

## STEEL AVAILABILITY

# Controlled Order Entry Ensures Adequate Steel Supply

Rapidly increasing demand for structural steel has led some suppliers in the U.S. to initiate a controlled order entry process to ensure that customers have an adequate supply of steel for the projects they are working on. With controlled order entry, rather than selling steel on a first-come, first-served basis that could allow a small number of buyers to corner the market on all available steel, customers purchase steel on the basis of how much they purchased

on a timely basis," he explained. "The controlled order entry process is expected to put us on a maximum 12-week cycle once it's fully implemented." Reportedly, rolling cycles are currently extended two or more weeks beyond that at Nucor-Yamato.

Steel Dynamics, Inc., another major supplier of wide flange, is using a similar process, though SDI's rolling cycles are still typically at six or eight weeks. "We open up rollings 12 weeks out," said James Wroble, SDI's sales and marketing manager in Columbia City, Ind. "What's different about this year is that people want to book further and further out. A year ago there was a noticeable pick-up in business. We were booked a month out, then five or six weeks. And then 12 weeks. We decided we're not going any further than that because our customers really can't predict any further out." As with Nucor-Yamato, when there are more requests than a rolling can accommodate, purchases are based on a customer's previous history. The situation is expected to ease drastically late next year when SDI brings another mill online with an anticipated capacity of 600,000 tons.

For fabricators who buy primarily from mills, the controlled order entry system is largely viewed as a positive. "It's a plus for us," reported James A. Stori, president of STS Steel, Inc. in Schenectady, N.Y. "As a medium-size fabricator, it's let me get back into the rolling schedules." Stori also is optimistic that once the system is fully implemented rolling cycles will shorten. "It should create a better balance between service center buying and fabricator buying," he added.

Service centers currently sell approximately 70 percent of the structural steel used in buildings and fabricators who buy primarily from service centers are reporting adequate availability. "We typically buy 90 percent of our material from service centers and currently we're buying maybe 98 percent," said Stephen E. Porter, president of Indiana Steel Fabricating, Inc. in Indianapolis and current chairman of the AISC Board of Directors. "We're having no trouble getting material from service centers. There's no problem with material availability for both beams and tubes."

There have been some reports of ser-

vice centers "loaded to the rafters" with steel, but these extremely high inventories are probably due in part to the extended mill rolling schedules that result in higher service center stocks at the beginning of a cycle to carry over until the next rolling.

"Inventory is higher than normal, but in line with shipment volume," explained Bill Jones, president and CEO of O'Neal Steel in Birmingham, Ala. "Demand is very strong. We are able to buy our forecasted needs and our inventory is sufficient to support our customers." At Saginaw Pipe Co. in Saginaw, Ala., inventory has never been higher. "Demand is high and people are starting to realize some sections are not easy to find," explained Howard Wise, Saginaw's CEO. "Fortunately, up to this point we've been able to take care of our customers." And Derek Halecky, president of PDM Steel Service Centers, Inc. in Stockton, Calif., agreed. "Our inventory is well-positioned to meet the demand and expectations of our customers in the second half of the year for all structural products. We're probably better positioned for today's market than in previous demand spikes."

Ron Hammond, CEO of Triad Metals International in Willow Grove, Pa., cautioned that availability is getting tighter and some shapes are becoming more difficult to get but "our inventory is constantly being replenished." Marcus Lampros, owner of Lampros Steel in Portland, Ore.,

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—James A. Stori, president, STS Steel, Inc., Schenectady, N.Y.

in the past. "We can talk to our customers and find out the real need versus the speculative or hedge-buying need," explained Joe Stratman, general manager of Nucor-Yamato Steel Company in Blytheville, Ark., the nation's largest producer of wide flange. Nucor-Yamato's action comes as steel shipments are up as much as 25 percent compared with a year ago.

According to Stratman, as the market strengthened beginning late last year, rolling cycles began expanding. (A rolling cycle is the time before the same size member is again produced by the same mill and varies between mills based on their product mix and equipment.) "As the cycles started expanding, people felt they needed to get out ahead of the market," he said. "They'll start buying further and further out. It originally grows by legitimate demand, but it expands by speculative buying." Nucor-Yamato's response was to discuss needs with their customers and when required to limit purchases based on previous levels of demand from a specific customer. "Controlled order entry is a way to meet the real demands of the marketplace

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agreed and cautioned that while inventory is adequate to meet demand for most shapes, few service centers stock heavy shapes. "If you're a fabricator who buys strictly from warehouses, be advised that distributors need to receive a premium for these sizes if they are going to stock them on a regular basis," Lampros said. Jones added that he anticipates the structural market, both for wide flange and hollow structural sections, will remain strong at least through the middle of 2007. "Availability is tight [for HSS], but not as severe as beams."

Independence Tube Corp., the nation's second largest producer of HSS, typically runs either a four- or eight-week cycle depending on the size of the section. "Unlike a few years ago, there's no problem getting raw materials so we have no production problems," said John Tassone, marketing manager with Independence in Chicago. However, most of the HSS producers no longer have large inventories but are instead selling off of their rolling schedule. "It's required a mind-set change at the service centers," Tassone said. "Because the producers don't have a lot of inventory on the floor, service centers have to plan ahead and book into the rolling. And most material is available within eight weeks out." Independence is opening a facility in Alabama and is expected to be at full capacity by the end of the year.

Randy Boswell, vice president of North American Sales for Atlas Tube Inc. in Plymouth, Mich., the nation's largest HSS producer, agreed that HSS is widely available. "Lead times have come down from six-to-eight weeks earlier this year to four-to-five weeks today," he said. "Our next cycle is sold out but future production runs are open." Atlas' production cycle is three-to-four weeks (meaning they produce every size they sell within that time period) and a little more than 70 percent of their sales are to service centers. "While supplies are tighter than a year ago, HSS is still readily available and on a good schedule," he stated.

For more information on this issue, please visit our press release on "AISC Issues Background Information on Steel Supply and Availability," available online at [www.aisc.org](http://www.aisc.org).

—Scott L. Melnick

## BRIDGES

### Grid Deck Group Revived

The Bridge Grid Flooring Manufacturers association (BGFM) has been revived, and is currently recruiting new members. After a period of dormancy the association was reformed last June by The D.S. Brown Company, Bailey Bridges, L.B. Foster, and Interlocking Deck Systems International. The BGFM goal is to promote the use of grid reinforced concrete bridge decks through data collection, research, development, and education.

According to Mark Kaczinski, vice president of engineering at D.S. Brown, the association will be available for design assistance and advice. "Our job is to try to make sure owners understand what grid deck is and isn't, and to help them with projects, like building or rehabilitating a new bridge," he said.

Memberships are open to those in various industries, such as galvanizers and specialty rolled steel manufacturers. For more information, visit [www.bgfma.org](http://www.bgfma.org) or call 877.257.5499.

## BUSINESS MANAGEMENT

### Discounted Business Seminar Registration Fees

ZweigWhite, a business management firm specializing in the AEC industry, is offering AISC members discounted registration fees on two of their upcoming seminars.

"In Control: Driving Success Through Strategic Business Planning" will be offered in San Francisco, Boston, and Orlando. The seminar focuses on strategic business planning to strengthen your firm's vision and create a means of getting it done. ZweigWhite teaches how to avoid common pitfalls in the AEC industry. For more information on this program, visit [www.aisc.org/zwincontrol](http://www.aisc.org/zwincontrol).

"Out Front: Accelerating Business Growth Through Strategic Marketing" will be offered in Chicago, San Francisco, Boston and Orlando. In order to thrive in today's market, the industry must evolve. In this seminar, ZweigWhite instructs how to maintain success by investing in growth—that means developing new opportunities, retaining talent, and producing a proactive strategic plan. All points will be covered, from long-term planning to immediate action. For more information, visit [www.aisc.org/zwoutfront](http://www.aisc.org/zwoutfront).

## UNIVERSITY RELATIONS

### AISC to Hold Workshop for New Teaching Aid

AISC will be holding a faculty workshop to introduce a new teaching tool for architectural schools. The teaching tool, *Development of a Curriculum for Instruction of Structural Steel Topics in College of Architecture*, has two components which will aid educators teaching design studios and lecture courses. Highly visual, the tools are designed to work together or independently.

Using three award-winning buildings from the AISC-IDEAS Awards, the "Design Studio Case Studies" model is presented so the student may learn by analyzing precedent buildings that employ structural steel in aesthetic and creative applications.

The second application is "The Structure of the Everyday," a module that exposes students to structural steel shapes, their properties and applications. Educators can use it to show students different structural steel systems, such as space frames, beams, open web joists, columns, braces and lintels. Examples of a curtain wall-to-steel frame connection and overview modules are also included.

The workshop takes place on October 11 at the Hilton Garden Inn at O'Hare in Des Plaines, Ill. A travel stipend is available. To register for the workshop, contact Megan Maurer at 312.670.5418 or at [maurer@aisc.org](mailto:maurer@aisc.org). For reservations at the Hilton Garden Inn, call 847.296.8900.

## Correction

In the article "Collaborate and Conquer" (August 2006), we neglected to mention that AISC-member Chicago Metal Rolled Products provided the curved tubing for the lenticular trusses at the Arizona Cardinals Stadium. We apologize for the omission.

## NEW PUBLICATIONS

### SJI Updates *Technical Digest 9*

The Steel Joist Institute, a nonprofit organization that works with the nation's major building code bodies in order to develop code regulations regarding steel joists and joist girders, has announced the arrival of the new, updated *Technical Digest 9*.

The 90-page digest contains new information on the handling and erection of steel joists, and procedures that can be implemented in the field and enhance joist performance, including a step-by-step guide for proper loading, shipping, receiving, storing, and erection. The digest also explains how to make sure certain joists can keep from being damaged, and how to ensure the safety of the erectors. Other expanded chapters include information about field inspection, panelized erections, and a new chapter on proper bridging. To order a copy, visit [www.steeljoist.org](http://www.steeljoist.org).

### AISC Welding Design Guide Now Available

AISC's *Design Guide 21: Welded Connections—A Primer for Engineers* is now available. Written by Duane Miller, Sc.D., P.E., of The Lincoln Electric Company, this guide is a comprehensive introductory reference for structural engineers on the design and selection of structural welds. The guide includes a review of specification requirements for welded joints, a review of various welding processes used in making structural joints, and a discussion on their appropriate applications. Also included is a review of welded connection types and discussions on metallurgical issues, weld cracking, distortion, welding procedure specifications (WPSs), weld quality, inspection, fatigue, economy, safety, and engineering responsibilities. Copies are available through [www.aisc.org/bookstore](http://www.aisc.org/bookstore). AISC members may download the guide free at [www.aisc.org/epubs](http://www.aisc.org/epubs).

## MATERIAL TRACKING

### AISC Introduces New MTR Manager

In an effort to save fabricators, service centers, and others time, effort, and paper costs, AISC has developed a new software utility that allows users to digitally send, receive, store, and view material test reports (MTRs).

The MTR Manager is available only to AISC active members through the association's web site at [www.aisc.org/mtr](http://www.aisc.org/mtr).

Using a virtual filing cabinet, users may instantly recall MTRs and index them using an advanced shipping notification (ASN) system. Users can sort by a wide variety of fields, including heat number, weight, and section size, allowing shops to be organized in any number of ways. The MTR Manager will also support scanned documents that are manually indexed.

AISC also offers an ASN Conversion Tool, available in both the basic ASN format or as an MTR. The function is free and available regardless of AISC membership. For more information, visit [www.aisc.org/asn](http://www.aisc.org/asn).