

LiRo Group Will Anchor New Design and CM Unit for Investor Firm GISI

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Global Infrastructure Solutions Inc. signed a shareholder purchase agreement Sept. 3 to link with Syosset, N.Y.-based design firm and construction manager the LiRo Group, John Dionisio, the investor group's co-founder and vice chairman, told ENR.

Under what is described in an announcement as a merger transaction not set to close until the fourth quarter, GISI will provide “resources for growth as well as industry expertise to assist in strategic planning and client relationships,” Dionisio said.

Financial details about the transaction were not disclosed.

LiRo will anchor a new design and construction/program management platform at GISI. The investment firm created such an arrangement with building contractor Structure Tone in a similar type of transaction in late 2016, which led to additional acquisitions.

LiRo ranks at No. 16 on ENR's list of Top 100 CM-for-Fee Firms, posting \$230.1 million in 2019 revenue in that market, and it ranks among the Top 500 Design Firms.

Luis M. Tormenta, LiRo president and CEO, said in a release that the merger will mark “GISI's entry into the civil infrastructure sector” given LiRo's public-sector work in transit, coastal resilience, and terminal and other infrastructure work at John F. Kennedy International Airport in New York City. He and other company leaders retain their positions.

The firm will add 1,000 employees to the GISI organization, which currently has 3,300 employees. About 50% of GISI employees are shareholders.

Dionisio, former CEO and chairman of AECOM, said he and GISI Chairman Richard G. Newman, also a former AECOM CEO and chairman, formed the investment firm “with a business model where we look for solid companies, with good management teams, good reputations and good client base, and we'll merge with them.”

He added that the integrated firms “retain their name, leadership and management.” For companies that fit that bill, Dionisio said GISI provides resources to diversify and also helps in firm ownership transition.

In addition to StructureTone, contractors Govan Brown, Ajax, BCCI, and Layton also became part of what is now New York City-based STO Building Group, ranked No. 7 on ENR's Top 400 Contractors list with \$7.9 billion in 2019 revenue. Contractors L.F. Driscoll and Pavarini had been acquired previously by StructureTone.

Dionisio told ENR that GISI had interest in branching out from construction services into design and construction management-for-fee, and LiRo is the kind of established company the investment firm is interested in.

"I've known Rocco [Trotta, LiRo founder and owner] for years, and he called and said he might be interested in ownership transition," said Dionisio. "We've been having discussions since probably 2018 and decided this was the right time."

He added that LiRo has "a good management team and depth—good people coming up."

The timing was not particularly related to COVID-19, Dionisio said, but "we had to learn to do a deal virtually. We had video conferences that lasted three, four hours at a time, and what it indicated to me was that we had all the information we needed, and we could get this done without being in the same room."

GISI is thinking globally over time, Dionisio told ENR, with StructureTone having offices in Ireland and the U.K., and partner Govan Brown based in Canada. He added that the enterprise is "in the embryo stages" of exploring work in Asia, with former AECOM executives Tony Shum and Alex Kwan names named chairman and CEO of Asia operations, respectively.

Link to original press release:

https://www.enr.com/articles/50007-liro-group-will-anchor-new-design-and-cm-unit-for-investor-firm-gisi?oly_enc_id=0206G4440378B3U

