

AZZ Inc. Benefits from Fine Tune's Deep Expertise in Uniform Rental and Waste Disposal Indirect Expense Categories

Ongoing and vigilant management of the expense categories has saved AZZ hundreds of thousands of dollars since onset of partnership

CHICAGO, IL, US, April 13, 2021 /EINPresswire.com/ -- [Fine Tune](#), a provider of indirect spend



The savings AZZ has realized in these categories would not have been possible without the experts at Fine Tune.”

Jason Pence, EHS Director of AZZ

management services, today announced impressive results from projects aimed at addressing nuanced issues faced by AZZ Inc.—a more than \$1 billion global provider of galvanizing, welding solutions, specialty electrical equipment and highly engineered services—in their uniform rental and waste disposal programs.

Uniform Rental

A few years into the partnership, which began in 2015, Fine Tune learned of an AZZ site serviced by a different uniform

supplier than the rest of the sites, and therefore not included in the national programs negotiated and managed by Fine Tune.

A review of the uniform program at this site revealed highly specialized Spentex® coveralls were in use and being rented; working in galvanizing and welding means AZZ is working with liquid metals, necessitating such highly specialized protective wear.

However, all other sites under the Fine Tune-managed program were not renting, but instead purchasing coveralls and having them washed on an as-needed basis. In the uniform rental industry this is referred to as “NOG (not our garment) washing,” which in this case is a more cost-effective option for a few reasons:

- Less frequent unit cost billing: Rental programs bill for each item in circulation every week, regardless of how many are turned in for washing. NOG wash programs bill for items only when turned in for washing.
- The coveralls require fewer washes: NOG wash programs are not feasible for all garments and in all situations. For example, typically, unit rates for NOG washing are higher than rental unit

rates, so garments needing regular washes each week would not be cost-effective under this program.

However, the coveralls in use by AZZ did not require frequent washing due to being worn on top of other clothing and regularly getting soiled with liquid metal, chemicals, etc.—in other words, presentability was no concern due to virtually impossible upkeep.

- No rental program ruin or insurance charges: Uniform rental programs include ruin charges—which are particularly high for specialty garments—when an item is torn, significantly stained, etc. Working with liquid metals and chemicals means AZZ’s coveralls were regularly stained, subjecting them to either frequent ruin charges or necessitating an insurance program—with a surcharge on top of the rental unit rate—in order to avoid ruin charges. This AZZ site had elected the insurance program, but the insurance rate was steep due to the coverall being specialty.

NOG wash programs, however, avoid ruin charges and insurance charges, as the coveralls are owned by the customer and not considered property of the uniform supplier.

In order to switch the site to NOG wash, AZZ first had to purchase the specialty coveralls, but two issues stood in the way of making that a feasible endeavor: an upfront purchase of all coveralls would be a large expense, and the majority of the coveralls were quite deteriorated, so AZZ would be buying garments with little remaining “life.”

Further utilizing their expertise, Fine Tune negotiated a plan combatting these two issues. The uniform supplier agreed to immediately replace all specialty coveralls in poor condition at no cost, and instead of an upfront purchase of all coveralls, AZZ could continue renting them at a lower unit rate for another 2.5 years—at which point they would be considered “owned” and NOG washing would go into effect.

This program switch resulted in over \$11K annual savings and \$45K immediate savings at just this one site.

Waste Disposal

To achieve significant savings for AZZ in their complex waste category, Fine Tune utilized their comprehensive knowledge of the industry and addressed the issue of line-item pricing in the company’s permanent roll off container program.

Operating within the field of industrial metal coatings means AZZ has unique waste needs, often requiring disposal via large open top and compactor roll off containers—areas of the waste industry replete with added fees, fluctuating and poorly defined fuel and environmental charges, and other various line items posing as mandatory governmental taxes which, at the end of the day, are merely arbitrarily imposed and hauler-calculated.

There are so many points at which fees can be applied (cost of the haul, cost per ton of disposal, legitimate taxes and governmental fees depending on geographic region, etc.) that accounts payable would never have the time or resources to separate fact from fiction. Add to the fact that a monthly invoice may reflect numerous haul events at just one location let alone across the enterprise, and the situation is even muddier.

One example of Fine Tune's expertise greatly paying off: There is an AZZ facility which produces tons of dust and waste sand as part of their sandblasting operation. Prior to Fine Tune's involvement, AZZ had numerous line items associated with this special waste stream; but upon Fine Tune's involvement, the line items were discovered to be non-essential. These included a "Landfill Fee," "Government Franchise Regulatory Fee," "Regulatory Cost Recovery Charge," and the ever-present fuel and environmental and administrative fees—all on top of the haul fee, disposal per ton, and container liner fee.

By the time the dust settled on Fine Tune's and AZZ's partnered negotiations for new rates, terms, and conditions, the AZZ location went from paying over \$2,100 per haul to paying approximately \$1,000 per haul, and only three line-items remained on the invoices: cost per haul, disposal per ton, and cost of the container liner. With multiple hauls per month at this one location, the savings quickly amassed.

Fine Tune accomplished this optimization without switching AZZ from their incumbent hauling vendor, avoiding the disruptions and costs that often accompany vendor changes.

As a result, AZZ enjoys waste/recycling vendor invoice cost reductions averaging more than 46% at locations where the process has been fully implemented.

"The savings AZZ has realized in these categories would not have been possible without the experts at Fine Tune," commented Jason Pence, EHS Director of AZZ. "Their knowledge and dedicated management are unmatched. You just don't know what you don't know—but Fine Tune does."

Rich Young

Fine Tune

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