

S&S Steel Fabrication, Inc.

Fabrication News

Management Message

In 2007 S&S Steel started a program with MEP of Utah to improve our productivity. Of course we all now know this program as Lean Manufacturing.

In 2008 we saw an increase in events focused on eliminating waste and organizing our workplace environment. David Sanders was also brought in as our Lean Manager giving S&S Steel the ability to focus on Lean Manufacturing daily.

Now it is 2009 and we will need to keep these tools close at hand to make S&S Steel competitive in the increasingly slow market. As I am sure you are all fully aware the steel fabrication market is shrinking due to the failing economy. This means that there is less work for the same

amount of steel fabricators. Our prices will need to be much lower to obtain work for our shop. In turn our expenses to fabricate steel will need to be lower also. Producing more with our current state of space, equipment and personnel is what Lean Manufacturing is all about.

One of the management goals for the 2009 year is to reduce the hourly rate it costs to run the shop (supplies, wages, electricity, consumables, health insurance, workers compensation, maintenance, the list goes on and on) divided by the hours worked equals our shop hourly rate. For example if the total costs to run the shop for January 2009 was \$100,000 and we worked 2,000 hours that month, $\$100,000 \div 2,000 \text{ hours} =$

\$50.00 per hour.

The biggest way to reduce our shop hourly rate is to control our costs. Each month we will be reviewing what is spent in certain departments and evaluate what spending can be reduced. This will help keep our production costs lower than our competitor. We need every advantage to make it through the tough times ahead.

You can be sure that our management team is going to do all we can to ensure that S&S Steel obtains as much work as possible for the 2009 year!

Kent Wilson

General Manager

Inside this issue:

Management Message	1
Calendar	1
Shop Message	2
Employee Spotlight	2
Production Update	3
Safety	4
Quality Control	4
Lean Management	5

S&S Steel, Calendar Items

Feb. 02- Groundhog Day

Feb. 02 - Yard, Team Mtg. 12:30pm

Feb. 02 - Parts, Team Mtg. 2:15pm

Feb. 03 - Paint, Team Mtg. 12:30pm

Feb. 03 - Fitters, Team Mtg. 2:15pm

Feb. 04 - Welders, Team Mtg. 2:15pm

Feb. 06 - Payday

Feb. 06 - Mgmt review of Red Tag and Personal Projects Areas

Feb. 14 - Valentines Day

Feb. 16 - Presidents Day

Feb. 20 - Payday

Feb. 20 - Mgmt review of Red Tag and Personal Projects Areas

Feb. 23, 5S Project, **Maintenance**

Feb. 24, 5S Project, **Maintenance**

Feb. 25, 5S Project, **Maintenance**

Mar. 02 - Yard, Team Mtg. 12:30pm

Mar. 02 - Parts, Team Mtg. 2:15pm

Mar. 03 - Paint, Team Mtg. 12:30pm

Mar. 03 - Fitters, Team Mtg. 2:15pm

Mar. 04 - Welders, Team Mtg. 2:15pm

Mar. 06 - Payday

Mar. 06 - Mgmt review of Red Tag and Personal Projects Areas

Mar. 17 - St. Patricks Day

Mar. 20 - Payday

Mar. 20 - Mgmt review of Red Tag and Personal Projects Areas

Mar. 26 - 5S, **Lean Office**

Mar. 27 - 5C, **Quality Control**

Shop Message



We have started a new year. I hope everyone enjoyed the Holidays.

The shop management has identified some goals that we as a shop could focus on during the 2009 year.

Safety

S&S Steel is committed to having a safe workplace.

Our goal is to have zero injuries this year.

Attendance

Every employee is an impor-

tant part of the company.

When employees are late or absent it disrupts the shop production. We would like to reduce un-excused absences and late arrivals by 50% this year.

Fabrication Errors

Fabrication errors have a serious impact on production. Some of these errors include; oversize welds, incorrect hole placement, incorrect plate placement, incorrect hole sizes, incorrect saw cuts, etc. We have a work force capable of reducing these type of errors.

Yard

We have had some errors

with inventorying loads last year. However, there has been great improvement the last few months! Our goal is to keep improving. We also have a goal to make our inventory 100% correct. This will take a lot of dedication from our yard personnel. We have confidence and know that it can be done.

The shop management wishes everyone a safe productive year.

Thank you for all that you do!

Gene, Dewey, Lancer, and Brent

“S&S Steel is committed to having a safe workplace. Our goal is to have zero injuries this year.”

Employee Spotlight—Les Clapham



Les Clapham was born in Martinez California and grew up in Las Vegas Nevada. Les now lives in Hurricane in a house he built with his family and neighbors.

Les has been married 25 years and has 5 children.

Les began working at S & S in 1995. He was working at another local steel fabrication shop before and had done a little bit of everything before that. He enjoys working on cars and helping others whenever he can. He also enjoys working with the

youth in Hurricane through his calling in church.

Les has been an important and valued member of our team for many years.

Production Update

Current Projects

333-Beneficial Tower, Salt Lake City: This project is all but complete. There is less than a truckload left to fabricate. Mark Olsen is the PM.

New Projects

384 – First Avenue Bridge
Adams & Smith has awarded us with 20 Tons of structural steel for the retrofit of the 1st Avenue Bridge over Maple Canyon located in San Diego, CA. Currently we are waiting for the approval drawings. We are schedule to start fabrication on the second week of March.

387 – Praxair, Pipe Rack P002
110 Tons of structural and miscellaneous steel for Richmond H2 plant located in Richmond, CA. The shop has fabricated most of the steel from the approval drawings. We are anticipating some re-work due to design changes. Shipping will not start until shop drawings are revised, resubmitted for fabrication and changes are incorporated to the steel. ARB is our customer.

388 – Praxair, Pipe Rack P003
This is Pipe Rack P003 for Richmond H2 plant. The production of 105 tons of structural and miscellaneous steel is currently in progress; the fabrication will be done from the

approval drawings and possible re-work is expected due to design changes. Fabrication will be complete by the third week of February.

389 – Praxair, Process area 01 & 02
ARB has awarded S&S Steel with approximately 395 tons of structural and miscellaneous steel for Richmond H2 Plant, Process areas 01 and 02 located in Richmond California. Computer Detailing Inc. is currently detailing the steel; we are schedule to start the fabrication from the approval drawings by the third week of February.

390 – Praxair, PSA Areas 01, 02 & 03
ARB has awarded S&S Steel with approximately 7.5 tons of miscellaneous steel for the Richmond H2 Plant in Richmond California. Computer Detailing Inc. is currently detailing the steel; we are schedule to start the fabrication in March of this year.

2008		2009	
Month	Hours	Month	Hours
Jan	8,061	Jan	7,740
Feb	8,330	Feb	
Mar	7,511	Mar	
Apr	9,671	Apr	
May	9,053	May	
Jun	9,367	Jun	
Jul	9,108	Jul	
Aug	9,056	Aug	
Sep	9,595	Sep	
Oct	9,854	Oct	
Nov	6,982	Nov	
Dec	9,237	Dec	
107,020		7,740	

The chart above is a comparison of the direct labor hours worked in 2008 and 2009. Direct labor consists of any hours worked on a job.

Safety



Any employee who has not had an accident from March 2008 to March 2009 will receive a really cool Gerber Knife!

We would like to acknowledge the efforts off all regarding the safety so far this year. I'm excited about some of the opportunities that are coming about due to your involvement in the shop 5S projects and the use of the Continuous Improvement forms. Don't forget that safety suggestions can be submitted on these forms also.

We had a great suggestion during the Main Bay 5S event re-

garding our emergency procedures (or lack thereof). We got a group together and came up with a plan. You haven't seen anything and probably won't for another 4 - 6 weeks until we get quotes back from vendors and finalize procedures. I know this is taking a long time but we want to get it right. In the meantime, in the event of an emergency that requires evacuation everyone should report at a rally point off S & S property across the street

from the east gate entrance.

Also, don't forget that March 1st is our renewal date for Workers Comp. Any employee who has not had an accident from March 2008 to March 2009 will receive a really cool Gerber Knife!

Jeff Staples

Quality Control

Let me first say that overall the quality of welding is the best it has ever been! I want to commend everyone for their input and efforts in making S&S Steel a quality fabricator. Below I have a few tips that can make us even better. Thank you and

keep up the good work!

There are many welders that grind too much or grind welds that do not need to be ground. I personally do not like to grind and I am sure we can reduce the need to. With that said, only grind if

absolutely necessary. Be careful and not grind into the base metal, this happens often at corners when seal welding pieces that get galvanized.

inside of a corner to the outside. The proper technique is to weld from the outside into the corner. Many people do not think this matters but it does because welding from the outside to the inside minimizes arc blow, which causes lots of spatter.

Thank you,

Quality Control Dept.

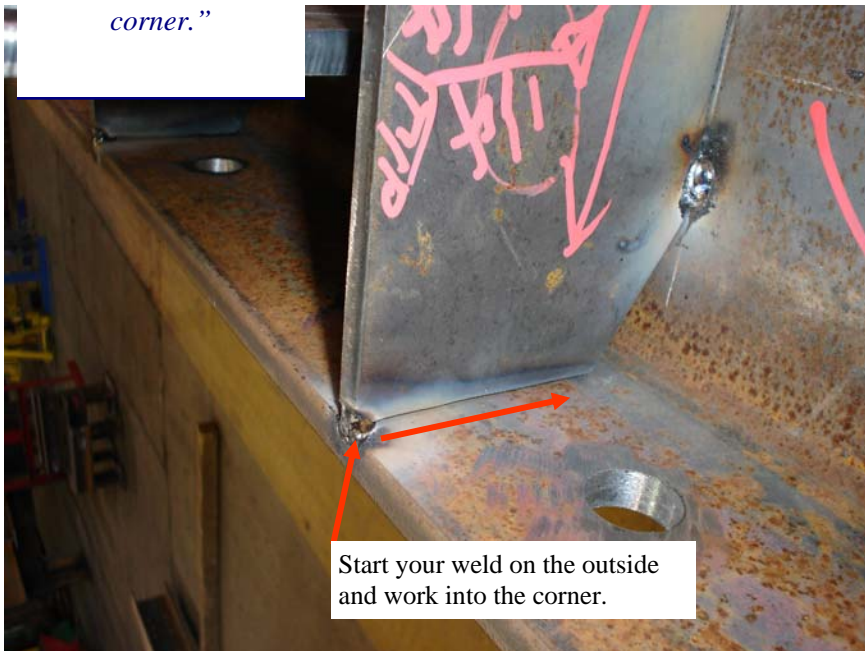
Charles Gubler

Scott Sanders

Marion Cox

Welders please fill in the low spots (craters) at the ends of welds. If not properly filled there quite often is a small crack. Some welders weld from the

"The proper technique is to weld from the outside into the corner."



Start your weld on the outside and work into the corner.

Lean Management

"Lean Production Simplified"

I have a book called "Lean Production Simplified" and so far I have found nothing in the book about Lean production being simple. I defiantly have not found anything in the book that tells you exactly when and what to do for S&S Steel and its employees to be lean. What I have found are some words which meanings can be applied to different things to help us on our journey to lean. So our challenge is to translate, tailor, and apply them to our current state or way of doing things.

The Big question-What is lean? A simple definition of lean is "A systematic approach to identifying and eliminating waste (non-value added activities) through continuous improvement by flowing the product at the pull of the customer in pursuit of perfection".

I picture S&S Steel as never achieving a perfect state but always in pursuit of it. So far we have made good progress. One of the words that have helped us in our Journey is "Kaizen" which means to continuously improve in incremental steps. We held a major Kaizen event where we improved the main bay of the

shop. We got everyone involved from management, maintenance, QC, fitters, welders, paint and yard employees. We used 5s (Sort, Set in order, Shine, Standardize, and Sustain) as a tool to help us improve our current state. We made tables, painted lockers, ordered more grinders, torches, air arcs, and extension cords so every worker was able to have one. We were also able to communicate to management on why we needed the tools to be ordered. We also made shadow boards to put the tools on to help locate them easier. Chains and chain racks were painted and put in a central location so a worker would not waste time looking for them. The Kaizen event got workers excited and picked up moral.

At S&S one of our objectives is to do more with less -less time, less space, less human effort, less machinery, less materials, less cost - while giving our customers what they want. We must keep improving, so how do we not go back to the way it was and keep moving forward? We score every area so we know where we can improve. We have stand-up meetings at the beginning of each shift where Safety, Production and a Continuous Improvement idea is presented to be

worked on. Continuous improvement or "Kaizen" should be worked on every day by everyone. Where do we get Continuous Improvement ideas to work on? From every one. How? We hold team meetings monthly to get improvement ideas. We have a Suggestion Program with rewards for good ideas that are implemented. Last year Toyota Motor Corp. received one million suggestions on how to improve productivity, quality and the workplace. S&S steel is asking for 10 Ideas a month we currently have 8 turned in so far. I think lean production will be simplified when we have everyone's eyes, hands, ideas and attitude focused on "Kaizen" Continuous improvement.

S&S Steel /Lean Manager
Dave Sanders

What is lean? A simple definition of lean is "A systematic approach to identifying and eliminating waste (non-value added activities) through continuous improvement by flowing the product at the pull of the customer in pursuit of perfection".



Work smart!

2292 West 500 North
Hurricane, UT 84737

Phone: 435-635-9801

Fax: 435-635-9804



www.sssteelfab.com

Congratulations to Terry Thomas! Terry won third place in the Salt Lake Tribunes second annual Jell-O poetry contest.

**For the banquet each guest would bring
A dish of their favorite thing,
And oh wouldn't you know
Twenty bowls in a row
Of Jell-O, red, yellow and green.
- Terry Thomas**



 **Birthdays** 

January

Pete Denny 01/08

Shano Matautia 01/08

Leon Chischilly 01/10

Marlin Wright 01/13

Terru Thomas 01/22

Angel Guzman 01/27

Tucker Reynolds 01/29

Debbie Jacobson 01/27

February

Mark Olsen 02/03

Charles Stokes 02/08

Jaci Watts 02/10

Ueli Maeli 02/14

S&S Steel Fabrication, Inc.

Core Purpose:

To Create the Opportunity and Motivation for People to Succeed

Core Values:

Quality
Honesty
Safety
Teamwork
Employee Satisfaction

