

Still another area which utilizes consigned equipment is the Research & Development Department. This particular Department does prototype and development work which, again, is impossible to record. The usage is almost continuous and a considerable amount of the time is used in specialized setting-up, checking of processes and results, and the establishment of new processes. There is no machine assignment, but rather a continual group-decision process as to the operations to be performed, the equipment on which the work is to be done, when it is to be scheduled, etc., as each new detail is brought through the line.

At the same time there is this facet of the operations that contributes considerably to down-time on all equipment. This is the area of maintenance and waiting for approval of parts running across the equipment. This, too, is not recorded.

As evidenced by this information, the Heintz Division can meet general usage requirements on the various classifications of equipment and can establish an average monthly usage as follows:

	<i>Hours per month average</i>
"Cutmasters" and "Man-u-trols"-----	50
Seam and Spotwelders-----	20
Radial drills-----	50
Milling machines-----	50
Drilling machines-----	30
Presses-----	¹ 25
Lathes-----	30
Miscellaneous-----	² ?

¹ High set-up, slow operational time.

² "Support" equipment.

Spotwelders and seamwelders are normally used on specialized set-ups and from experience it has been found they move considerably faster than the equipment supplying the parts to the welders. Since the set-ups are difficult and it is necessary to maintain an absolute assurance of good welding, the equipment shows less utilization than would be expected.

This same condition exists in the other areas of small equipment, such as, lathes, drills, etc. The equipment is used mainly for support and in-process lines which are dependent on the major equipment for parts supply and speed of operation.

Attached is a listing of various pieces of equipment with notations describing their particular job assignments and/or condition.

The Management of the Heintz Division believes that the Government has realized many benefits from the usage of the facilities located here and welcomes the opportunity to discuss your study with any interested Government offices.

Very truly yours,

C. Y. MEYER, Jr.,
Vice President—Manufacturing.

HEINTZ DIVISION, KELSEY-HAYES Co.,
June 22, 1967.

Subject: Contract AF 33 (657) 15658.

Mr. HARRY ORTH,
*Contracting Officer, Defense Contract, Administration Services Region,
Philadelphia, Pa.*

DEAR MR. ORTH: We are in receipt of your letter of June 21, 1967, with reference to the payment of rental for the support equipment on the subject contract from March 1961 through July 1966. Accordingly, we are enclosing our check payable to the Treasurer of the United States in the amount of \$5,000.00. This is in settlement of all past due rental on this support equipment during this period.

We appreciate your cooperation in finalizing this matter.

Very truly yours,

JOSEPH F. McMAHON,
Controller.