

FOR SALE: Civil Engineering Practice Focused on Waste Water & Disaster Area Relief

Niche in grant submissions!

Financial Overview

List Price: \$5,375,000

Gross Sales

2022	2021	2020
\$3,589,882	\$2,510,138	\$1,810,868

Cash Flow

2022
\$1,435,687

- **2022 Profit Margin:** 43%
- **Multiple:** 3.75

Valuation: 2022 Cash Flow x Multiple = Valuation
 $\$1,435,687 \times 3.75 = \$5,383,826$

Assets Included: \$1,212,503

Leasehold Improvements: \$177,285

Vehicles: \$23,000

Office Furniture: \$18,325

Accounts Receivable: \$993,893

Business Information

Services: Civil Engineering firm for municipal clients suffering a natural disaster such as flood or drought. The niche civil work is focused on water & wastewater, electrical & mechanical engineering.

- 50% Grant Paid
- 50% Repeat Clients

Clients: 100% Municipal: Cities, counties, and special districts/ Townships. Not State or Federal.

Personnel: 11 on staff including 2 Licensed Engineers and 5 non-licensed Engineers.

Project Type: Design, Plan, and Implement infrastructure needs such as water treatment plants, sewage facilities and stormwater management.

Payor: Infrastructure Grants. There is no bidding to compete for or receive work.

Service Area: Central Valley of CA. with clients in Kern County, Modesto, and Stockton.

Current Owners' Responsibilities: President oversees the team but has limited direct interactions with clients.

Seller Training Period: 1-2 years

Reason for Selling: Retirement Planning

Year Established: 2011

Location: Fresno, CA.

Office: 2,600 sq ft office.

Growth Opportunities: There is no business development or marketing in place currently.

Special Designation: None, they are not WBE, MBE, 8a, etc.

There are no special designations that this business uses to obtain contracted work: this can be seen as a growth opportunity should a buyer qualify for DBE, MBE, WBE, VBE, or 8a.

Funding Example

Purchase Price: \$5,375,000

10% Buyer Down Payment	\$537,500
10% Seller Financing	\$537,500
10% Equity Roll	\$537,500
70% Bank Loan	\$3,762,500

A 10% down payment of \$537,500 returns \$743,498 in the first year after debt payments! A 138% return on investment!

Description

Civil engineering firm focused on waste water and disaster relief for suffering communities! Roughly 50% of the work they do comes from infrastructure grants, and 50% comes from referring engineering firms who lack the expertise in this niche of water and wastewater management. The firm does not bid to gain or win work; rather they have a niche in grant application processing. Their team of 11 consists of 2 Licensed Engineers, 5 Non-Licensed Engineers, and 4 in administration. They work out of a 2,600 square foot office space and have the necessary resources to accommodate their operations effectively. They work closely with cities, counties, and special districts to provide expertise in various aspects of engineering related to water and wastewater systems. This includes designing, planning, and implementing infrastructure projects such as water treatment plants, sewage systems, stormwater management, and other related facilities. They primarily serve the Central Valley of California, including clients in Kern County, Modesto, and Stockton. The current owner has decided to sell the firm in order to plan for retirement. The current owner's responsibilities include general oversight with limited direct interactions with clients. As part of the transition process, he is willing to provide a training period of 1-2 years to ensure a smooth handover of the operation. This will allow the new owners to familiarize themselves with the business operations, client base, and ongoing projects. In addition to the 1-2 year training period, the seller has offered to carry 20% of the purchase price via seller financing and an equity roll.

Priced at **\$5,375,000**, this business is primed and ready for a new owner to step in and enjoy a reputation that has been built over the last 10 years. A 10% down payment of \$537,500 returns \$743,498 in the first year after debt payments, which is a 138% return on investment! The current owner provides light oversight, handling hiring processes, and managing invoicing. These responsibilities can be absorbed by the existing staff or delegated to new hires as the business transitions to new ownership. One of the growth opportunities lies in outsourcing the grant writing. With an increasing demand for infrastructure development and maintenance, there is significant potential for expansion in their area.

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