TETRA TECH INC Form 10-K November 17, 2011

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# **FORM 10-K**

(Mark One)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended October 2, 2011

or

## • TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from \_\_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-19655

## TETRA TECH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

**95-4148514** (I.R.S. Employer Identification No.)

3475 East Foothill Boulevard, Pasadena, California 91107

(Address of principal executive offices) (Zip Code)

(626) 351-4664

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$.01 par value (Title of class) The NASDAQ Stock Market LLC (Name of exchange)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  $\circ$  No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T ( 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
		(Do not check if a smaller	
		reporting company)	
Indicate by check mark whet	her the registrant is a shell compar	y (as defined in Rule 12b-2 of the Act). Yes o	No ý

The aggregate market value of the registrant's common stock held by non-affiliates on March 25, 2011 was \$1.5 billion (based upon the closing price of a share of registrant's common stock as reported by the Nasdaq National Market on that date).

On November 7, 2011, 62,537,372 shares of the registrant's common stock were outstanding.

#### DOCUMENT INCORPORATED BY REFERENCE

Portions of registrant's Proxy Statement for its 2012 Annual Meeting of Stockholders are incorporated by reference in Part III of this report where indicated.

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This Annual Report on Form 10-K ("Report"), including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "estimates," "seeks," "continues," "may," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict, including those identified below under "Risk Factors," and elsewhere herein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

#### PART I

#### Item 1. Business

#### General

Tetra Tech, Inc. is a leading provider of consulting, engineering, program management, construction management and technical services that focuses on supporting fundamental needs for water, natural resources, the environment, infrastructure and energy. We are a full-service company that leads with science. We typically begin at the earliest stage of a project by identifying technical solutions to problems and developing execution plans tailored to our clients' needs and resources. Our solutions may span the entire life cycle of consulting and engineering projects and include applied science, research and technology, engineering, design, construction management, construction, operations and maintenance, and information technology.

We are a global provider of consulting and engineering renowned for our leadership in water-related services for public and private clients. *Engineering News-Record* ("ENR"), the leading trade journal for our industry, has ranked us the number one water services firm for the past eight years, most recently in its April 25, 2011, "Top 500 Design Firms" issue. In fiscal 2011, Tetra Tech was also ranked number one in water transmission lines and aqueducts, environmental management, and green design for government office buildings. ENR also ranks Tetra Tech among the top 10 firms in numerous service lines, including environmental science, engineering/design, sanitary/storm sewers, solid waste, chemical and soil remediation, site assessment and compliance, education, hazardous waste, industrial process, and manufacturing.

Our commitment to continuous improvement and investment in growth has diversified our client base, expanded our geographic reach, and increased the breadth and depth of our service offerings to address existing and emerging markets. We currently have more than 13,000 employees worldwide, located primarily in North America.

We were incorporated in Delaware in February 1988 and are headquartered in Pasadena, California. Our predecessor company (the Water Management Group of Tetra Tech, Inc.) was a subsidiary of Honeywell, Inc. and was incorporated in 1966. The mailing address of our headquarters is 3475 East Foothill Boulevard, Pasadena, California 91107, and the telephone number at that location is (626) 351-4664. Our corporate website is located at <u>www.tetratech.com</u>. Through a link in the Investor Relations section of our website, we make available our filings with the Securities and Exchange Commission ("SEC") free of charge.

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#### Mission

Our mission is to be the premier worldwide consulting and engineering firm, focusing on water, natural resources, the environment, infrastructure and energy. The following core principles form the underpinning of how we work together to serve our clients:

*Service.* We put our clients first. We listen closely to better understand our clients' needs and deliver smart, cost-effective solutions that meet those needs.

*Value.* We take on our clients' problems as if they were our own. We develop and implement real-world solutions that are innovative, efficient and practical.

*Excellence*. We bring superior technical capability, disciplined project management, and excellence in safety and quality to all of our services.

*Opportunity.* Our people are our number one asset. Our workforce is diverse and includes leading experts in our fields. Our entrepreneurial nature and commitment to success provide challenges and opportunities for our employees.

#### **Industry Overview**

We are part of the global consulting and engineering industry that serves public and private clients by addressing fundamental needs for water, natural resources and energy. Our industry provides clients with the technical studies, planning, engineering, design and construction management services that address their needs. The industry's clients vary in size and scope from small local public agencies and private companies to national governments and large multi-national corporations. These clients seek service firms with high-caliber technical expertise, practical experience, multi-disciplinary capabilities and the global reach needed to analyze their problems in order to develop and implement the most appropriate, cost-effective solutions.

Many government and commercial organizations face complex challenges due to increased demand and competition for water and natural resources, newly understood threats to human health and the environment, aging infrastructure, demand for new infrastructure in emerging economies, and diversification and development of energy resources. As a global company with a local presence in many areas around the world, we provide the breadth of technical knowledge and capabilities to address our clients' needs in the areas of water, natural resources, the environment, infrastructure and energy. We work for a wide variety of clients to solve diverse and challenging problems. Our water market supports government agencies responsible for managing water supply, waste treatment, stormwater and flood protection. Our water market also supports private sector clients that require water supply and treatment for industrial processes. We help our clients develop water supplies and manage water resources, while addressing a wide range of local and federal government requirements and policies. We provide essential support for water and site management needs for resource extraction in the mining and oil and gas industries. Our water and environmental markets also include both government and commercial clients that are working to restore contaminated areas and protect uncontaminated areas. Our infrastructure market consists of both government and commercial clients that seek to develop renewable energy resources, identify energy efficiency improvements, and improve energy transmission.

Increasingly, the consulting and engineering industry is being asked to provide integrated solutions in a global marketplace. Large firms such as Tetra Tech can offer fully integrated services, from front-end science and planning through construction management. Large firms that offer integrated solutions differentiate themselves from smaller firms that generally offer niche services by providing turn-key solutions intended to save time and money. As a large company with a history of leading with science, we

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are ideally suited to providing interdisciplinary solutions across our water and related service lines. As a provider of interdisciplinary services, we have increased our market share in each of the last several years.

Public policy, demand for resources, infrastructure development challenges, and natural forces constantly shape changes in our industry. Public concern over environmental issues, especially water quality, has been a driving force behind numerous regulations and changes in public policies and practices. Public and private clients are increasingly focused on water management, energy efficiency and sustainability. Fluctuations in weather patterns and extreme events, such as droughts or flooding, are driving concerns over the reliability of water supplies and the need to protect coastal areas and upgrade water infrastructure. Energy policies, resource limitations and concern about climate change have encouraged implementation of energy conservation measures, retrofits to existing structures, upgrades to energy transmission infrastructure and the development of renewable energy resources. Governments are now using international development as a foreign policy tool to help developing nations to overcome numerous challenges, including challenges related to water accessibility and human health.

#### The Tetra Tech Strategy

To continue our successful growth and maintain a competitive position, we have implemented the following strategy that is integral to our future success:

*Start with Science.* We typically start with science at the onset of a project, building on our staff's strong technical and interdisciplinary foundation in natural and physical sciences. This strength allows us to effectively evaluate and recommend potential solutions to our clients' problems. We can support our clients through the entire project life cycle by providing consulting, engineering, construction management, operations and maintenance, and information technology services. We offer these services individually or as part of our full-service approach.

*Capitalize on our Extensive Technical and Multi-Disciplinary Experience.* Since our inception, we have provided innovative consulting and engineering services, focusing on cost-effective solutions to all aspects of water resource management. We have been successful in leveraging this foundation of scientific and engineering capabilities into other market areas, including sustainable infrastructure and building design. Our services are provided by a wide range of professionals, including archaeologists, architects, biologists, chemical engineers, chemists, civil engineers, computer scientists, economists, electrical engineers, environmental engineers, environmental scientists, geologists, hydrogeologists, mechanical engineers, oceanographers, project managers and toxicologists. Because of the experience that we have gained from thousands of completed projects, we have relevant expertise to draw from and are often able to adapt and apply proven solutions to our clients' problems.

*Global Coverage and Local Delivery.* We believe that proximity to our clients is instrumental to understanding their needs and delivering comprehensive services. We have significantly broadened our geographic presence in recent years through strategic acquisitions and internal growth. We currently have North American operations throughout the United States and Canada. We have also increased our international presence with regional offices in Australia, Europe, Asia, South America, Africa and the Middle East. Our base of operations in North America and network of international offices provide a platform from which we can respond to the global need for essential water and energy services, foster economic development, and provide access to basic services. We are actively working in 135 countries, helping federal and local government agencies, the private sector and development assistance entities address complex water, infrastructure and energy challenges in an environmentally responsible manner.

Leverage Existing Client Base. We believe that we can effectively expand our service offerings to existing clients, resulting in more comprehensive and interdisciplinary projects and, ultimately, increases in our revenue. Often we have been able to secure design and program management contracts after having served clients on the scientific evaluation and engineering phases of a project. By expanding our role with

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existing clients, we can address larger problems and provide integrated solutions. For our global clients, we also focus on expanding from localized geographic areas to provide broader national and international support in multiple locations.

*Identify and Expand into New Business Areas.* We use our consulting services and specialized technical services as entry points to evaluate adjacent business areas. After our consulting practice is established in a new business area, we can expand our operations by offering additional technical services. For example, based on our work in watershed management consulting, we identify adjacent opportunities and expand into water infrastructure and engineering services.

*Focus on Large, Complex and Interdisciplinary Projects.* We continue to focus on expanding our public and private sector services and bidding for complex projects that are at the leading edge of policy and technology development. We can develop integrated, sustainable solutions by combining our interdisciplinary capabilities in water, natural resources, the environment, energy and infrastructure. Our combination of technical expertise with practical applications provides challenging and rewarding opportunities for our employees, thereby enhancing our ability to recruit and retain top quality talent.

*Focus on Cash Generation.* We take a disciplined approach to monitoring, managing and improving our return on investment in each of our business areas through our efforts to negotiate appropriate contract terms, manage our contract performance to minimize schedule delays and cost overruns, and promptly bill and collect accounts receivable.

Actively Attract, Recruit and Retain Strategic Hires. We focus on attracting and retaining top-quality individuals who provide technical skills, innovative thinking, teamwork, and dedication to maintaining long-term client relationships. Our full-service capabilities, internal coordination and networking programs, entrepreneurial environment, focus on technical excellence and global project portfolio help to attract and retain highly qualified individuals who support our long-term growth.

*Invest in Strategic Acquisitions.* We believe that strategic acquisitions will allow us to continue our growth in selected business areas, broaden our service offerings and extend our geographic presence. We intend to make acquisitions that will help establish our position in certain emerging business areas or further strengthen our position in our more established service offerings. We believe that our reputation makes us an attractive partner. Our effective integration of acquisitions can continue to enhance our ability to compete technically and geographically.

#### **Reportable Segments**

We manage our business under four reportable segments. The following table presents the percentage of our revenue by reportable segment:

	Fiscal Year		
	2011	2010	2009
Reportable Segment			
Engineering and Consulting Services	43.0%	33.2%	26.3%
Technical Support Services	22.1	24.0	22.8
Engineering and Architecture Services	12.0	13.3	13.1
Remediation and Construction Management	28.2	34.5	41.6
Inter-segment elimination	(5.3)	(5.0)	(3.8)
	100.0%	100.0%	100.0%

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For more information concerning our reportable segments, see Note 17, "Reportable Segments" of the "Notes to Consolidated Financial Statements" included in Item 8.

#### Engineering and Consulting Services ("ECS")

ECS provides front-end science, consulting engineering services and project management in the areas of surface water management, groundwater, waste management, mining and geotechnical sciences, arctic engineering, industrial processes, and information technology.

*Surface Water Management.* Public concern with the quality of rivers, lakes, streams, and coastal and marine waters, and the ensuing legislative and regulatory response, is driving demand for our services. More recently, two important factors have raised the visibility of the need for surface water management: competition for water resources and climate variations, such as those that cause droughts and floods. Over the past 40 years, we have developed a specialized set of technical skills that position us to compete effectively for surface water and watershed management projects. We provide water resource services to U.S. federal and Canadian provincial government clients such as the U.S. Environmental Protection Agency ("EPA"), the U.S. Department of Defense ("DoD"), the U.S. Department of Energy ("DOE") and the Alberta Ministry of Environment. We also provide these services to a broad base of commercial clients, including those in the aerospace, chemical, alternative energy, mining, petroleum, pharmaceutical, retail and utility industries. Further, we provide surface water modeling services to municipal government agencies in the United States and Canada, particularly in the areas of watershed management, climate adaptation analysis, flood control, and the optimal management of stormwater and combined sewer overflow systems.

*Groundwater*. Groundwater is a critical source of drinking water and represents a substantial portion of the water used for residential, industrial and agricultural purposes. Our activities in the groundwater field include projects such as evaluating the adequacy of water supplies, investigating and identifying the sources of chemical contamination to groundwater, examining the extent of contamination, analyzing the speed and direction of contamination migration, and designing and evaluating remedial alternatives. In addition, we conduct monitoring studies to assess the effectiveness of groundwater treatment and extraction wells.

*Waste Management.* We provide a wide range of engineering and consulting services for waste disposal, landfill design and management, hazardous waste contamination and remediation from initial site assessment through design and implementation. In addition, we perform risk assessments to determine the probability of adverse health effects that may result from exposure to toxic substances. We provide waste minimization and pollution prevention services, and we evaluate the effectiveness of innovative waste management technologies and novel solutions to environmental problems. We also provide full-service solutions for gas-to-energy facilities utilizing landfill methane gas.

*Mining and Geotechnical Sciences.* We offer a full range of services for mining projects from resource assessment to mine development, to operations support, and closure/remediation. Our full-service mining services team includes geologists, metallurgists, mine engineers, environmental scientists and water specialists. We are able to address tough challenges in engineering design, procurement, and construction to support all areas of mine operations, including underground and open pit operations, surface infrastructure, mills and process plants, power generation and transmission projects, water treatment, tailings management, and regulatory compliance. Our geotechnical practice includes geotechnical engineers, soils technicians and drillers who investigate, analyze, and develop geotechnical engineering recommendations for all types of soil and rock conditions. We have specialized capabilities to evaluate, monitor and design foundations and materials for roads, bridges, levees, flood walls, and buildings located in extremely poor soil conditions, including conditions common to coastal regions.



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*Arctic Engineering.* We provide world-class consulting and construction services to owners of transportation, mining, energy and community infrastructure in the circumpolar region, which includes the Arctic and areas of permafrost around the globe. In this extreme environment where temperatures can drop below -50  $^{\circ}$ C (-58  $^{\circ}$ F), we provide adaptive engineering and scientific services that reach beyond traditional approaches. Tetra Tech is one of the few firms that is capable of providing full life cycle services for northern development. We offer these arctic engineering services during all project phases: exploration and project planning; feasibility studies, design, and permitting; engineering, procurement, and construction management ("EPCM") and construction; and operation, decommissioning, and reclamation phases.

*Industrial Processes and Oil Sands.* We offer best-in-class plant engineering services for clients in heavy industry, including mining and metals clients, oil sands, and those in the chemical and petrochemical industries. We have supported the industrial process needs of clients with expertise in the production of base metals such as copper, zinc, magnesium, lead, iron ore, and their byproducts. We help renovate, upgrade, and modernize industrial facilities, including concentrators, smelters, and refineries. We provide significant services to major clients in the oil sands region of northern Alberta, including management of tailings treatment and recovery. We also provide plant engineering, project execution, program management, and full EPCM services for industrial process projects throughout North America.

*Information Technology.* We provide technology systems integration to support data management, data processing, communications/outreach and systems development. Our projects range from large-scale environmental monitoring, modeling, and data management to systems engineering and design for major infrastructure rehabilitation programs. We provide systems analysis and information management to optimize the U.S. National Airspace System and related aviation systems. We also support research and technical services for national-scale water resource and environmental data management, including archiving and statistical analysis.

#### Technical Support Services ("TSS")

TSS advises clients through the study, design and implementation phases of projects. TSS provides management consulting and strategic direction in the areas of environmental assessments/hazardous waste management, climate change, international development/stabilization, energy services, and technical government staffing services.

*Environmental Assessments/Hazardous Waste Management.* We provide comprehensive services for environmental planning, cleanup and reuse of sites contaminated with hazardous materials, toxic chemicals, and oil and petroleum products. Our services cover all phases of the remedial planning process, starting from emergency response and initial site assessment through removal actions and remedial design and implementation management. Sites range from small properties undergoing voluntary cleanup, to brownfields redevelopment projects, to DoD installations, to some of the largest and most complex Superfund sites in the United States. We support both commercial and government clients in planning and implementing remedial activities at numerous sites around the world. We also provide a broad range of environmental analysis and planning services to ensure that our clients are implementing their operations in a sustainable manner. Our services include air quality management, regulatory compliance, information management and geographic information systems, radiation protection/health physics, risk management, pollution prevention/control, radioactive and hazardous waste management, National Environmental Policy Act ("NEPA") services and environmental response training.

*Climate Change.* In a resource-constrained world, our experts assist clients in identifying, reducing and strategically managing their environmental footprint to provide cost savings, mitigate regulatory impacts, institute operational efficiencies, develop new business opportunities and promote corporate responsibility. Our services support our clients' efforts to become sustainable by "greening" energy supplies, implementing energy efficiency and resource conservation, using alternative fuels, capturing and

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sequestering carbon, improving land and forest resource management, and purchasing carbon offsets. Our experience has demonstrated that clients can concurrently reduce their carbon emissions and environmental impacts while saving money. Our services include climate change and strategic management consulting, project implementation, and greenhouse gas inventory assessment, certification, reduction and management.

*International Development.* We provide services to many donor agencies such as the U.S. Agency for International Development ("USAID"), the World Bank, the Asian Development Bank and the Inter-American Development Bank to develop safe and reliable water supplies and sanitation services, support the eradication of poverty, improve livelihoods, promote democracy and increase economic growth. We plan, design, implement, research and monitor projects in the broad areas of climate change, agriculture and rural development, governance and institutional development, natural resources and the environment, infrastructure, economic growth, energy, rule of law and justice systems, land tenure and property rights, and public-private partnerships training and consulting. We build capacity and strengthen institutions in areas such as global health, energy sector reform, utility management, food security and local governance. We currently provide international development services support in 67 countries around the world, working for the U.S. Department of State ("DoS"), USAID, the Millennium Challenge Corporation ("MCC") and DoD.

International Reconstruction and Stabilization. We provide integral support to the DoS and USAID in reconstruction and stabilization worldwide, including the design, development, implementation, and evaluation of these efforts. We also help develop training programs and curricula for "whole of government" reconstruction and stabilization training offered through the Foreign Service Institute. We helped develop the Interagency Conflict Assessment Framework, the tool now used by the U.S. government to assess and develop solutions in conflict-prone environments. Our experts have worked on these issues in such countries as the Republic of Georgia, South Sudan, Kosovo, Haiti, Bangladesh, Nepal, and the Democratic Republic of Congo.

*Energy.* We provide a full range of services to electric power utilities and independent power producers worldwide, ranging from macro-level planning, management and advisory services to project-specific environmental, engineering and construction services. For utilities and governmental agencies regulating power, we provide policy and regulatory development, utility management and privatization, power asset evaluation and management, and transaction support services. For energy developers and owners of renewable and conventional power generation facilities, as well as transmission and distribution assets, we provide environmental, engineering, procurement, operations and maintenance services for all project phases.

*Technical Government Consulting.* We provide a broad spectrum of professional and technical services, including advisory and assistance services, to supplement and support the internal staff of our U.S. federal government clients. Our service offerings include facility planning and operational support, infrastructure development and management, human resource management, program and logistics management, engineering, test and evaluation, information technology, and administrative support. We provide senior advisors and subject matter experts to a diverse array of clients including the DoS, U.S. National Guard Bureaus and MCC in such areas as political-military affairs, public diplomacy and strategic communication, strategic planning, and measurement and evaluation.

#### Engineering and Architecture Services ("EAS")

EAS provides engineering and architecture design services, including Leadership in Energy and Environmental Design ("LEED") and sustainability services, together with technical and program administration services for projects related to water infrastructure, buildings, and transportation and facilities.

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*Water Infrastructure.* Our design and technical services are applied to numerous aspects of water quality and quantity management, including major water and wastewater treatment plants, combined sewer storage and separation, and drainage and flood control. Our experience includes planning, permitting, design and construction management services for water treatment facilities, desalination facilities and water distribution systems, including pipelines and pump stations.

*Buildings.* We provide planning, architectural and engineering services for U.S. federal, state and local government and commercial facilities including military housing, educational, institutional, corporate headquarters, healthcare and research facilities. We specialize in designing high-performance, sustainable facilities that minimize environmental impacts, typically by minimizing water and power usage. Many of these green buildings include integrated interior systems for heat, light, security and communications, and may ultimately achieve LEED certification. Our projects include high-rise office buildings, museums, hotels, parks, visitor centers, marinas, and entertainment and leisure facilities. We have provided civil, electrical, mechanical, structural, plumbing and fire protection engineering and design services for high-profile buildings around the world. We have completed engineering and construction management projects for a wide range of clients with specialized needs such as security systems, training and audiovisual facilities, clean rooms, laboratories, medical facilities and emergency preparedness facilities.

*Transportation and Facilities.* We provide engineering, architecture, construction management and technical services for transportation projects that improve public safety and mobility. Our transportation projects include roadway improvements, commuter railway stations, airport expansions, bridges and major highways. We repair, replace and upgrade older transportation infrastructure. We also support planning, permitting, design and construction of water-related redevelopment projects, and parks and river corridor restoration projects, as well as state, local and mixed-use commercial, industrial and residential facility development projects.

#### Remediation and Construction Management ("RCM")

RCM is focused on completing our full-service support to U.S. federal government, state and local governments and commercial clients. RCM's service lines include environmental remediation, infrastructure development, and alternative energy.

*Environmental Remediation.* We provide environmental remediation and reconstruction services to evaluate and restore lands to beneficial use. Environmental remediation includes activities to identify, evaluate and destroy unexploded ordinance ("UXO"), both domestically and internationally. Under the U.S. federal government's Base Realignment and Closure ("BRAC") Act, we help remediate and restore facilities at military locations in the United States and around the world. We provide environmental management and planning support to evaluate and mitigate impacts from human activities on the natural environment. In addition, we manage large, complex sediment remediation programs that help restore rivers and coastal waters to beneficial use.

*Infrastructure Development.* We provide program management, construction management, and development services for large scale water management infrastructure including flood protection structures, water conveyance and treatment facilities, and hydroelectric power projects. We also build energy-efficient buildings and support our clients in developing transportation-related structures including roads, bridges, aviation/runways and ports and harbor facilities. We provide environmental, engineering, procurement, construction and operations and maintenance services for all project phases.

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Alternative Energy. We provide full range of services for alternative energy development. For wind, solar and hydroelectric power development and upgrade projects, we provide environmental, engineering, procurement, construction and operations and maintenance services for all project phases. Our capabilities include site evaluation, planning, biological assessments, permitting, engineering, construction management, construction and electrical services. We also provide services for other emerging and alternative energy technologies including geothermal, nuclear and biogeneration technologies.

### **Project Examples**

The following table presents brief examples of current projects in our four segments:

Segment	Representative Projects
ECS	Supporting environmental activities at U.S. Air Force ("USAF") installations worldwide to assist the
	USAF in its environmental mission in the areas of environmental conservation and planning, environmental
	quality, environmental restoration, design and construction.
	Assisting the EPA Office of Wastewater Management in conducting the Clean Water Needs Survey to
	assess financial needs for constructing wastewater treatment plants and other water-related infrastructure.
	Providing environmental operations and maintenance services at Vandenberg Air Force Base in
	California. Also providing operations and maintenance services for a wastewater treatment plant and a
	hazardous waste collection plant, air monitoring and other services.
	Providing watershed planning and modeling services for Los Angeles County to address water quality
	and optimize stormwater management program needs.
	Providing full-service support to Cameco Corporation, such as due diligence, feasibility studies,
	environmental assessment and permitting, and EPCM, including design delivery and support for all phases
	of global uranium mine operations.
	Providing engineering and procurement, and on-site engineering assistance to Yukon Zinc for the
	Wolverine Lake Mine, Yukon Territory, Canada.
TSS	Under EPA's Scientific, Technical, Research, Engineering, and Modeling Support contract, supporting
	the development and evaluation of technologies and tools to prevent or reduce pollution of air, land, and
	water, and restore ecosystems.
	Providing support to the EPA's Climate Change Division to reduce methane (a greenhouse gas) from
	landfills and encourage recovery and beneficial use of landfill gas as an energy source.
	Implementing the Africa Resilience to Climate Change project to support USAID's Africa, Latin
	America and Caribbean Bureaus by developing and implementing climate change vulnerability assessment
	methodologies and providing technical, outreach, and training support.
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Segment	Representative Projects
	Helping USAID implement multiple international development programs in Afghanistan including the
	Sustainable Water Supply and Sanitation contract; the Rule of Law Stabilization Program Formal
	component; the Kabul City Initiative; the Kabul Electricity Service Improvement Program; and the Land
	Reform in Afghanistan program.
	Providing reconstruction and stabilization support services on behalf of the DoS in unstable countries
	around the world.
	Providing specialty marine impact studies, permitting services, biological and cultural resources
	surveys, design and construction support for Garden State Offshore Energy, LLC, a major offshore wind
	developer. Similar environmental services are provided to multiple utilities such as Idaho Power for energy
	transmission line routing
	Providing engineering, staff augmentation and technical support services to U.S. federal government
	agencies such as the U.S. Missile Defense Agency, the Transportation Security Administration ("TSA") and
	the DoS.
EAS	Providing architectural and engineering design services for numerous U.S. government facilities,
	including military housing and overhead protection systems.
	Providing mechanical, electrical, plumbing and fire protection engineering design services for buildings,
	including major corporate headquarters buildings, healthcare facilities, research laboratories, cultural arts
	facilities and universities.
	Providing design, construction management and design-build services to the City of Augusta, Georgia,
	for various infrastructure projects including pipelines, lift stations, storage tanks, buildings, treatment
	facilities and all associated electrical, instrumentation and control.
	Providing design and traffic management services for the Massachusetts Department of Transportation's
	I-93 FAST 14 Bridge Replacement Program.
	Providing architectural and engineering design services for new K-12 educational facilities throughout
	New York.
RCM	Providing progra