

On the **JOB**TM



Making the **GRADE**

GPS GRADE CONTROL BENEFITS IOWA CONTRACTOR

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LONG ISLAND FIRM CAPITALIZES ON GREEN INITIATIVE

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ALTORFER



Making the **GRADE**

GPS GRADE CONTROL SYSTEM BENEFITS IOWA CONTRACTOR



After working for the Burlington Northern Railroad for 21 years, Jon Fye had a decision to make.

The choice he faced 13 years ago was: continue working two jobs and 100-hour weeks while trying to raise a family, or quit the railroad and go full-time into a construction business he started on the side in 1995.

Fye chose the latter, and now, with more than \$6 million in annual volume and 45 employees, he can look back and say he made the right choice. Fye Excavating began with a single backhoe loader, and some projects not far from home.

“It was a hobby and a passion that grew, and it kind of consumed me,” Fye recalled in an interview from his office in Sperry, Iowa. “We grew the business to attract commercial/ industrial projects within about a year. It has been an ascending crawl, walk, run growth curve over the last 17 years. We reinvested profits back into the company and bought more equipment and hired more people.”

Fye Excavating typically performs site preparation and site utilities for commercial, institutional and retail projects such as banks, hospitals and libraries. The company also does sewer and water projects for municipalities. Fye uses Cat® equipment for the majority of its excavating work.

Flood leads to investment in GPS

Devastating floods that ravaged southeast Iowa in 2008 proved to be good business for Fye, as the company was able to respond to the urgent need for flood repair and rebuilding levees.

“The recession definitely slowed us down—the margins were thinner—but having the ability to continue attracting new work was great,” Fye says.

It was during that period that Fye was introduced to the Caterpillar

AccuGrade™ system, as levee repair contracts stipulated that the top elevation had to be finished off with GPS grade control. “At that juncture, we became aware of where the industry was heading,” Fye says. “We were in a flood zone, so we started focusing hard on what was required to win bids and handle the work profitably.”

Fye invested well over a million dollars in grade control, which included updating some older equipment and trading in obsolete machines. The five-year return on investment is turning out to be well worth the upfront cost.

“Some of the cost savings involve accurate use of materials,” Fye says. “AccuGrade provides us with the ability to cut to grade. On street projects, you can cut to subgrade elevation and cut the curb at the same time. And we are able to remove soils and debris right to the accurate subgrade. That also makes your sub-base rock going back in perfect, or near perfect. That accuracy has saved us a lot of money in overages.”

Another advantage of GPS grading is how it speeds up the job, and makes the old method of using stakes and string unnecessary. With GPS grade control, the visuals and the elevation are visible on a screen for the operator.

“It’s so readily available that you don’t have to change your laser settings and your slopes and things like that,” Fye says. “It’s just on the screen, and that knowledge is right there for the operator so that once he gets outside the paving footprint of that project, he can look at his subgrade for finish grade, and he can cut those different elevations all in one swath.”

When it comes to bidding, Fye can use digital design data to calculate volumes of dirt that need to be moved. “We are a plan-and-spec company, so that is huge,” Fye says.

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COMPANY PROFILE:

FYE EXCAVATING INC.

Location: Sperry, IA

Employees: 75

Business: Commercial site work, utilities, demolition, sewer, water, storm water, heavy equipment hauling and trucking

Cat® equipment: Excavators: 314 C L, 320 C L (2), 330D L with GPS (3), 345 C L Dozers: D5M, D5M LGP (2), D6K LGP w/ GPS (2), D6R XL II w/ GPS, D6T XW w/ GPS (2). **Wheel Loaders:** 928GZ, IT28F **Articulated Trucks:** 725. **Mini Excavators:** 308C CR, 305C CR. **Multi Terrain Loader:** 287C **Misc. Equipment:** Challenger 85C

fyeexcavating.com



Jon Fye

Fye credits his project manager, Steve Bush, for making the push for GPS grade control. Initially, the move to GPS was met with a lukewarm response from the older equipment operators.

“But, once they started using it, they realized it was so much easier than the stick and the string and the laser,” Fye says. “It speaks for itself out in the field—it works very well.”

Fye says that productivity has improved by 15 percent since the move to GPS grade control.

Rentals with lease-purchase option

A good share of Fye’s equipment purchases have been done through rentals that include optional lease-purchase agreements with its Cat Dealer, Altorfer. The company will lease a piece of used Cat equipment and test it for several months, and then buy it outright.

“When we initially rent a machine, we include a lease-purchase option, so that if we back that up with another six months of work, we can possibly buy that machine,” Fye says. “If not, you can give it back without long-term commitment.”

While monthly rentals from The Cat Rental Store cost more than financing a five-year purchase commitment, Fye benefits from added flexibility that helps control his overhead.

Owning excess equipment can break a company, Fye says, adding that idle equipment is a real drain on resources.

“In the early years, I always felt like we had to have two of everything so we could stair-step projects,” he says. “We do the heavy work up front, and as the

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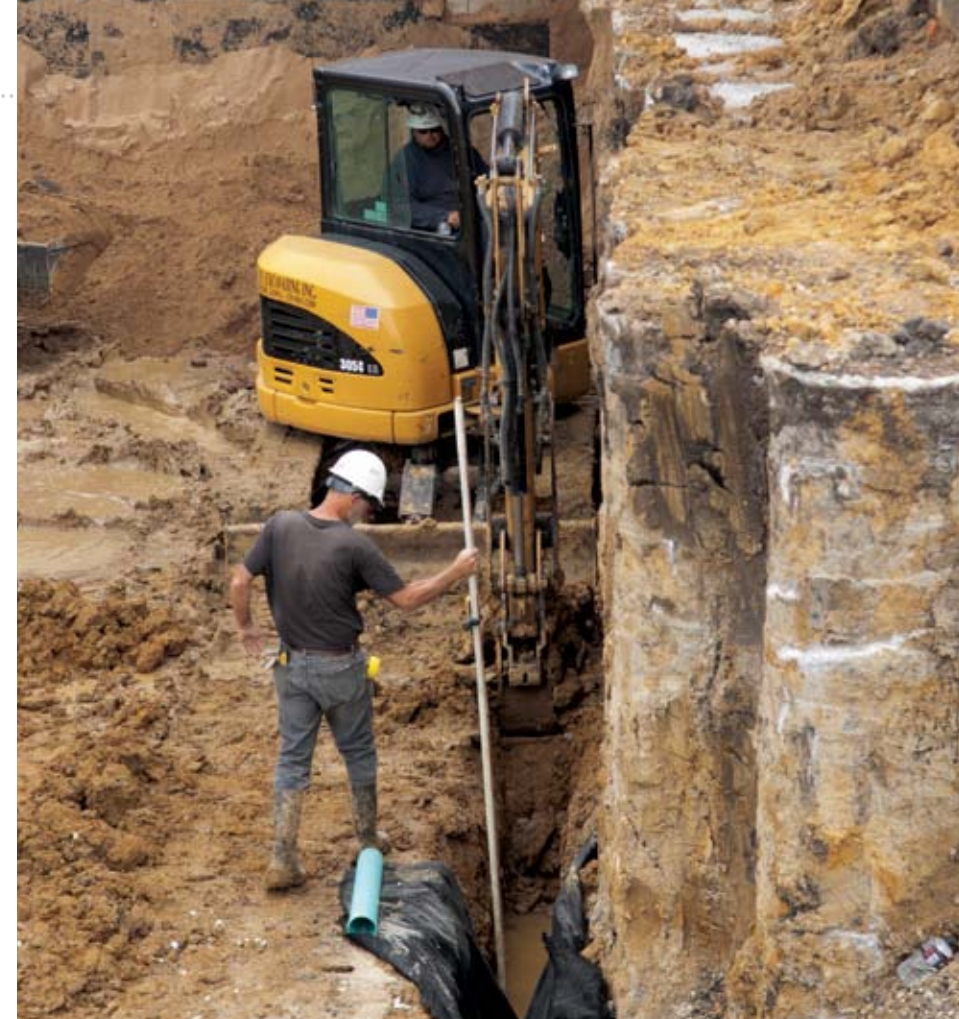
— JON FYE

workload got lighter, we needed smaller pieces to dig footings and do some of the smaller work and move the heavy equipment on to your next job. Without having multiple pieces of equipment, it’s awful hard to be in the plan-and-spec world because of the contractual commitment to start and finish dates.”

Zero-turn radius

Fye likes the 320C L and 314C L Hydraulic Excavators for the quick hydraulic disconnects that enable his operators to change buckets and go to a vibrator compactor in minutes. He’s also a big fan of the zero-turn radius, which enables excavators to work in tight quarters.

“This has really helped us step up our game,” he says. “To be able to sit in the



WHAT I LIKE ABOUT CAT EQUIPMENT

“The reason we run Cat equipment is the return on investment,” says Jon Fye, owner of Fye Excavating. “Number two, the service and the technology that our Cat Dealer, Altorfer, provides are unbelievable. The third reason is, it’s good equipment. It’s not just the Cat name, it’s the service, the ROI, and the broad range of the product line.”

WHAT I LIKE ABOUT MY CAT DEALER

“The transition to GPS was made quite easily through Caterpillar, and that is why we picked Altorfer,” Fye said. “Their support system was really very helpful. They came in and helped us set it up. They trained our operators, and then didn’t walk away. They continued to come and help us maximize efficiencies.”

“Any struggles were mostly human errors—punching the wrong buttons,” Fye continues. “Most of the man-made errors that we encountered early on were fixed by making a phone call and having an Altorfer expert tell us what we were doing wrong. Their service and support are key reasons why we do business with Altorfer Cat.”

“We firmly believe that their knowledge is great and vast,” Fye says. “Our downtime is so much less if we just get them involved in any service needs, tell them what’s wrong, and let their trained technicians do the work. Our money is made out in the field. We have adopted an approach of having them apply their expertise, so we can get out in the field and apply ours.”

cab and flip switches, change buckets and minimize those time changes has really sped up our jobs. I think I am really in love with the 314C L zero-turn machine as much as any piece of equipment that we have. Its ability to do multiple tasks in a short amount of time is excellent.

“Right now, we’re running a 320C L reduced radius machine on a pipe job in town, and we are working near curbs and trees,” he says. “The reduced radius and the zero turn have just made life a lot easier and a lot safer. The hydraulics have just gotten so much stronger, that we can just do a lot more with a smaller machine than when we started.”

Full scope

Fye attributes part of the company’s success to staying focused on providing a full range of services for commercial sites. Fye Excavating digs and moves dirt, places and compacts it, and also

handles the water and storm sewer infrastructure work.

“Having our pipe crews come in and offer the full range of hookups has helped us a bunch in the commercial sector,” Fye says. “The competition, I think, is thinner when you can offer the trucking, the water mains and sewers, and the dirt work all in one package.”

Fye achieves an edge on the competition by knowing his company’s abilities, manpower and equipment, and determining how proficient his team can be on a given project.

“We have been a leader in our area based on getting our hands around what we can do and do best, and not really trying to get too far outside that,” Fye says. “As part of the growing process, you definitely have to step a little bit outside of your comfort zone and take some risks. Each year, we’ve done that, and we have grown.” **OTJ**