

***EMPLOYEE
SUGGESTION
PROGRAM***

RULES AND REGULATIONS

CITY OF SALEM

January 1997

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Section 1

PURPOSE

This program, under the direction of the Personnel Director, is designed to actively encourage innovation and creativity among City employees and to recognize those ideas which result in improvements to the internal operations of the City of Salem.

Section 2

GOALS

Endeavors to do the following:

Provide awards for ideas that are implemented
Take time to explore employee ideas which may help the City
Allow employees to achieve more control over their environment through use of their ideas
Increase cooperation between employees and management
Provide awards that are implemented in a timely manner.

Improves City government effectiveness through ideas that:

Save time, labor, space, material, supplies or money;
Improve service, or safety conditions;
Improve methods, procedures, or equipment resulting in increased output and/or efficiency; or
Eliminate unnecessary procedures, records, and forms.

Section 3

EMPLOYEE SUGGESTION PROGRAM - TERMS AND DEFINITIONS

The following terms as used in this program shall have the meaning respectively ascribed to them in this section unless otherwise apparent from the context.

TERMS

SUGGESTION ELIGIBILITY

1. To be eligible for an award, the suggestion must be adopted and implemented to accomplish one or a combination of the following:
 - a. Save time, labor, space, material, supplies, or money.
 - b. Improve service or safety conditions.
 - c. Improve methods, procedures, or equipment resulting in increased output and/or efficiency; or
 - d. Eliminate unnecessary procedures, records, and forms.
2. Ineligible Suggestions:
 - a. Propositions which call attention to a problem but do not suggest an acceptable solution.

- b. Those dealing with normal maintenance, unless such suggestions contribute to a solution of maintenance problems.
- c. Those dealing with salary adjustments, employee benefits, job classification, or provisions covered by a collective bargaining agreement or personnel rules.
- d. Those not originating with the suggester, or those submitted for an ineligible suggester.
- e. Those which are duplications of suggestions submitted within the last 24 month period.
- f. Those submitted over 60 days after implementation of the suggestion.
- g. Those that contain an idea already under consideration by the City.
- h. Those that deal with hours and other terms and conditions of employment.
- i. Suggestions that do not relate to internal City activities nor fall within the authority or responsibility of the City in its internal operations; or would require statutory change in the law.

SUGGESTER ELIGIBILITY

1. Every employee of the City of Salem is eligible to participate in the Employee Suggestion Program (ESP) with the following exceptions:
 - a. City Managers.
 - b. Assistant City Managers.
 - c. Department Heads.
 - d. Managers/Supervisors
2. Employees must be currently employed to submit suggestions.

ACKNOWLEDGMENT Upon receipt of a suggestion the ESP Coordinator shall transmit a letter to the suggester acknowledging its receipt and informing him/her of the identification number.

RECORDS The ESP Coordinator shall maintain a permanent file on matters pertaining to each suggestion and a log showing the current status or final disposition of such suggestion. Suggestions and evaluations may be destroyed after three years.

PRIORITY The ESP Coordinator shall process suggestions in order received.

EVALUATION PROCESS The evaluation shall be completed within 60 days of an accepted suggestion by the ESP Coordinator.

CONFIDENTIALITY All suggestions submitted to the ESP Coordinator are confidential. The name of the suggester will not be shared with the evaluators of the suggestion unless the suggester agrees to disclose his/her identity.

DEFINITIONS

ADOPTION/IMPLEMENTATION A suggestion shall be considered to have been adopted when the new or revised procedures and/or methods it proposes are put into effect.

AWARD An instrument, either monetary, a certificate, trophy, plaque, or other token, that is given to an employee in recognition for a contribution deemed valuable to the City of Salem.

CERTIFICATION OF COMMENDATION Document which accompanies an award commending an employee for submitting a suggestion which results in a tangible cost reduction or intangible improvement and which has been adopted and placed in operation.

CERTIFICATE OF AWARD Document which accompanies an award commending an employee for submitting a suggestion which results in a tangible cost reduction or intangible improvement and which has been adopted and placed in operation.

ESP EVALUATION PANEL A three or four member panel selected by the Personnel Director, or their appointee, convened by the ESP Coordinator to evaluate a suggestion which shall include a member of the Finance Department, the affected department, other department selected at random, and the Personnel Department.

EMPLOYEE All persons employed as an employee in a City Department who are eligible to submit suggestions, excluding the City Manager, Assistant City Managers, Department Heads, Managers and Supervisors.

FORMS When the term "suggestion form," "evaluation form," or any similar reference is used in these definitions, it shall refer to such document or documents as may from time to time be authorized and approved by the City.

SUGGESTION FORM The form to be used for submitting suggestions.

TANGIBLE NET SAVINGS The estimated first year net cost reduction resulting from the adoption and implementation of a suggestion, determined as provided herein and approved by the Employee Suggestion Evaluation Panel; recovery of revenue which would otherwise be lost to the City if the suggestion had not been adopted; or increases in revenue where there is not established City policy for reviewing fee schedules and revenue sources. In computing net cost reduction, the cost of placing the suggestion into effect shall be amortized over the expected life of the suggestion as determined by the ESP Panel.

EVALUATION FORM The form to be used by the evaluation panel in reporting findings and conclusions concerning a submitted employee suggestion.

JOINT SUGGESTIONS Suggestion submitted over the signatures of two or more employees who share equally in any award.

INTANGIBLE Suggestions involving improvements in public service, working conditions, changes in procedures, revision of forms, health or safety, or related improvements for which the monetary values cannot be determined.

SUGGESTION A written proposal (on proper form) by an employee of the City that contains both the identification of a problem and a solution, or indicates to the Evaluation Panel ways:

1. To do any job, system, or procedure better, quicker, easier, safer, and/or at less cost;
2. To handle additional workload with the same staff and/or equipment;
3. To produce a more efficient operation with better control; or
4. Eliminates unnecessary procedures, records or forms.

TOPIC EXPERT An individual in an affected Department assigned to evaluate the feasibility of implementing an ESP suggestion in that Department. The Topic Expert may also serve as the Department's representative on the evaluation panel.

Section 4

PROCESSING OF SUGGESTIONS

1. Receipt: The Personnel Department's ESP Coordinator shall date stamp the date and time received and assign an identification number.

2. Processing of suggestion will be conducted in the steps listed below:

Time line requirement - 60 days from time suggestion is submitted for evaluation:

Step 1 Suggester transmits idea on required suggestion form to Personnel Department ESP Coordinator.

Step 2 ESP Coordinator:

Date stamps

Assign identification number and records suggestion

Review suggestions for completeness

Clarifies idea's issue

Asks suggester to supply additional information if more is needed.

Notifies suggester of the receipt of the suggestion.

Forward to Department for evaluation with copy to Department Head.

Records status of suggestion

Step 3 Department evaluates suggestion at lowest possible level through topic expert and sends evaluation comments to ESP Coordinator by the due date listed in the request for evaluation.

Step 4 ESP Coordinator:

Convenes panel each month.

Arrange for any additional information if needed.

Step 5 Panel meets and evaluates the feasibility of the idea, determines whether it should be recommended for implementation, if not already implemented, and determines level of award. Tangible awards are calculated at 10 percent of first year's savings, with a maximum award of \$500. Intangible are calculated as follows:

13-16 points:	(Major improvement of wide applicability)	\$400-375-350-325
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9-12 points:		\$300-275-250-225
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5-8 points:		\$200-175-150-125
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2-4 points:	(Minor improvement of limited scope)	\$100-75-50
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0-1 points		Letter of Commendation
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Step 6 ESP Coordinator notifies suggester of the results of the panel. Prepares notification letters and certificates for City Manager's signature. Obtains cash awards. Forwards awards to Department Head for presentation.

Step 7 ESP Coordinator records the award and projected cost savings for annual Council report.

Section 5

ESP PROGRAM RESPONSIBILITIES

ESP Coordinator:

Receives and accounts for the status of all suggestions from City employees.

Answers questions covering the ESP program

Maintains records of the ESP suggestions and generates annual reports on the activity of the program and projected cost savings to Council.

Orders and maintains supply of suggestion forms, certificates and other related program materials.

Prepares ESP brochures/program descriptions and promotes the ESP program.

Serves as staff support to evaluation panel providing guidance on ESP program and obtaining additional information from suggester or affected Department.

Identifies and recommends changes in ESP policy or administration as needed.

Handles all communications with suggester concerning the program and participation.

ESP Panel:

Reviews suggestions prior to meetings.

Requests additional information from coordinator within five days of meeting date.

Attends scheduled meetings.

Evaluates suggestions and determines implementation and level of award.

Requests additional clarification and direction from the appropriate Department Head for suggestions where a conflict may exist, where the evaluation is unclear, or when implementation questions occur.

Section 6

INTANGIBLE AWARD SUGGESTIONS - EVALUATION PROCESS

Intangible suggestions involve those ideas for improvement in public service, working conditions, changes in procedures, revision of forms, health or safety improvements or related ideas for which the monetary values cannot be determined.

The ESP Coordinator will route the suggestion to a topic expert in the affected Department.

The topic expert will evaluate the suggestion within 30 days of receipt of the suggestion from the ESP Coordinator using the evaluation check list and evaluation form for intangible savings (Attachments 1 and 2).

Within 30 days of the return of the evaluation forms by the Department evaluator, the ESP Coordinator will convene the evaluation panel.

If implemented, the suggestion will be evaluated for level of award based on the importance or urgency of the improvement, the impact or degree of improvement, the number of departments/employees affected by the improvement, and the cost/effort of implementing the improvement.

Accepted suggestions will have an implementation date assigned and will be clearly documented as to the basis of the panel's decision and how the amount of the award was determined. Accepted suggestions will be clearly documented as to their evaluation for award and the basis of decision by the panel.

Rejected suggestions will be clearly documented why implementation of the suggestion is not feasible.

The results of the evaluation by the panel are final. The ESP Coordinator will convey the decision of the panel in writing to the suggester.

Section 7

TANGIBLE AWARD SUGGESTIONS.- EVALUATION PROCESS

A tangible suggestion involves those ideas for improvement which result in a measurable cost reduction or in the recovery of revenue which would otherwise be lost.

The ESP Coordinator will route the suggestion to a topic expert in the affected department.

The topic expert will evaluate the suggestion within 30 days of receipt of the suggestion from the ESP Coordinator using the evaluation check list and the evaluation form for tangible savings (Attachments 1 and 3).

Within 30 days of the return of the evaluation forms from the Department evaluator, the ESP Coordinator will convene the evaluation panel.

If more than one City Department is affected each affected Department must be solicited for their recommendation on the suggestion's reusability.

If the suggestion is implemented, or if the suggestion has already been implemented, the suggestion will be evaluated for amount of award based on projected net cost savings estimated for first year. In computing the net cost reduction, the cost of placing the suggestion into effect shall be amortized over the expected life for the suggestion.

Accepted suggestions will have an implementation date assigned and will be clearly documented as to the basis of the panel's decision and how the amount of the award was determined. Accepted suggestions will be clearly documented as to their evaluation for award and the basis of decision by the panel.

Rejected suggestions will be clearly documented why implementation of the suggestion is not feasible.

The results of the evaluation by the panel are final. The ESP Coordinator will convey the decision of the panel in writing to the suggester.

Section 8

OWNERSHIP OF SUGGESTION

All suggestions shall become the property of the City of Salem and shall not form the basis of a future claim upon the City of Salem by the suggester/employee, his/her heirs, successors or assigns, including suggestions which are subsequently patented.

Patent of a Suggestion

If an employee subsequently obtains a patent for a suggestion for which he/she has received an award, all benefits from the patent shall accrue to the suggester provided that the City shall be entitled to use the patented idea, feature, device, product, process, apparatus, or design without charge.

Section 9

SPECIAL AWARDS

Certificates of Commendation may be issued to employees whose suggestions contain genuine merit, but are not recommended or are not eligible for cash award.

Section 10

DUPLICATION OF SUGGESTION

If at any time during the course of processing a suggestion it is found that a suggestion submitted previously presents the same proposal, only the suggestion received first shall be eligible for any award or certificate, and the employee(s) submitting the duplicate suggestion shall be so informed by the ESP Coordinator. The foregoing shall apply only when the second suggestion is received within two years of the date of the last entry relative to the first suggestion in the program's official records. Otherwise, the second suggestion shall be deemed an original suggestion and will be processed accordingly.

Section 11

ESP PROGRAM GENERAL GUIDE FOR EVALUATORS

The role of evaluator is critical to the success of the program. The evaluator must recognize good and usable ideas contained in employee suggestions, bring them to management's attention, and see that they are implemented and the suggester rewarded. Open-minded, fair and prompt evaluations will encourage others to participate, increase program credibility, promote a spirit of cooperation and generate good ideas to benefit the City, and create financial rewards for employees.

The evaluator's role is to exercise judgment to prevent the acceptance of frivolous or ineligible suggestions, or ideas which cost more time, effort, and money than yield benefit, thereby protecting the integrity of the program.

Evaluators should possess the following qualities:

Openness to innovation.

Objectivity in judgments and recommendations.

Respect for fellow employees.

Flexibility - Ability to see the merit in a seemingly impractical suggestion and ability to make changes to make an idea work.

Analytic Ability - Ability to review records, investigate possibilities, project and document savings, and understand ESP rules.

Communication Skills - Ability to communicate orally with others in the Department who know about current operations to get their input about the suggestion, and writing ability to complete a thorough and clear review.

Familiarity with Department and City operations.

Promptness - Understanding that fair and prompt evaluations promote program success. The faster evaluation and implementation occur, the sooner suggesters receive their awards.

PRELIMINARY EVALUATION OF A SUGGESTION

Am I the appropriate evaluator?

Upon receipt, read the suggestion promptly to see whether it falls within your area of knowledge and responsibility. If you are not the right person to evaluate the suggestion, return it to the ESP Coordinator so that it can be reassigned.

Do I need to know more?

Make sure you understand just what the suggester has written so that you can proceed with your evaluation. If you wish to get clarification from the suggester, contact the ESP Coordinator with your request.

Whose input shall I seek?

Contact both managers and employees affected by the suggestion - they are the people who will ultimately make it work. Find out how things are done and how the suggestions might make improvements. Suggestions may be implemented in a modified form and still be eligible for an award.

COMPLETING THE EVALUATION FORM

The time allowed to complete an evaluation is 30 days. Within this time period all necessary contacts should be made, evaluators should complete their reviews, calculation of benefits made, and explanation of the recommendation written. If it becomes apparent that you will not be able to meet the time frame, please let your ESP Coordinator know as soon as possible.

SUBJECT ELIGIBILITY

Before forwarding a suggestion to you, the ESP Coordinator will have checked for ineligible subjects such as the following:

- Issues of personal grievance, compensation or position classification;
- Changes in City fees;
- Problems that can be resolved through routine maintenance or stricter enforcement of existing regulations; or
- Recommendation of a specific brand or matters outside City control.

Other items are also ineligible and you, as Department evaluator, are asked to screen out such suggestions which:

- Duplicate previous suggestions or propose similar applications to ones already considered.
- Suggestion concerning matters that management is considering, or considered in the past, or implemented more than 60 days before. (An employee, who has presented an idea informally which has been implemented, may apply for payment by formally submitting the suggestion to the ESP Office within 60 days of implementation.)
- Result from assigned or contracted audits, studies, review, or research.
- Relate to new systems, equipment, procedures, or forms that are already being evaluated.

If your response on the evaluation form is that the suggestion is not new to your Department, or that it has been considered before, please explain the Department's prior experience and return the form to your ESP Coordinator. You will not be asked to do an evaluation if the suggestion is ineligible.

REMARKS

Explain why you do or do not favor adopting the suggestion. Your words will be used in response to the suggester. Please be sure to reflect a thorough examination of all the issues presented and try to provide the types of explanation that you would want to receive, with special sensitivity to rejections.

Helpful Hints:

Thoroughly familiarize yourself with the current situation or process. Gather data; talk with employees to be affected by the proposed change.

Pose the following questions to yourself:

Does the problem addressed in the suggestion really exist?

Will the proposed solution resolve the problem, i.e., will the idea work?

What improvement will it make and how? (Does the suggester make a logical case for savings even if calculations are not precise? Is the suggester making valid points even if technical terms may be absent?)

Is there a better solution to the problem?

Would implementation bring undesirable side effects that would destroy the value of the suggestion?

Should the suggestion be tested?

RECOMMENDATION

Summarize your evaluation with a recommendation to implement, to not adopt, or to defer adoption.

For recommendations of "implement" indicate:

Whether the suggestion has been or will be implemented and the date.

Suggester eligibility for monetary award.

Indicate estimated quantifiable savings or point score for non-quantifiable benefit and associated award.

For recommendations to "defer adoption" explain reason. Indicate type of testing or further evaluation to be done to determine the workability of the idea.

SUMMARY OF EVALUATION STEPS

Be positive, look for ways to make a suggestion work.

Get the facts.

Check eligibility.

Look at costs and savings.

Amortize new costs.

Test the idea.

Implement the suggestion.

Write a clear and concise explanation. Your evaluation is the basis of the award, it must be complete. Tangible and Intangible forms must be completed. Incomplete evaluations will be returned for additional information.

Return evaluation to ESP Coordinator within the time limit (30 days).

The ESP Coordinator will convene the evaluation panel for final disposition of the suggestion.

CALCULATION OF BENEFITS

When a suggestion is recommended for implementation, the benefits of the suggestion must be calculated. This calculation will form the basis of payment. If rejection of the suggestion is for economic reasons, show how costs exceed savings in your Remarks.

First check whether suggestion benefits are “tangible” or “intangible.” Then use the appropriate evaluation form to calculate the award.

ATTACHMENT #1

IDENTIFICATION # _____

DEPARTMENT EVALUATION CHECKLIST
ESP PROGRAM

Yes No

Are you knowledgeable about this topic in order to evaluate this idea?
If No, STOP, return to ESP Coordinator for reassignment.

Is the idea of the suggestion and the proposed solution clear and understandable?
If not, request clarification through the ESP Coordinator.

Does the suggestion meet eligibility requirements?

Would you consider implementing this suggestion?
If no, why not (be specific and clear in the basis of your decision.)

Would the improvement result in measurable cost savings (tangible) or intangible savings such as improved safety? Tangible Intangible

Calculate estimated preliminary savings using evaluation form (Attachment 2 for Intangible, or Attachment 3 for Tangible).

Estimate implementation date of suggestion _____

Are you able to meet with the evaluation panel and present your findings and justify them?

Signature of Department Evaluator

Your evaluation is the basis of the award, it must be complete. Tangible and Intangible forms must be completed. Incomplete evaluations will be returned for additional information.

Return completed evaluation checklist, evaluation form, and suggestion form to ESP Coordinator in Personnel Department within 30-days from receiving it.

ATTACHMENT 2
ESP PROGRAM
EVALUATION FORM

ID # _____

CALCULATING INTANGIBLE SUGGESTIONS

Intangible Benefits are improvements in service to the public or any other improvements for which financial savings cannot be measured.

Four factors have been identified to assess the benefit derived from suggestions for which a dollar value cannot be calculated. Rate each factor either 1, 2, 3, or 4 points. The higher the points assigned the more valuable the suggestion. The following factors are to be assigned points:

Inherent importance/urgency of subject.

Four points for high intrinsic importance, one point for low. A suggestion dealing with saving lives would receive a four.

Impact or degree of improvement.

Four points for vast improvement or elimination of the problem, one point for elimination of a minor condition.

Applicability

For suggestions that apply City-wide or to multiple departments (four or more) give a rating of four. For those applying to several (three) departments and/or many employees give three points. For those applying to one or two departments give two points. For those applying to more than ten employees in a single department give one point. (Assign 0 points if fewer than 10 employees will be affected by the change). Applicability to other departments must be verified by the evaluator and verification attached to the evaluation form.

Cost/Effort to implement

Four points for a solution which could be implemented for little cost or effort, one point for expensive or time-consuming suggestions, (Please note, a suggestion may be implemented and award given despite the high cost based on the three above factors, e.g., a suggestion which eliminates a hazard to many employees' lives.)

Conversion of evaluation score to an award.

Calculate the total score. The recommendation for award will be based as follows (\$25 per point):

13-16 points:	(Major improvement of wide applicability)	\$400-375-350-325
9-12 points:		\$300-275-250-225
5-8 points:		\$200-175-150-125
2-4 points:	(Minor improvement of limited scope)	\$100-75-50
0-1		Letter of Commendation

Attachment 2
Intangible Suggestions
Matrix Rating/Score Sheet

Matrix Rating	Score
Inherent importance/urgency of subject	4 - High 3 2 1 - Low
Impact or degree of improvement	4 - High 3 2 1 - Low
Applicability	4-Citywide/multiple departments 3-Several departments/many employees 2-One-two departments 1-10 employees or less
Cost to implement	4 - Low 3 2 1 - High
Total Score	
Award	
How are things presently being done?	
How will this suggestion make improvements?	
How will other supervisors/employees be affected by this idea?	
Which other departments will be affected by this suggestion?	Verified: Yes <input type="checkbox"/> No <input type="checkbox"/>
ESP Panel's comments and basis of its evaluation:	

_____ Evaluator's Name

ATTACHMENT #3

ESP PROGRAM
EVALUATION FORM

ID # _____

Calculating Tangible Suggestions

ANNUAL COST BEFORE IMPLEMENTED IDEA		
Cost Item	Cost Calculations	Total
Labor	Calculate the total annual labor hours <u>saved for the first year's</u> savings and sum all labor at individual rate.	\$
Burden	Calculate the burden rate times the total annual labor costs. (The indirect burden rate for labor can be found in the PAC 300 finance report in your Division's office.)	\$
Materials	Include first year's annual costs of materials consumed by current methods that will be replaced by the suggested idea.	\$
Miscellaneous	Include first year's annual costs of any other tangible items that will be saved. (Electricity, contract work, etc.)	\$
Total Current Cost		\$
IDEA IMPLEMENTATION COST		
Cost Item	Cost Calculations	Total
Labor	Calculate the total annual labor hours <u>at the individual rate for the new implemented process.</u>	\$
Burden	Calculate the burden rate times the total implementation labor costs.	\$
Materials	Include costs of all materials required to implement the suggested idea. (Do not include costs that recur.)	\$
Miscellaneous	Include any other one time costs necessary to implement idea (contract work, installation, etc.).	\$
Total Implementation Cost		\$
How many years will this suggestion continue in effect or should be amortized?		
Divide the TOTAL IMPLEMENTATION COST by the number of years amortized to obtain the first year's cost.		\$
FIRST YEAR'S COST		
Subtract the FIRST YEAR'S COST from TOTAL CURRENT COST to obtain FIRST YEAR'S SAVINGS		\$
FIRST YEAR'S SAVINGS		
Award payments for measurable cost savings will be calculated as 10 percent of the FIRST YEAR'S SAVINGS, with a maximum award of \$500. These savings are calculated as current annual procedures cost minus the first year's amortized costs of the expected life of the implemented suggestion.		
ESTIMATED AWARD		\$

Be sure that this form is complete. If not, it will be returned for additional information.

Attachment 3 - Sample

IDEA: Jean submitted an ESP to reduce labor costs for bagging beans with an automatic bean bagger. Purchase and install an automatic bean counter, bagger, packer machine to replace current hand methods.

Annual Costs of Current Method to be Replaced:

1. Jean spends four hours a day counting beans to be bagged. Bill spends one hour per day bagging the beans Jean counted. Dan boxes the bags for shipment for one half hour per day.

Jean's cost = 800 hours per year x \$12 hourly rate.	\$9,600
Bill's cost = 200 hours per year x \$12 hourly rate.	2,400
Dan's cost = 100 hours per year x \$12 hourly rate.	1,200
Total Direct Labor to be saved	\$13,200

2. Burden rate for the Section where Jean, Bill, and Dan work is 48%. Applied to \$13,200 is \$6,336 burden for their labor bagging the beans.
3. There are no other costs involved in bagging beans that will be saved by installing the new bean bagger.
4. Total current costs are \$19,536 per year that will be saved.

Implementation Costs

1. The new machine costs \$35,000 and will have an installation fee of \$5,000. No internal labor will be required to install and all other operating labor and costs remain the same.
2. Total Implementation Costs are \$40,000.

Award Calculations

1. According to the manufacturer the machine should last at least 10 years. This will make the First Year's Cost \$4,000.
2. The Current Annual Cost of \$19,536 less the First Year's Cost of \$4,000 equals \$15,536 for First Year Savings. Ten percent of First Year Savings is \$1,554, but our maximum award limit is \$500, which will be awarded to Jean for her suggestion.