

COST-DRIVER

Steel is considered to be more cost-effective than any of its counterparts due to various factors. Much of the cost savings are gained from the labour and cost benefits of decreased construction time. Other than this, since it is recyclable, construction companies prefer it rather than paying landfill fees for non-recyclable construction waste.

Speaking on the subject, **Rakesh Reddy, director, Aparna Constructions & Estates**, said, "Cost-effectiveness and responsible sourcing of steel are critical issues for the construction sector. Since the majority of savings result from stages prior to construction, we are always trying to address inefficiencies in steel vendor management and procurement processes. We have a continuously evolving system that is designed to increase efficiency and mitigate risk. This system

covers the entire steel procurement process from planning and strategy to selection and contract management."

Reddy added that one of their four key principles of steel procurement is the use of automation, especially since the cost of steel fluctuates regularly. Automation at the bid level can help manage the aggregation and analysis of incoming data. It helps create a smart system that can quickly determine cost savings and opportunities. "As a rule, we engage with as many bidders as possible to ensure diligence and widen our pool of suppliers. Automation helps manage this ecosystem," he stated.

Commenting on the importance of steel and its cost-effectiveness, **Ashok Mohanani, chairman EKTA World and VP, NA-REDCO, Maharashtra**, explained, "Cost is an essential consideration in the selection of structural frame material and form, which is a crucial primary decision in the design process. While steel can be a volatile commodity, it is one of the most important materials used in a building. Most buildings being high-rises, plenty of steel is used, therefore steel is a big cost driver for developers. Most of it is routed directly or indirectly through



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