

Reference Instructions and Definitions to Excel spreadsheet:

I.Inventory Costs

The value of the inventory plus the financial costs of possessing and maintaining an inventory of the raw materials that supply your production line, including space, racks, handling equipment, labor, insurance, etc.

A.Materials - suggested method: insert the dollar value plus the approximate interest you could have earned if you had invested the money used to buy these materials; if your inventory is financed, enter the principle and interest value of the loan.

B.Labor Costs - suggested method: direct = salaried personnel directly working on this function. Indirect = supervisors, schedulers, clerical, quality control, etc. Note: Be sure to include fringe benefits as well as non-productive payroll hours for setup/cleanup and other non-productive line (down) time.

C.Space Costs - suggested method: estimate total square footage needed to house either raw materials or coil coated stock as a percentage of total plant; apply that percentage to estimated value of entire plant including all related costs such as heating, ventilating, fire protection, housekeeping and maintenance, insurance and lost opportunity were this space put to productive use.

II.Fixed Paint Equipment Costs

A.Paint Line Equipment - suggested method: use one fiscal quarter's share of the replacement value of your paint line equipment if you had to buy it today. Note: new coil or sheet handling equipment, if needed, will appear in Section III.

B.Supporting Equipment - use same method as A.

III.Operating Costs

A.Labor - use method suggested in I-B. Include fringe benefits.

B.Energy Costs - for applying and curing paint, heating, water, risks of supply shortages, price volatility, alternative sources, etc

B.5. Shutdown Losses - suggested method: insert value of one day's production for each day lost, but count in minutes rather than in days, they add up fast!

C.Raw Materials - since the requirements for cleaners and other chemicals are different for coil coated materials, your coil coating's supplier will help you develop these costs as well as the cost of coated coil. Consider that there will be NO hassle with empty containers storage/return, NO spillage or other waste and NO hazards.

D.Maintenance of Equipment - applies to paint line (for coil or sheet handling equipment only refer to I and III).

D.3. Cost of Possession - use method suggested in I, A.

D.4. Labor Cost - Use method suggested I, B and include the cost of lost productive line time.

E.Waste Treatment and Emission Control

E.1. Equipment - fill out if not included in II, B.

E.2. Supplies - fill out if not included in III, A or III, D

F.Rejects and Rework Costs - it is suggested that you work with your coil coating's supplier to estimate scrap losses and repair costs for coil coated material.

G.Materials Handling Equipment - include in left column all handling equipment used to supply your paint line. In right column, insert any new handling equipment needed to handle coated parts or components.

H.Insurance - suggested method: obtain quotes from your insurance agent on rates for your facility with and without a paint line, storage of paints and chemicals on premises, etc. Include workmen's compensation premiums for your paint line employees and maintenance personnel required for paint line.

I.Fabrication Plant Changes - it is suggested that you work with your coil coated supplier to determine what if any changes might be necessary and the costs of those changes.

National Coil Coating Association  
**Coated Coil Cost Analysis Form**

		Post Painting	Coated Coil
<b>I INVENTORY COSTS</b>			
A	Costs of Possession for Materials	\$ -	\$ -
1	Cleaners	\$ -	N/A
2	Pretreatment Chemicals	\$ -	N/A
3	Primer	\$ -	N/A
4	Primer Surfacer	\$ -	N/A
5	Base (color) Coat	\$ -	\$ -
6	Clear Coat	\$ -	\$ -
7	Other Chemicals (solvent, etc.)	\$ -	\$ -
8	Metal Substrate	\$ -	\$ -
	<b>Subtotal</b>	\$ -	\$ -
B	Labor Costs of Maintaining Inventory		
1	Direct	\$ -	N/A
2	Indirect	\$ -	N/A
	<b>Subtotal</b>	\$ -	N/A
C	Space Costs	\$ -	\$ -
<b>TOTAL INVENTORY COSTS</b>		<b>\$ -</b>	<b>\$ -</b>
<b>II. FIXED PAINT EQUIPMENT COSTS</b>			
A	Paint Line Equipment		
1	Cleaning Stage	\$ -	\$ -
2	Pretreatment & Bake	\$ -	N/A
3	Primer Coater & Bake	\$ -	N/A
4	Touch-up Repair (2,3)	\$ -	\$ -
5	Base Coat & Bake	\$ -	\$ -
6	Clear Coat & Bake	\$ -	\$ -
7	Touch-up Repair (5,6)	\$ -	\$ -
8	Auxiliary, e.g. inspection	\$ -	\$ -
	<b>Subtotal</b>	\$ -	\$ -
B	Support Equipment Required to Meet Regulatory Requirements (OSHA, EPA)		
1	Effluent Control	\$ -	\$ -
2	Emission Control	\$ -	\$ -
3	Safety (insurance/regulatory)	\$ -	\$ -
4	Floor Space	\$ -	\$ -
5	Other (e.g. record keeping, etc.)	\$ -	\$ -
	<b>Subtotal</b>	\$ -	\$ -
<b>TOTAL PAINT EQUIPMENT COSTS</b>		<b>\$ -</b>	<b>\$ -</b>
<b>III. OPERATING COSTS</b>			
A	Labor for Paint Line Personnel		
1	Direct	\$ -	\$ -
2	Indirect	\$ -	\$ -
	<b>Subtotal</b>	\$ -	\$ -
B	Energy Costs		
1	Fuel (electric & gas for cleaner, pretreatment, primer stages)	\$ -	N/A
2	Additional costs of alternative fuels for cleaner, etc.		
	b. Storage	\$ -	N/A
	c. Locating	\$ -	N/A
	d. Contract costs	\$ -	N/A
3	Fuel (electric & gas) for base coat/clear coat stages	\$ -	\$ -
4	Additional costs of alternative fuels for cleaner, etc.		
	b. Storage	\$ -	\$ -
	c. Locating	\$ -	\$ -
	d. Contract costs	\$ -	\$ -
5	Shutdown losses due to allocations, power failure, pressure drop, etc.)	\$ -	\$ -
	<b>Subtotal</b>	\$ -	\$ -

C Raw Materials (Actual Consumption)					
1 Cleaners	\$	-	\$	-	
2 Pretreatment, Chemicals	\$	-	\$	-	
3 Primer	\$	-			
4 Primer Surfacer	\$	-			
5 Base Coat	\$	-	\$	-	
6 Clear Coat	\$	-	\$	-	
7 Other Chemicals (solvents, etc.)	\$	-	\$	-	
8 Metal Substrate	\$	-	\$	-	
	<b>Subtotal</b>	\$	-	\$	-
D Maintenance of Equipment					
1 Spare Parts	\$	-	\$	-	
2 Expendables (filters, etc.)	\$	-	\$	-	
3 Possession Costs of Maintenance Parts	\$	-	\$	-	
4 Labor Costs for Maintenance personnel, MRO Supplies					
a. Direct	\$	-	\$	-	
b. Indirect	\$	-	\$	-	
5 Service Contracts and Fees	\$	-	\$	-	
6 Inventory Taxes	\$	-	\$	-	
	<b>Subtotal</b>	\$	-	\$	-
E Waste Treatment and Emission Control					
1 Equipment Costs	\$	-	\$	-	
2 Supplies	\$	-	\$	-	
3 Paint and Solvent Sludge Disposal	\$	-	\$	-	
4 Labor Costs					
a. Direct	\$	-	\$	-	
b. Indirect	\$	-	\$	-	
	<b>Subtotal</b>	\$	-	\$	-
F Rejects and Rework Costs (including scrap)	\$	-	\$	-	
G Materials Handling Equipment	\$	-	\$	-	
H Insurance	\$	-	\$	-	
I Fabrication Plant Equipment Necessary to Process and Assemble Coil Coated Materials (e.g. handling equipment, racks, etc.)	\$	-	\$	-	
	<b>TOTAL OPERATING COSTS</b>	\$	-	\$	-
	<b>TOTAL OF ALL COSTS (I+II+III)</b>	\$	-	\$	-

Total Square Footage coated in a quarter \_\_\_\_\_ sq. ft.

Cost per Square Foot