

Best Practices

Extruded Aluminum Storefronts

Top 6 Pricing Components for Sourcing Extruded Aluminum In North America

To learn more visit:
ibm.com/services/procurement/

The Key focus of aluminum pricing agreements is on fixed price components. These are costs that the Supplier controls and can be fixed for a period of time.

Main Components

40%

Market based components
Subject to Exchange pricing

60%

Fixed components
Fully negotiable

Percent breakdown based on 2017 Average Exchange Pricing

Did you know?

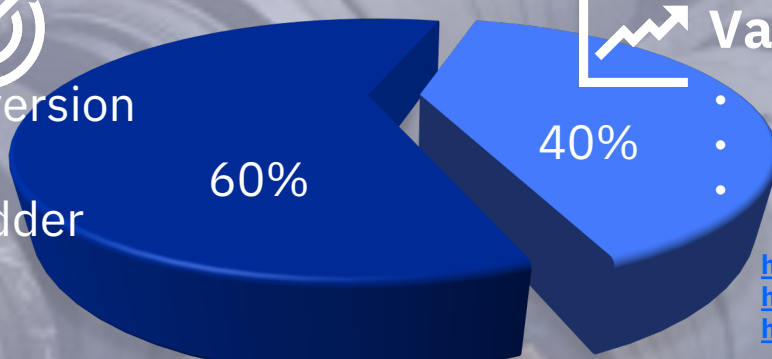
Aluminum is a traded commodity subject to frequent market fluctuations.

Pricing Components

Fixed Price



- Extrusion conversion
- Hollow adder
- Light weight adder
- Packaging
- Shipping
- Tooling



Variable Pricing

- London Metal Exchange
- Midwest Premium
- Shanghai Metal Market

<https://www.lme.com/>
<http://www.cmegroup.com/>
<https://www.metal.com/>

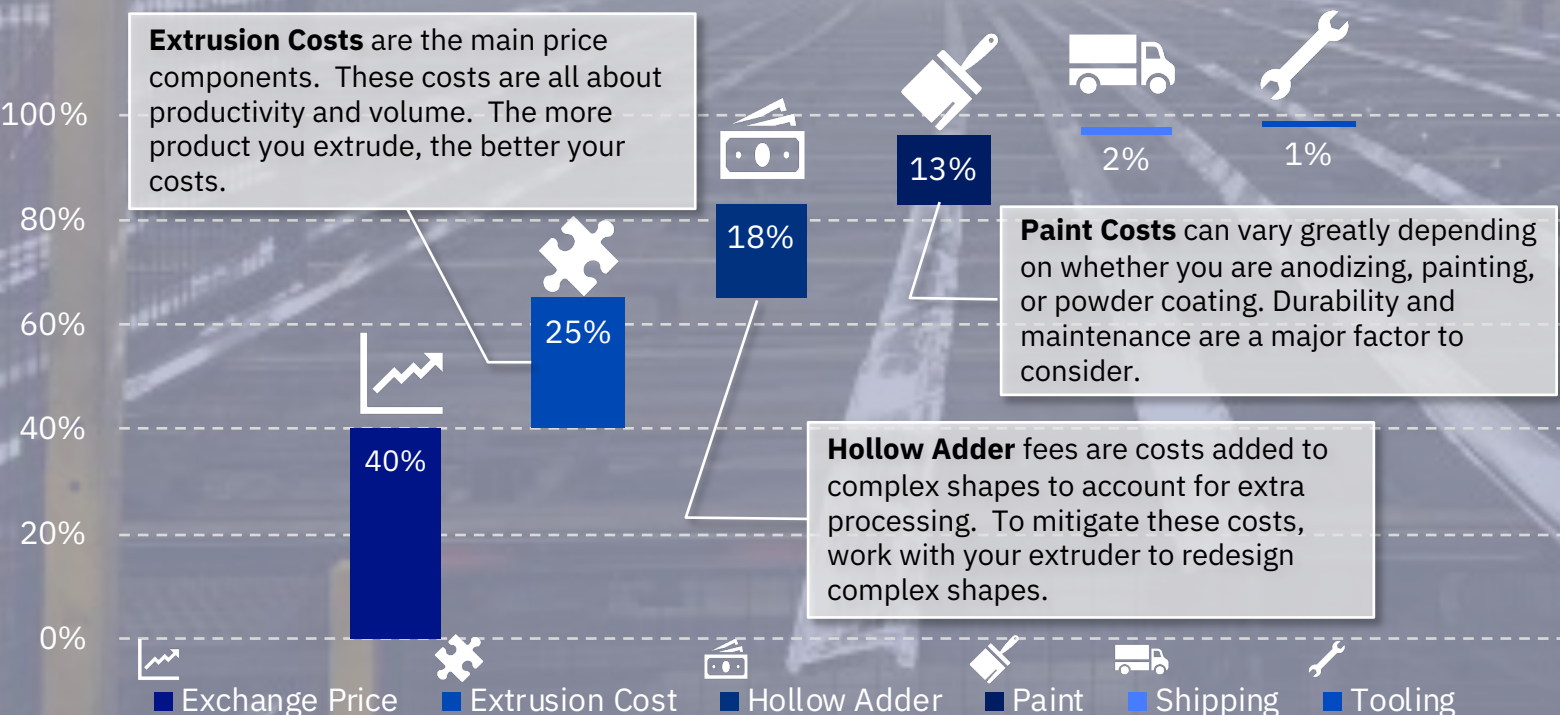
Variable Pricing is subject to Market forces. You can mitigate market fluctuations by buying in bulk, but if you buy too much you risk buying at a high price

Did you know?

Aluminum storefronts are extruded from billets.

Cost breakdown by percentage

Pricing is solicited on a price per pound basis.



Did you know?

AA 6063 aluminum alloy T5 temper is the most commonly used for interior storefront system.

Percentage based on two years of North American sourcing initiatives.

Source: IBM Procurement Services