

## RJM Construction

www.rjmconstruction.com

- Revenue: \$120 million
- Headquarters: St. Louis Park, Minn.
- Employees: 100
- Services: General contracting and construction management

"We are a general contractor of high quality, service-oriented and a team player."

-Bob Jossart, president



**CONSTRUCTION** TODAY

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» Ranked as the 12th largest general contractor in the Minneapolis-St. Paul area, RJM Construction's portfolio includes healthcare facilities, tenant interiors, renovations, community centers and commercial developments.



# A Whole Different Definition

**THE KEY TO A SUCCESSFUL PROJECT IS COMMUNICATION WITH THE TEAM.** BY LUKE GILLESPIE

In 1997, Bob Jossart and business partner Joe Maddy had a vision to build a construction company that provides a better and unique experience to its clients. They created RJM Construction, emphasizing a team that would go beyond the basic principles of delivering projects on time and on budget. "We decided RJM would help clients define a great construction experience," Jossart says.

Since formation, the company has become the 12th largest general contracting firm in the area, according to *Minneapolis-St. Paul Business Journal*, and averages \$120 million in revenue annually. Last year, RJM merged with Bloomington, Minn.-based United Properties Construction Services. Jossart notes that the merger brings together 25 years of construction experience.

RJM says it concentrates in several markets, seeking to develop relationships with clients who appreciate a partner dedicated to their interests. The portfolio for RJM includes projects for healthcare facilities, tenant interiors, renovations, community centers and commercial developments. "We are a general contractor of high-quality, service-oriented and a team player," Jossart says. "[Clients] come to us for the tough jobs."

## Crosstown Medical Center

In May, RJM began construction on Crosstown Medical Center, a 70,000-square-foot, four-story medical office building in Edina, Minn. A five-level, 144,000-square-foot parking structure is also being constructed in conjunction with the medical facility. The office building is being constructed with glass, precast concrete and stone, with the parking garage being constructed out of precast concrete.

One difficulty RJM has had with the project is that the water table is only nine feet deep. Jossart says it took some time to work out how construction was going to proceed with the shallow water table. In collaboration with the architect, Wayzata,

Minn.-based Mohagen Hansen, the decision was made to raise the building.

Mohagen Hanson also designed the parking garage to look like a second medical building. With colored bricks on the exterior and metal grills to screen the cars, the parking garage blends right into the neighborhood. Jossart explains that although this raised construction costs, it was a key factor in selling the development to the city.

After months of careful planning, the project is under budget and ahead of schedule for its spring 2010 opening. "We're right on track," Jossart says. "We need to keep working hard and, we don't anticipate any issues."

### Handling the Recession

The current handling of the construction market is a concern for Jossart. "We saw a rapid decline in pricing about 12 months ago as a result of undercutting in the contracting market. There is a perception by some that prices will continue to decline and seeking many multiple bids will somehow result in lower prices."

He adds that "pricing has been relatively stable for the last six months," but thinks some bidders have priced work at a level they will be unable to sustain.

Jossart believes that much of the decline in the construction industry is over with. "Wages are not going down and neither are material costs. Some costs, as a matter of fact, are going up." Jossart also feels that for a company to continue through the recession, it needs to stay accountable for itself and provide great service.

Because of the economy, RJM is finding that a new sector in the construction industry is developing – distressed projects. Jossart says there are a number of projects that have been shut down for lack of funds or

other reasons. "With a number of projects at some stage of completion, there is a new need for businesses to analyze distressed projects, allowing owners to reinvest," Jossart says.

### Success Through Collaboration

The American Institute of Architects (AIA) Minnesota presented RJM Construction with the 2007 Special Award. AIA praised RJM Construction as a contractor that "continually looks for opportunities to maintain high quality in their work."

The award is not given out annually and was presented to RJM in recognition of its ability to collaborate with architects and clients. "RJM Construction sets the highest standard for a construction firm, as well as the standard for other contractors," AIA added.

"We want you to feel part of a collaborative, team effort with one common goal: respectfully serve the needs of the client," RJM says. "In such a detail-oriented business, communication is key to success. We have the tools and the resources in place to keep everyone on the same page," it says.

Additionally, "We know how to get it done or we figure out a way to get it done," Jossart says. "In the many services we provide, our ultimate purpose is to provide a great construction experience." ♦

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