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Foreman Darryl Stephens uses a gas meter to check a manhole for hazardous gases during sewer maintenance. (Photography by Jeff Goldberg)

Full Circle

A business that started in residential drain cleaning evolves into a client base built almost solely on municipal, industrial and commercial accounts

By Peter Kenter

American Inspection Technologies in Trenton, N.J., has its roots in a residential drain cleaning business. But today it is a diverse pipe service company with a well-rounded client base that is mostly outside the residential sector.

At the heart of the business is a vigorous pipe inspection program that opens up further business opportunities in pipe bursting, lining and replacement.

The company began in 1980 as Root-Away Sewer & Drain Cleaning and incorporated in 1994. Owner and president Bob Schroder added the name American Inspection Technologies to the brand in 2003, and a third name, Penn-Jersey Pipe Cleaning, in 2005.

That wasn't indecision at work: The first name attracts a small core of residential clients, the second underscores the company's inspection capability, and the third tells customers that the company can remedy the problems found by the inspections.

The company's array of services includes high-pressure waterjetting, sanitary sewer and storm drain cleaning, industrial vacuuming, pipe bursting, cured-in-place pipe lining, and open trench sewer replacement. Municipal, industrial and commercial accounts now make up 98 percent of the work.

Roots in residential

"When we started out around 1980, we were primarily doing residential drain cleaning under the Root-Away name," says Schroder. "That was great for a while, until every plumber in the area started to offer drain cleaning."

The company's first major acquisition in 1985 was a waterjetting truck outfitted with a 1,200-gallon water tank. Schroder was the first in his service

PROFILE

AMERICAN INSPECTION TECHNOLOGIES, TRENTON, N.J.

OWNER: Robert Schroder
FOUNDED: 1980 (incorporated 1994)
MARKET AREA: New Jersey, western Pennsylvania, Delaware, eastern New York
SERVICES OFFERED: Pipe inspection and a broad spectrum of pipe cleaning and repairs
EMPLOYEES: 5 to 7 (seasonal)
AFFILIATIONS: Utility & Transportation Contractors Association of New Jersey, NASSCO
WEB SITE: www.penn-jerseypipecleaning.com



area to own a jet truck, and that gave him a leg up on the competition. Within a year, he bought a Vac-Con combination truck.

Schroder bought his first inspection system around 1987 – a SeeSnake push camera from RIDGID. His was the first company in the area to offer video inspection services.

“We were televising residential lines, but we soon found that the camera was in demand for new commercial, industrial and municipal clients,” Schroder recalls. “We started our business with a client base that was 98 percent residential, but the balance soon began to shift.”

Mid-sized market

The company found its strongest municipal market niche in townships with populations in the neighborhood of 5,000. Trenton’s location allowed the company to expand to a service area that ranges to about 100 miles, including parts of Pennsylvania, Delaware and New York.

“While the larger municipalities were already buying cameras, vacuum trucks and more sophisticated equipment, there were smaller and mid-sized municipalities that could only take advantage of these services if they subbed them out,” says Schroder.

“We were televising residential lines, but we soon found that the camera was in demand for new commercial, industrial and municipal clients. We started our business with a client base that was 98 percent residential, but the balance soon began to shift.”

Bob Schroder

Any equipment the company purchased to support municipal contracts was equally available to serve the area’s large industrial and commercial base. The company’s inspection cameras also stayed busy on a significant number of new housing developments, where developers had to inspect newly installed sewers before turning them over to the municipality.

Of course, chasing larger municipal pipe inspection and service contracts required more up-front investment and a greater startup challenge than most competitors could stomach. “I stick by one rule for investing in new equipment,” says Schroder. “If I can’t use it right away, and pay for it on the first or second job, I don’t buy it.”

Word-of-mouth helped to promote the municipal services. Schroder initially subbed out crawler camera work, but in 1997 he invested in the company’s first robot mini camera from Aries Industries Inc.

“As we expanded our ability to inspect, we usually wound up getting quite a bit of work from those inspections,” says Schroder. The company



Above: Darryl Stephens deploys a color inspection camera during an inspection demonstration in Trenton, N.J. Below: Supervisor Ray Rios observes an inspection from the company’s TV truck.



entered the CIPP lining market in 2000, using a steam-cured system. Schroder now uses the system supplied by Easy Liner LLC. He acquired a pipe bursting system from HammerHead Trenchless Equipment in 2006, enabling the company to burst pipes from 4 to 24 inches.



Supervisor Ray Rios and operator Darryl Stephens operate a combination truck on a sewer maintenance job.

The firm offers industrial vacuuming services with a Liquid Ring truck from Guzzler Mfg. that generates vacuum at 28 inches Hg. The frictionless ring allows the company to handle flammable liquids for clients such as coal-burning electric utilities.

Expanded services

The company also offers manhole rehabilitation, pipe locating using Armada Technology (formally Pro-Tech) locators, and bypass pumping services using pumps rented from Godwin Pumps of America Inc. The company operates three combination trucks, one each from Aquatech (Hi-Vac Corp.), Vac-Con and Vacall, and a SafeJet truck from Vacall.

Inspection capability has expanded to three crawler cameras from Power Equipment Manufacturing Inc., used to televise pipes from 2 to 72 inches. The inspection business continues to shift the focus away from residential work.

Municipal televising contracts lead to substantial additional work. The company recently finished a contract in Princeton, N.J. where televising helped uncover the need for a pipe replacement contract.

"The city was concerned about infiltration from a series of malfunctioning sewer laterals," says Schroder. "They offered the homeowners five-year interest-free loans to have the laterals replaced. We televised and cleaned the lines, then went in with the HammerHead pipe burster, and replaced the damaged lines with HDPE pipe. It was a nice contract and one we wouldn't have gotten without our inspection capabilities."

The company also completed a large contract in Yardley Borough, Pa., in fall 2006 when the town was flooded. "We were working near the bottom end of town, close to the Delaware River, which was rising," says Schroder. "The

road was sinking, so we televised the sewer line and found a major blockage with broken terra cotta pipe about 20 feet down and about 400 feet away from the end of the line, before the pumping station."

Schroder's company acted as general contractor on the job, televising and cleaning the pipe, but subcontracting the replacement of the sewers with ductile iron pipe.

The company also recently camera inspected 3,000 feet of pipe at a hospital in Princeton Borough, N.J., helping the client to discover that the newly minted system was three inches off grade.

Trade shows essential

Schroder keeps abreast of new technology through trade shows, particularly the Pumper & Cleaner Environmental Expo, which he has attended frequently over the past 20 years. "There are a lot of great products out there, but the technology is at a kind of standstill," he says.

"We got tired of clients and their engineers looking over our backs, so we gave them something nice to look at. Watching inspections live on a giant screen makes it a little less monotonous for them."

Bob Schroder

"I'm seeing minor improvements, but nothing that's really changed the industry over the last 10 years. I'm looking for something that will open up new opportunities. I'll eventually buy a laser profiler to keep up with other companies who are buying them, but it's nothing that's going to make me a lot more money."

He did invest in a giant 50-inch plasma monitor for the inspection truck. "We got tired of clients and their engineers looking over our backs, so we gave them something nice to look at," he says. "Watching it live on a giant screen makes it a little less monotonous for them."

SPECIAL MARKETS

American Inspection Technologies has developed a niche market serving landfill sites, such as the GROWS Landfill in Tullytown, Pa. The refuse buried in landfills generates methane and other gases – valuable fuel to drive turbines and generate power.

"The gas is siphoned out of the landfill through 4-inch pipes that probe 800 to 900 feet into the ground," says company owner Bob Schroder. "The pipes are perforated to draw the methane in under vacuum, but when they designed these lines, they never expected them to require servicing.

"The perforations eventually get clogged up with dirt and debris that enter the pipe and impede the flow of gas. We were already cleaning and televising storm drain lines for them, so they asked us to see what we could come up with to clean them."

There was no way to send a robot camera into such a small-diameter pipe. So the company developed a power-driven miniature push camera that can travel as far as 1,000 feet into a line. The camera head is attached to a half-inch fiberglass rod, and the rod is propelled off a 4-foot reel by electrically driven wheels placed at the pipe entry point.

The \$25,000 camera unit was custom designed and built by Richard Stevens, owner of Power Equipment Manufacturing Inc. of Pensacola, Fla.

Once the pipe has been inspected, Schroder uses a Warthog sewer nozzle supplied by StoneAge Inc. to clean the pipes. Camera inspection is essential, because the pipes need to be thoroughly cleaned to restore full gas flow. "We televise, clean and televise again," says Schroder. "We can only guarantee what we can see."

Schroder advertises primarily in The Blue Book of Building and Construction, which has generated about 80 percent of leads over the past decade. He also buys paid links on both the Google and Yahoo search engines under such terms as municipal pipe inspection, pipe cleaning, pipe bursting and pipe lining.

"I can tell this works, when we get people calling for quotes from out of the area," says Schroder. Internet hits have netted the company video inspection contracts with companies as far away as Virginia and North Carolina.

What's in a name? Plenty. American Inspection Technologies receives 60 percent of the calls, and almost 40 percent respond to Penn-Jersey, indicating that inspection services are the biggest draw.

Schroder says there's no magic formula for winning municipal inspection contracts. "We do a good job at reasonable price and that's what keeps the calls coming in from municipalities and townships," he says.

While some municipal contracts offer repeat business, most work is hard-won, through aggressive bidding. "Anything over \$7,000 or \$8,000 has to be placed up for bid, so I pay a lot of attention to the Dodge Reports for project leads," says Schroder.

Keeping good help

Maintaining quality service requires the company to retain its collective expertise. Schroder's wingmen are project supervisor Ray Rios and foreman Darryl Stephens.

"Some of the staff comes and goes, but these guys are the core of the business," Schroder says. "You have to pay your best workers well to keep them, but it's worth it."

The company's biggest challenge this year is collecting on accounts receivable. "It's a tough year for everyone," Schroder says. "I always wind up collecting the money, but instead of 30 days, it takes me 60 or 90 days to get paid. Even some cities and townships are paying slower than normal."

Schroder recently turned 52, but he'd like to stay with the business at least another 10 years before considering retirement. "I like my business," he says.

"Some days everything goes right and some days it's challenging and frustrating.

"Last week we were on one truck and the belt that runs the flywheel went. Five minutes later a water hose broke – a gazillion-to-one chance. But I enjoy what I'm doing, and I want to stick with it until I decide its time to retire." ■

MORE INFO :

Aries Industries Inc.

800/234-7205
www.ariesindustries.com

Armada Technologies

616/536-2038
www.armadatech.com

Easy Liner LLC

888/639-7717
www.easy-liner.com

Godwin Pumps of America Inc.

856/467-3636
www.godwinpumps.com

Guzzler Mfg. Inc.

815/672-3171
www.guzzler.com

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Trenchless Equipment**

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www.hammerheadtrenchless.com

Hi-Vac Corp./Aquatech

800/800-1016
www.hi-vac.com

Power Equipment Mfg., Inc.

850/912-8430
www.powervision.cc

RIDGID

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www.ridgid.com

StoneAge Inc.

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www.stoneagetools.com

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www.vacallindustries.com

Vac-Con Inc.

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www.vac-con.com