



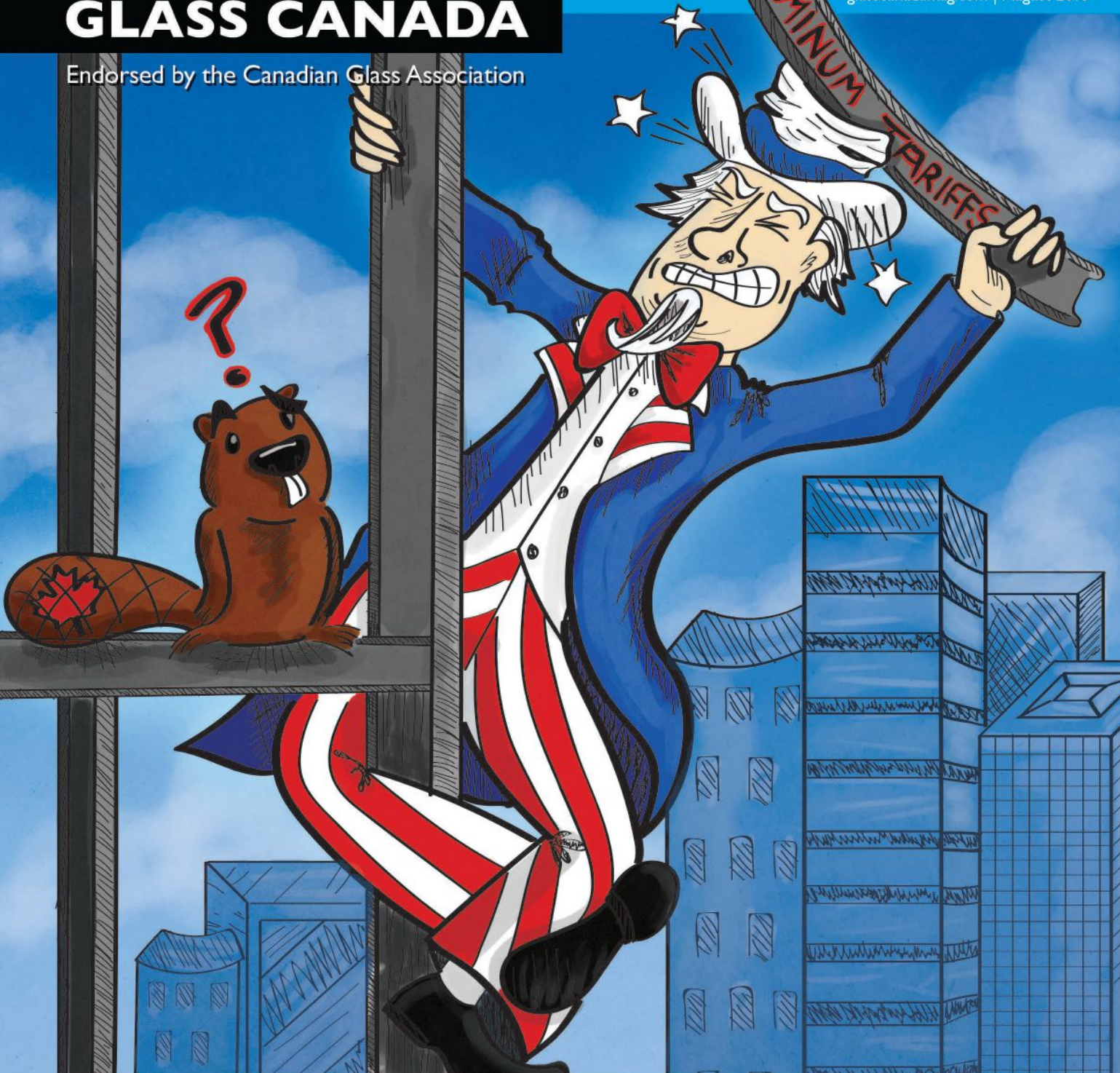
TRADE OWN-GOAL

U.S. aluminum tariffs
likely to miss their
Canadian mark

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THE END OF THE BEGINNING

by RICH PORAYKO

The Building Envelope Conference returned to Caesars Palace in Las Vegas this past March with numbers not seen since before the Great Recession. Over 500 attendees converged on the three-day conference known as the industry's premier building envelope event to make connections and discuss challenges and trends in the glass and glazing industry.

Without a doubt, the topic on everyone's mind was tariffs, with a lot of folks north and south of the border who say they are very nervous. Although many of the leading indicators are positive, there is also some real worry that a downturn in the U.S. economy has already started. Residential permits are off in some areas and the unprecedented political uncertainty weighs heavy on many.

This year's State of the Industry was an excellent panel discussion on challenges, trends and market perspectives that resonated with the audience and could have gone on much longer than the allotted 75 minutes.

The session was moderated by Jeff Haber of W&W Glass. Haber opened the session by saying what everyone was thinking: "Congratulations, because it seems like over the last five years the industry has practically doubled after coming back from the recession. Everyone is feeling optimistic and things are going well. The question to everyone is, are we at the end of the beginning or the beginning of the end of the current cycle?"

Haber told the audience that the Architectural Billings Index is positive and growth is projected at the three-to-five per cent level for 2018 and 2019, slightly higher or lower depending on the geographical location and market. "Many contractors across the spectrum are inundated with requests for proposals right now," said Haber. "Traditionally, when we think this many years into the building cycle, we'd be at the end of the road but it's becoming increasingly clear that is really not the case. Regardless of the politics, the current administration has juiced the economy, at least in the short term, which should be a benefit to most of us."

Haber pondered if the possibility of new infrastructure spending including P3s will give a further boost to the building industry or if rising material costs, wage inflation and lack of skilled labour will put a damper on future growth. "Significant price increases were passed along from the glass industry. Everyone has heard that new tariffs have been implemented by the U.S. government on aluminum and steel. It's going to be a very interesting process over the next few weeks and months to find



BEC attendees wonder how long the good times can roll.

out what happens to the cost of materials."

The panel unanimously agreed that personnel continues to be a challenge with Benson Industries' Jeff Heymann telling attendees that he sees a lot of people applying to Benson with CAD skills but no idea how to draw. "And the learning curve to being able to think and understand what we're actually doing takes a lot of years."

Heymann highlighted that creative tension within a project

ABOVE: Tom Jackson of SteelEncounters shared his strategies for attracting and retaining employees in today's difficult labour market. He told the audience 95 per cent of employees will say company culture is more important than pay.

team is important. “All parties need to start off with a clear expectation of what we are doing. We’ve been adamant recently that, at the first kickoff meeting, we define goals, benchmarks, expectations and milestones and we deputize someone to be the sheriff in the room. You have to have a sheriff. There is conflict. There is tension. We are all trying to pull towards the same thing, which is to get a product delivered. A building – on time and on budget. Sometimes we need to be mindful of that and all parties sometimes need to be reminded of that again. Creating the right environment is a really great start. Just like any company culture. The project has to have its own culture. If it is a truly collaborative culture, it should work well.”

Joe Conover of Clark Construction agreed that healthy tension is a good thing, “To me, the key is to manage that tension and to turn something that is potentially a danger into a positive.”

Skidmore, Owings and Merrill LLP’s Keith Boswell provided the architect’s perspective. “We need to create the design. We need to develop the design.

We need to document the design. And then we need to shepherd the design as others get involved. In the beginning, we are the lead singers. We are Gladys Knight and everyone else is the Pips. As it moves into construction, if we have done our job right, we are now the backup singers.”

“Our role as a facade contractor is taking what the architect has drawn and actually realizing it with metal, fasteners, silicone, glass,” said Heymann. “We also have to be mindful of supply chain as we explore new materials and finishes. We try to bring it all together. We probably don’t bring in our suppliers into a design-assist situation enough. Lately, the supply chain has become a lot more complex. We’re procuring globally. We should probably engage the glass manufacturers and fabricators more than we do.”

Heymann shared that Benson Industries is constantly going out, looking at suppliers and evaluating them before making a big award. “If we work with people over again, we have a certain confidence level but if we haven’t

worked with you, we want to understand what you can and cannot do. We don’t want you biting off more than you can chew. You have to understand that we are unitizing glass and if we don’t have glass on time, we have to ship a panel out with a piece of plywood and it costs a lot of money to glaze that in the field. All of these things become very important for us.”

“Setting a huge piece of glass on the Apple Store is complicated,” Heymann explained. “Setting a huge piece of glass on top of the Sales Force Tower in San Francisco is really complicated. You’re 1,000 feet in the air trying to do it.”

According to Heymann, the schedule is the most important thing. “As we see more glass coming in from offshore, some of it is fantastic stuff but it adds a level of complexity. You’ve got international shipping and initial lead times. And then what happens when there is a breakdown in the supply chain?”

Crystal balls are dangerous tools. But for now it looks like the biggest challenge in the North American glass industry will be managing growth. •



APEX

FACADE SYSTEMS

STANDARD DOORS

CREST
175



THERMAL DOORS

SUMMIT
200



THERMALLY BROKEN
STOREFRONT

MERIDIAN
450



HIGH PERFORMANCE
CURTAIN WALL

PINNACLE
600



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