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WORKING TOGETHER

BLD AND UNDERGROUND EYES PLAY OFF EACH OTHER'S STRENGTHS, AND MAXIMIZE THEIR OWN **PAGES 20 & 38**

MONEY MACHINES

Truck-mounted jetter delivers results

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MONEY MANAGER

Replacing employees will cost you



Jake Johns, Tyrone Walls and Brent Faust (from left) of BLD Services prepare a liner for a lateral rehabilitation project.



IN LINE TOGETHER

BLD FOCUSES ON LATERAL LINING AND LEAVES CLEANING AND INSPECTION TO A TRUSTED PARTNER

BLD Services has become one of the biggest lateral lining contractors in the country just six years after entering the lateral rehab market.

A large general contractor that works primarily on municipal and transportation infrastructure projects, BLD — based in Kenner, Louisiana, near New Orleans — decided to diversify its business base by forming a lateral lining division in 2009. Bolstered by substantial investments in technology, high-value service and partnerships with key subcontractors, the division has grown to 21 four-man installation crews (more than 100 employees in all), 21 camera trucks and 21 trailer jettlers.

In addition, the company now operates out of 10 major cities — Baltimore, Boston, Charlotte, Cincinnati, Knoxville, Miami, Nashville, New Orleans, St. Louis and Richmond — which allows it to serve customers throughout the eastern United States, says Senior Vice President Jacob Trapani.

To understand why BLD decided to focus on rehabbing laterals with cured-in-place pipe technology, consider the following statistics from the U.S. Environmental Protection Agency:

- There are approximately 75 million private lateral lines in the United States — about 500,000 miles worth.
- Roughly 80 percent of laterals require some kind of repair.
- Leaking laterals account for about 75 percent of sewer inflow and infiltration.
- Around 40,000 sanitary sewer system overflows occur annually nationwide, and wastewater collection and treatment systems are reaching capacity.

Since the division's inception, crews have rehabbed more than 40,000 laterals using CIPP, says Trapani, who joined BLD in late 2008 to grow the lateral lining business. Before that, he worked for more than 25 years at Insituform Technologies, a leading supplier of CIPP products and technology that sold its lateral lining division to BLD just before he came on board.

“We saw lateral lining as a viable option to diversify the business,” Trapani says. “We definitely thought it would be the next place CIPP products would grow, but it has exceeded our expectations. There is a compelling need for I&T reduction in service laterals.”



BLD Services Vice President Jacob Trapani (front) stands with one of his company's crews on a job site in Nashville, Tennessee. Pictured are (from left) P.J. Boehm, Brent Faust, Raymond Harrell, Trapani, Matthew Bechtel, Tyrone Walls and Jake Johns.

Johnny Polston (left) and Superintendent Kreg Butler of BLD Services prepare a liner for installation in a sewer lateral.



profile

BLD SERVICES LLC,
KENNER, LOUISIANA

FOUNDED: 2001

EMPLOYEES: 150

SERVICES: CIPP lateral lining

SERVICE AREA: Eastern half of United States



To line laterals, BLD crews use the company's Service Connection Seal + Lateral product, which basically uses ambient-cure polyester or vinyl ester resins with a felt tube and bladder, along with a semi-ridge flange or sewn seam at the connection interface. When installed with hydrophilic sealant on its backside, the connection provides a watertight seal at the mainline. For lengths of 30 feet or less, crews can install a one-piece, jointless liner from the mainline to a clean-out, access point or termination point, Trapani says.

The Service Connection Seal + Lateral product is installed robotically by crews working remotely from an existing manhole. A lateral-launching train system developed by BLD carries the resin-impregnated liner to a lateral (typically 3 or 6 inches in diameter), where compressed air is used to invert it into the pipe.

EXPERIENCE PAYS DIVIDENDS

How did the division grow so fast? One growth driver was Trapani, who developed a wealth of CIPP industry experience during his years at Insituform. He also established good relationships and business contacts in the industry, so when it came time to hire employees he knew where to go for experienced, talented personnel — especially for his six regional project managers, he says.

“Our exponential growth was driven by the fact that these guys have been in the CIPP industry and in their territories for some time,” Trapani adds. “And after we hired them, they picked up employees from guys they’ve known. They all have intimate knowledge of their geographic markets and they’re dealing with the same people they dealt with at prior companies.”

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Jacob Trapani

“On many projects, we’re a subcontractor to mainline contractors,” he continues. “About 60 percent of our work comes from them — it’s just the way the work is bundled.”

Another growth driver: the fact that BLD installs its own CIPP product instead of buying a manufacturer’s product through a distributor. “We’re unique because we’re a contractor, but we install our own product,” he explains. “We essentially manufacture our product on site ... we buy the raw product, such as the felt and resins, from suppliers. By sidestepping the distribution arm, we don’t pay a markup on the distribution side, which allows us to bid more competitively.

“Plus we buy materials in bulk, which saves even more money,” he adds. “We buy felt tubes in 5,000-foot pallets and buy resins by the tanker load. When you’re running 21 lining crews, you need to have adequate inventory on hand. And since we manufacture the product on site, we can react immediately if something goes wrong or if the client suddenly wants to expand the project.”



BLD Services crew member Johnny Polston prepares for a lateral liner installation in Nashville, Tennessee.

BIGGER IS BETTER

BLD's size also gives it a competitive advantage, in that the company can tackle large lining jobs that most companies do not have the resources to handle. Take a recent project lining 1,300 laterals in Pensacola, Florida. Trapani says only one other company in the country besides BLD is big enough to handle such a huge job, which lasted for eight or nine months.

In addition, BLD can line laterals remotely from mainline sewers, while other contractors require a clean-out. This gives the company another cost advantage, especially in communities where clean-outs aren't needed or wanted.

"We stand behind what we do — we fix things and make them right. We don't walk away from anything. That's important because anyone can go buy (CIPP) product off the shelf, so it's all about the character and integrity of the contractor installing it."

Jacob Trapani



BLD Services Superintendent P.J. Boihem (left) and Brent Faust work together to prepare a lateral liner for installation.

"Some municipalities don't own the clean-out or they don't want a clean-out because it's another potential source of inflow and infiltration," Trapani explains. "And the cost of installing clean-outs is expensive, especially north where the laterals are buried deeper. It might cost \$2,000 to \$4,000 to install clean-outs, not to mention the damage to yards from excavating."

Trapani also notes that fixing problems that periodically arise on job sites positively affects growth by building customer loyalty and encouraging word-of-mouth referrals.

"As a contractor that now installs about 14,000 laterals a year, we're going to make mistakes," he notes. "But we stand behind what we do — we fix things and make them right. We don't walk away from anything. That's important because anyone can go buy [CIPP] product off the shelf, so it's all

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BLD Services Vice President Jacob Trapani (left) talks with Underground Eyes Project Manager Ron Robichaux on a job site in Nashville, Tennessee.

PARTNERS IN GRIME

Offering customers a one-stop shop that supplies a wide variety of service needs — and generates diverse revenue streams — is a common business strategy. But sometimes it's just more efficient and cost-effective to develop strong relationships with subcontractors that can provide some of those services, as officials at BLD Services can attest.

A general contractor in the field of municipal and transportation infrastructure, BLD — based in Kenner, Louisiana — has developed one of those mutually beneficial relationships with Underground Eyes, a company in West Blocton, Alabama, that specializes in sewer lateral cleaning and inspections. Jacob Trapani, the senior vice president of BLD, had developed a good working relationship with Underground Eyes when he worked at Insituform Technologies, a supplier of cured-in-place pipe products. At the time, Underground Eyes primarily cleaned and inspected large mainline sewers.

"When I went over to BLD, we needed a reliable subcontractor who could get out in front of our crews to do lateral inspections and cleaning," Trapani explains. "We taught them what we needed them to do and pushed them in that direction. Now they're our biggest subcontractor, but we use others as well, like TeleVac out of Florida and Diagnostic Resources & Solutions in Georgia."

Cost savings are another key reason why the Underground Eyes partnership makes sense for BLD. Underground Eyes uses two-man crews to do cleaning and inspections; BLD uses four-man crews. "So Underground Eyes can do it cheaper," Trapani explains. "And when our crews go in after the cleaning and inspection, we're just lining pipe. So we can be very efficient at just installing. They pave the road for us so we're not tied up doing the televising and cleaning — the stuff that takes time to get done."

BLD doesn't use subcontractors to clean and inspect laterals all the time, only when it makes sense geographically. "If we have a project up in, say, Columbus, Ohio, we're not going to send a sub up there to do it," he notes. "We can use our own crews just as efficiently."

Trust is critical to making these business relationships work. "If we're the contractor of record, they [subcontractors] need to be as good as we are," Trapani says. "They can hurt your reputation. They also need to own good equipment so we know they can do the job right. That's key. They've got to be reputable and deliver quality work on a timely basis."



BLD crew members (from left) Johnny Polston, Superintendent Kreg Butler, Ryan Matthews and Anthony Smith install a liner in a residential sewer lateral.

“Your people are key — they can make you or break you on a day-to-day basis. They’re breaking ground and doing installations every day, not just making widgets.”

Jacob Trapani

about the character and integrity of the contractor installing it.”

GOOD EQUIPMENT MATTERS

Investments in technologically advanced equipment also helped the company grow, because reduced downtime and improved productivity increase customer satisfaction. BLD owns 21 camera trucks, outfitted with lateral launch cameras by RapidView, Aries Industries and RS Technical Services; and 25 trailer-mounted water jetters built by PipeHunter and Sewer Equipment Co. of America, with flow and pressure ranging from 18 gpm at 4,000 psi to 40 gpm at 3,000 psi; water tank sizes are either 300 or 700 gallons.

The company also relies on air compressors made by Sullair (a division of Accudyne Industries) and owns four Vactor vacuum trucks and a Vac-Con, but the trucks aren’t used by the lateral lining division.

Great employees have been another integral component of the company’s success, but recruiting and retaining employees is a challenge because many of the lateral lining projects are large, long-term jobs that require employees to spend weeknights on the road. To compensate for the travel, BLD offers a motel and meal per diem. Moreover, the company pays 100 percent of each employee’s health insurance premiums, plus many other competitive benefits.

“These benefits aren’t typical in the industry,” Trapani notes. “Your people are key — they can make you or break you on a day-to-day basis. They’re breaking ground and doing installations every day, not just making widgets. As such, their performance dictates the profitability of the organization, so you want good employees.

“Sure, it’s expensive, but we work in a niche market where the product is controlled by the quality of our in-the-field workers. So we want to treat them well.”

As for the future, Trapani says he expects continued growth for the division. More and more often, customers are asking BLD to expand into territories farther west, but he doesn’t want to overextend the company. “We don’t want to get stretched in terms of what we can deliver,” he says. “This industry is too small to get a bad reputation.”

Nonetheless, he expects to add four more crews by the end of 2015, noting BLD just bought two more camera trucks and jetter trailers.

“Personnel is the biggest issue. We can always buy more equipment if we have the money, but you need personnel to deliver a quality project. It’s all about finding the right people.” **C**

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