



**HYSTER
COMPANY**

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Jamie McNeill
NMHG, Inc. (Hyster Company)
1400 Sullivan Drive
Greenville NC 27834

May 15, 2003

TO: CERTAIN DEALER PRINCIPALS AND SALES MANAGERS

FROM: DAVE HOEHN, VICE-PRESIDENT, SALES COUNTERBALANCED
AND WAREHOUSE PRODUCTS

SUBJECT: MACSTEEL SERVICE CENTERS USA, INC.

This letter is to confirm a formal Dealer Major Account Agreement for Hyster product between Macsteel Service Centers USA, Inc. and Modern Handling Equipment – Bristol, PA branch, who is responsible for administering the account.

Please note the attached listing of plants/operations in your area and make contact with your local plant as soon as possible.

Modern Handling – Bristol, PA branch will be responsible for placing orders with Hyster Company and coordinating the delivery and installation of new equipment. All orders for locations on the attached list are to be placed through the Modern Handling office in Bristol, PA. Macsteel Service Centers USA, Inc. will be responsible for informing their locations of this agreement.

If you have any questions concerning this account, please contact

Sincerely,

Dave Hoehn

Vice-President, Sales Counterbalanced
and Warehouse Products

DH/wgw

Request for Proposal

Macsteel Service Centers USA has completed a new Strategic Material Handling Equipment Plan aimed at meeting our material handling equipment needs well into the future. To fulfill this plan, we are looking to develop a strong working relationship with a quality manufacturer of equipment and related services to help meet our needs.

Upon your review of the materials included in this Request for Proposal (RFP), if your company is interested in participating in this process with Macsteel, we would like to invite you to visit our Corporate Offices in Bensalem, PA to present your proposal for meeting our stated needs.

Macsteel Service Centers USA, Profile

Macsteel USA is a privately held national company owned by one individual. You may be familiar with the names of the operating companies, Edgcomb Metals, Ferro Union, California Steel & Tube and Baldwin Steel. These operating units are grouped by region and each has their own set of Regional Executive Management and Plant Management. These executives manage the day to day operating functions of their respective regions. They will be the folks that your field management will interact with throughout the life of our relationship.

The Macsteel corporate staff, with field input, has designed our Strategy and will manage the process of deciding on an appropriate vendor. Therefore we ask that **you instruct your field personnel to avoid contact with our local processing center management during the RFP process.** As we narrow our decision making process down, there will ample opportunity for those types of interactions to take place.

Macsteel supplies bulk metal products (coils, sheets, bars and shapes) to a broad base of customers. These customers are in very diverse businesses, but are all hard asset product producers. They design and build products as far ranging as desk top computer cases/cabinets, washing machines and motorcycle parts. All of our customers have one thing in common; **they rely on Macsteel to provide their product needs when they want it, undamaged and in pristine condition.** This is why we pride our selves on the strict controls we have put into place regarding our employees and associated training programs and fully expect our new Material Handling Equipment Strategy will compliment this position. It is also the reason we are very particular about our service provider; with whom we will be partners for the long term.

Current Situation

Currently, Macsteel operates a pool of 119 lift trucks, at twenty-four cities within the US and Puerto Rico. An itemized list of the current equipment in use at each US location is an attachment to this RFP.

All of our Material Handling equipment is either owned or financed using an operating lease arrangement. Over the past several years our local vendors have done a good job in providing general service work for Macsteel. However we believe that the deployment of a national purchasing / service policy could have positive cost implications for our company. Therefore we are out in the market seeking original equipment manufacturers (OEMs) that have national capabilities.

We are looking for a supplier with vision, one that is creating evolutionary changes within their own company and developing new and different material handling related products.

Macsteel's Strategic Fleet Plan

Our industry has been defined by some as a "leading economic indicator" on the trends in the general US economy, or for that matter the world. As such, Macsteel's management has a desire that any long term arrangement necessary for the day to day operation of its business be as flexible as possible. Also, it is our desire that any flexibility that is built into these long-term arrangements be as easy as possible to implement for both parties.

Accordingly, we plan to employ a strategy whereby each year we will replace a percent of our equipment based on the OEM's recommendations. This achieves two very important conditions for Macsteel and our selected supplier:

First, should we be faced with uncertain economic conditions, it allows us to work together to reduce the volume of material handling equipment in use. From a supplier perspective, while we would not replace equipment for that year, you may be asked to sell off or market some equipment that has depreciated to a sound market value. That fact should allow your company a profitable disposition of such equipment.

Secondly, this strategy will allow us to take advantage of any new technological developments that may present themselves in the market to reduce costs or enhance performance. This should also serve the supplier from the same standpoint; we can become a "Beta Test" sight for new technology applied to our industry. This should allow an aggressive marketer to better penetrate the steel service industry.

This strategy was not built with the capabilities of a specific vendor in mind; Macsteel structured the plan based on our needs. Therefore, if your company has a better or more cost effective way of providing these types of capabilities for the long term, we would be interested in discussing your solution as an option.

Equipment Utilization

The following list identifies the current distribution of fork trucks within the Macsteel USA group:

CITY	UNIT's	CITY	UNIT's
ECH CHARLOTTE, NC	3	EGV GREENVILLE, SC	7
ECN CINCINNATI, OH	5	EDT ROSEVILLE, MI	2
EIN INDIANAPOLIS, IN	8	EPH BENSLEM, PA	6
EYK YORK, PA	2	ENA NASHUA, NH	7
EVA CHARLOTTESVILLE, VA	3	FHI KAPOLEI, HI	8
FSE ALPHARETTA, GA	5	EMB MURFREESBORO, TN	8
EDA DALLAS, TN	1	EVD VIDALLIA, GA	1
FTR TORRANCE, CA	6	FSK STOCKTON, CA	3
ESY SYRACUSE, NY	4	CST CITY OF INDUSTRY, CA	6
FHO HOUSTON, TX	5	BME MEMPHIS, TN	3
BHO HOUSTON, TX	2	BTU TULSA, OK	10
BCH CHICAGO, IL	3	FTU TULSA, OK	2

Standard Services Required

1. Recommend and provide Standard/Uniform Equipment based on optimum specifications for Steel Service Center operations.
2. Recommend and provide accessories and attachments to enhance specific equipment and operations utilization/efficiency.
3. Standard preventive maintenance and servicing requirement(s)
4. Provide guidelines / benchmarks for expected operating costs.
5. Pilot inspections at the manufacturing facility of any new equipment types.
6. Provide details of all warranty programs.
7. All available Rental Programs – Short & Long Term
8. Operator and Trainer training / licensing programs

Options That Are Not Now Required, but...

1. Full service leasing programs
2. Contract maintenance programs.
3. National parts programs.

Proposal Process

All of the proposals will be forwarded to management in the Bensalem PA offices of Macsteel. To maintain a degree of objectivity, we would like you to provide a detailed description on how each Macsteel service center's equipment will be serviced by your firm. This should include actual driving directions and distances from location to location. If you do not have a facility near ours, then you must be very specific in what method your company will use to provide service and support.

Your proposal should be as specific as possible in regard to standard specifications. Any additional site specific requirements that exceed the standard specifications will be dealt with on a case by case basis when a supplier has been selected.

All proposals should include structured pricing for the year 2003 and 2004.

Include a list of reference companies, including the contact name and phone number, that operate with similar equipment. This list could be different by region or area if you wish.

Beyond this basic requirement you are free to include any other information, services, factors, features or processes you feel your company may offer that would benefit Macsteel and how those services could be quantified.

Proposal Timing

We would like to conclude the proposal process by mid December 2002. Once you have received this RFP and had a couple of days to review the requirements please contact Brian Plante @ 215-245-3377 to discuss your appointment time.

Transaction Timing

After we receive your proposals and have had an opportunity to study them, we will begin our final evaluation process. This process will include the involvement of our field people and perhaps visits to your local facilities or manufacturing facilities.

We are targeting the selection of a vendor by the end of December. Any information that you provide will be held in strict confidence and will only be shared within Macsteel management. Due to the nature of our new strategy there may be some required changes in this process. We will communicate any changes as they occur.

Macsteel wishes to conclude all negotiations by January 1, 2003. The successful vendor will be afforded the necessary time to order any new equipment required.

Conclusion

As you know, this is a big job that we have attempted to cut down to a manageable size. In our process we have attempted to bring in consistency and objectivity, yet allow for you, the vendor companies, to demonstrate your strengths. Macsteel believes that this objective process serves the interest of our company, and presents a level playing field to the qualified vendors we have selected to work with.

Questions should be directed to Brian Plante (Macsteel) (215) 245-3377

Please forward three (3) advance copies of your completed RFP package to

Brian Plante, Director of Operations
Macsteel Service Centers USA
555 State Road
Bensalem, PA 19020

Thank you in advance for your input and participation in this proposal process. Good luck and we look forward to receiving your proposal.

LOCATION LISTINGS

ATLANTA, GA

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Macsteel USA Prepainted Division

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CENTRAL REGION

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Dallas, TX

Edgcomb Metals
General Manager of Sales -- Tim Collins
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Murfreesboro, TN

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Regional President - Jim Meystedt
650 Butler Street
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Nashville, TN

Edgcomb Metals
Regional President - Jim Meystedt
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CALIFORNIA STEEL AND TUBE

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Vice President, Sales - Ron Prichard
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EASTERN REGION

Regional President - John Prouty
215-245-3350

Charlottesville, VA

Edgcomb Metals
General Manager - Charlie Snipes
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HEADQUARTERS
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SOUTHEASTERN REGION

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Edgcomb Metals

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WESTERN REGION

Russ Delaney - Interim Regional President
310-538-9900
[Visit the Ferro Union website](http://www.ferrounion.com)

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Ferro Union

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Stockton, CA

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STAINLESS AND ALUMINUM DIVISION

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