

A SALUTE TO AN



CUSTOMER

NORTHWEST ASPHALT, INC.

Twin Cities earthmoving and paving contractor diversifies, grows and succeeds

In only seven years, Northwest Asphalt, Inc., based in the Twin Cities, has nearly doubled in size, with sales this year of about \$35 million. Now one of the Twin Cities' largest commercial contractors, Northwest Asphalt provides paving, excavating and sewer and water work. However, the company's rapid growth and success are a result of years of hard work and three generations of experience in construction.

Currently owned and operated by the brother/sister partnership of Mike Pfeiffer and Debby Hendrickson, Northwest Asphalt has its roots in the 1920s, when their grandfather and his three brothers formed Pfeiffer Construction. The company worked on a number of projects throughout the country, including the Alcan Highway in Alaska. Mike and Debby's father, Don, worked for a time in the family business, which closed when Don's father died. However, Don Pfeiffer continued to work in construction and eventually, he and a partner formed their

Mike Pfeiffer is president of Northwest Asphalt, Inc. The diversified and growing Twin Cities contractor specializes in paving, excavating and underground utility work.

own company, West Suburban Utilities in 1972. With only a rubber-tired backhoe and a dump truck for equipment, the company began by doing sewer and water hookups. They soon moved into dirt work and larger municipal and private projects.

West Suburban Utilities continued to grow and prosper and in 1978, it purchased Northwest Bituminous, renaming the new, combined companies Northwest Asphalt. The current company owners took over in 1997 when they bought out their father's partner. Don Pfeiffer remained active in the business until he passed away in 2003.

As company president, Mike Pfeiffer focuses on the field work while Debby, who is vice president, handles administrative responsibilities, including insurance, safety and collection issues as well as overseeing some of the company's outside ventures.

Commercial private work

According to Pfeiffer, about 70 percent of Northwest Asphalt's work is in the commercial private sector. That includes excavating, utility work and paving for office, warehouse and retail buildings, as well as housing developments. Government contracts for roads, housing developments, airports, government centers, parks, sports and maintenance facilities make up the remaining 30 percent. Northwest Asphalt does most of its work in the seven-county metro area of Minneapolis and St. Paul.

"We commonly perform jobs as general contractors, overseeing and managing all areas of work on projects," explained Pfeiffer. "Most of our projects range in size from \$500,000 to \$2 million, although we've been general contractor for projects as large as \$5 million."





Northwest Asphalt has been involved with many high-profile projects in the Twin Cities, including the Metrodome, Burnsville Center, Mall of America, Southdale Center, Maplewood Mall, Arbor Lakes Retail Center and the recently completed Prairie Lakes Housing Development.

“Prairie Lakes was a \$5 million job for us that involved the dirt work, paving and all the pipe,” Pfeiffer noted. “We started in the fall of 2002 and worked on it all last year and part of this year.” Northwest Asphalt crews started out with the grading and moved on to laying the sewer and water pipe, then finished up with the paving.

The company also handled various portions of the dirt work, pipe work and paving for the new Wal-Mart, Sam’s Club and Home Depot in Shakopee.

Currently, Northwest Asphalt is working on the site for a new Costco at Eden Prairie Center. “We’ve got the dirt, the pipe and the paving,” Pfeiffer said of the \$1.8 million job. “Andover Marketplace is another sizable job. We’re grading, putting in ponds and building sites for a Super Target and several restaurants. It’s one of our larger commercial jobs.”

Governmental jobs

Projects for government entities make up nearly one-third of Northwest Asphalt’s work

load. Significant projects include work on Interstate 35W and the Minneapolis-St. Paul International Airport. Rigid time lines and short completion dates are often part of the package for both private and government jobs. On a runway reconstruction project at MSP International, the penalty for failure to complete nightly operations was \$5,000 for every half hour. Northwest Asphalt completed its work on time and even won an award from Associated Builders and Contractors for the project.

In addition to the work on state and federal projects, Northwest Asphalt has also worked on numerous county roads and government centers as well as a number of municipalities in the Twin Cities area, including Shakopee, Plymouth, Maple Grove, Savage, Lakeville and Prior Lake.

Staff contributes to success

To accomplish the large-scale projects and deliver on-time, quality results, Northwest Asphalt relies on an experienced work force of more than 150 employees.

“We don’t hire anyone unless they have experience. We often look for people who have worked for good companies and we especially like people who have a farm background,” Pfeiffer observed. “That’s where we get some of our best

Veteran operator Mike Doyle uses a new Komatsu PC400LC-7 excavator at Northwest Asphalt’s commercial site development project in Andover, Minn.

The machine was the first PC400LC-7 delivered in Minnesota by Road Machinery & Supplies Co. and is one of seven Komatsu excavators in Northwest Asphalt’s fleet.

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Contractor builds on repeat customers

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people. Workers who grew up on a farm have a good work ethic and mechanical aptitude. They don't expect everything to be handed to them. They expect to work from sunrise to sunset."

Key staff members include CFO Mike Sand who handles most of the administrative decisions; utilities superintendent Curt Kinney, earthmoving superintendent Pat Popp; and paving superintendent Joe Prusak.

Productive equipment needed

In addition to the qualified staff, Northwest Asphalt also relies on a large fleet of heavy construction and paving equipment. To fill its equipment needs, the company often turns to Road Machinery & Supplies Co. and territory manager Gordon Johnson.

Northwest Asphalt purchased its first Komatsu in 1990, a PC200-5 hydraulic excavator. "That machine ran a long time and it was absolutely trouble-free," Pfeiffer recalled. "As we added more Komatsu excavators to the fleet, we hardly ever had to fix them."

As the size and number of Northwest Asphalt projects have grown, so have the size of excavators they've acquired. "I remember with the first PC300 we bought, I said, 'That's a big hoe, we'll never have anything bigger than that.' Then we started laying pipe and we got some PC400s and now we've got a PC750."

The operator of a Komatsu PC400LC-6 excavator helps crews install utilities as part of Northwest Asphalt's project at the Arboretum Shopping Center in Chanhassen, Minn.



The company's Komatsu excavator fleet includes a PC200LC-6, a PC250LC-6, a PC300LC-7, a PC300LC-6, two PC400LC-6s, a PC750LC-6 and a new PC400LC-7. Pfeiffer says the range of sizes is necessary for the wide variety of jobs the company takes on. "The smaller machines, such as the 200 and 250 are for commercial sites, doing footings and the like. The 400s are for both dirt work and utilities," he noted. With a 13-foot arm and a four-and-one-half-yard bucket, the PC400LC-7 can handle anything either the earthmoving or pipe crews give it.

"We really like the longevity and low maintenance costs we get with Komatsu," Pfeiffer stated. "They're less expensive overall than competitive machines and we get good service from RMS." Pfeiffer pointed out that operators say the Komatsus swing faster and have faster hydraulics than other brands.

Pfeiffer also commented that parts availability and service are important factors. "I think we get good attention from RMS," he affirmed.

More to come

With a strong history, experienced crew and dependable equipment, Mike Pfeiffer predicts more growth for Northwest Asphalt.

"Having the three divisions makes us more diversified and builds our presence in the Twin Cities. Our strategy has been to diversify and not go after the really big jobs where we've got all our eggs in one basket. We spread out our projects so even if one sector takes a hit, it's not going to destroy us.

"One of the things my dad taught me was never to assume that business will stay good. There are going to be good times and bad times. So, you have to be careful about how deep in debt you get and how ambitious you are.

"We don't want to bid more than we can handle," Pfeiffer continued. "We have a reputation to maintain. The reason customers call us is because we can get the job done on time. About 90 percent of our business is from repeat customers. But I think with our diversity, we'll be able to continuing doing those big jobs with short time frames and we'll be able to weather any storms in the future." n