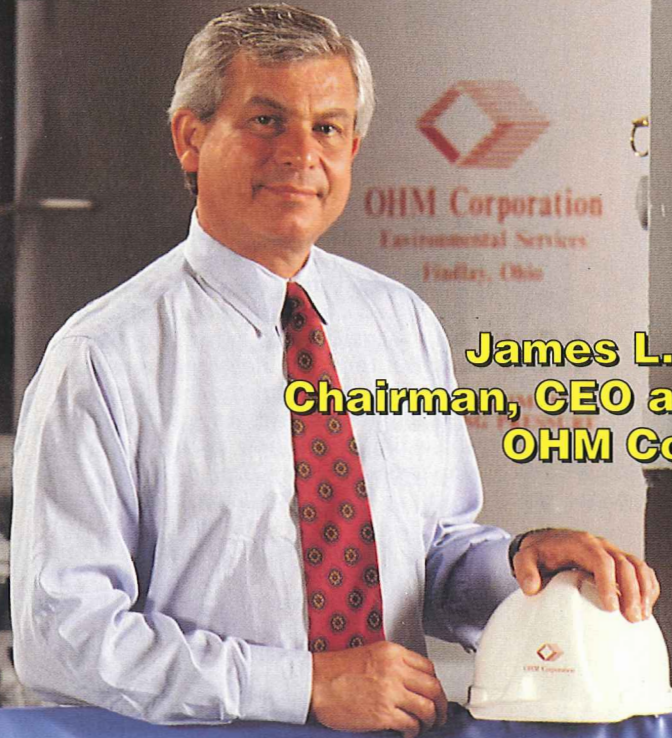


# ENR

Engineering News-Record



**James L. Kirk**  
**Chairman, CEO and president**  
**OHM Corp.**

## HOMEGROWN HEAVY HITTER



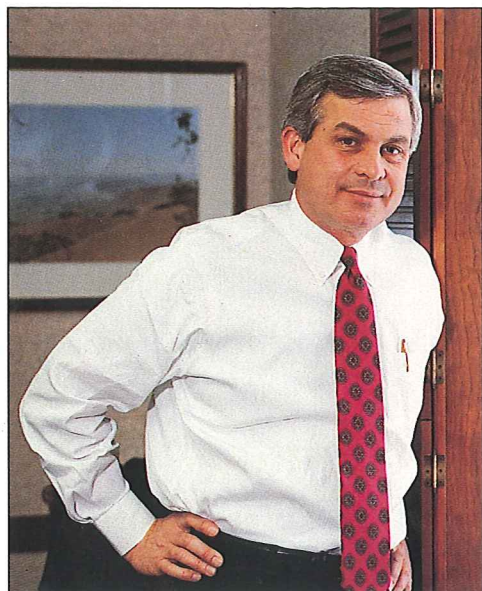
# Ohio cleanup firm is heartland's cash crop

**F**or 25 years, he's led his loyal followers under leaking railroad tank cars, inside exploded chemical plants and onto toxic waste-laden Superfund sites. But those hellholes may seem like heaven compared to the arena of risky megacleanups and fast growth into which Jim Kirk is now taking the 2,000 employees of OHM Corp.

ing spirit and get-the-job-done mentality that has already made it a leader in on-site waste cleanup. "No one in the remediation business comes anywhere near the resume of OHM," says one industry executive, noting its 17,000 completed projects.

From its origin in 1969 as a two-man emergency response cleanup contractor, OHM has become a \$250-million environmental services powerhouse and it isn't done yet. All of this has been accomplished under the careful watch of James L. Kirk, founder and current chairman, CEO and president. The one-big-happy-family culture that pervades OHM stems from just that—a business

By all accounts, they go not only willingly, but with great anticipation. The unusual firm, nestled in the farming heartland of Findlay, Ohio, is infused with a pioneer-



CEO Jim Kirk is OHM founder and guiding light.



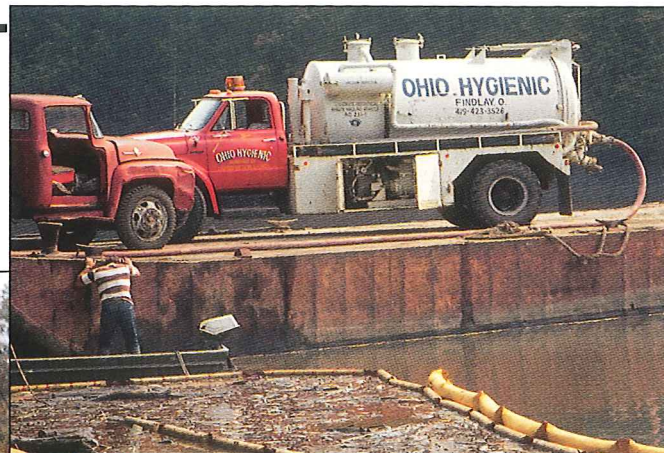
*Findlay's OHM Corp. is becoming a bigger player in the competitive arena of waste remediation as it strives to preserve family-style service and small-town values*



Headquarters was built on the Kirk family farm.



Projects in OHM's portfolio have grown more complex since its early days (right). These now include a \$33-million radioactive waste cleanup at DOE's Weldon Spring site in Missouri (below).



run by two brothers that spun off from the family construction operation. Jim Kirk, 44, and brother Joe, 43, were still in college in the 1960s when they were drafted into their father's water and wastewater treatment plant building firm.

The brothers gravitated into emergency waste cleanup, both to get in on a new industry and as a hedge against Ohio winters when there was little construction. They formed Oil and Hazardous Materials Co., setting up shop on family property that has today become OHM's 54-acre corporate, manufacturing and laboratory nerve center.

Leaving brothers William and Richard to run the construction firm, Joe and Jim set out in three-piece suits to hawk business one day and in moon suits to do the cleanup the next. "It was tough to negotiate contracts as 20-year-olds," says one company executive. "But pretty soon, people started hearing about the boys from Findlay."

As natural and manmade disasters mounted, so did OHM's cleanup business. Projects ranged from the 1-million-gallon Ashland Petroleum Co. diesel oil spill in 1988 near Pittsburgh to a fire-damaged U.S. Navy warehouse in Virginia whose PCB-laden parts were critical to outfitting fighter planes then flying missions over Libya.

Solving real problems in the field is OHM's claim to fame. George Hay, di-

rector of corporate engineering, says he was attracted to OHM because if "they didn't have an answer, they would get one. Others would sit around and wait for someone else to do it."

That started OHM on the path toward onsite cleanup technology at a time when competitors were still studying wastes or shipping them off to landfills. The company began experimenting with bioremediation in the late 1970s and was the first to patent soil vapor extraction technology in 1984, according to Jim Kirk. "We found it wasn't a solution to move waste from one place to another."

**Back to basics.** As the environmental business exploded in the 1980s, OHM followed many of its peers in going public and embarking on an ill-fated strategy to grow into a full-service contractor. The firm acquired an asbestos abatement firm, a mobile solvent recycling technology firm, a hazardous waste treatment facility and commercial testing laboratories. It also invested \$5 million in a joint venture with Conrail to develop a nationwide network of solid waste disposal sites.

By the early 1990s, environmental market changes wreaked financial havoc on most of these ventures, with OHM forced to divest or discontinue them. "Jim Kirk tended to listen to the wheeler dealers in the business," says one former executive.

OHM also didn't win friends in the investor community at the time, with its decision to invest millions in beefing up its core remediation business while expanding nationwide. The company created three regional centers in Trenton, N.J., Atlanta and Walnut Creek, Calif. Today, it has 26 offices. "That didn't go over too well with Wall Street, but we had a longer vision," says Kirk.

Now, with environmental winds pushing faster onsite cleanups, OHM is positioning for a windfall. "Less than 5% of onsite cleanup work has been performed," says Kirk. "There's still a sizable market for us to tap." The potential has galvanized the OHM organization. "Time has proven [the Kirks] to be farsighted," says Jan Power, OHM's director of regulatory issues. "Everything we see in Washington reinforces that." In particular, she points to proposed changes in the current Superfund reauthorization bill and the Resource Conservation and Recovery Act that will favor remediation.

**Hands on.** Leading the charge will be Jim Kirk, whom some compare to the legendary oil fire expert, Red Adair. "Jim is the most hands-on executive I've ever worked with," says Robert Blackwell, the company's new marketing director in Washington. "He will set a high goal, you meet it and he'll double it. It's all extremely personal to him."

Executives speak of strict workplace and personal conduct rules, from site safety and cleanliness standards to dress codes. "If you're careless, they'll fire you on the spot," says one former executive. "It frustrates Jim when someone makes the same stupid mistake he made 18 years ago," says Philip C. Deakin, vice president for government services. Yet, he's also the same guy who hosted 900 OHM employees and family members at his farm last month for the annual company picnic, complete with fireworks and pony rides.

The firm's growth has allowed the brothers Kirk to create a division of labor that fits their personalities. Jim Kirk handles corporate management,





"Brother Joe" Kirk (right) watches operations.

while the limelight-averse Joe Kirk, officially executive vice president, is content as operations manager and behind-the-scenes troubleshooter. "Joe is a smart guy, but he has no energy toward anything sophisticated," says one OHM executive. "He loves working the equipment."

In fact, Joe Kirk presides over an equipment fleet that rivals the largest contractor's. "We probably have close to

\$100 million invested in equipment," he says. "I just bought 1,200 license plates." While some observers wonder whether too much of the collection remains parked at Findlay, Kirk contends it gives OHM a readiness that competitors can't match.

**Testing, testing.** Also seemingly unmatched in the industry are OHM's on-site fabrication, laboratory and technology development facilities. In particular, the firm just completed a major addition to its onsite treatability lab that will give it 2,800 sq ft for bench-scale testing, "one of the industry's largest," says Paul R. Lear, OHM treatability manager.

Lear says such facilities are critical in today's market. "A few years ago, treatability was a nice thing to do," he says. "Today, it allows us to make mistakes on the bench scale and correct them. We can duplicate every technology OHM takes to the field."

Such results are becoming more critical to clients. "We can bring the

clients in here and show them there's a good chance we will succeed," says Dennis N. Galligan, vice president of commercial sales. A growing number even require treatability data in proposals, adds Lear. He says that OHM's emphasis on treatability comes as economics force competitors to scale down their own efforts. "These [competitors] don't have the strong links to [their] company's operational arms like we do," says Lear.

Serving the client in any way, at any time and with maximum discretion has been an OHM hallmark. "We never turned down a job," says Joe Kirk. The firm prides itself on around-the-clock commitment and often presses employees into whatever jobs need doing. OHM was called in when a Shell Chemical Co. plant in Belpre, Ohio, exploded on May 27. "We had 40 people there the first day," says one executive.

Joe Kirk says OHM fabricators worked over the Memorial Day weekend to custom-build decontamination equip-

## Superfund cleanup will test OHM's technical and management prowess

Perhaps none of OHM Corp.'s cleanups has been more anticipated—with hope, skepticism and angst—than its impending incineration of the Baird & McGuire Superfund waste site in Holbrook, Mass.

The \$58-million contract, won in 1992, is the company's largest single project award, says George Hay, OHM director of thermal technology. The onsite incineration of 200,000 tons of contaminated soil and debris at the former chemical plant will also be the first use of thermal destruction in New England. The mix of more than 100 contaminants prompted incineration, but activists long fought the approach, and are riding project participants hard.

The U.S. Environmental Protection Agency and the state have set some of incineration's toughest requirements at the site 14 miles south of Boston. "They've taken everything but the kitchen sink and thrown it at us," says Hay.

All attention is now focused on month's end when the incinerator's long awaited trial burn is set to start. That date has already slipped several times, due to winter delays and the surprise discovery that the planned site for the unit's foundation was atop an unstable, contaminated 32-ft-deep peat bog.

To meet project constraints, OHM designed and fabricated in its Findlay, Ohio, shop a new type of incinerator,



Baird & McGuire site is a former chemical mix and batch plant.



Onsite incinerator, using new design, is set for first test burn.

transporting it to the site in pieces. Hay claims its components have been used separately in other applications. The firm passed up a patent for fear of having to disclose too much. "Raising a molecule to 2,000° is not unique," says OHM CEO James L. Kirk. "But doing it more efficiently is what we have to demonstrate."

The 30-ton-per-hour capacity unit had to

fit a smaller site footprint to allow as much room as possible for it to be totally enclosed along with feed and ash handling areas, says Hay. The incinerator also uses European technology to pre-dry the feed and increase burn and energy efficiency. "We can get 30 tph with a 15% moisture content," says Hay. "If it's 25%, that gets cut in half."

Its key feature is a combination wet-dry scrubber system designed to control heavy metal air emissions. This will allow use of a shorter, less visible incinerator stack. OHM also must do frequent stack sampling for arsenic and lead "that far exceeds any other project," says Hay.

The project's complexity and schedule have forced hiring to take place at a fever pitch, and rumors abound that OHM raided competitors' talent and data banks. Some question the incinerator design. "The mathematical calculations on heat and energy balances are inaccurate," says one thermal expert.

Hay is confident the unit not only will work but will work well enough to keep the project on budget. OHM gets three shots to show 99.9999% destruction of a surrogate compound tougher than dioxin, "or it will be replaced," says EPA Project Manager David Lederer. "EPA determined the incinerator will be run properly and safely or not at all." □

By Debra K. Rubin



ment, and are still cleaning up. Executives decline to give details.

John Gay, Ashland Petroleum's manager of environmental engineering, notes that the firm responded quickly in May when a hose being used to extract oil from a company sludge lagoon at its St. Paul refinery came loose during the night and sent oil into a nearby river. No penalties have yet been levied, says Gay, "but this caused problems with Minnesota environmental officials." OHM accepted full responsibility. The brothers Kirk are known to slip out of Findlay when necessary to assuage client fears or complaints.

"OHM's idea of settling a client dispute was to leave money on the table," says one executive. "It's the mid-western get-the-job-done mentality," which has helped bring lots of repeat business. "Overall, they're a contractor we go back to," says Russ Yester, manager of environmental affairs for Pittsburgh-based Alcoa.

**Thorny.** Suing a client would seem unheard of in this organization, but a still unfolding situation at a Citgo refinery cleanup site in Lake Charles,



Treatability testing helps OHM prove technologies work in the field.

The drama is being closely watched on Wall Street. "In a business that's very service oriented and competitive, and where you want to generate more friends, it's something to take note of," says one analyst.

With private sector cleanups in a slump, OHM is aiming at the booming government remediation market. Already it has snared some of the most coveted contract awards, including a



Explosion-damaged Shell plant in Ohio is typical of OHM's emergency cleanup response work.

La., is creating some corporate discomfort. The firm is embroiled in litigation over a \$5-million claim it filed in March in connection with previously unknown site conditions that have hampered cleanup. The problem is particularly thorny because the more egregious waste finds will force OHM to continue cleanup past month's end when new U.S. Environmental Protection Agency "land ban" rules bar Citgo from dumping the waste in cheaper off-site disposal facilities. This could force Citgo to resort to more costly off-site incineration.

OHM officials were hesitant to provide details on negotiations at ENR press time. "We're still down there working," says Kirk. Others are optimistic. "We think we can work out the differences," says Pamela K.M. Beall, OHM treasurer.

\$200-million EPA Emergency Response Cleanup Services contract and several of Superfund's biggest cleanups. These include the \$58-million Baird & McGuire site (see box, p. 24).

Last year and in early 1994 the firm also nabbed three hotly contested U.S. Navy remedial action task order contracts in its San Diego, Honolulu and Norfolk, Va.-based divisions. The awards project up to a total of \$750 million over the next five years.

The windfall has catapulted OHM's backlog to a record \$1.4-billion—up from \$370 million only two years ago. But competitors grouse that the firm may have lowballed bids to build that nest egg. Kirk strongly defends OHM's posture, emphasizing that the awards were determined by technical capabil-

ities, not price. "I don't know how they can say that, when 80% of evaluating criteria is technical," says Kirk. He notes that on the Navy contracts, OHM's first bid was the winner. "We didn't even go to best and final," says Kirk. "That's amazing in the industry." Officials hesitate to mention work that is unannounced, but analysts speculate they are awaiting word on at least \$1 billion in pend-

ing awards. OHM won 40% of government work it bid on last year.

**Doers.** The firm is still not a big player in the U.S. Energy Dept. cleanup arena, avoiding program management contracts that could preclude actual remediation. "We want to play as doers," says Deakin. "There are already lots of thinkers." But it is performing \$33 million of work at DOE's Weldon Spring site in Missouri.

Some question OHM's ability to manage megaprojects and wonder how soon real work will flow under task orders. But Kirk projects government work to make up 65% of OHM revenue, up from 20% just a few years ago. "In this industry, you never had a backlog, so you couldn't provide growth predictability," he says. "This gives a lot more comfort."

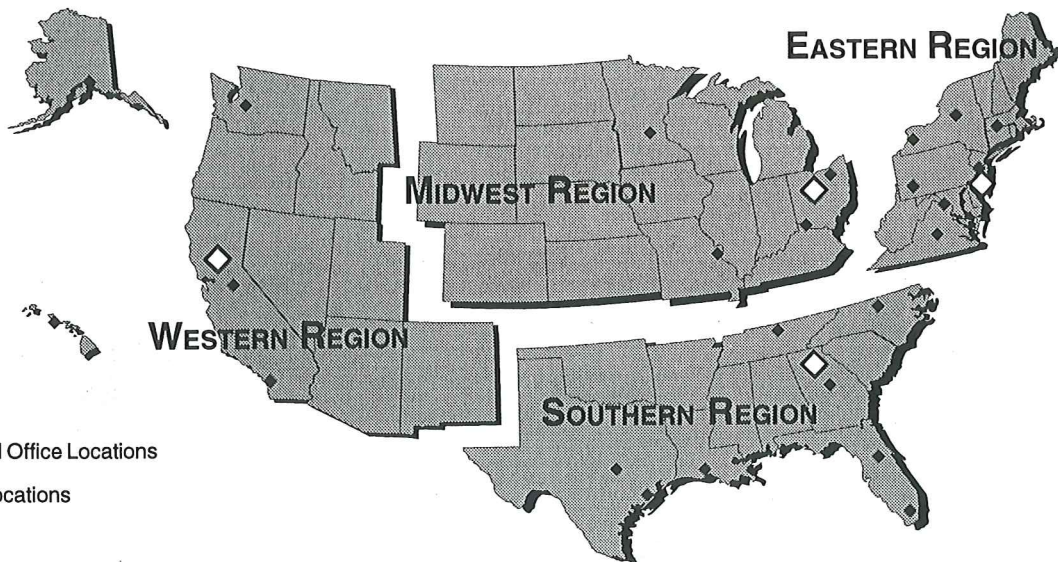
Wall Street investors, already skittish about the uneven environmental market, are taking comfort as well. "We're extremely bullish," says D. Cotton Swindell, analyst for Alex. Brown & Sons Inc., Baltimore. He predicts revenue to grow 30% this year, and earnings of 55 cents per share. That could jump to 80 cents in 1995. But others wonder if OHM can translate its backlog into revenue, and more critically, its revenue into earnings. "In the near term, it's too early to tell," says one analyst.

At OHM, some worry whether it can preserve its homegrown culture as it evolves into a national force. As a reminder, Joe Kirk commissioned a new videotape featuring employees speaking sentimentally of their OHM experiences.

Even so, Kirk is barreling forward, hiring savvy marketing whizzes like Blackwell and Galligan—both Ebasco Services Inc. veterans—among nearly 1,000 projected new employees in the coming year. "We're excited where the company sits today in the market," he notes. "We think we have as unique a position today as we did back when we first did hot-tapping and hot-patching on rail cars." ■

By Debra K. Rubin in Findlay, Ohio





- ◇ OHM Regional Office Locations
- ◆ OHM Office Locations

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