

INDEPENDENT MECHANICAL INDUSTRIES INC.

IMI concentrates on contract maintenance of mechanical systems in large public or private facilities, as well as new or retrofit construction projects.

Chicago: IMI's Sweet Home

Independent Mechanical Industries Inc. could have left Chicago for cheaper land in the suburbs, but the company stayed loyal to the city it has called home since 1923.

BY BRIAN SALGADO

When it came time to relocate his business, CEO John Reynolds could have sought offers from Chicago's surrounding suburbs to lure Independent Mechanical Industries (IMI) Inc. out of the city limits. But Reynolds says he never intended to leave the city where his grandfather and father built a solid foundation of success dating back to 1923.

"The city of Chicago is one of our biggest customers, and our history is in Chicago; our roots are here," Reynolds says. "I live in the city, and I believe in the city of Chicago and what it stands for, with its history of labor and achievements in engineering and construction."

Instead of leaving Chicago, the company moved just a mile-and-a-half from its previous facility, where it had been located for more than 40 years, into a new, 50,000-square-foot office and fabrication shop four years ago. Independent had grown and aged out of the previous facility.

Although IMI concentrates on contract

maintenance of mechanical systems in large public or private facilities, approximately 40 percent of its business is in new or retrofit construction projects.

Vast Capabilities

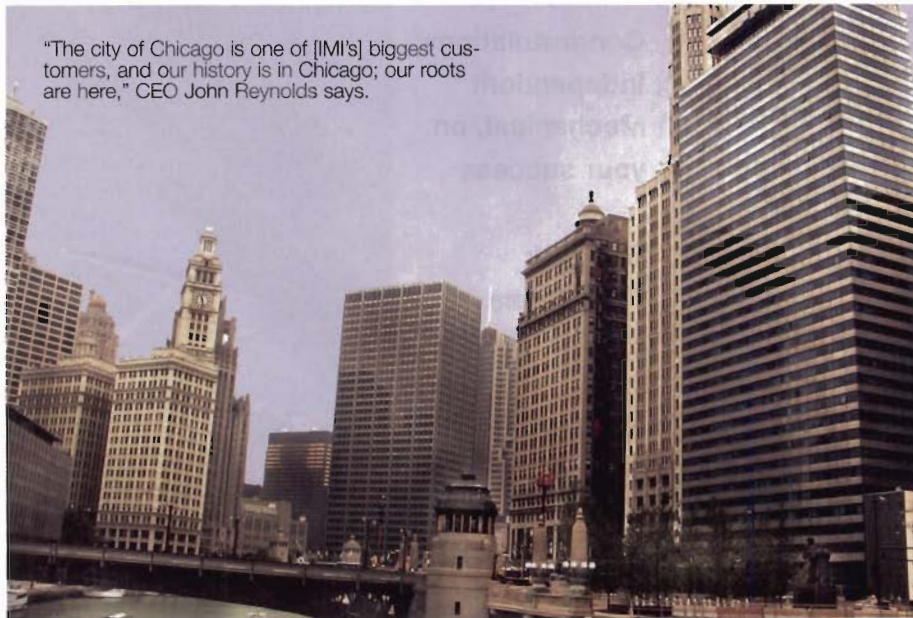
The company's capabilities include piping, heat and power generation, and it performs work throughout Chicago and surrounding suburbs.

For heat and power generation, IMI provides complete installation of boilers, pressure vessels, smokestacks, dust collectors, heat exchangers, waste heat recovery systems and all associated equipment. The company says the HVAC division is equipped to handle the needs of its customers today and tomorrow. "IMI Inc. accepts the challenge of building the highest-quality HVAC systems as a subcontractor or a prime contractor," it adds.

IMI's services include:

- Computerized estimating
- Computer-assisted design drafting
- Customized cost control
- Accountable project management

Independent Mechanical Industries Inc.
www.independentmech.com
Proj. 2007 sales: \$55 million to \$65 million
HQ: Chicago
Employees: 285
Services: Maintenance
John Reynolds, CEO:
"Chicago is one of our biggest customers; our roots are here."



"The city of Chicago is one of [IMI's] biggest customers, and our history is in Chicago; our roots are here," CEO John Reynolds says.

■ A highly trained labor force

The company adds that it has the expertise required to handle industrial specialties like stainless steel, plastics, fiberglass and a variety of synthetic materials. "In addition, IMI has the capability to remain current on any code or procedure required for the installation of these specialties," the company says. "The industrial/process division is able to perform under fixed-price contracts or labor hour/time and material projects."

IMI says its service group exists to serve customers 24 hours a day. The company responds to service calls in two hours anywhere within the Chicago metropolitan area, and IMI starts up and services all equipment and systems installed by companies other than IMI.

"With close coordination of the service group and construction division, IMI eliminates potential service or maintenance problems before installations are complete," the company says.

All in the Family

Harry Reynolds Sr., Harold Schmidt Sr. and Harold Suppel founded IMI. In the company's early years, boiler and tank erection was the primary business.

Through the company's history, providing union craftspeople to support owners' maintenance and operations needs has been its primary business.

The company is now on its third generation of family ownership, led by John Reynolds and his cousin, Joe

Reynolds, who runs the financial side of the operation.

A Unique Niche

Reynolds says IMI is one of the few mechanical contractors in the Chicago area that has agreements with the boiler-makers and pipe fitters' unions.

Although some specialty contractors avoid combining two different trades to avoid potential butting of heads, IMI manages the work by clearly defining roles on every project, Reynolds adds.

"We don't always agree on how the work should get done," he says.

"But we're respectful at understanding how the jurisdiction of work is divided up, so we use it as a strength to go after unique projects."

For instance, IMI was involved in a utility plant planned outage this spring for Midwest Generation.

The project required thousands of man hours, scheduled to be completed in week-long phases. "The success of the project was due to all the trades cooperating with IMI project and the owner's representatives," Reynolds says.

Three-Year Cycles

Reynolds says his industry operates in three-year cycles, which helps IMI gauge what type of contracts it should seek. For instance, three years ago, the company was involved in more commercial/institutional work.

"That presented an influx of rehab

work," IMI says. Today, its markets are in heat and power generation, central utility plants, water, wastewater and petrochemical work.

IMI predicts projects in energy and infrastructure are going to drive the market for many years to come. "We are starting to develop utility and infrastructure work with new and existing customers," Reynolds says. "We're looking at more design/build and design/assist work with general contractors and construction managers."

"The typical project today has considerable more risk and responsibility. We are improving in all areas of the company to meet this challenge."

Waste Water Projects

With Chicago's Metropolitan Water Reclamation District as one of its most consistent clients, IMI is also gaining work in wastewater plants, whether it is in ground-up construction or rehabilitation work.

"Anything that has to do with upgrades to infrastructure ... many of those processes are overlooked and not properly maintained, which leads to breaches or failures in facilities," Reynolds says.

'A Visual Showpiece'

Most of the work IMI takes on is not exactly the glamorous side of construction, but Reynolds is excited IMI is a part of a boiler/chiller plant being built on the University of Chicago campus.

This plant is a part of the University of Chicago's 25-year plan and will support the heating and cooling needs of the school into the future.

The building is enclosed in a glass envelope similar to the heating and refrigeration building at O'Hare International Airport in Chicago.

"It is unique because basically they're building a utility plant inside of a glass building," Reynolds says. "Most of what we do is dirty, nasty, ugly stuff nobody thinks about. It is not very often that we're in a visual showpiece."

The project, which started in the first quarter of 2007 and should be completed by the second quarter of 2008, has IMI installing a 5,000-ton chiller plant.

IMI's scope of work costs \$9 million. ■