

COST ANALYSIS

Real world applications provide an opportunity to prove real savings. In this example we compare how those savings were realized by using Stone Wool instead of Calcium Silicate.

PROJECT DETAILS:

GLT Fabricators, a GLT Products company located in LaPorte, TX, was tasked with quoting a project in Wyoming. The project required calcium silicate pipe covering ranging in sizes from 8" x 1-1/2" to 42" x 2-1/2". Pricing was competitively offered at a total of \$36,583.16. It was then suggested to the contractor that stone wool could be provided, would be less expensive, would provide better thermal performance, be easier to handle, easier to install, would not absorb water and is proven to have a longer life span than calcium silicate. GLT Fabricators quoted its GreatROC™ PF as an alternative to the original request of calcium silicate. GreatROC™ PF is V-grooved stone wool that is bonded to complete a finished half cylinder to fit precise NPS and copper tubing sizes. The project was quoted at \$14,529.33. A savings of \$22,053.83 over the calcium silicate originally quoted.

The contractor weighed his alternatives and needed more information before making a decision. He was curious to know the freight implication for both the Calsil and the GreatROC™ PF. Getting product to a jobsite can be a costly affair. For those of us in the Mechanical Insulation Industry, freight costs are a constant challenge. Providers are sprinkled across the country and jobs are often located in the far away regions of the country. If freight charges are not accurately considered, job profitability will hang in the balance. Most pipe insulation materials are lightweight but eat up truck volume due to size. The lightweight/high volume freight profile results in high freight classifications making LTL freight shipments an expensive endeavor. The Calsil option required 3 full truckloads at \$2,750 per truckload. The GreatROC™ product required 2.7 truckloads if floor loaded and 3.15 truckloads if loaded on pallets at the same rate of \$2,750 per truckload.

As yet another alternative, to help reduce freight costs, GLT Fabricators offered its GreatROC™ PC. GreatROC™ PC is stone wool that is V-grooved precision cut to fit NPS and copper tubing sizes. GreatROC™ PC is packaged flat allowing for greater flexibility at the time of shipping. The project was quoted at \$12,381.91. The "PC" option was estimated to ship on 28 pallets, all of which would fit into one 53' trailer.

Options to the customer were as follows (High to low):

	Calcium Silicate option	"PF" option (Stone Wool)	"PC" option (Stone Wool)
Material Cost	\$36,583.16	\$14,529.33	\$12,381.91
Freight Cost	\$2,750 Each (3 Truckloads)	\$2,750 Each (3 truckloads)	\$2,750 Each (1 Truckload)
Total Cost	\$44,833.16	\$22,779.33	\$15,131.91

The customer eliminated the calcium silicate option and was able to convince the job owner of the benefits of stone wool. He then considered the possibility of additional labor costs to install the precision cut option vs the preformed option and determined them to be negligible. He decided to use GreatROC PC and used the savings to win the project. The original request versus the agreed upon option resulted in a savings of \$29,701.25.