

MEMORANDUM

TO: Capital Planning Committee **FROM:** Dave Chen, Plant Operations Manager **DATE:** October 26, 2023 **SUBJECT:** Urgent Need for CNC Machine Replacement (Asset ID #CN-4815)

This memo formally requests the acquisition of a new 5-axis CNC machine to replace our primary unit, CN-4815. This 15-year-old machine has become a significant operational bottleneck.

Over the last 18 months, we have seen a 40% increase in unscheduled downtime for CN-4815, leading to production delays that have impacted two of our key product lines. Maintenance costs have tripled in the last fiscal year alone, and sourcing replacement parts is becoming increasingly difficult and expensive.

Furthermore, the machine's technical limitations prevent us from bidding on more complex, higher-margin contracts that require 5-axis capabilities. A modern machine would not only solve our reliability issues but also increase our production capacity and open up new revenue opportunities. I have compiled the preliminary financial data for your review and urge your prompt consideration of this critical investment.