



PHOTO COURTESY OF DIVERSIFIED METAL PRODUCTS

Diversified Metal Products Inc. of Idaho Falls builds this type of assembly for the locomotives manufactured by Boise-based MotivePower.

Idaho Falls company finds growth in nuclear work

By Simon Shifrin

IDAHO BUSINESS REVIEW

Idaho Falls-based Diversified Metal Products Inc. failed nearly a half-dozen times over two years before earning its first contract to provide materials at a federal nuclear site in South Carolina.

The company's first win was a bid to supply stainless steel fire-resistant doors at the Mixed Oxide Fuel Fabrication Facility (MOX) in Aiken, S.C., in early 2009.

It took another year of work for the company to secure a spot on a list of U.S. Department of Energy certified vendors – which totaled less than a dozen companies nationwide – so it could bid for other work at the site. That recently led to six more contracts worth \$8.5 million as part of the construction of the \$4.8 billion plant, which will convert plutonium from dismantled nuclear warheads into fuel for nuclear power plants.

Diversified was successful at the MOX site only after a rigorous review of those failed bids, even though more than 80 percent of the company's revenue comes from government contracting, said Dan Payne, business development manager.

The key lesson, he said, is that having the lowest price is no guarantee in federal government bids, particularly when it comes to highly specialized security work.

"We learned to focus our proposals on our technical ability," he said. "Price is a secondary issue. It's an in-depth discussion of our ability to perform on that project. It's saying, 'This is what we bring to the table, this is how we can make the project work on schedule and under the other consider-

ations that the customer has.'"

The reams of paperwork have been worth it. Revenue has been growing, and the company has hired seven additional workers this year, bringing total employment to almost 90. Another three positions are likely to be filled this year. Gross revenue has increased more than 15 percent annually over the past five years.

The company started in 1988 with five workers in a 12,000-square-foot shop on North Yellowstone Highway in Idaho Falls, mainly as a supplier to the Idaho National Laboratory. The operations now include three shops totaling 60,000 square feet.

A significant chunk of the company's work still comes from INL. However, in recent years Diversified has also supplied equipment to potato processing companies, industrial materials to J.R. Simplot Co. and sub assemblies for locomotives manufactured by Boise-based MotivePower.

The company won a bid last year to manufacture 28 pressure vessels, including one weighing as much as 100 tons, for Bechtel Parsons Blue Grass, the contractor that will destroy a chemical weapons stockpile at the Blue Grass Army Depot in Kentucky.

For the South Carolina site, Diversified will make glove boxes, which are containment devices for handling and processing nuclear material, and stainless steel equipment for processing plutonium oxide.

A separate division of the company that was created as part of an acquisition earlier this year also won a subcontract to make electrical control panels.

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