

# Reinforced steel building success storeys

Rising prices push Surrey company up almost 20 spots in Top 100 Private Companies list



**KRIENDRA  
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A quest to raise the bar in an industry considered challenging and rough led former ironworkers **Ron McNeil** and **Ivan Harmatny** to join forces two decades ago.

Not only have they met that goal, but the duo are being amply rewarded for their efforts.

The fortunes of **Lower Mainland Steel**, literally the backbone of many buildings in B.C. and beyond, are rising as high as some of the residential towers its products are going into.

The Surrey-based concrete reinforced steel fabricator has seen revenues skyrocket by almost 50% to \$134.1 million in the past year in line with a scorching pace of construction, thrusting forward its *BIV* ranking of B.C.'s top 100 private companies 19 spots to number 74.

But CEO McNeil reckons there're even better days to come, despite the price of its core product – steel – itself going up.

"We certainly want to see this company grow," said McNeil in an interview from New York, taking a break after a grueling slate of recent projects at home. "Two hundred and fifty million in sales is something we think is achievable within three to five years."

The company has approximately 60 projects on the go at any one time, recently completing the massive rebar work at the 119-room **Shangri-La Hotel** in Vancouver, which, at 61 storeys, is the tallest building in the city.

Lower Mainland Steel is involved in practically every major construction project in B.C., including work at the Woodward development site, the international convention centre expansion, Sea to Sky highway bridge work and building of the Golden Ears Bridge.

With its order book filling up, the company has gone on a huge hiring spree, doubling its staff from 220 in 2006 to more than 500.

A large part of its workforce – about 20% – has been lured from overseas, including from the United Kingdom and various



Vancouver's Shangri-La Hotel: Lower Mainland Steel provided rebar for the new 119-room hotel

countries in Asia.

"They've helped with the labour crunch we've been going through over the last few years," said McNeil, 47. "It's been extremely important for us to continue to bid [for] work."

The partnership started out as an installation-only venture in 1988, when it was literally just two guys and a pickup truck.

In 1998, the pair bought the assets of a fabricating yard and merged those two into Lower Mainland Steel.

Apart from its first steel fabrication yard in Surrey, the company has reached directly into Vancouver with new fabrication premises on Kent Street bought earlier this year as part of a \$2.5 million capital expenditure program.

The 80,000-square-foot building was bought "for a discount" from **SNC-Lavalin Inc.**, the main contractor for the Richmond-to-Vancouver rapid transit Canada Line.

A third yard is in the works just outside of Calgary, where demand for its expertise has grown in recent months, while it sees growth prospects in Saskatchewan, Manitoba and also across the border in the western U.S.

The company processes in excess of 80,000 tonnes of reinforcing steel a year, which is brought in mostly from a steel mill in China but also from Mexico and,

to a lesser extent, Seattle.

"The steel market in the last year has been as volatile as we've ever seen," said

McNeil. "It's been quite an extraordinary situation. Prices have gone up over 30% since Christmas."

Lower Mainland Steel has enjoyed a year-over-year growth of about 20% over the years, and although 2007 "was a very good year for us," it's not been that inconsistent with prior years, said McNeil, who sees more work ahead through private-public projects.

"We see it shifting a little bit into more of the infrastructure work and we're very excited about the opportunities in B.C. and Alberta."

These include the building of bridges as well as hospitals in Vernon, Kelowna and Victoria.

While McNeil is the first to admit that rebar fabricating "isn't the most exciting industry," it's the ability to make it adapt and grow – and be different from competitors – that makes it exciting.

Apart from looking offshore for labour, the company sank a significant amount of money into lo-

cal television and radio recruitment drives and also has its own training program.

It also adds value by outsourcing estimating work to a firm in India.

The strategies, along

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CEO,  
Lower Mainland Steel

with a core one – promoting from within – have helped ensure success, said McNeil.

Lower Mainland Steel's major competitor is **Harris Rebar**, a division of Toronto-based **Harris Steel Group Inc.**, a publicly traded company with 44 facilities in Canada and the U.S. Harris Steel is owned by **Nucor Corp.** of Charlotte, North Carolina. ■ kbisetty@telus.net

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