

Municipal's Specialty Niche

Municipal Builders Inc. has developed an expertise in building water and wastewater treatment plants throughout Minnesota, and it plans to continue on a path of growth.

By KATE BURROWS

ince its inception 15 years ago, Andover, Minn.-based Municipal Builders Inc. has developed a reputation for success in completing water and wastewater treatment plants for municipalities throughout the state. "This is a specialty market in that the treatment process is quite involved, and building treatment systems require an expertise which our individuals and management have gained throughout the years," President John Wegner says.

Municipal Builders performs its own mechanical work, Wegner adds. Its modest size also gives it an edge over its larger competitors by allowing the firm to maintain more

hands-on management of its projects. "We're the lean, mean outfit competing against the larger companies," he explains. "This gives us an advantage, because we have reduced overhead compared to the larger companies, and we can offer more competitive pricing because of that."

The company strives to remain competitive by offering value-engineering

throughout the course of every project. "We try to work with the owners to make sure we can develop the highest-quality project possible for their money," Wegner explains. "We have the ability to tap into our years of experience in working with a multitude of different engineers and treatment systems. This translates into the ability to take a common sense, fresh look at all aspects of each project and, in many cases, find better or more efficient ways to enhance or reduce the cost of the project for the owner."

Market Changes

"Nearly all of our work is publicly funded, which requires it to be competitively bid," Wegner notes. "It is anticipated within the industry that the legislature will be changing the laws to allow municipalities to take design/build bids sometime in the near future. This would allow us to team up with an engineering firm and work together throughout the design phase. We have built two design/build water treatment plants to date for an Indian-owned casino in Minnesota. These were very successful projects, and we believe it gives the owner a better value for their money by

Municipal Builders Inc.
Headquarters: Andover, Minn.
Sales: \$10 million
Employees: 14
Services: General contractor
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maximizing design efficiency right from the start."

Completing these projects successfully is not without its challenges. Many firms are entering new sectors such as Municipal's wastewater treatment plant segment. "As the housing market continues to dry up, residential builders start bidding commercial projects, and it trickles down the ladder until other companies start bidding our work," Wegner says. "Where we would have bid against five other contractors, now, we're often bidding against 10."

Although this increased competition is in its early stages, Wegner anticipates this challenge is only temporary. "We're hoping the economy comes around before things get much worse," he says. "It hasn't affected us too much so far, but if it continues to happen, many companies will be forced to drop their margins to stay competitive and still get work. We have already had to lower our normal margins in order to win a recent bid."

Project Success

Municipal Builders completed the \$3.3 million Blaine Water Treatment Plant No.

1 in Blaine, Minn. The plant features dual treatment process from both man made pollutants and natural contaminants, Wegner says. The project was completed on budget and with very little change-orders, he notes. "The Blaine job was brought in within 5 percent of the budget, and we did a lot of value-engineering to enhance the finished product for the owner," he explains. Municipal Builders Inc. recently received a national Excellence in Construction Award from the ABC for this project.

In addition, the company recently completed the \$6.6 million water treatment plant in North Branch, Minn., in June. The plant features a 13,500-square-foot treatment building and 2,400-square-foot office wing. It also includes 3,200 cubic yards of reinforced concrete and a 1 million-gallon concrete underground storage tank.

Scheduling Strategies

Municipal Builders ensures projects are completed on time and within budget by employing highly trained and experienced professionals. "Critical Path Method scheduling and detailed planning [is] critical in the success of a project," Wegner asserts.

Municipal Builders requires its employees to remain up to date in their industry certifications. Various safety programs the company utilizes include, crane and all terrain forklift safety, confined space safety, fall protection, pipe-layer certification, trenching and excavation, first aid and CPR.

The company stresses safety in all its operations, and organizes regular safety meetings on the job sites. "We also have a safety director, and our worker's compensation multiplier is as good as it can be," Wegner asserts.

In the future, Wegner believes the company will continue to grow throughout its market. "We would like to continue growing and within five years, I'd like to see us with a 30 to 40 percent increase in volume," Wegner says. "We have been lucky enough to grow the company to this point while staying within 50 miles of our office. This could and will change if market conditions change, and if this work close to home dries up.

"We plan on promoting from within for our growing field supervision needs," he adds. ■



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We would like to thank Municipal Builders Inc. for their continued loyalty and support throughout the years. We look forward to working with them on more successful projects in the future!