

FOR SALE: Construction Management Firm with Niche of Military Base Infrastructure

Professional PM Firm with over \$120 Million in Contracted Work!

Financial Overview

Price: **\$36,250,000**

Gross Sales

2023 Projected	2022	2021
\$35,000,000	\$31,490,340	\$28,238,532

Cash Flow

2022	2021
\$6,802,180	\$6,595,323

- **Profit Margin:** 22%

Business Information

Clients: VA, Navy, US Coast Guard, Schools, Army, Apartments/Condos

Personnel: Multi-layer management where there are about 35 key employees, including a President, CFO, 4 Project Managers, 2 Engineers, 5 Superintendents, 2 Foreman, 5 Estimators, 4 Quality Control, plus Admin, IT, and Assistants. Additionally, there are 85 suppliers.

Services: Construction management expertise from cost consultation, design, administration, sub-contractor placement and project management. As a construction management firm, they offer diverse services such as renovations & upgrades to military buildings, replace electric, chillers, plumbing systems, water mains, removal of fuel tanks, demolition of structures

Location: Tacoma, WA with service area of 50% Washington, 40% Northern California, 10% Oregon

Owner Role: Having a well-developed leadership team allows the owner to work remotely. He spends about 10-15 hours per week in the business having only 3 direct reports. He meets with his President & CFO. The owner describes himself as having no day-to-day role and that he is more strategic/visionary.

Year Established: 1999

Reason for Selling: Divestment, as the owner is entering retirement age.

Seller Transition: Up to 3 years training and will also offer a promissory note or an equity roll of 25% as a sign of good faith.

Owner is a Veteran: Buyer will need to either be a veteran or have a partner who is.

Growth Opportunities: With their experience handling private commercial work, this would be an easy growth opportunity to return to. In addition to this, the business has licenses to handle jobs on any federal property.

Funding Example

Purchase Price: **\$36,250,000**

75% Buyer & Lender	\$27,187,500
25% Seller Financing and/or Equity Roll	\$9,062,500

SBIC will be a good option for Financing

Assets Included in Purchase: \$2,927,644

Vehicles: \$886,406 **WIP:** \$24,000,000

A/R: \$2,912,123

CapEx: Very low, less than \$200,000 per year

Recession Resistant:

Reoccurring clients are the VA, Federal Government, and the US Military. There will not be any impact on this business should there be a recession. In fact, due to the newly passed US Infrastructure Bill, this business will have organic growth as the bill has billions of set asides for our military bases.

Description

This professional management firm provides expertise from cost consultation, design, administration, sub-contractor placement and project management. The firm plans and manages renovations and maintenance for military bases across the West Coast, of which 50% are in Washington, 40% in Northern California, and 10% in Oregon. Clients are 90% Federal/Government and 10% private hire, including the VA, Navy, US Coast Guard, Schools, Army, and Apartments/Condos. There are typically 20-30 active jobs concurrently. A highly developed management team is in place where there are about 35 key employees, including a President, CFO, 4 Project Managers, 2 Engineers, 5 Superintendents, 2 Foreman, 5 Estimators, 4 Quality Control, plus Admin, IT, and Assistants. This allows the owner to work remotely, spending only 10-15 hours per week in the business having only 3 direct reports. There will not be any impact on this business should there be a recession. In fact, due to the newly passed US Infrastructure Bill, this business will have organic growth as the bill had many set asides for our military bases. They have a 4+ year backlog with over \$120 Million in contracts. Offering diverse services such as upgrades to massive military buildings, replace electric, chillers, plumbing systems, water mains, removal of fuel tanks, and demolition of structures. The Seller is willing to stay up to 3 years post-close and will also offer a promissory note or equity roll of 25% as a sign of good faith. The owner describes himself as having no day-to-day role and that he is more of a visionary. With the purchase, a buyer would receive \$2.9M in assets, including working capital and the vehicles and equipment needed to continue successfully. CapEx remains very low at less than \$200K per year.

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The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Advisors, LLC. The Firm does not sell real estate. The Firm solely advises on exit strategy.