

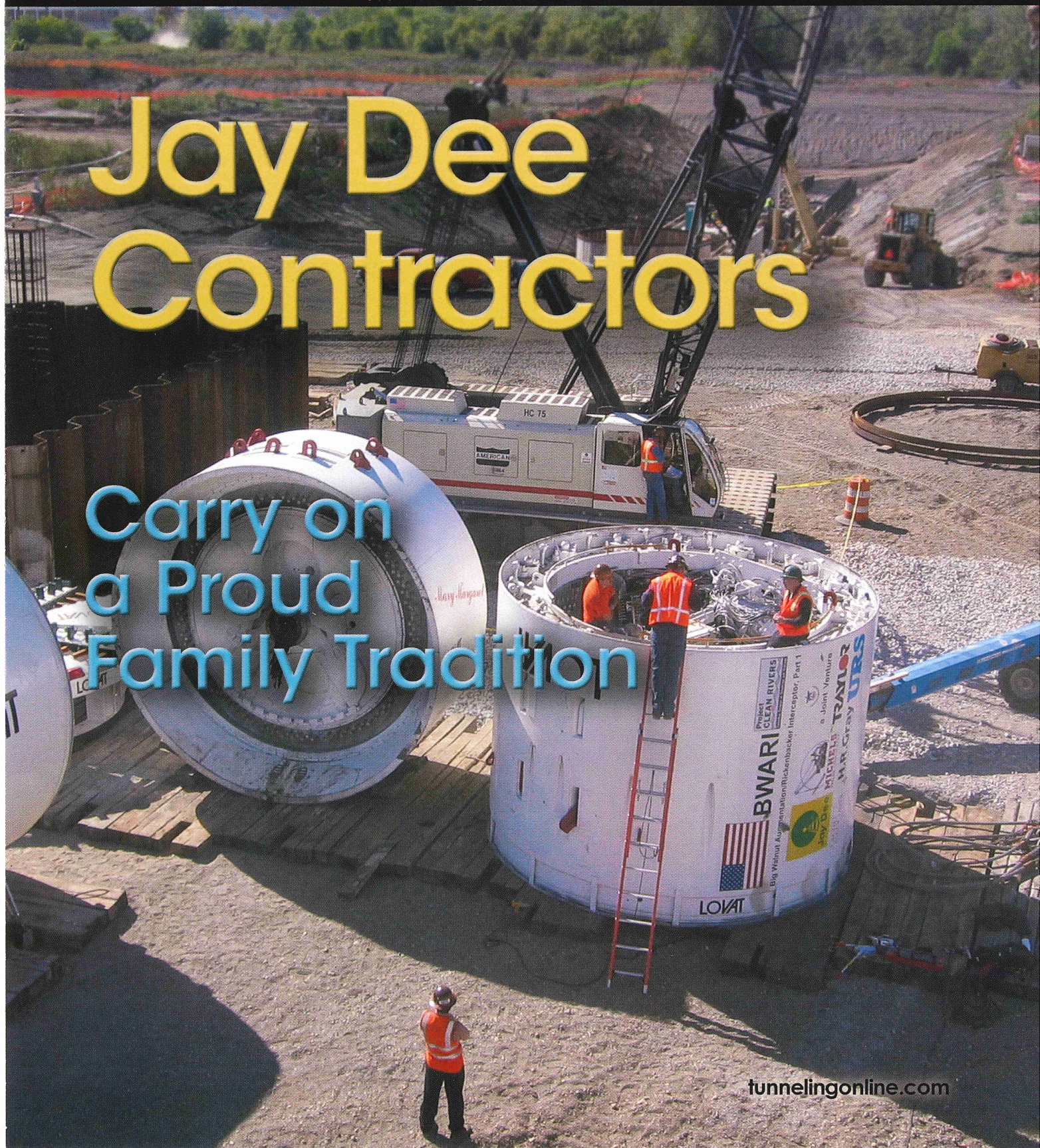
October 2006

Tunnel Business

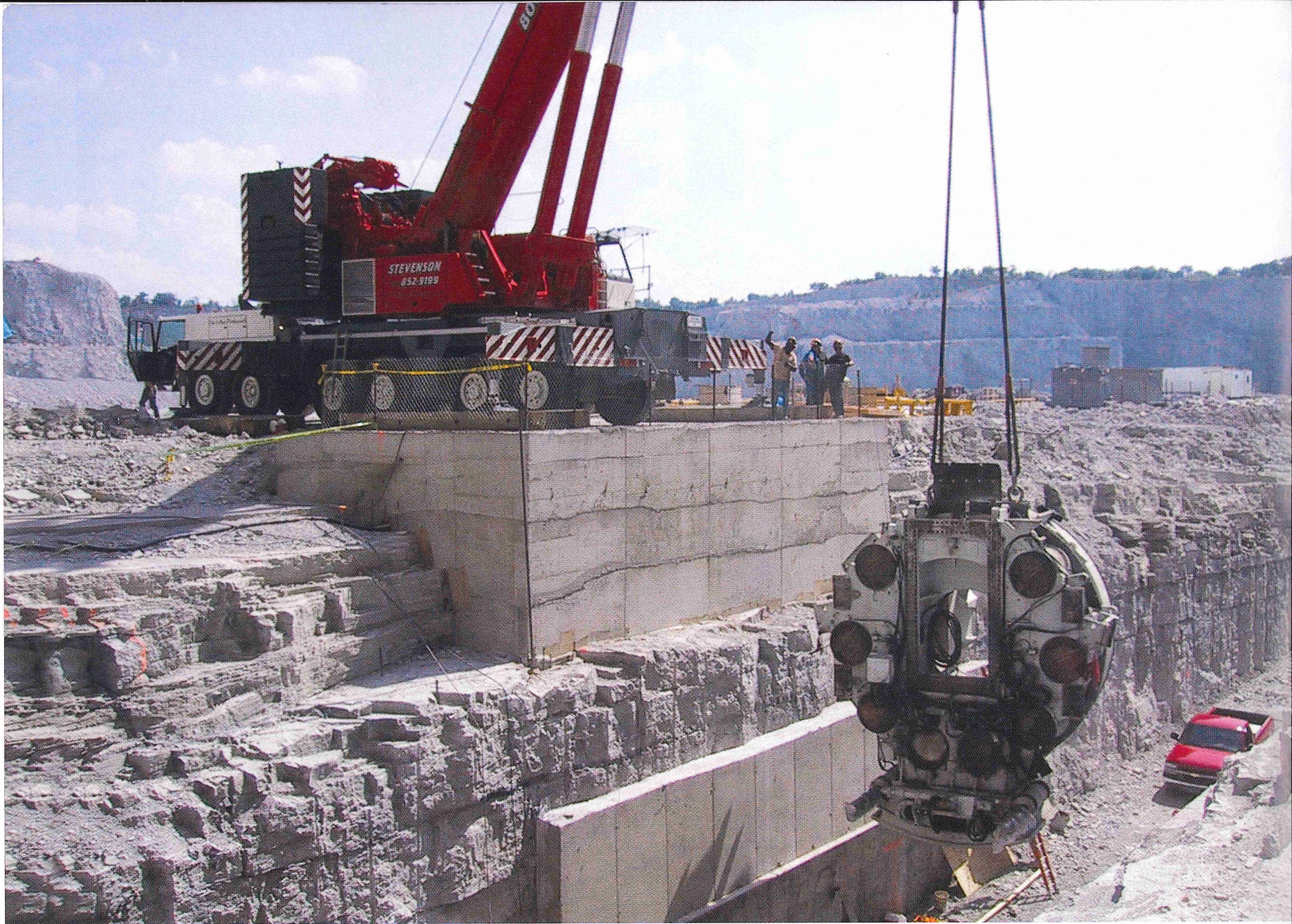
M A G A Z I N E

Jay Dee Contractors

Carry on
a Proud
Family Tradition



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Family Pride

Jay Dee
Contractors
Carries on a
Proud
Tradition

By Katherine Fulton

Every family has traditions that are passed from one generation to the next. Some have heirlooms, some have recipes, and some have histories — either oral or written — about who their families are and where they came from. But perhaps one of the most cherished and respected of these traditions is the family business. Pride, craftsmanship and expertise are handed down along with the business itself, and it's little wonder why such establishments are held in high regard.

But like all traditions, family businesses do more than preserve a set of skills. They also serve to preserve the memory of their founding members. Such is the case with the DiPonio brothers of Jay Dee Contractors, each of whom serves to carry on the legacy of their father, John DiPonio, who founded the company in 1965. The tribute is even marked by the name of the company itself, with Jay Dee calling to mind DiPonio's initials.

"When my father started the business, it was much smaller than it is today," says Thomas DiPonio, president of Jay Dee Contractors. "We did mostly underground work — sewer, water, open-cut — and also tunnel work. Eventually we gravitated to the tunnel work because it was more specialized and there were fewer competitors in the Detroit area."

However, in 1975, only 10 years after founding his company, John DiPonio died in a construction accident in Chicago. It was a tragedy that could have easily sidetracked or ended the business, but DiPonio credits his employees with rallying around the brothers and, in turn, the company itself.

"With the help of a good group of employees, we were able to get a new bank and bonding company and were able to continue," says DiPonio. "We couldn't have done it without them. My brothers and I were very young at the time, and without the employees, we wouldn't have gotten the backing we needed."

Since then, Jay Dee Contractors, based in Livonia, Mich., has continued to prosper, with a majority of its projects coming from the Chicago area. The DiPonio brothers jointly own the company; Thomas is president, while his brothers, John and Michael, are executive vice president and vice president, respectively. It is their unique vision and progressive business philosophy that has helped them to forge a positive reputation in the industry — among both their clients and their employees.

Big Digs

Jay Dee Contractors has participated in several well-known tunneling projects known for both size and complexity. The company concentrates mainly on public works projects dealing with water and wastewater.

"Most of our projects in the current years have tended to be larger projects," says DiPonio. "We're just completing the Little Calumet Tunnel for the Metropolitan Water Reclamation District of Greater Chicago (MWRDCG)."

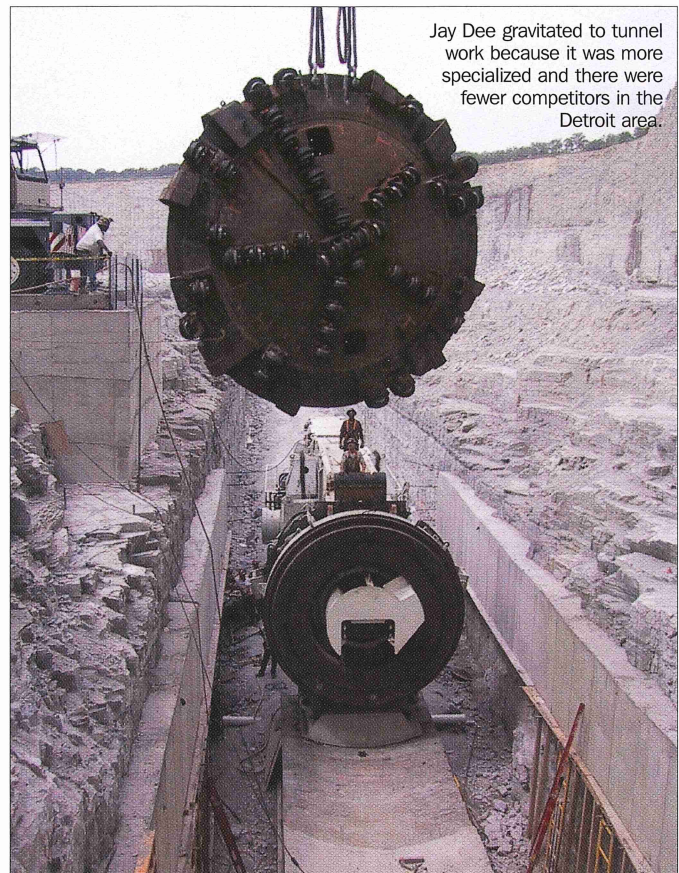
The Little Calumet Tunnel is a \$167 million Jay Dee/Affholder joint venture consisting of 42,000 lf of 15-ft diameter tunnel. The tunnel goes through rock and also includes drop shafts and connecting sewers. The project was spread out over a dozen communities, and in order to stay on schedule, the large workforce had to divide into several groups and cover multiple locations.

Jay Dee Contractors was also involved in the Thornton Transitional Tunnel, another MWRDCG project. As with the Little Calumet Tunnel, the project was a joint venture that saw the company partnering with Traylor Bros. Inc. of Evansville, Ind.

Consisting of 8,000 lf of 22-ft diameter rock tunnel and 2,500 lf of 8 ft diameter rock tunnel, the \$48 million venture was constructed as a flood control measure to divert wet-weather flows from Thorn Creek to an area of Thornton Quarry used as a reservoir. The drop structure was 260 ft deep — the largest in the Chicago area. But not all Jay Dee Contractors projects take place in Chicago. Currently, the company's biggest job is located in Columbus, Ohio.

"We're doing the Big Walnut Augmentation/Rickenbacker Interceptor (BWARI)," says DiPonio. "It's a \$91 million project, and it's essentially 21,000 lf of 14-ft diameter tunnel by EPB with concrete segmental liner." The project is made more challenging by difficult ground conditions — such as groundwater, sands, cobbles and boulders. In addition, the tunnel is being driven from a single shaft for the entire length.

Meeting the challenges of these large tunneling projects is not easy, but there are steps that the employees of Jay Dee Contractors take in order to maximize efficiency and quality.



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"Modifying equipment goes with the tunneling business. We have many tunnel boring machines, and we do a lot of refurbishing," says DiPonio. "For instance, we recently 'skinned up' a machine to 168-in. diameter, which will be used on a 12-ft diameter pipe jacking job at O'Hare International Airport in Chicago. This required fabrication of an outer skin and tail can that had to be fitted to the TBM. In addition, we had to fabricate a jacking frame assembly that will be used to jack the pipe."

All of these considerations and special preparations take time, money and energy, but DiPonio says that the effort is well worth it in the end.

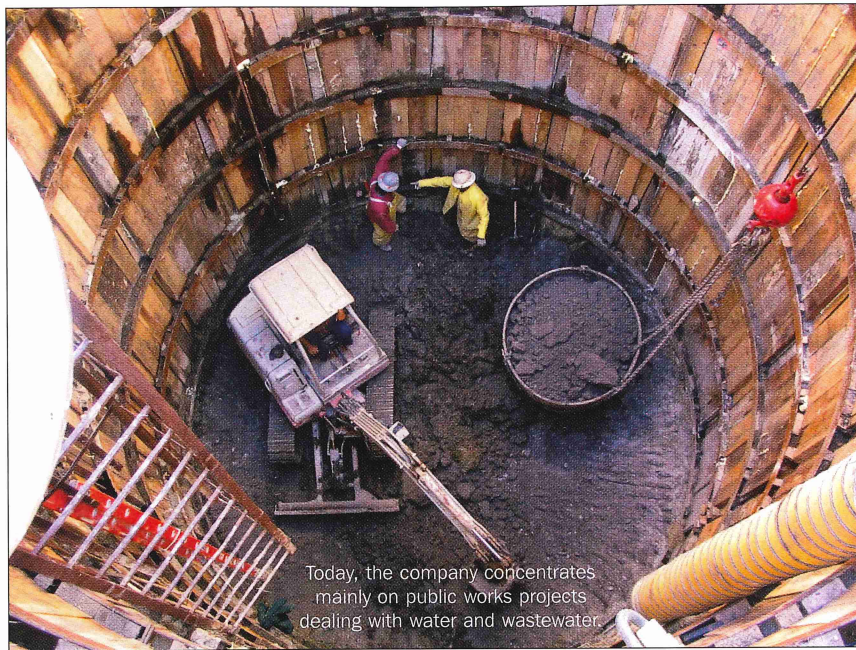
"We strive to deliver a quality job, which is not always easy. We have a very good reputation in our line of work, and a lot of that has to do with how we are viewed by the clients," he says. "It is very important that we keep the clients happy, give them a quality job and bring it in on budget and on time. They can't always select us, because the jobs we do usually go to the lowest bidder, but we want them to feel that they are glad to have us on board when we are there."

Safety First

A big step toward guaranteeing a quality job is making sure that the right people are on hand to complete it. This fact is not lost on DiPonio.

"The most important facet of a company is to have good employees, and that is really what has driven our success. We have had good employees, and we have been able to build a good organization around those employees," he says. "They are basically our most important asset; you can have the capital and equipment, but if you don't have the employees to put it to good use, you really have nothing. And good employees are harder to acquire than equipment and capital."

The company currently employs 120 people. According to DiPonio, the members of his management staff have an average



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of 20 to 25 years of tunnel experience each. A big part of keeping those good employees on the job is keeping them safe. And those in the tunneling industry know better than most that safety is paramount to the bottom line.

"It is good business to run a safe enterprise. Accidents and injuries are very costly and are costly in many ways," says DiPonio. "In the tunnel business, it's hard to get insurance for our type of risk, because there aren't many insurance companies who do it.

"Consequently, to keep our costs down, we have to take on a lot of that risk. We're not self-insured, but we take on a big percentage. We recognized quite early on that having a top-notch safety program was important. The goal is to eliminate all risks or accidents that might happen. That's not entirely possible, but the more effort you put into it over the long term, the more successful you'll be at that endeavor."

To further the goal of job safety, Jay Dee Contractors has implemented a program that strives not to delegate responsibility

to a person or committee, but instead empower each employee to work toward a common goal of safety and taking proper precautions.

"Over the years, we have developed a top down safety program that is committed to maintaining a safety culture throughout the company," says DiPonio. "Several years ago, we developed an accountability/incentive plan that gives our managers, superintendents and foremen a monetary stake in the results of the safety program. The program runs on an annual basis with each year ending on our insurance renewal date. Each year going forward, we set goals and budgets and keep track of the results. Another big part of our program is to provide safety training on a continuing basis to all employees."

The final component of the program is a safety award system, in which awards are handed out to all employees who have gone without an accident or injury for a certain period of time, generally a month.

Shared Success

For more than 40 years, Jay Dee Contractors has worked hard to provide its clients with quality craftsmanship combined with an efficient, cost-effective approach to challenging projects. These efforts have paid off handsomely, and the company now enjoys a fine reputation in the industry as a result. The DiPonio brothers deserve much of the credit, but Thomas insists that there is more to his company's success than just good leadership.

"I don't know if there is any big secret to it. The tunnel business is pretty risky, so you need to be good at calculating those risks," says DiPonio. "Hard work tends to pay off over time. I would attribute our success to having good employees and to a lot of hard work every day."

And that is a sentiment that would make any father proud.

Katherine Fulton is a contributing editor for *Tunnel Business Magazine*



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