
The challenge of managing reinforcing steel contracts

“Contract management” is a broad term covering a wide spectrum of tasks. It refers to everything from providing services for the U.S. Defense Department to home-building. Though all types of contract management revolve around organizing resources for a project (loosely defined), several aspects are very unique to the reinforcing steel industry.

First, rebar contracts are unique because of the nature of rebar itself. Very few products are quantified using as many different units as reinforcing steel. For example, each piece of supplied rebar has a bar size that identifies its diameter in imperial or metric units. This, along with its length — typically feet-inches or millimeters — can be used to calculate the weight of the item. Though item weight is normally expressed in pounds or kilograms, pricing is typically applied per hundred-weight.

Rebar fabricators are unique as well. They provide valuable services, most notably fabricating and shipping material, and creating detailed placing drawings, but don’t charge directly for these services. Instead, this cost is typically built into the price of the material they supply.

A variety of other factors further complicate rebar contract management. For example, depending on the region, the customer, and common business practices, projects may be lump sum, unit price, or a combination of both. Mesh and other concrete accessories commonly supplied by rebar fabricators can be priced individually or rolled into the rebar price. In some cases, projects are billed per shipment. In others, retainage and progress billings at a percentage of the job are required.

Evaluating solutions

Rebar fabricators use a variety of methods to manage their contracts. Some companies, particularly smaller fabricators, simply hand-write their business paperwork. The least expensive of available options, this method is time-consuming and can be inconsistent. By combining hand-written paperwork with spreadsheet software, such as Microsoft Excel, fabricators can automate calculations but still have the potentially error-prone task of transcribing data between screen and paper.

Another option is using out-of-the-box accounting software. Depending on the software package selected, prices can vary from almost insignificant to very expensive. This method offers some important benefits: it stores data electronically for easy retrieval; it generates neat, consistent paperwork; and it automates many calculations. Without costly customizations, though, out-of-the-box accounting packages are not equipped to handle rebar-specific functionality. Also, if the

fabricator is using rebar software for its operational processes, data such as material sub-totals will still need to be transcribed from one system to another.

A third option is to use rebar-specific business software. This solution integrates rebar operations and accounting data, eliminating the need to work in two systems to manage rebar contracts. Additionally, it is designed to handle calculations unique to the industry such as conversions among size (diameter), length, weight, and per-hundred weight values. Integration allows for other downstream benefits, too, such as the ability to view change order or shipped status for an individual callout directly from a CAD placing drawing.

Recommendation

As the comparison table on the following pages clearly illustrates, rebar-specific contract management software such as aSa Rebar Financials provides numerous time-saving benefits that other methods don't. aSa is the only rebar system that is truly integrated; rather than passing data from one module to another at specific interface points, all aSa data is stored in a common database.

To learn more, please contact aSa.

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Comparison table

Task	Benefit	Solution		
		Manual / Hand-written	Off-the-shelf Accounting Software & Spreadsheets	aSa Rebar Financials
Entering Customer and Job Information	Quick	✗	?	✓
	Consistent	?	?	✓
	Easy to update	✗	?	✓
	Easy to search for related information	✗	?	✓
	Data available to downstream rebar applications	✗	✗	✓
	Eliminates repetitive data entry	✗	✗	✓
Creating Bids	Automatically loads estimate summary totals	✗	✗	✓
	Automates all pricing calculations	✗	?	✓
	Breaks pricing down by bid item and material type	?	?	✓
	Easily handles lump sum and unit price items	?	?	✓
	Provides the convenience of template-driven pricing or the flexibility of entering pricing on the fly	✗	?	✓
Creating Sales Orders	Creates consistent, easy-to-track documentation	✗	?	✓
	Easily handles contract <i>and</i> walk-in orders	?	?	✓
	Automatically loads bar list information	✗	✗	✓
	Automatically calculates each order's price based on the job's bid	✗	?	✓
	Connects to and launches downstream applications (Bar List, Tagging, Bill of Lading, Invoice)	✗	✗	✓
	Handles multiple units of measure common to the rebar industry, such as pieces, length, bar size, and hundred-weight	✗	✗	✓
Creating Bills of Lading & Invoices	Creates consistent, easy-to-track documentation	✗	?	✓
	Posts information to GL	✗	?	✓
	Contains built-in checks to prevent shipments to past-due customers	✗	?	✓
	Automatically relieves from inventory	✗	?	✓
	Creates bills of lading and invoices on-the-fly or in batch mode	✗	?	✓

Task	Benefit	Solution		
		Manual / Hand-written	Off-the-shelf Accounting Software & Spreadsheets	aSa Rebar Financials
Managing Change Orders	Allows you to note the reason for each change order and apply pricing accordingly	✗	?	✓
	Automatically calculates and displays original and revised job values	✗	?	✓
	Associates change orders to specific CAD takeoff items and bar lists for easy record-keeping	✗	✗	✓
Tracking Job Progress	Displays real-time estimated, shipped, and billed weight and dollar values for your projects	✗	✗	✓
	Eliminates the need to open multiple screens and systems to view project information	✗	✗	✓
	Eliminates repetitive data entry	✗	✗	✓
Invoicing	Automatically applies contract pricing to material and services on all invoices	✗	?	✓
	Provides excellent controls to ensure that all shipments are invoiced	✗	?	✓
	Handles progress billings and other special billing scenarios	?	?	✓