lots	\$5.73/M	
50,000 and over	5.32/M	
Plus set-up charge		\$5.00

PURCHASING DEPARTMENT
Value Analysis Division

JHL: AEM

Clamp
8747368
100,000 per year



Present Cost	\$0.29/C
Proposed Cost	0.11/C

COMMENTS:

A spring vendor quotes as follows:

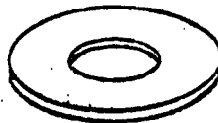
25,000 pieces	\$1.26/M
50,000 pieces	1.08/M
100,000 pieces	0.98/M

There would be no tool charge.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AMM

Washer
5803300-2



Present Cost
Proposed Cost

\$0.29/C
\$0.092/C

\$0.198

COMMENTS:

A vendor quotes as follows:

150,000 pieces	\$1.20/M
300,000 pieces	0.80/M

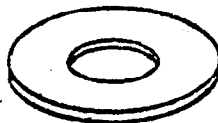
Plating extra	\$0.12/M
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These prices are based on a tolerance of $\pm .005$ " on
O. D. and I. D.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AFM

Washer
5803300-2



Present Cost	\$0.29/C
Proposed Cost	<u>\$0.092/C</u>
	\$0.198

COMMENTS:

A vendor quotes as follows:

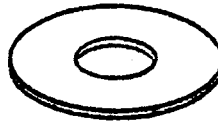
150,000 pieces	\$1.20/M
300,000 pieces	0.80/M
Plating extra	\$0.12/M

These prices are based on a tolerance of $\pm .005$ " on
O. D. and I. D.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AFM

Washer
5833494



Present Cost	\$0.38/C
Proposed Cost	<u>0.255/C</u>
	\$0.125/C

COMMENTS:

A specialist in insulation products quotes as follows:
(#1836 compound)

10,000 pieces	\$3.04/M
21,000 pieces	2.75
123,000 and over	2.55

Set-up charge \$5.00

By using an alternate material (#1834 comp.):

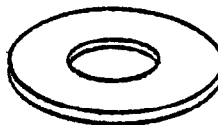
10,000 pieces	\$2.89/M
21,000 pieces	2.55
123,000 and over	2.41

Set-up charge \$5.00

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Washer
5803300-18



Present Cost
Proposed Cost

\$0.22/C
0.12/C
\$0.10

COMMENTS:

1. One vendor quotes:

100,000 pieces	\$1.18/M
200,000 pieces	1.18/M
Plating extra	\$0.29/M

2. Another vendor quotes:

100,000 pieces	\$1.20/M
200,000 pieces	1.20/M

JHL:AEM

PURCHASING DEPARTMENT
Value Analysis Division

Slug
8743447
100,000 per year



Present Cost
Proposed Cost

\$0.18/C
0.095/C

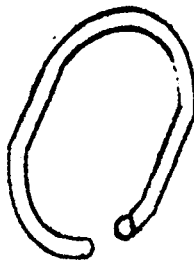
COMMENTS:

A supplier of non-ferrous metals will furnish this part with a bright dipped finish at \$0.95 per M. There would be no tool charge.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AEM

Clamp
8717991
100,000 per year



Present Cost
Proposed Cost

\$0.23/C
0.18/C

COMMENTS:

A spring vendor quotes

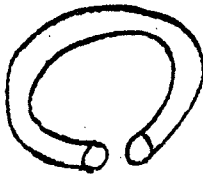
25,000 pieces	\$2.24/M
50,000 pieces	1.76/M
100,000 pieces	1.62/M

There would be a \$100.00 tool charge.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AM

Clamp
8747370
100,000 per year



Present Cost	\$0.14/C
Proposed Cost	0.10/C

COMMENTS:

A spring vendor quotes as follows:

25,000 pieces	1.16/M
50,000 pieces	0.98/M
100,000 pieces	0.89/M

If necessary to flatten to remove a slight helical offset, there would be an extra charge of \$2.00/M.

PURCHASING DEPARTMENT
Value Analysis Division

JHL:AJM

CS COMPRESSOR

Parts having good value

K-5803300 Pt. 74

K-8102214AA Pt. 41

K-8133632

M-8141906-1