

LAKEVIEW ROCK PRODUCTS

AN EXERCISE IN EFFICIENCY

 **Kawasaki**
KAWASAKI CONSTRUCTION MACHINERY
CORP. OF AMERICA



Consisting of Herm Hughes and Sons, Inc., Geneneral Contractors; Lakeview Rock Products, Inc.; and Construction Assistants, Inc., Hughes Construction Companies has set high standards in total quality management for their clients. Client projects such as the award-winning Utah school for the Deaf and Blind, and the State of Utah Third Circuit Court Building have set Hughes Construction companies apart from their competition. Perhaps the most prestigious award to date is the American Concrete Institute's "Award for Excellence" earned on the \$25 million project at Hill Air Force Base, a 284,000 square foot building used to repair and maintain integral parts of the Air Force's F16s and F4s. This project required 480 pre-cast architectural concrete panels, weighing an average of 70,000 lbs., to be poured and erected on site.

Hughes has the knowledge, talent, and equipment for a variety of architectural and structural concrete construction projects. "We can, within our two divisions, self perform an enormous

amount of work. Site work issues, whether it is rough cut-and-fill or utility installation, concrete paving, or vertical concrete work are all within our realm of expertise. We can even erect our own steel. We have our own cabinet shop. It gives us some control and helps us to manage material cost, availability, and scheduling," stated Russell Larson, Vice President-Excavation Division. "At any given time we will be balancing 10-15 jobs."

Lakeview Rock Products, Inc. is a key component of many of these construction projects. "We are on a record-setting pace. We are probably looking to top our best year, this year. Scott (Hughes) has made some adjustments on gravel production and it is really helping," stated Larson. Scott Hughes, owner/manager of Lakeview Rock Products, is responsible for supplying aggregate to the Hughes Construction Companies and other local cement producers. Originally intended for materials resale back in the early 1980's, the main pit now specializes in aggregate production.

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(l-r) Tom Ramsey (Rasmussen Equipment), Russell Larson (Hughes), Scott Hughes, Todd Hughes.

This year alone Hughes Construction Companies has over \$40 million in Toole County school projects on the drawing board. "Construction managers for the school district hire us on the front end to work through design phases, value engineering, and to assist in getting the most product for the money," explained Larson. And that is just one segment of their business. When it comes to purchasing machinery and equipment to get these projects done on time, and on budget, management does their homework.

"At one time most of our equipment was Komatsu. We had such a hard time getting parts we started looking toward Caterpillar. Initially the equipment was more expensive. But the payoff in the end, well, the answer was "yes". We

started shifting towards Caterpillar.

We looked at the Kawasaki machines and liked them," stated

Russell. Rasmussen Equipment of Salt Lake City introduced the management of Lakeview Products

to Kawasaki loaders at the annual Kawasaki demoday event. They ran the Kawasaki machines in the beginning because the operators really liked them. The Cats at that time were older models and were not as advanced in the cab. "That's where Kawasaki has another advantage," Russell stated.

That year, 1997, Lakeview Products bought two 95ZIV loaders. "Rasmussen invited us to Kawadays and really got us to look at Kawasaki. In fact they gave us an aggressive package and good warranties. We've dealt with Rasmussen for several years now and they have taken care of us. We demo'd the loaders first, and they did everything they said they were going to do," stated Scott Hughes.

But Lakeview Products wanted to be assured that they were getting the most productive, cost efficient loader on the market. They also leased two Cat 980Gs at that time, says Scott Hughes. "We brought in two of each model and put them in the same application. Production-wise they performed the same," Larson noted. "We started to look at the costs we had with the two Kawasaki loaders and the two Cats. The Kawasaki loaders were cheaper to run per hour."



Three years worth of detailed record keeping paid off. “We’ve got the (cost) numbers. We were all surprised, especially when we looked at the cost per hour of the new Kawasaki loaders. It was a big factor. We were trying to decide what to do. We tracked it every year and were surprised to find out that the Kawasaki loaders were a fraction of the cost to operate as the Cats. The proof is in the pudding. A great part of that goes toward the support that Kawasaki offers. The machines haven’t been perfect, but I don’t think there is a perfect machine made. Every machine is going to have its problems. But when the company stands behind the machines and makes repairs under a warranty basis, then we keep our costs

down, and the machine is more efficient. These machines are really strong machines, and our cost is what we are concerned with,” stated Russell. This led the management team to purchase two more 95ZIV-2 loaders in 2000.

“The dealer relationship factors in about 50% of our decision (to purchase equipment). Then it goes to machinery cost,” stated Russell. “We do a little of the routine maintenance in house, but we really rely on the dealer to handle the maintenance,” added Scott Hughes.

“Support is very important to us because in the past we’ve had Komatsu and every time we needed a part it had to be shipped out of Japan. Those machines had the most downtime, mostly waiting for parts to show up,” declared Todd Hughes. “The nice thing about Rasmussen is that if we have any problem at all, we just pick up the phone and call. Within one hour they are here,” acknowledged Scott Hughes.

“I saw a big difference in Rasmussen after they became a Kawasaki West Coast parts depot and rebuild center. Kawasaki now has 50% share of our wheel loaders. They are holding out, doing well. We keep our loaders on a return cycle. The warranty is good on them until we turn them in, so we don’t have to worry about major components,” Scott Hughes explained.

“Right now we are on a 6000 hour rotation on our wheel loaders. We would just as soon make payments and not have to pay the dealers’ mechanics. **We want our operators to get in the machine every morning, turn the key, and go to work,” declared Scott Hughes.**

And that they do, very efficiently.



The Dave P. Gardner Hall expansion at the University of Utah (top) and several Toole County schools (bottom) are amongst the many projects Hughes has completed.

MACHINE	1997	1998	1999	TOTAL @ TRADE-IN	HOURS @ TRADE-IN	COST/HOUR
KAW109	\$2,122.00	\$4,733.00	\$12,782.51	\$19,637.51	4,973	\$3.95
KAW110	\$1,951.00	\$4,777.00	\$10,279.00	\$17,007.00	5,209	\$3.26
CAT01	\$2,127.00	\$2,823.00	\$17,528.00	\$22,478.00	5,313	\$4.23
CAT02	\$3,655.00	\$7,616.00	\$33,836.00	\$45,107.00	6,289	\$7.17
			TOTAL COST	TOTAL HOURS	TOTAL CCOST/HOUR	
		Kawasaki	\$36,644.51	10,182	\$3.60	
		CAT	\$67,585.00	11,602	\$5.83	