

Dredger Finds Niche in Smaller Jobs

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When Dan McDougal started Dredge America in 1993, he was taking an unusual step. His company is one of very few in the dredging business that is not family owned and staffed, according to Barry Holliday, chairman of the Dredging Contractors of America.

“Most of the dredging and marine industry in general is made up of family owned businesses that are now in their third or fourth generation,” McDougal said. “This has a lot to do with the specialized experience required and the large capital outlay for equipment. As a first-generation company, we make mistakes and learn things that are more similar to the experiences of the great grandfather of the more established companies. They have systems in place and ways of doing business that are such a part of their culture that everyone takes them for granted.”

Not that McDougal was unfamiliar with the rivers. His father had been a project manager for Massman Construction Company, specializing in bridge construction. “They built everything from bridges to river terminals,” Dan recalled.

After graduating from college with a degree in civil engineering, Dan originally followed in his father’s footsteps, working for two bridge contractors, doing everything from estimating to project management. When he started his company originally as McDougal Construction in 1990, he continued performing small bridge contracting and pile driving projects. In 1993, he bought a small dredge. But he soon realized he would have to choose which business line he wanted to specialize in.

“The crews that did the dredging didn’t mix well with the bridge crews. It was two completely different cultures, so I had to decide which way to go.” Dan opted for dredging, and Dredge America was born.

With between 15 to 20 employees and five cutterhead dredges, Dredge America is small. Its niche is portable hydraulic dredging, which means a variety of work all over the country, for customers such as lakefront homeowners’ associations, farmers, barge terminals and marinas.

“We could be dredging out a marina in Florida one week, next to \$10 million dollar yachts, and the next week ship everything to Kansas to dredge out the downward slope of a cattle feedlot,” said McDougal. All their equipment is portable, meaning it can be shipped overland.

Dredge America has done work as far afield as Puerto Rico, where they just finished a job dredging a channel through a mangrove forest as part of an environmental restoration project. “We go where the larger dredges can’t reach. This might be because the project is small, such as under 20,000 cubic yards, and it is not economical to mobilize a larger dredge. Or it may be shallow draft. The area may also be too constrained for a large cutterhead dredge to swing, or the settling basin may be too small to handle the increase flow of a larger dredge.

Dredge America does have competitors, but “not a lot of steady competitors,” he said. “Many come and go with specific jobs. Part of the risk is that customers often don’t have regular work, so maintaining steady work after making a major capital investment in a dredge can be risky business. The cycle

between dredge projects can be between one to ten years or more. As a result, Dredge America relies heavily on its reputation and word of mouth to obtain future work.”

“Our people have a reputation for professionalism and safety,” said McDougal. “The companies who value these traits are the ones that trust their project to Dredge America. We are not always the low bidder, but we feel that we almost always offer the best value to our clients. If we are not the best value, we are the first ones to tell the client that they are better off hiring a competitor.”

McDougal is aware that dredges in featured on some cable reality shows as one of “America’s toughest jobs.”

“This is a high-risk business,” he said. “It’s not for everyone. You have to be an adventurous soul, and not just endure it. The same crews do everything, so they really have to thrive on no job being the same as any other. We tell p0eople when they join us that it’s not just a job, it’s a lifestyle.”