

**New York State  
Environmental Investment Program  
Capital Project Summary  
Bonded Insulation Company, Inc.**

**Project Background**

Bonded Insulation has been in operation in Hagaman, NY since 1962. As a manufacturer of cellulose insulation, Bonded purchases old newspaper (ONP), fiberizes it, adds a fire retardant, then bags and sells it to contractors in the northeast.

**Project Description**

At the time the project was proposed, Bonded was experiencing average sales increases of 13.4% per year. The facility was relying on out-dated, inefficient fiberizing and bagging equipment that was operating at its maximum capacity. To meet growing demand, the company was operating 24 hours per day six days per week, with occasional Sundays. They were incurring high overtime costs and intentionally limiting sales expansion because of their inability to increase production. Through the project, Bonded replaced the bagger and fiberizer with new, more efficient equipment. The old fiberizer had a diameter of 48" and produced 6,400 lb/hr. The new fiberizer has a diameter of 60" and has a capacity to produce up to 12,000 lb/hr. The old bagger could produce 5,259 lb per hour. The new one can produce 7,200 lb/hr. In the future is an additional bagging/sealing station to allow the bagger to utilize the fiberizer's full capacity. With the new equipment, Bonded's plan was to expand

sales (and therefore its use of ONP) and lower overhead

**Project Results**

By the end of the project, Bonded was to have increased installed capacity to recycle ONP by 4,570 tpy, increased annual ONP consumption by 3,000 tpy, increased sales by \$1,075,000 per year and decreased labor costs by \$250,474 per year. The installed capacity target was achieved. The other project targets were not achieved due to reasons outside of Bonded's control; including a weakening economy and lower sales. Bonded is already implementing a plan to regain lost sales. In the future, they will have the capacity to grow as originally intended through this project, something they would not have been able to do without the installation of more efficient production equipment.

Bonded's reduced sales are seen as temporary as the company works to regain sales volume and as the economy improves. The new system has effectively reduced labor costs by eliminating overtime.

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<b>Contractor:</b>	Montgomery County IDA	<b>NYS EIP Investment:</b>	\$163,903
<b>County:</b>	Montgomery	<b>Contractor Match:</b>	\$167,060
<b>ESD Region</b>	Mohawk Valley	<b>Total:</b>	\$330,963
<b>ESD Contact</b>	518/292-5340	<b>Completion Date:</b>	August, 2002