



# *the* **OUTRIGGER**

R. Baker & Son Magazine  
Service-Disabled Veteran-Owned Business

JULY 2021

## Investment Recovery: Shortages are Sparking High Demand for Used Assets

Now that a large portion of the population is vaccinated and the rate of new COVID-19 cases in the Northeast seems to be holding steady, a sense of normalcy is slowly returning to our day-to-day lives. The construction industry has been severely impacted, however, by widespread supply chain shortages and rising costs stemming from the pandemic that are still being felt nationwide. The unavailability of building equipment and materials, skyrocketing costs, and fabrication times that are double or triple what they used to be has led to **high demand for used machinery and materials**, and investment recovery is being widely recognized by owners of buildings undergoing renovation or relocation as an attractive option from every standpoint.

Years ago, owners usually opted to reuse only portable assets such as mobile equipment and machinery, office furniture and fixtures, and IT equipment in their new or remodeled facility, and larger equipment was oftentimes either disposed of or sold off as an afterthought. The Great Recession did a lot to shift this mindset, and more companies began recovering equipment like boilers, chillers, air handling units, process equipment, large exhaust fans, dryers, tanks, etc., for reuse or resale. Today's circumstances are much different from 2008, but the pandemic has set off a reawakening not only to the significant value of recovering and reusing existing assets to offset costs and prevent lengthy project delays, but to the potential for fetching top dollar from assets that are salvaged and resold.

According to the Investment Recovery Association, the highest return on investment can be reaped from assets reused within an organization. This is followed, in order, by assets returned to the supplier, traded, sold, recycled and, finally, sold as scrap. As an Investment Recovery Association member, R. Baker & Son actively networks with a majority of Fortune 500 companies to market and relocate surplus machinery and equipment throughout the U.S., Canada, Puerto Rico and Europe

*Continued on page 2.*



*inside this issue....*

**INVESTMENT RECOVERY: SHORTAGES ARE SPARKING HIGH DEMAND  
SCRAP METAL IS BOOMING - PRIME TIME FOR DEMOLITION  
HISTORY OF THE OXYACETYLENE TORCH - LOCKOUT/TAGOUT**

## Investment Recovery: Shortages are Sparking High Demand for Used Assets

*Continued from page 1*

We handle over 100,000 tons of scrap each year, which allows us to command the highest value per ton available, and these revenue credits are passed along to our clients.

Reuse or relocation of existing assets sometimes necessitates the repair or upgrade of equipment in order for it to be workable in a modern facility. This can often be accomplished on site, but in many cases the equipment must be disconnected, disassembled, packaged, and shipped back to the manufacturer for the modifications required. This is where R. Baker & Son's vast experience in rigging, machinery moving, match marking, equipment assembly, alignment, millwrighting, erector services, and warehousing gives us a distinct advantage over our competitors. For more information, please call us at 732-222-3553.



## Scrap Metal is Booming - Prime Time for Demolition

Ferrous scrap metal prices are up and steadily rising. Shredded scrap rose from \$298 per ton in November 2020 to \$449 per ton by the end of May, and HMS 1 steel rose more than 60 percent during the same time frame; since then, prices have only gone higher. With the increase in manufacturing following the pandemic and global demand for finished steel still outpacing supply, this trend is expected to continue - at least for the time being.

For those building owners that have been contemplating a demolition project, now is the time to take those plans out of the drawer to take advantage of the still-high dollar value of ferrous scrap. R. Baker & Son processes over 100,000 tons of scrap metal each year, which allows us to command top-dollar per ton. To inquire about getting your demo project underway or for more information on scrap metal prices and recycling, please call Art Sferlazzo at 732-222-3553.



# History of the Oxyacetylene Torch

The concept of using oxygen and acetylene in metal work was first developed in the late 1890s when it was discovered that a combination of the two gases produced a flame hotter than any previously known. European engineers ran with the concept, and by 1903 a method of controlling the oxyacetylene flame for welding and cutting had been invented. Today's oxy-acetylene torches, which burn from about 5,800°F to 6,300°F and can cut steel up to thirty inches thick, work by first preheating the metal to its kindling temperature using the two combined gases, then introducing a stream of pure oxygen that burns the heated metal into oxide and blows it from the cut.

One of the first companies in the early 20th century to see the profit potential for oxy-acetylene cutting and welding was the Linde Air Products Company, later a division of Union Carbide, which had recently produced the first commercial oxygen. An ambitious Englishman named Walter Roberts was recruited by Linde to promote oxygen and the oxy-acetylene torch, and he set out to perform a few publicity feats that would expand the popularity of their promising new device.

It didn't take long before he saw his first chance. In 1908, after the Quebec Bridge over the St. Lawrence River collapsed during construction, attempts to dynamite the remaining structure for removal repeatedly failed. Roberts convinced those in charge to allow him to try cutting the mangled bridge apart with an oxy-acetylene torch. He did much of the cutting himself, and the operation was a success. Two years later, the USS Kentucky battleship was in Norfolk for modernization including the removal of five Scotch boilers. After workers using cold chisels and hacksaws toiled for more than three months to cut through the 1-inch boiler plate and only managed to complete 25% of the job, Roberts convinced a skeptical U.S. Navy to allow him and a small crew equipped with oxy-acetylene torches to attempt the job with the promise that it would be completed within 10 days. To everyone's astonishment, the challenge was met with a few days to spare. The Navy, duly impressed, asked Linde to send skilled torch operators to train their workers, and thus the successful commercialization of the oxy-acetylene torch was born.



## Lockout/Tagout Prevents Injuries, Saves Lives

Lockout/tagout is a critical OSHA-enforced safety procedure that ensures that equipment has been disabled and rendered unable to energize or restart unexpectedly during service and maintenance. According to OSHA, lockout/tagout practices prevent an estimated 120 fatalities and 60,000 injuries each year.



Proper lockout/tagout requires that all sources of potentially hazardous energy – electrical, mechanical, hydraulic, pneumatic, etc. – must be identified, isolated, and rendered inoperative, then locked and tagged with the ID of the worker who placed the lock, before work can begin. This ensures that the machine cannot be unlocked and untagged by anyone other than the identified key holder. A central component to R. Baker & Son's lockout/tagout procedures on every project we perform is close coordination with onsite facility personnel to define the specific sequence of what equipment gets locked and unlocked, and when, as well as when the equipment will go back online.