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BIG Business Beneath

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National Environmental Solutions' Gavin Gallifant shares how he lands and services million-dollar municipal-sewer cockroach control contracts. **Will Nepper** Managing Editor

Gavin Gallifant, who's celebrating 30 years as a self-employed pest specialist, has spent much of that time peering beneath manhole covers at an underworld dominated by cockroaches. With the help of his team at the Peoria, Ariz.-based National Environmental Solutions, he's made a name for himself as a big-contract master. *Pest Management Professional (PMP)* magazine recently had the opportunity to speak with Gallifant about landing and servicing million-dollar municipal-sewer cockroach control contracts. Gallifant shared his story and offered advice to would-be masters of their own municipalities.

PMP: When and how did you get into the pest management business?

Gavin Gallifant: I started in pest management when I was 14 years old. That summer, I passed out flyers, cleaned trucks and rode shotgun with my buddy's dad, who owned a pest management business. The next summer, I began power spraying pesticides on the outsides of homes while the full-timers did likewise on the insides of the structures. When my friend and I got our driver's licenses, we ran routes after school and on Saturdays.

"I like landing the big fish. I used to be a fisherman in small ponds and streams. Now, I go deep-sea fishing with big boats and nets."

When I was 21, I decided I needed to do something on my own. That July, I launched Abracadabra Pest Control, which I later renamed First and Last Pest Management. In 1996, we incorporated and I landed my first municipal-sewer cockroach control contract. That deal launched me into buying a few small businesses from guys who were retiring, going out of business or just exiting pest management.

PMP: Was there a lengthy learning curve or did you dive in confident you could handle a large, municipal-sewer cockroach control contract?

GG: I was learning from the businesses I bought — how each operated — as their customers transferred to me. One business I purchased came with several commercial bids.

I had always done mostly residential work, only occasionally performing pest management for a few businesses owned by our residential customers. But as I looked at these commercial bids, I immediately noticed they paid big dollars.

The biggest potential project was a City of Phoenix, sewer-manhole cockroach control job. Its last bid was worth more than \$300,000 per year. At the time, my business was doing \$183,000 per year. I thought: "I'm going after this one!"

Photos by Dan Coogan



It had been about five years and was coming up for bid. I bid it through an alternate product, which threw them off and gave me about three months to figure out pricing and secure a few manhole-treatment customers, because you need to have had at least three customers for whom you'd performed this exact service.

PMP: Were you ultimately awarded the contract?

GG: Yes, in 1996, as First and Last Pest Management. In 2002 I partnered with Walla Walla Environmental on a deltamethrin product. It had much lower toxicity than what we were using at the time, making it safer for my employees to work with, while being just as effective on cockroaches in sewer manholes. When most of the municipal contracts came up for renewal, I started National Environmental Solutions (NES) and went almost entirely commercial.

PMP: You recently won a \$1.2 million, four-year deal for sewer-manhole cockroach control from Pima County in Arizona. That's a pretty nice 30th anniversary gift, huh?

GG: Pima is a huge county, so this was the coolest thing that could happen. Plus, Pima County has been very proactive and aggressive with vector control in manholes since the 1980s.

PMP: How nasty do most municipal-sewer cockroach infestations get?

GG: At first, you open the sewer manholes and find they're lined with cockroaches. You think it's dark in there from no light, and then you notice the walls start shifting — that's the cockroaches trying to move down the laterals. After opening some manholes, they immediately overflow with a sea of cockroaches. We see a lot of things in there: lizards, tailless whip scorpions and all kinds of rodents.

PMP: What technologies and techniques do you deploy for municipal-sewer cockroach control.

GG: When I started, there were a handful of products labeled for the kind of service we perform in sewer areas. Our choices became even more limited over time because of product re-registration and reassessment.

The primary product we use now is a latex-laden paint. The cockroach control chemical is added directly into the paint. It can be formulated at the factory or blended in the field. We used to add control products to an oil, but now we're doing it with paint. It's not a new technology, but it works because it stays in one place and delivers proven efficacy.

People assume we're treating the manhole covers, but those aren't treated. We treat the *walls* of the sewer manholes — to the top to about 10 feet down. We can go deeper because we set our spray tips at an angle. It provides our municipal customers with very thorough treatments.

PMP: Does the paint provide any other benefits?

GG: One great quality is the paint is white. When applying the solution, it's easy to see which direction the flow of the effluent is going, so it's safer. Plus, after spraying white paint onto a dark surface, we can look down the sewer manholes and easily identify any cockroach activity.

Gavin Gallifant's Dos & Don'ts of Pricing Municipal Jobs

Do know what your costs are.

Don't underbid yourself. You could sit at home and watch TV and break even without wasting gas or a single staff member.

Do follow through with everything you say you'll do.

Don't antagonize the customer. They just want the job done. If conflict develops, try to bring someone else in — another person to talk to. Sometimes you get too close, too involved, and you need an unbiased party to step in.

Do ensure you have a plan for unexpected changes (like fuel prices skyrocketing).

Don't miss the details of any contract bid.

Do read the proposal or bid before it comes out and question everything you are not comfortable with; you will sink or swim by the words in that contract.

— WN

PMP: Do you use the same technology and techniques when performing cockroach control for municipalities outside of sewer manholes?

GG: Currently, our product is also labeled for vaults and utility accesses. We have not expanded its use beyond that.

We've found a niche where there are only a couple of others performing this type of pest management work. The municipal-sewer niche works really well for us. There's plenty of big business beneath.

PMP: Over the next four years, how much product will you use to complete the Pima County job?

GG: I figure about 1,000 drums, which is about 34,000 gallons of mixed product per year. Over four years, that's

Bidding on the Big Fish

National Environmental Solutions' Gavin Gallifant boils down the process of bidding on municipal pest management contracts:

- ▶ Be registered as a vendor with whatever municipalities you're working with, otherwise you're never going to see the bids come up. If you bid without doing this, they won't accept your bid.
- ▶ Find out who the buyers are and meet them. Know when the next bid is coming up, who the buyer is and what department it's for, and then you can do your homework ahead of time.
- ▶ Be a responsive, responsible bidder. Make sure you meet all of the qualifications. If you challenge a bid process and do it respectfully, based on their procurement policies and procedures, they're somewhat obligated to do the right thing, which is to maintain a competitive bid process.
- ▶ Be responsive to every part of the bid process. If it says you must have an integrated pest management (IPM) plan, have one for that specific job.
- ▶ Make sure you have the right equipment and staffing with the appropriate training and experience to do the job right.
- ▶ Check what the other vendors charged previously, and submit your detailed bid. If the municipality accepts your bid, over deliver.

— WN

100,000 gallons of chemical-infused paint for our Pima County municipal-sewer cockroach control project alone.

PMP: What are the benefits of large municipal accounts?

GG: One of the technical benefits is that with each large municipal contract, often the government agency will include the opportunity for an intergovernmental agreement, which allows you to go to select neighboring municipalities and solicit related work — without having to go through a lengthy competitive bid process because the vetting's already been done. We took our first bid and piggybacked eight other cities on it. We went from one \$300,000-per-year municipal contract to almost \$1 million per year in sewer-manhole cockroach control contracts in our first year serving the niche!

PMP: How many PMPs are needed to service these municipal-sewer contracts?

GG: We have one primary tech position and two part-time 'floaters' who fill in. Our primary tech is seasoned; he's been doing this work with us for years. We've had several contracts in California that he's traveled out of town to tackle as well. He's able to maintain most of it on his own.

PMP: How long is the typical municipal contract?

GG: Four years. They're preventative maintenance contracts, where we do all the sewer manholes throughout an entire conveyor system. Typically, we'll split the system in half for budgetary reasons. Half of the sewer-manhole work is done one year, the other half the next. The following year, we start back where we began. The warranty is two years on these sewer manholes, so they're never out of warranty anywhere in the system.

PMP: When a contract of such size and value expires, it could mean a significant loss for your business. How do you address that?

GG: We're a small company that specializes in servicing large commercial and municipal contracts, making fewer but larger customers happy.

I like landing the big fish rather than just scooping up a bunch of minnows. I used to be a fisherman in ponds and streams, and now I go deep-sea fishing with big boats and nets.

We also provide, for example, pest management for most of the power plants within Arizona for one utility

Gavin Gallifant's Tips for Servicing Municipal Accounts

- ▶ Have your equipment immediately accessible and set up properly.
- ▶ Keep the amount of product in tow limited to a one- to two-day job. Some PMPs carry two 55-gallon drums. Instead, use drums that are easier for one PMP to move around. Big drums can reduce bed space and fuel efficiency.
- ▶ Have the right tools *in hand*. There are many different ways to open manholes and many different types of manhole lids.
- ▶ Be extra safe. With municipal-sewer cockroach control, you're working in the middle of roadways. There are barricade manuals for every municipality; sometimes you're required to close lanes.
- ▶ Use a GPS to track your trucks in the field, so you know where they were and when, and can optimize routing and productivity.
- ▶ Remember: Not every municipality's sewer manholes are infested with cockroaches.

company. We service a nuclear power plant here, too. It's a considerable contract, but also a considerable investment in training for our technicians.

We're always looking for new niches. For instance, we've been providing dead-animal pick up for 13 years. We have two techs fully dedicated to providing this service. [See sidebar below.]

PMP: Between 2001 and 2002 you lost about \$800,000 in expiring municipal contracts. How did you bounce back from that?

GG: I'm very good at complicating things and making them harder than they need to be.

We had 26 employees and half of our revenue was sewer-manhole contracts with municipalities. We invested so much time and manpower into scheduling residential work that we were spending 80 percent of our time on 20 percent of our work. So I sold our 3,900 residential accounts and focused on landing commercial and municipal customers. We "rebooted" under the NES name, with less than 100 customers. It simplified things and worked out beautifully. It's one of the main reasons our motto is: "Solutions that simplify." **PMP**

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Roadkill Reconnaissance

Gavin Gallifant, owner of Peoria, Ariz.-based National Environmental Solutions (NES), does more than brave the depths of cockroach-infested sewer manholes. He and his team also contract to pick up and remove dead animals. It's a dirty job, but one that has relatively minimal overhead. It also helps protect public health, preserve peace of mind and bring in a pretty penny.

"We've been providing the service for 13 years for the City of Phoenix," Gallifant explains. "It all started with trapping feral cats. Someone said to me, 'Do you know they get paid to pick up the live ones and the dead ones?'"

That day Gallifant went to Maricopa County (Ariz.) to see what its animal clean-up situation was, only to find that he was exactly one day late.

"When the bid came up again, five years later, we won the business," says Gallifant, explaining that the niche brings NES more than \$300,000 annually, which is about \$15,000 per technician. "Our costs are gas, bags and labor.

"It's as valuable to our business as a pest management route, but without having to advertise, or buy product," Gallifant adds. "It also gives us the opportunity to please an entire municipality because of the thankless work we're doing." — *WN*