

# Case study: Deferred Capex Analysis

Client: Three-Plant Bakery

Project Type: Deferred Capex Analysis

## Background and Activities

- As part of ODD for PE firm for bakery with 3 relatively-old facilities, completed deferred capex analysis to determine whether buyer would need to make large catch-up capital investments post-closing
- Activities included review of (i) PM program and program adherence, (ii) historic maintenance spend, (iii) equipment age and (iv) unplanned downtime at each site

## Findings & Benefits

- While the business did not ‘skimp’ on PM, identified opportunities to improve work processes and systems, including PM work instructions, lock-out-tag-out, downtime tracking and CMMS system
- Identified need to replace freezer & cooler equipment at multiple plants – including citations in last 2 quality audits
- Confirmed seller’s willingness to invest in upgrading its assets when needed
- Identified significant amounts of equipment whose ages were ‘unknown’, due to poor record keeping by previous owners of plants

## RS1 – Unknown Age of Freezers & Coolers

Otherwise, major equipment is reasonable if not relatively new

Category	Asset	Age
Blast Freezers	Blast #6 - Condenser #1 - Keeprite	?
Blast Freezers	Blast #6 - Condenser #2 - Keeprite	?
Blast Freezers	Blast #6 - Roof top Unit	?
Blast Freezers	Blast #1 & #2 - Condenser#1 - Keeprite	?
Blast Freezers	Blast #1 & #2 - Condenser#2 - Keeprite	?
Blast Freezers	Blast #1 & #2 - Roof Top Unit - Keeprite	?
Blast Freezers	Blast #2A - Condenser	?
Blast Freezers	Blast #2A - Roof Top Unit	?
Blast Freezers	Blast #2B - Condenser	?
Blast Freezers	Blast #2B - Roof Top Unit	?
Blast Freezers	Blast #3 & #4 - Condenser#1 - Keeprite	?
Blast Freezers	Blast #3 & #4 - Condenser#2 - Keeprite	?
Blast Freezers	Blast #3 - Roof Top Unit - Keeprite	?
Blast Freezers	Blast #5 - Keeprite	?
Blast Freezers	Blast #5 - Roof top Unit - Keeprite	?
Blast Freezers	Blast #7 - Condenser - Keeprite	?
Blast Freezers	Blast #7 - Roof Top Unit	?
Coolers	Retarder #1 - Keeprite	?
Coolers	Retarder #2 - Keeprite	?
Coolers	Fresh Product Cooler - Allergen	?
Coolers	Fresh Product Cooler - Non-Allergen	?
Holding Freezer	Large Freezer - Unit #1 - Ref Plus	?
Holding Freezer	Large Freezer - Unit #2 - Ref Plus	?
Mixers	Konig Mixer # 3	13
Mixers	Konig Mixer # 2	12
Mixers	Sancassiano Hydra Mixer + 10 Bowls	5
Mixers	Konig Houser + Kneater Mixer	3
Mixers	Sancassiano Hydra Mixer	2

Category	Asset	Age
Deck Ovens	Large MIWE Athlet #2	8
Deck Ovens	Large MIWE 4	5
Deck Ovens	Large MIWE 5	5
Deck Ovens	Large MIWE 2	2
Deck Ovens	Large MIWE 3	2
Deck Ovens	Large MIWE Athlet #1	2
Bake-Off Oven	Small Miwe	13
Konig Bun Line	Konig Dumper	2
Konig Bun Line	Konig Divider	2
Konig Bun Line	Konig Proofer/Stamper/Long-molder/Table/Panner	2
Konig Bun Line	Konig Proofer/Stamper/Long-molder/Table/Panner	2
Konig Bun Line	Konig Proofer/Stamper/Long-molder/Table/Panner	2
Konig Bun Line	Konig Proofer/Stamper/Long-molder/Table/Panner	2
Glimek Bread Line	Glimek Dumper	13
Glimek Bread Line	Glimek Rounder	13
Glimek Bread Line	Glimek Hopper	13
Glimek Bread Line	Glimek Overhead Proofer	13
Glimek Bread Line	Glimek Longmolder	13
Glimek Bread Line	50600 Glimek Divider	3
Rheon Parbake Bread Line	BM 42 Boule Moulder #2	7
Rheon Parbake Bread Line	Rheon Line	7
Rheon Parbake Bread Line	Rheon Cross Roller	7
Rheon Parbake Bread Line	Rheon Sheeting Conveyor	7
Rheon Parbake Bread Line	Rheon Circular Cutter	7
Rheon Parbake Bread Line	Rheon	7
Rheon Parbake Bread Line	Weighing Cut Conveyor	7
Rheon Parbake Bread Line	Water Sprayer	7
Rheon Parbake Bread Line	Rheon Dough Feeder	7
Rheon Parbake Bread Line	FLEX V4 Dough Feeder	7

Potential area of concern for facility, and for quality systems

	Evidence
Clause	11.6.2.1 The site shall provide confirmation of the effective operational performance of freezing, chilling, and cold storage facilities. Chillers, blast freezers, and cold storage rooms shall be designed and constructed to allow for the hygienic and efficient refrigeration of food and be easily accessible for inspection and cleaning.
Response	Minor
Evidence	Condensation drops noted at the holding freezer and cooler 1.
Root Cause	Condensation in holding freezer caused lack of heating line to the drain pipe. Condensation in the cooler caused by lack of pipe insulation.
Corrective Action	Condensation was cleaned by sanitation crew and repairs were performed by maintenance. See work orders and before / after photos attached.
Verification of Closeout	The pipe was wrapped, audit revised, training conducted, and proof attached.
Completion Date	16/Aug/2024
Closeout Date	15/Aug/2024