

RJK CONTRACTING

Fridley contractor offers “one stop” for a variety of services

Diversification is the key to RJK Contracting's success, according to owner Roger Kjellberg, who says his customers tell him they like working with RJK “because they can come to us for everything they need.”

RJK Contracting, based in Fridley, Minnesota, offers “excavating, demolition, interior demolition, sewer and water work, and landscaping,” Kjellberg stated. “And we’re just getting into paving. We’re well diversified. A lot of our customers like that because they don’t have to get 10 different contractors lined up. We can smash it, dig the hole, backfill it, grade it, put the asphalt down and lay the sod if they want us to, and they only have to deal with one contractor.”

Kjellberg and his wife and co-president, Elizabeth Kjellberg, started RJK Contracting three and a half years ago. “Before that it was my father, Dwight Kjellberg, and me working together in his company, Economy Excavating,” recalled Kjellberg. “It was a family business. We eventually split the business up, and then I split my business into two companies —

Rock Solid, a landscape supply business, and RJK. We recently sold Rock Solid to concentrate on the contracting business.”

Hands-on owner

Roger Kjellberg calls himself a hands-on owner. “I enjoy running equipment and being out in the field,” he said. “I don’t want to be one of those owners who drives around and tells their guys what to do. I like to smash buildings and houses and set boulder walls. It’s fun.”

Elizabeth Kjellberg runs RJK’s office. Robert “Rob” Cox is RJK’s estimator/project manager. Other key employees include Operators John Jerde and Jason Edwards and Lead Laborer Rob Doble. The company employs 15 people.

“We deal with a few different contractors and we’re the prime contractor for a fair amount of our jobs,” noted Kjellberg. “We’re heading toward doing more prime work because subcontracting is a battle for pay until you develop a real good working relationship. We’re very cautious about who we work under as a subcontractor.”

Kjellberg estimated that about half of his company’s projects are done as a subcontractor, with the rest as general contractor. “We’re trying to get it up to 75 percent prime work, although we’ll always do subcontracting,” he said.

Demolition a specialty

Kjellberg and his father went into demolition work after they purchased the equipment to move and haul topsoil and black dirt. “I had just graduated from high school and we had all this equipment, so we bid on some commercial jobs and some park jobs,” he recalled. “We just fell into demolition work and found that we could do it well.

“We were only doing a couple of houses a year for the longest time, and now we’ve found that it’s a real



RJK Contracting co-owners Elizabeth Kjellberg and Roger Kjellberg with their one-year-old daughter, Mailee.



RJK Operator Rob Doble is using a Komatsu PC150LC-6 excavator from RMS to dig a foundation for a new apartment building in northeast Minneapolis.

good niche for us," he continued. "We look first for demo work, and if that's not available, we go for the excavating and the landscaping." Kjellberg estimated about 30 to 35 percent of RJK's business is demolition.

A recent interior demolition job for the new headquarters of the Minneapolis Parks Department went very well, according to Kjellberg. "They actually are retaining us by holding our contract open to do a change order through us versus the general because we treated them fairly all the way through," he said. "We did the work on time and they like us. That says a lot."

"We also do a lot of work for public agencies like the Minneapolis Community Development Agency," added RJK Estimator/Project Manager Rob Cox. "We did the old Carpenter Lumber in Bloomington, Minnesota, for the Bloomington HRA. We cleared the entire site, which consisted of seven buildings."

Crews do around 50 house demolitions a year, plus a number of commercial building demolitions, according to Cox. "Several years ago one job we did that everyone remembers was the demolition of the old Porkey's Drive-in on Lake Street."

"And when Irondale High School added a new gymnasium, we did the excavation and interior demolition," said Kjellberg. "It was about a \$450,000 project, which is a sizeable project for us."

The company recently excavated the underground parking facility for a senior housing complex. "We moved 30,000 yards of dirt," said Cox. "But we'll also



Operator John Jerde is stockpiling boulders at a jobsite with RJK Contracting's new Komatsu WA380-5 wheel loader.

do little excavation jobs, like a 10- by 10-foot addition. We'll move 30,000 yards or we can move half a yard."

While RJK crews work mainly in the Twin Cities metro area, Kjellberg is not averse to traveling. "Most of the contractors we regularly deal with work in the Twin Cities, so we haven't done much traveling," he noted. "But we're bidding on the interior demo of a mall up in St. Cloud, just north of us. It's a little over an hour trip, but it's not too bad."

Demolition an "art form"

Cox called taking down a building correctly and safely an art form. "You have to know how buildings are built, so when you take them down, they implode themselves into the hole, instead of falling on the neighbor's house," he stated.

The diversified company is based in Fridley and works throughout the Twin Cities metro area.

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Diversity is key for RJK Contracting

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"When you're doing a two- or three-story building, you have to know what you're doing to get that building down where it's supposed to go," continued Cox. "We were demolishing a two-story building on Lake Street that was attached to another one-story building. If you don't know what you are doing, the brick ends up on the roof of the one-story building. It's an art form."

Kjellberg feels his expertise, combined with that of his employees — many who have 10 to 15 years of experience in demolition and excavation — gives RJK Contracting an edge when bidding and working on projects. "A lot of guys bid demolition jobs cheap because they think it's easy," he noted. "They find out pretty quickly that their numbers have to jump up to make any money."

"We've all been through the trenches, and we've pretty much experienced just about everything you can in this business," added Cox. "So when problems arise, we have the solutions."

Reliable equipment vital

Because RJK is a small contractor with a small equipment fleet, downtime really "kills" them, according to Kjellberg, who believes in buying new or nearly new equipment. "You might as well pay a little bit more and get a new machine with a warranty and know how it's been treated," he said. Kjellberg turned to Komatsu equipment from Road Machinery &

Supplies Company when he decided to invest in new machinery. RMS Sales Representative Phil Major services the RJK account.

RJK's fleet from RMS includes one Komatsu PC200LC-6 excavator, a Komatsu PC150-6 excavator, a Komatsu D41 dozer, and a Komatsu WA380-5 wheel loader. "We're also renting an Ingersoll-Rand DD24 roller and a LeeBoy 8000," Kjellberg added. "We'll probably use the rental as a down payment. We're not going to be paving every day, but we want to be able to service our customers. I know if I have trouble, RMS will help take care of the problem."

Kjellberg was introduced to RMS and Komatsu equipment when a friend totaled out Kjellberg's backhoe. He couldn't work out financing on a new machine with his regular dealer, so he talked to RMS' Phil Major. "Phil had me come out and talk to a finance guy," said Kjellberg. "I sat down there for 20 minutes, and three hours later I got a call saying, 'You're approved.' I still have that Komatsu PC200. And every time I ventured off to another dealer, I got stung, so now I have a brand-new Komatsu WA380 front-end loader from RMS."

Kjellberg noted that first PC200, a 1996 model, is RJK's demolition work horse. "It's still a good machine, but because it's our demo machine, it's not the prettiest thing anymore," he smiled.

Treated like a "big company"

Kjellberg says he likes his Komatsu equipment and his relationship with RMS. "RMS treats us very well," he stated.

"They treat you like a big company without being a big company," explained Cox. "There is a stigma in this business that if you're not one of the big guys, dealers don't take time and they don't care. Whereas RMS has always cared about the little guy as much as the big guy, and it shows. When you drive down the road, you see a whole lot more Komatsu equipment than you did in years past."

Kjellberg also owned a Komatsu PC220LC-6 excavator, "but it didn't fit us anymore, so we traded it in for the PC150-6, which was basically a brand-new machine," he explained. "It fits what we're bidding and doing right now. And as long as the equipment is standing up, I'll keep it for 20 years. We've found that Komatsu equipment seems to hold its resale value."

RJK relies on a nighttime mechanic to service his equipment. "We haven't had any trouble," he said. "I buy filters, cutting edges, teeth and fuel, and that's



Part of the crew at RJK Contracting includes (from left): Operator John Jerde, Estimator Robert Cox, Owner Roger Kjellberg, Lead Laborer and Operator Rob Doble and Operator Jason Edwards.



RJK Contracting's Komatsu PC200LC-6 is equipped with a special bucket to move boulders into position at a jobsite north of Minneapolis.

my maintenance so far on the Komatsu equipment I've had."

Kjellberg said RMS's parts availability is "great" and service is good. "We've had them come out a couple of times and it was a pretty quick response," he noted. "Working with Phil is easy. We have a very comfortable relationship."

Best employee owns the company

Kjellberg credited hard work and determination for RJK Contracting's success to date. "Ask my wife," he said. "We put back in what we make to make the company grow. We're comfortable with that. There's also not much luck to this. Exactly what you put in is what you get out."

"I want to add from my viewpoint as an estimator that what makes our company successful is that we have an owner who works every single day in the field with the guys," stated Cox. "He's in the trenches, he's digging with a shovel or he's on equipment. It certainly makes it a whole lot easier to bid jobs knowing that one of the best employees in the company owns the company. I know the job is going to get done and get done efficiently, because the owner is out there doing the work and not just supervising."

"We also have new and updated equipment, so our crew can be comfortable doing their job, which is important," added Cox. "We have a small but talented core of people. It's a pleasure to work for a company like this."

Kjellberg says he loves his job and running his own business. "I enjoy what I do," he stated. "It's not a drag



The operator of this Komatsu D41P dozer is leveling a lot at a new housing area near Minneapolis.



Phil Major, left, RMS Sales Representative, with Roger Kjellberg.

to work 16 hours a day if I have to. I don't hunt or fish — this is my hobby. My wife understands and works with me hand in hand, but I'm sure there are some days she would really rather do something else."

Even though Kjellberg thrives on his job, he recently cut back his seven-day-a-week schedule to six. "I have a one-year-old daughter," he smiled. "I wanted some family time with her. She's going to be a backhoe operator. I've been digging a pond by our house, and I set her in my lap. She pulled my arm out of the way, grabbed the armrest, and sat there very seriously. She's already made her claim on the backhoe."