E-155-1

NIFS ID:CLPW19000008 Department: Public Works

Capital: X

SERVICE: Amend 1-CM Svcs Bay Park Sludge Dewatering-S35121-09M

Contract ID #:CFPW14000036 NIFS Entry Date: 18-JUN-19 Term: from 27-JUL-19 to 26-JUL-20

Amendment
Time Extension: X
Addl. Funds:
Blanket Resolution:
RES#

1) Mandated Program:	Y
2) Comptroller Approval Form Attached:	Y
3) CSEA Agmt. § 32 Compliance Attached:	Y
4) Vendor Ownership & Mgmt. Disclosure Attached:	Y
5) Insurance Required	Y

Vendor Info:	
Name: **Jacobs Project Management Co.**	Vendor ID#: [redacted]
Address: [redacted]	Contact Person: [redacted]
	Phone: [redacted]

Department:
Contact Name: Kenneth G. Arnold
Address: 1194 Prospect Avenue Westbury, NY 11590
Phone: 516-571-9607

2019 JUL -8 P 2:56

Routing Slip

Department	**NIFS Entry: X**	**19-JUN-19 -- LDIONISIO**
Department	**NIFS Approval: X**	**25-JUN-19 -- JHOUDEK**
DPW	**Capital Fund Approved: X**	**25-JUN-19 -- KARNOLD**
OMB	**NIFA Approval: X**	**25-JUN-19 -- CNOLAN**
OMB	**NIFS Approval: X**	**25-JUN-19 -- NGUMIENIAK**
County Atty.	**Insurance Verification: X**	**25-JUN-19 -- AAMATO**
County Atty.	**Approval to Form: X**	**27-JUN-19 -- DGREGWARE**

CPO	Approval: X	28-JUN-19 -- KOHAGENCE
DCEC	Approval: X	02-JUL-19 -- JCHIARA
Dep. CE	Approval: X	02-JUL-19 -- BSCHNEIDER
Leg. Affairs	Approval/Review: X	05-JUL-19 -- JSCHANTZ
Legislature	Approval:	
Comptroller	Deputy:	
NIFA	NIFA Approval:	

Contract Summary

Purpose: Amend the existing Personal Services Agreement for Construction Management services for Bay Park STP Sludge Dewatering for one (1) additional year at no additional cost to the County. This contract for construction management services must continue until the construction of the Bay Sludge Dewater facility is completed by 1st quarter 2020. The construction management is needed for coordination and to oversee final approvals for the fire alarm system and resolution of any equipment warranty issues.
Method of Procurement: Qualification Based Selection (QBS) procedure for the procurement of professional services, developed in accordance with procedures stipulated in the Board of Supervisor's Resolution 928-1993 and the County Executive's Order No. 1-1993.
Procurement History: A Request for Proposal (RFP) was advertised in Newsday and the County Website on April 4, 2014 with technical proposals received on April 25, 2014. Eight (8) Firms responded to this RFP. All of the Firms except one (1) were considered local Firms (Firms having a main or branch office in Nassau or Suffolk Counties). After review of the Technical Proposals and Costs, JACOBS was deemed the highest technical rank.
Description of General Provisions: This Personal Services Agreement provides for complete Construction Management Services including furnishing resident engineer, inspectors, schedulers, cost estimators, evaluation of contractor claims, and other construction related services.
Impact on Funding / Price Analysis: This term extension is at no additional cost to the County.
Change in Contract from Prior Procurement: N/A
Recommendation: (approve as submitted) Approve as Submitted

Advisement Information

BUDGET CODES	
Fund:	CSW
Control:	35
Resp:	123
Object:	00003
Transaction:	CL
Project #:	35123
Detail:	L32

RENEWAL	
% Increase	
% Decrease	

FUNDING SOURCE	AMOUNT
Revenue Contract:	
County	$ 0.00
Federal	$ 0.00
State	$ 0.00
Capital	$ 0.01
Other	$ 0.00
TOTAL	$ **0.01**

LINE	INDEX/OBJECT CODE	AMOUNT
01	PWCSWEFC35123-L32/00003	$ 0.01
		$ 0.00
		$ 0.00
		$ 0.00
		$ 0.00
		$ 0.00
	TOTAL	$ 0.01

NIFA Nassau County Interim Finance Authority

Contract Approval Request Form (As of January 1, 2015)

1. **Vendor:** Jacobs Project Management Co.

2. **Dollar amount requiring NIFA approval:** $.01

   Amount to be encumbered: $.01

   This is a Amendment

If new contract - $ amount should be full amount of contract
If advisement – NIFA only needs to review if it is increasing funds above the amount previously approved by NIFA
If amendment - $ amount should be full amount of amendment only

3. **Contract Term: expires 7/26/2020**
   Has work or services on this contract commenced? Y

   If yes, please explain: contract amendment

4. **Funding Source:**

General Fund (GEN)	Grant Fund (GRT)	
X Capital Improvement Fund (CAP)		Federal % 100
Other		State % 0
		County % 0

Is the cash available for the full amount of the contract?	Y
If not, will it require a future borrowing?	N
Has the County Legislature approved the borrowing?	N/A
Has NIFA approved the borrowing for this contract?	N/A

5. **Provide a brief description (4 to 5 sentences) of the item for which this approval is requested:**

Amend the existing Personal Services Agreement for Construction Management services for Bay Park STP Sludge Dewatering for one (1) additional year at no additional cost to the County.

6. **Has the item requested herein followed all proper procedures and thereby approved by the:**

   Nassau County Attorney as to form Y

   Nassau County Committee and/or Legislature

   Date of approval(s) and citation to the resolution where approval for this item was provided:

7. **Identify all contracts (with dollar amounts) with this or an affiliated party within the prior 12 months:**

Contract ID	Date	Amount

AUTHORIZATION

To the best of my knowledge, I hereby certify that the information contained in this Contract Approv al Request Form and any additional information submitted in connection with this request is true an d accurate and that all expenditures that will be made in reliance on this authorization are in confor mance with the Nassau County Approved Budget and not in conflict with the Nassau County Multi-Year Financial Plan. I understand that NIFA will rely upon this information in its official deliberation s.

CNOLAN 25-JUN-19

Authenticated User ***Date***

COMPTROLLER'S OFFICE

To the best of my knowledge, I hereby certify that the information listed is true and accurate and is in conformance with the Nassau County Approved Budget and not in conflict with the Nassau Cou nty Multi-Year Financial Plan.

Regarding funding, please check the correct response:

_ I certify that the funds are available to be encumbered pending NIFA approval of this contract.

If this is a capital project:

I certify that the bonding for this contract has been approved by NIFA.

Budget is available and funds have been encumbered but the project requires NIFA bonding authorization

Authenticated User ***Date***

NIFA

Amount being approved by NIFA: _

Payment is not guaranteed for any work commenced prior to this approval.

Authenticated User ***Date***

NOTE: All contract submissions MUST include the County's own routing slip, current NIFS pri ntouts for all relevant accounts and relevant Nassau County Legislature communication docu ments and relevant supplemental information pertaining to the item requested herein.

NIFA Contract Approval Request Form MUST be filled out in its entirety before being su bmitted to NIFA for review.

NIFA reserves the right to request additional information as needed.

RULES RESOLUTION NO. – 2019

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE AN AMENDMENT TO A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE NASSAU COUNTY DEPARTMENT OF PUBLIC WORKS, AND JACOBS PROJECT MANAGEMENT CO.

WHEREAS, the County has negotiated an amendment to a personal services agreement with Jacobs Project Management Co. to provide construction management services for the Bay Park Sewage Treatment Sludge Dewatering Facility Demolition and Improvements, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said amendment to an agreement with Jacobs Project Management Co.

Jack Schnirman
Comptroller

OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501

COMPTROLLER APPROVAL FORM FOR PERSONAL, PROFESSIONAL OR HUMAN SERVICES CONTRACTS

Attach this form along with all personal, professional or human services contracts, contract renewals, extensions and amendments.

CONTRACTOR NAME: Jacobs Project Management Company

CONTRACTOR ADDRESS: 1305 Franklin Avenue, Suite 245, Garden City, NY 11530

FEDERAL TAX ID #: 35-2321289

Instructions: **Please check the appropriate box ("☑") after one of the following roman numerals, and provide all the requested information.**

I. ☐ The contract was awarded to the lowest, responsible bidder after advertisement for sealed bids. The contract was awarded after a request for sealed bids was published in_______________________________ [newspaper] on __________________ [date]. The sealed bids were publicly opened on ____________________ [date]. ________ [#] of sealed bids were received and opened.

II. ☐ The contractor was selected pursuant to a Request for Proposals.
The Contract was entered into after a written request for proposals was issued on ____________________ [date]. Potential proposers were made aware of the availability of the RFP by advertisement in ________________________________ [newspaper], posting on industry websites, via email to interested parties and by publication on the County procurement website. Proposals were due on ____________________ [date]. ____________ [state #] proposals were received and evaluated. The evaluation committee consisted of: ____

____

____ (list # of persons on committee and their respective departments). The proposals were scored and ranked. As a result of the scoring and ranking, the highest-ranking proposer was selected.

III. ☑ This is a renewal, extension or amendment of an existing contract.
The contract was originally executed by Nassau County on July 7, 2014 [date]. This is a renewal or extension pursuant to the contract, or an amendment within the scope of the contract or RFP (copies of the relevant pages are attached). The original contract was entered into after an RFP was issued and eight (8) proposals were received and evaluated. The Jacobs proposal was judged to be technically sound with the lowest cost based on the expected man hours required for the project. [describe procurement method, i.e., RFP, three proposals evaluated, etc.] Attach a copy of the most recent evaluation of the contractor's performance for any contract to be renewed or extended. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to continue to contract with the county.

IV. ☐ Pursuant to Executive Order No. 1 of 1993, as amended, at least three proposals were solicited and received. The attached memorandum from the department head describes the proposals received, along with the cost of each proposal.

☐ **A.** The contract has been awarded to the proposer offering the lowest cost proposal; **OR:**

☐ **B.** The attached memorandum contains a detailed explanation as to the reason(s) why the contract was awarded to other than the lowest-cost proposer. The attachment includes a specific delineation of the unique skills and experience, the specific reasons why a proposal is deemed superior, and/or why the proposer has been judged to be able to perform more quickly than other proposers.

V. ☐ Pursuant to Executive Order No. 1 of 1993 as amended, the attached memorandum from the department head explains why the department did not obtain at least three proposals.

☐ **A.** There are only one or two providers of the services sought or less than three providers submitted proposals. The memorandum describes how the contractor was determined to be the sole source provider of the personal service needed or explains why only two proposals could be obtained. If two proposals were obtained, the memorandum explains that the contract was awarded to the lowest cost proposer, or why the selected proposer offered the higher quality proposal, the proposer's unique and special experience, skill, or expertise, or its availability to perform in the most immediate and timely manner.

☐ **B.** The memorandum explains that the contractor's selection was dictated by the terms of a federal or New York State grant, by legislation or by a court order. (Copies of the relevant documents are attached).

☐ **C.** Pursuant to General Municipal Law Section 104, the department is purchasing the services required through a New York State Office of General Services contract no.____________________, and the attached memorandum explains how the purchase is within the scope of the terms of that contract.

☐ **D.** Pursuant to General Municipal Law Section 119-o, the department is purchasing the services required through an inter-municipal agreement.

VI. ☐ This is a human services contract with a not-for-profit agency for which a competitive process has not been initiated. Attached is a memorandum that explains the reasons for entering into this contract without conducting a competitive process, and details when the department intends to initiate a competitive process for the future award of these services. For any such contract, where the vendor has previously provided services to the county, attach a copy of the most recent evaluation of the vendor's performance. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to contract with the county.

In certain limited circumstances, conducting a competitive process and/or completing performance evaluations may not be possible because of the nature of the human services program, or because of a compelling need to continue services through the same provider. In those circumstances, attach an explanation of why a competitive process and/or performance evaluation is inapplicable.

VII. ☐ This is a public works contract for the provision of architectural, engineering or surveying services. The attached memorandum provides details of the department's compliance with Board of Supervisors' Resolution No. 928 of 1993, including its receipt and evaluation of annual Statements of Qualifications & Performance Data, and its negotiations with the most highly qualified firms.

Instructions with respect to Sections VIII, IX and X: **All Departments must check the box for VIII. Then, check the box for either IX or X, as applicable.**

VIII. ☑ Participation of Minority Group Members and Women in Nassau County Contracts. The selected contractor has agreed that it has an obligation to utilize best efforts to hire MWBE sub-contractors. Proof of the contractual utilization of best efforts as outlined in Exhibit "EE" may be requested at any time, from time to time, by the Comptroller's Office prior to the approval of claim vouchers.

IX. ☑ Department MWBE responsibilities. To ensure compliance with MWBE requirements as outlined in Exhibit "EE", Department will require vendor to submit list of sub-contractor requirements prior to submission of the first claim voucher, for services under this contract being submitted to the Comptroller.

X. ☐ Vendor will not require any sub-contractors.

In addition, if this is a contract with an individual or with an entity that has only one or two employees: ☐ a review of the criteria set forth by the Internal Revenue Service, *Revenue Ruling No.* 87-41, 1987-1 C.B. 296, attached as Appendix A to the Comptroller's Memorandum, dated February 13, 2004, concerning independent contractors and employees indicates that the contractor would not be considered an employee for federal tax purposes.

Department Head Signature

6/19/19

Date

NOTE: ***Any information requested above, or in the exhibit below, may be included in the county's "staff summary" form in lieu of a separate memorandum.***

COUNTY OF NASSAU

POLITICAL CAMPAIGN CONTRIBUTION DISCLOSURE FORM

1. Has the vendor or any corporate officers of the vendor provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator? If yes, to what campaign committee?

No

2. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees identified above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Vendor: Jacobs Project Management Company

Dated: 1/23/2019

Signed:

Print Name: Vincent A. Mangiere, P.E.

Title: Vice President

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified in Bronx County
My Commission Expires 06/2019

Niurka Ozuna

Rev. 3-2016

COUNTY OF NASSAU

LOBBYIST REGISTRATION AND DISCLOSURE FORM

1. Name, address and telephone number of lobbyist(s)/lobbying organization. The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

None

2. List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

None

3. Name, address and telephone number of client(s) by whom, or on whose behalf, the lobbyist is retained, employed or designated:

None

4. Describe lobbying activity conducted, or to be conducted, in Nassau County, and identify client(s) for each activity listed. **See page 4 for a complete description of lobbying activities.**

None

5. The name of persons, organizations or governmental entities before whom the lobbyist expects to lobby:

None

6. If such lobbyist is retained or employed pursuant to a written agreement of retainer or employment, you must attach a copy of such document; and if agreement of retainer or employment is oral, attach a written statement of the substance thereof. If the written agreement of retainer or employment does not contain a signed authorization from the client by whom you have been authorized to lobby, separately attach such a written authorization from the client.

7. Has the lobbyist/lobbying organization or any of its corporate officers provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator? If yes, to what campaign committee?

None

I understand that copies of this form will be sent to the Nassau County Department of Information Technology ("IT") to be posted on the County's website.

I also understand that upon termination of retainer, employment or designation I must give written notice to the County Attorney within thirty (30) days of termination.

VERIFICATION: The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

<u>The undersigned further certifies and affirms that the contribution(s) to the campaign committees listed above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.</u>

Dated: 1/23/2019

Signed:

Print Name: Vincent A. Mangiere, P.E.

Title: Vice President

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified in Bronx County
My Commission Expires 06/2019

Niurka Ozuna

The term <u>lobbying</u> shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

The term "lobbying" or "lobbying activities" <u>does not include</u>: Persons engaged in drafting legislation, rules, regulations or rates; persons advising clients and rendering opinions on proposed legislation, rules, regulations or rates, where such professional services are not otherwise connected with legislative or executive action on such legislation or administrative action on such rules, regulations or rates; newspapers and other periodicals and radio and television stations and owners and employees thereof, provided that their activities in connection with proposed legislation, rules, regulations or rates are limited to the publication or broadcast of news items, editorials or other comment, or paid advertisements; persons who participate as witnesses, attorneys or other representatives in public rule-making or rate-making proceedings of a County agency, with respect to all participation by such persons which is part of the public record thereof and all preparation by such persons for such participation; persons who attempt to influence a County agency in an adjudicatory proceeding, as defined by § 102 of the New York State Administrative Procedure Act.

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire. *

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Vincent A. Manglere
   Date of birth [redacted]
   Home address [redacted]
   City/state/zip [redacted]
   Business address 500 7th Avenue, 17th Floor
   City/state/zip New York, NY 10018
   Telephone 646-908-6550
   Other present address(es) ____
   City/state/zip ____
   Telephone ____
   List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)
   President ___/___/___ Treasurer ___/___/___
   Chairman of Board ___/___/___ Shareholder ___/___/___
   Chief Exec. Officer ___/___/___ Secretary ___/___/___
   Chief Financial Officer ___/___/___ Partner ___/___/___
   Vice President 01 / 04 / 2008 to Present ___ ___ ___
   (Other)

3. Do you have an equity interest in the business submitting the questionnaire?
   YES ___ NO X If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ___ NO X If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES X NO ___; If Yes, provide details. **See attached**

*** The answers to the questions on this questionnaire that pertain to affiliates of the business submitting the questionnaire, Jacobs Project Management Co., are responsive for United States affiliates only. Jacobs Project Management Co. operates in the United States only.**

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES _X_ NO ___ If Yes, provide details. See attached

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.
Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

   a. Been debarred by any government agency from entering into contracts with that agency?
   YES ______ NO _X_ If Yes, provide details for each such instance.

   b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES ____ NO _X_ If Yes, provide details for each such instance. See attached

   c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES ___ NO _X_ If Yes, provide details for each such instance.

   d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES ____ NO _X_ If Yes, provide details for each such instance.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)

   a) Is there any felony charge pending against you? YES ___ NO _X_ If Yes, provide details for each such charge.

   b) Is there any misdemeanor charge pending against you? YES ____ NO _X_ If Yes, provide details for each such charge.

   c) Is there any administrative charge pending against you? YES ____ NO _X_ If Yes, provide details for each such charge.

   d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES ___ NO _X_ If Yes, provide details for each such conviction.

e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?
YES ___ NO _X_ If Yes, provide details for each such conviction.

f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES ____ NO _X_ If Yes, provide details for each such occurrence.

9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES ____ NO _X_ If Yes, provide details for each such investigation.

10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES ____ NO _X_ If Yes; provide details for each such investigation. **See attached**

11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES ____ NO _X_ If Yes; provide details for each such instance.

12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES ____ NO _X_ If Yes, provide details for each such year.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Vincent A. Mangiere, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 23rd day of January 2019

Niurka Ozuna

Notary Public

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified in Bronx County
My Commission Expires 06/2019

Jacobs Project Management Co.

Name of submitting business

Vincent A. Mangiere

Print name

Signature

Vice President

Title

1 / 23 / 2019

Date

Response to question 5

Vincent Mangiere, within the past 3 years, has been and officer of the following United States Jacobs companies, which are affiliates of the submitting business, Jacobs Project Management Co.:

Entity Name	Title	Title Role	Role Start
Jacobs Engineering New York Inc.	CEO	CEO	10/03/2011

Response to question 6

Jacobs Project Management Co. is a wholly owned subsidiary of Jacobs Engineering Group Inc. Jacobs Engineering Group Inc., and its subsidiaries form an organization that is comprised of over 250 operating companies and affiliates, having a total current employment complement of approximately 74,000 persons and revenues of approximately $15 billion.

From time to time in the ordinary course of business, governmental entities, including federal, state, municipal and local entities, have awarded contracts to one or more of the U.S. Jacobs entities listed in the answer to Question 5.

Response to question 7b

To the best of our knowledge and belief, the Businesses listed in Question 5, have not been declared in default and/or terminated for cause on any contract and/or had any contract cancelled for cause. From time to time and in the ordinary course of its business, Jacobs Project Management Co. and/or its affiliated companies are subject to various terminations for convenience and claims and disputes, including but not limited to, arbitrations and other legal proceedings. No such termination is expected to have a materially adverse effect on the consolidated financial statements.

Response to question 10

The answer remains "no" to Question 10 and the Jacobs companies listed in response to Question 5 have not in the past 5 years been the subject of a criminal investigation and/or civil anti-trust investigation. The question also asks about "any other type of investigation by any government agency, including but not limited to federal, state and local regulatory agencies while the Principal was a principal owner or officer." The term "investigation" as used in this segment of the question is very broad and not defined and is subject to interpretation. It is possible that the submission of a proposal or letter of interest prompts a public entity to research or investigate a company without the knowledge of that company. Therefore, it is difficult to answer this question with any degree of certainty. As a result, to the best of our knowledge and belief the Jacobs companies listed in the answer to Question 5 have not been the subject of any investigation by any government agency, including but not limited to federal, state and local regulatory agencies while the Principal was a principal owner or officer.

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire. *

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Michael Carlin
   Date of birth [redacted]
   Home address [redacted]
   City/state/zip [redacted]
   Business address 1999 Bryan St
   City/state/zip Dallas, TX 75206
   Telephone 214.583.8413
   Other present address(es) ______
   City/state/zip ______
   Telephone ______
   List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)
   President __/__/__ Treasurer 11 / 15 / 2016
   Chairman of Board __/__/__ Shareholder __/__/__
   Chief Exec. Officer __/__/__ Secretary __/__/__
   Chief Financial Officer __/__/__ Partner __/__/__
   Vice President __/__/__ ______ __/__/__
   (Other)

3. Do you have an equity interest in the business submitting the questionnaire?
   YES ___ NO X If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ___ NO X If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES X NO ___; If Yes, provide details. **See Attached**

*** The answers to the questions on this questionnaire that pertain to affiliates of the business submitting the questionnaire, Jacobs Project Management Co., are responsive for United States affiliates only. Jacobs Project Management Co. operates in the United States only.**

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES _X_ NO ___
If Yes, provide details. **Port Authority of New York & New Jersey; New York City Health and Hospitals Corporation; City of Yonkers; New York City Economic Development Corp.**

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.
Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

   a. Been debarred by any government agency from entering into contracts with that agency?
   YES ______ NO _X_ If Yes, provide details for each such instance.

   b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES ____ NO _X_ If Yes, provide details for each such instance. **See Attached**

   c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES ___ NO _X_ If Yes, provide details for each such instance.

   d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES ____ NO _X_ If Yes, provide details for each such instance.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)

   a) Is there any felony charge pending against you? YES ___ NO _X_ If Yes, provide details for each such charge.

   b) Is there any misdemeanor charge pending against you? YES ____ NO _X_ If Yes, provide details for each such charge.

   c) Is there any administrative charge pending against you? YES ____ NO _X_ If Yes, provide details for each such charge.

   d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES ___ NO _X_ If Yes, provide details for each such conviction.

e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?
YES ___ NO _X_ If Yes, provide details for each such conviction.

f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES ____ NO _X_ If Yes, provide details for each such occurrence.

9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES ____ NO _X_ If Yes, provide details for each such investigation.

10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES ____ NO _X_ If Yes; provide details for each such investigation. **See Attached**

11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES ____ NO _X_ If Yes; provide details for each such instance.

12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES ____ NO _X_ If Yes, provide details for each such year.

CERTIFICATION
A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Michael Carlin, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 25th day of March 2019

Kimberly Parks
Notary Public

KIMBERLY PARKS
Notary Public, State of Texas
Comm. Expires 11-10-2020
Notary ID 130896968

Jacobs Project Management Co.
Name of submitting business

Michael Carlin
Print name

Michael Carlin
Signature

Treasurer
Title

3 / 25 / 19
Date

Response to question 5

Michael Carlin, within the past 3 years, has been an officer of the following United States Jacobs companies, which are affiliates of the submitting business, Jacobs Project Management Co.:

Company Name	Role Start Date	Title
Jacobs Engineering Group Inc.	**09/29/16**	**Treasurer**
Jacobs Project Management Co.	**11/15/16**	**Treasurer**
Jacobs Civil Constructors, Inc.	12/15/16	Treasurer
Jacobs Consultancy Inc.	12/12/16	Treasurer
Jacobs Eagleton LLC	12/14/16	Treasurer
Jacobs Engineering Company	01/07/17	Treasurer
Jacobs Engineering Foundation	02/14/17	AssistantTreasurer
Jacobs Engineering Inc.	12/10/16	Treasurer
Jacobs Engineering New York Inc.	12/01/16	Treasurer
Jacobs Field Services America Inc.	12/01/16	Treasurer
Jacobs Field Services North America, Inc.	10/27/16	Treasurer
Jacobs Government Services Company	11/15/16	Treasurer
Jacobs Industrial Services, Inc.	12/01/16	Treasurer
Jacobs Minerals Inc.	02/08/17	Treasurer
Jacobs Professional Services	02/01/17	Treasurer
Jacobs PSG Inc.	02/08/17	Treasurer
Jacobs Technology Inc.	12/01/16	Treasurer
Jacobs Telecommunications Inc.	12/01/16	Treasurer
JE Associates, Inc.	12/06/16	Treasurer
JE Professional Resources, Inc.	02/01/17	Treasurer
LeighFisher Inc.	12/06/16	Treasurer
Payne & Keller Company, Inc.	12/01/16	Treasurer
Sverdrup Hydro Projects, Inc.	12/11/16	Treasurer
Sverdrup Jacobs Services, Inc.	01/11/17	Treasurer

Response to question 6

Jacobs Project Management Co. is a wholly owned subsidiary of Jacobs Engineering Group Inc. Jacobs Engineering Group Inc., and its subsidiaries form an organization that is comprised of over 250 operating companies and affiliates, having a total current employment complement of approximately 74,000 persons and revenues of approximately $15 billion.

From time to time in the ordinary course of business, governmental entities, including federal, state, municipal and local entities, have awarded contracts to one or more of the U.S. Jacobs entities listed in the answer to Question 5.

Response to question 7b.

From Time to time and in the ordinary course of its business, Jacobs Project Management Co. and/or its affiliated companies are subject to various terminations for convenience and claims and disputes, including but not limited to, arbitrations and other legal proceedings. No such termination is expected to have a materially adverse effect on the consolidated financial statements.

Response to question 10

The answer remains "no" to Question 10 and the Jacobs companies listed in response to Question 5 have not in the past 5 years been the subject of a criminal investigation and/or civil anti-trust investigation. The question also asks about "any other type of investigation by any government agency, including but not limited to federal, state and local regulatory agencies while the Principal was a principal owner or officer." The term "investigation" as used in this segment of the question is very broad and not defined and is subject to interpretation. It is possible that the submission of a proposal or letter of interest prompts a public entity to research or investigate a company without the knowledge of that company. Therefore, it is difficult to answer this question with any degree of certainty. As a result, to the best of our knowledge and belief the Jacobs companies listed in the answer to Question 5 have not been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies while the Principal was a principal owner or officer.

PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire. *

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name Michael Robert Tyler

   Date of birth [redacted]

   Home address

   City/state/zip

   Business address 155 North Lake Avenue

   City/state/zip Pasadena, CA 91101

   Telephone 626-578-3500

   Other present address(es) ____

   City/state/zip ____

   Telephone ____

   List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

   President __/__/__ Treasurer __/__/__

   Chairman of Board __/__/__ Shareholder __/__/__

   Chief Exec. Officer __/__/__ Secretary 09 / 30 /2015

   Chief Financial Officer __/__/__ Partner __/__/__

   Vice President __/__/__ ____ __/__/__

   (Other)

3. Do you have an equity interest in the business submitting the questionnaire?
   YES ___ NO X If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire? YES ___ NO X If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or not-for-profit organization other than the one submitting the questionnaire? YES X NO ___; If Yes, provide details. **See Attached**

*** The answers to the questions on this questionnaire that pertain to affiliates of the business submitting the questionnaire, Jacobs Project Management Co., are responsive for United States affiliates only. Jacobs Project Management Co. operates in the United States only.**

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer? YES _X_ NO ___ If Yes, provide details. **See Attached**

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency.
Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

    a. Been debarred by any government agency from entering into contracts with that agency?
    YES ______ NO _X_ If Yes, provide details for each such instance.

    b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause? YES ____ NO _X_ If Yes, provide details for each such instance. **See Attached**

    c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards? YES ___ NO _X_ If Yes, provide details for each such instance.

    d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract? YES ____ NO _X_ If Yes, provide details for each such instance.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated? If 'Yes', provide details for each such instance. (Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.)

    a) Is there any felony charge pending against you? YES ___ NO _X_ If Yes, provide details for each such charge.

    b) Is there any misdemeanor charge pending against you? YES ____ NO _X_ If Yes, provide details for each such charge.

    c) Is there any administrative charge pending against you? YES ____ NO _X_ If Yes, provide details for each such charge.

    d) In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? YES ___ NO _X_ If Yes, provide details for each such conviction.

e) In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?
YES ___ NO _X_ If Yes, provide details for each such conviction.

f) In the past 5 years, have you been found in violation of any administrative or statutory charges? YES ____ NO _X_ If Yes, provide details for each such occurrence.

9. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5? YES ____ NO _X_ If Yes, provide details for each such investigation.

10. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer? YES ____ NO _X_ If Yes; provide details for each such investigation. **See Attached**

11. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? YES ____ NO _X_ If Yes; provide details for each such instance.

12. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? YES ____ NO _X_ If Yes, provide details for each such year.

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Michael Robert Tyler, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 2nd day of March 2019

Kimberly Parker
Notary Public

KIMBERLY PARKS
Notary Public, State of Texas
Comm. Expires 11-10-2020
Notary ID 130896958

Jacobs Project Management Co.
Name of submitting business

Michael Robert Tyler
Print name

Signature

Secretary
Title

3 / 2 / 19
Date

Rev. 3-2016

Response to question 5

Michael Tyler, within the past 3 years, has been and officer of the following United States Jacobs companies, which are affiliates of the submitting business, Jacobs Project Management Co.:

Company Name	Title	Title Role	Role Start Date
Jacobs Advisers, Inc.	Secretary	Officer	09/30/2015
Jacobs Civil Consultants, Inc.	Secretary	Officer	09/30/2015
Jacobs Consultancy Inc.	Secretary	Officer	09/30/2015
Jacobs Engineering Group Inc.	Secretary	Officer	09/30/2015
Jacobs Engineering Group Inc.	General Counsel	Officer	07/25/2013
Jacobs Engineering Group Inc.	Senior Vice President	Officer	07/25/2013
Jacobs Engineering Inc.	Secretary	Officer	09/30/2015
Jacobs Engineering New York Inc.	Secretary	Officer	09/30/2015
Jacobs Field Services North America Inc.	Secretary	Office	09/30/2015
Jacobs Government Services Company	Secretary	Officer	09/30/2015
Jacobs Industrial Services Inc.	Secretary	Officer	09/30/2015
Jacobs Project Management Co.	Secretary	Officer	09/30/2015
Jacobs Technology Inc.	Secretary	Officer	08/15/2015
Jacobs Telecommunications, Inc.	Secretary	Officer	09/30/2015
JE Professional Resources, Inc.	Secretary	Officer	09/01/2015
LeighFisher Inc.	Secretary	Officer	09/30/2015
Payne & Keller Company, Inc.	Secretary	Officer	09/30/2015

Response to question 6

Jacobs Project Management Co. is a wholly owned subsidiary of Jacobs Engineering Group Inc. Jacobs Engineering Group Inc., and its subsidiaries form an organization that is comprised of over 250 operating companies and affiliates, having a total current employment complement of approximately 74,000 persons and revenues of approximately $15 billion.

From time to time in the ordinary course of business, governmental entities, including federal, state, municipal and local entities, have awarded contracts to one or more of the U.S. Jacobs entities listed in the answer to Question 5.

Response to question 7b

To the best of our knowledge and belief, the Businesses listed in Question 5, have not been declared in default and/or terminated for cause on any contract and/or had any contract cancelled for cause. From time to time and in the ordinary course of its business, Jacobs Project Management Co. and/or its affiliated companies are subject to various terminations for convenience and claims and disputes, including but not limited to, arbitrations and other legal proceedings. No such termination is expected to have a materially adverse effect on the consolidated financial statements.

Response to question 10

The answer remains "no" to Question 10 and the Jacobs companies listed in response to Question 5 have not in the past 5 years been the subject of a criminal investigation and/or civil anti-trust investigation. The question also asks about "any other type of investigation by any government agency, including but not limited to federal, state and local regulatory agencies while the Principal was a principal owner or officer." The term "investigation" as used in this segment of the question is very broad and not defined and is subject to interpretation. It is possible that the submission of a proposal or letter of interest prompts a public entity to research or investigate a company without the knowledge of that company. Therefore, it is difficult to answer this question with any degree of certainty. As a result, to the best of our knowledge and belief the Jacobs companies listed in the answer to Question 5 have not been the subject of any investigation by any government agency, including but not limited to federal, state and local regulatory agencies while the Principal was a principal owner or officer.

Business History Form

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.

NOTE: All questions require a response, even if response is "none" or "not-applicable." No blanks.

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date: January 11, 2019

1) Proposer's Legal Name: Jacobs Project Management Company

2) Address of Place of Business: 1305 Franklin Avenue, Suite 245 Garden City, NY 11530

List all other business addresses used within last five years:
See attached

3) Mailing Address (if different): N/A

Phone : 212.944.2000

Does the business own or rent its facilities? Rent

4) Dun and Bradstreet number: 167669014

5) Federal I.D. Number: 35-2321289

6) The proposer is a (check one): ____ Sole Proprietorship ____ Partnership X Corporation ___ Other (Describe) ____________

7) Does this business share office space, staff, or equipment expenses with any other business?
Yes X No ___ If Yes, please provide details: See Attached

8) Does this business control one or more other businesses? Yes ___ No X If Yes, please provide details: ____________

*** The answers to the questions on this questionnaire that pertain to affiliates of the business submitting the questionnaire, Jacobs Project Management Co., are responsive for United States affiliates only. Jacobs Project Management Co. operates in the United States only.**

9) Does this business have one or more affiliates, and/or is it a subsidiary of, or controlled by, any other business? Yes _x_ No ___ If Yes, provide details. See Attached

10) Has the proposer ever had a bond or surety cancelled or forfeited, or a contract with Nassau County or any other government entity terminated? Yes ___ No _x_ If Yes, state the name of bonding agency, (if a bond), date, amount of bond and reason for such cancellation or forfeiture: or details regarding the termination (if a contract). See Attached

11) Has the proposer, during the past seven years, been declared bankrupt? Yes ___ No _x_ If Yes, state date, court jurisdiction, amount of liabilities and amount of assets ___

12) In the past five years, has this business and/or any of its owners and/or officers and/or any affiliated business, been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency? And/or, in the past 5 years, have any owner and/or officer of any affiliated business been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency, where such investigation was related to activities performed at, for, or on behalf of an affiliated business.
Yes ___ No _x_ If Yes, provide details for each such investigation. ___

13) In the past 5 years, has this business and/or any of its owners and/or officers and/or any affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies? And/or, in the past 5 years, has any owner and/or officer of an affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies, for matters pertaining to that individual's position at or relationship to an affiliated business. Yes ___ No _x_ If Yes, provide details for each such investigation. ___

14) Has any current or former director, owner or officer or managerial employee of this business had, either before or during such person's employment, or since such employment if the charges pertained to events that allegedly occurred during the time of employment by the submitting business, and allegedly related to the conduct of that business:

a) Any felony charge pending? Yes ___ No _x_ If Yes, provide details for each such charge. ___

b) Any misdemeanor charge pending? Yes ___ No _x_ If Yes, provide details for each such charge. ___

c) In the past 10 years, you been convicted, after trial or by plea, of any felony and/or any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Yes ___ No _x_

If Yes, provide details for each such conviction See Attached

d) In the past 5 years, been convicted, after trial or by plea, of a misdemeanor? Yes ____ No x If Yes, provide details for each such conviction. ____________

e) In the past 5 years, been found in violation of any administrative, statutory, or regulatory provisions? Yes ____ No x If Yes, provide details for each such occurrence. See Attached

15) In the past (5) years, has this business or any of its owners or officers, or any other affiliated business had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held? Yes ____ No x ; If Yes, provide details for each such instance. ____________

16) For the past (5) tax years, has this business failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges? Yes ____ No x If Yes, provide details for each such year. Provide a detailed response to all questions checked 'YES'. If you need more space, photocopy the appropriate page and attach it to the questionnaire. ____________

Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

17) Conflict of Interest:

a) Please disclose any conflicts of interest as outlined below. **NOTE: If no conflicts exist, please expressly state "No conflict exists."**

(i) Any material financial relationships that your firm or any firm employee has that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

See Attached

(ii) Any family relationship that any employee of your firm has with any County public servant that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

See Attached

(iii) Any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

No Conflict Exists

b) Please describe any procedures your firm has, or would adopt, to assure the County that a conflict of interest would not exist for your firm in the future.

See Attached

A. Include a resume or detailed description of the Proposer's professional qualifications, demonstrating extensive experience in your profession. Any prior similar experiences, and the results of these experiences, must be identified.

Should the proposer be other than an individual, the Proposal **MUST** include:

i) Date of formation; January 4, 2008

ii) Name, addresses, and position of all persons having a financial interest in the company, including shareholders, members, general or limited partner;

iii) Name, address and position of all officers and directors of the company; See Attached

iv) State of incorporation (if applicable); Delaware - See Attached

v) The number of employees in the firm; 74,000

vi) Annual revenue of firm; See Attached 2017 10K Report

vii) Summary of relevant accomplishments See Attached

viii) Copies of all state and local licenses and permits. NY License - See Attached

B. Indicate number of years in business. **The Company, Jacobs Project Management Co., was incorporated 01/04/2008. However, its parent company, Jacobs Engineering Group, Inc. was originally incorporated on 8/23/1957.**

C. Provide any other information which would be appropriate and helpful in determining the Proposer's capacity and reliability to perform these services.

D. Provide names and addresses for no fewer than three references for whom the Proposer has provided similar services or who are qualified to evaluate the Proposer's capability to perform this work.

Company New York City Housing Authority Sandy Recovery

Contact Person Brad Bundy, Construction Management Oversight Lead

Address Disaster Recovery Office /Sandy Program Unit / Recover to Resiliency 250 Broadway, 27th Floor

City/State New York, NY 10007

Telephone 212 306-8301 (Office) 412 638-6770 (Cell)

Fax #

E-Mail Address bradley.bundy@cbi.com

Company Nassau Community College

Contact Person Carol Friedman, VP Facilities Management

Address One Education Drive, F Cluster, 2nd Floor

City/State Garden City, NY 11530-6793

Telephone 516.572.9786 Extension 28325

Fax # ______

E-Mail Address Carol.Friedman@ncc.edu

Company State University Construction Fund / Stony Brook University

Contact Person Louis (Lou) Rispoli, Associate Vice President, Facilities and Support

Address Campus Planning, Design and Construction Research and Support Services Suite 160 Development Drive

City/State Stony Brook, NY 11794-6010

Telephone 631-632-6218

Fax # ______

E-Mail Address Louis.Rispoli@stonybrook.edu

CERTIFICATION

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

I, Vincent A. Mangiere, being duly sworn, state that I have read and understand all the items contained in the foregoing pages of this questionnaire and the following pages of attachments; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this questionnaire and before the execution of the contract; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this questionnaire as additional inducement to enter into a contract with the submitting business entity.

Sworn to before me this 23rd day of January 2019

Niurka Ozuna
Notary Public

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified In Bronx County
My Commission Expires 06/2019

Name of submitting business: Jacobs Project Management Company

By: Vincent A. Mangiere, P.E.
Print name

Signature

Vice President
Title

01 / 23 / 2019
Date

Rev. 3-2016

Business History Form Supplemental Information

Response to Question 2

Address of Place of Business: 1305 Franklin Avenue, Suite 245 Garden City, New York 11530

List all other business addresses used within the last five years:

Address	Comment
500 7th Avenue, 17th Floor New York, NY 10018	New Manhattan Office
155 North Lake Avenue Pasadena CA 90272	Corporate Office
1999 Bryan Street Dallas, TX 75206	Corporate Office

Response to Question 7

The Business shares office space, equipment and expenses with the following US affiliates:

Federal ID #	Company Name	Address
13-0436690	Jacobs Civil Consultants Inc. (JCCI)	500 7th Avenue, 17th Floor New York, NY 10018
95-4081636	Jacobs Engineering Group Inc. (JEG) (Parent Company)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-2749347	Jacobs Engineering New York Inc. (JENY)	500 7th Avenue, 17th Floor New York, NY 10018
75-2923095	JE Architects/Engineers, P.C	777 Main Street Fort Worth, TX 76102
13-3914330	Iffland Kavanagh Waterbury, PLLC	500 7th Avenue, 17th Floor New York, NY 10018
80-0529415	LeighFisher Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
22-3514442	Jacobs Telecommunications Inc.	299 Madison Avenue Morristown, NJ 07962
80-0078173	CH2M Hill New York, Inc. (a Jacobs Company) *	22 Cortlandt Street New York, NY 10007

From time to time, an entity will provide services to another entity on a project.

*** On December 15, 2017, CH2M Hill Companies Ltd. (CH2M), through an acquisition became a wholly-owned subsidiary of Jacobs Engineering Group Inc. (Jacobs). Jacobs will update its certifications and representations and make disclosures as necessary.**

Response to Question 9
The Business, Jacobs Project Management Co., is a wholly-owned subsidiary of Jacobs Engineering Group Inc. Jacobs Engineering Group Inc. and its subsidiaries ("Jacobs") form an organization that is comprised of approximately 250 operating companies and affiliates, having a total current employment compliment of over 74,000 persons and revenues approximately $15 billion.

The parent and US affiliates of Jacobs Project Management Co., located at Two Penn Plaza, New York, NY 10121, include the following:

Federal ID #	Company Name	Address
95-4081636	Jacobs Engineering Group Inc. (JEG) (Parent Company)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-0436690	Jacobs Civil Consultants Inc. (JCCI)	500 7th Avenue, 17th Floor New York, NY 10018
13-2749347	Jacobs Engineering New York Inc. (JENY)	500 7th Avenue, 17th Floor New York, NY 10018
66-0286979	Jacobs Government Services Co.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
74-1712438	Jacobs Field Service North America Inc.	5995 Rogerdale Road Houston, TX 77072
74-1744538	Jacobs Consultancy Inc.	5995 Rogerdale Road Houston, TX 77072
95-2744655	Jacobs Engineering Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
95-3669738	Jacobs Advisers Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
95-4362684	JE Professional Resources Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
62-0510412	Jacobs Technology Inc.	600 William Norther Blvd. Tullahoma, TN 37388
43-1865020	Jacobs Industrial Services Inc.	501 North Broadway St. Louis, MO 63102
57-0745988	CRSS International Inc.	5995 Rogerdale Road Houston, TX 77072
22-3514442	Jacobs Telecommunications Inc.	299 Madison Avenue Morristown, NJ 07962
36-4090392	Edwards and Kelcey Design Services Inc.	130 East Randolph Chicago, IL 60601
95-3525833	Jacobs Engineering Company	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-4224332	Edwards and Kelcey Partners LLP	299 Madison Avenue Morristown, NJ 07962
95-4065257	Payne & Keller Company Inc.	4949 Essen Lane Baton Rouge, LA 70809
58-0907412	Jordan Jones and Goulding, Inc.	6801 Governors Lake Parkway Norcross, GA 30071
80-0529415	LeighFisher Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
35-2449995	Integrated Pipeline Solutions Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
58-1923778	Resource Spectrum Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-3914330	IKW	500 7th Avenue, 17th Floor New York, NY 10018
* 93-0549963	CH2M Hill Companies LTD.	9191 South Jamaica Street Englewood, CO 80112

The following is a list of US affiliates and related entities that conduct business in New York or are parent companies of companies licensed to do business in New York.

Federal ID #	Company Name	Address
13-0436690	Jacobs Civil Consultants Inc. (JCCI)	500 7th Avenue, 17th Floor New York, NY 10018
35-2321289	Jacobs Project Management Co. (JPMCo.)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
95-4081636	Jacobs Engineering Group Inc. (JEG) (Parent Company)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-2749347	Jacobs Engineering New York Inc. (JENY)	500 7th Avenue, 17th Floor New York, NY 10018
75-2923095	JE Architects/Engineers, P.C	777 Main Street Fort Worth, TX 76102
80-0529415	LeighFisher Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
22-3514442	Jacobs Telecommunications Inc.	299 Madison Avenue Morristown, NJ 07962
13-3914330	Iffland Kavanagh Waterbury, PLLC	500 7th Avenue, 17th Floor New York, NY 10018
80-0078173	CH2M Hill New York, Inc. (a Jacobs Company) *	22 Cortlandt Street New York, NY 10007

Jacobs Project Management Co. is submitting this proposal but we acknowledge that there are several Jacobs entities that conduct business in New York. We are aware of the requirements regarding conflicts of interest and will adhere to those requirements during the duration of the agreement if awarded the contract.

*** On December 15, 2017, CH2M Hill LTD (CHM) through an acquisition became a wholly-owned subsidiary of Jacobs Engineering Group Inc. ("Jacobs"). Jacobs will update its certifications and make disclosures as necessary.**

Response to Question 10
To the best of our knowledge and belief, Jacobs Project Management Co. has not had a bond or surety cancelled or forfeited or a contract with Nassau County terminated

The Company, Jacobs Project Management Co. is a wholly-owned subsidiary of Jacobs Engineering Group Inc.. Jacobs Engineering Group Inc. and its subsidiaries ("Jacobs") form an organization that is comprised of approximately 250 operating companies and affiliates, having a total current employment complement of over 74,000 persons and revenues approximately $15 billion. From time to time and in the ordinary course of business, Jacobs is subject to various terminations for convenience and claims and disputes, including but not limited to, arbitrations and other legal proceeding. No such termination is expected to have a materially adverse effect on the consolidated financial statements.

Response to Question 14
The answers provided for question 14 are responsive for employees of the business, Jacobs Project Management Co., during their employment with Jacobs Project Management Co. only. The business does not have or track information regarding employment before or other than employment with Jacobs Project Management Co. and cannot respond to that aspect of the question.

Response to Question 14e
To the best of our knowledge and belief, no current or former director, owner or officer or managerial employee of this business, Jacobs Project Management Co., has been found in violation of any administrative, statutory or regulatory provision while an employee of this business, Jacobs Project Management Co., related to the conduct of the business. Jacobs Project Management Co. does not have

or track information pertaining to employment of its employees prior to their employment with this business and does not have information to respond to that inquiry.

Response to Question 17a (i)

To the best of our knowledge and belief Jacobs Project Management Co. does not have any material financial relationship that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County. However, while Jacobs Project Management Co. is unaware of any material financial relationship that a firm employee may have that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County. Jacobs does not maintain files or track this information.

Response to Question 17a (ii)

To the best of our knowledge and belief Jacobs Project Management Co. does not have knowledge of any family relationship that any employee of Jacobs Project Management Co. has with any County public servant that may create a conflict of interest in acting on behalf of Nassau County. However, Jacobs Project Management Co. does not maintain record and does not have information to adequately answer the question.

Response to Question 17b

The managers of the various lines of business within the company will verify pursuits and existing projects with each other to confirm that a conflict of interest does not exist. The Legal and Contracts Management group conduct a search of an internal database which contains information regarding proposals and contracts. This database provides information to confirm a conflict does not exist. If a conflict should arise in the future, Jacobs has proposed and created an action plan for resolution of a conflict of interest. This plan included restrictions on employees working on certain projects from working on other specific projects, the execution of confidentiality agreements by employees and additional restrictions regarding future pursuits, supervision of employees and exchanging information, etc.

Response to A. (iii)

Jacobs Project Management Company Officers and Directors

Name	Title	Address
Mandel, Joseph Gary	Director	2224 Bay Area Boulevard Suite 200 Houston, TX 77058
Bunderson, Michael	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Progada, Robert V.	Director	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Bante, Michael J.	Assistant Secretary	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Carlin, Michael	Treasurer	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Goldfarb, Jeffrey Michael	Assistant Treasurer	1999 Bryan Street, Suite 1200 Dallas, TX 75201
McCallister, Scott	Vice President	3161 Michelson Drive, Suite 500 Irvine, CA 92612
Davis, Jim	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Sabbatini, Julian	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Tanjuaquio, Allan	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Refinski, Elizabeth A.	Assistant Secretary	299 Madison Ave Morristown, NJ 07962
Tyler, Michael R.	Secretary	600 Wilshire Boulevard, Suite 1000 Los Angeles, CA 90017
Khalaf, Issam	Vice President / Authorized Signer	3161 Michelson Drive, Suite 500 Irvine, CA 92612
Mangiere, Vincent A.	Vice President / Authorized Signer	500 7th Avenue, 17th Floor New York, NY 10018
Massey, J. C.	Vice President / Authorized Signer	10 10th Street, Suite 1400 Atlanta, GA 30309
McLean, Jim	Vice President / Authorized Signer	525 West Monroe, Suite 1600 Chicago, IL 60661
Allen, William	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Syphard, David W.	Vice President / Authorized Signer	2224 Bay Area Boulevard Suite 200 Houston, TX 77058
Titzer, Doug	Vice President / Authorized Signer	11 North Glebe Road, Suite 500 Arlington, VA 22201
Hsu, Mike	Director, Tax, North America	155 North Lake Avenue Pasadena, CA 91101
Lyon, Davinia	Sr. Director, Tax, Transfer Pricing & Global Tax Accounting	9191 South Jamaica Street Englewood, CO 80112
Winters, Keven	Director, Tax, accounting Methods & Tax Controversy Matters	9191 South Jamaica Street Englewood, CO 80112
Sheldon, Tyler	Vice President	155 Grand Avenue, Suite 800 Oakland, CA 94612

Response to A. vii)
In recognition of our ability to provide unmatched construction and program management services for clients in the NYC region, we have received Project Achievement Awards from the CMAA NY/NJ Chapter, including most recently for our efforts on a project in the Bronx for NYC DDC.

Response to D.
Per your requirements for our Technical Proposal, we have provided client references for work that is similar in scope to that for which we are proposing. We encourage NCDPW to contact each reference to verify our capability to perform on this project.

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "JACOBS PROJECT MANAGEMENT CO." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTH DAY OF JANUARY, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "JACOBS PROJECT MANAGEMENT CO." WAS INCORPORATED ON THE FOURTH DAY OF JANUARY, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.

4484625 8300

080014312

You may verify this certificate online at corp.delaware.gov/authver.shtml

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6288455

DATE: 01-07-08

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "JACOBS PROJECT MANAGEMENT CO.", FILED IN THIS OFFICE ON THE FOURTH DAY OF JANUARY, A.D. 2000, AT 2:14 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4484626 8100

080011970

You may verify this certificate online at corp.delaware.gov/authver.shtml

AUTHENTICATION: 6287766

DATE: 01-04-08

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:53 PM 03/04/2003
FILED 02:14 PM 03/04/2000
SRV 030011970 - 0404626 FILE

CERTIFICATE OF INCORPORATION
OF
JACOBS PROJECT MANAGEMENT CO.

ARTICLE I
NAME OF CORPORATION

The name of the Corporation is: JACOBS PROJECT MANAGEMENT CO.

ARTICLE II
REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, and the name of its registered agent at that address is The Corporation Trust Company.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware

ARTICLE IV
AUTHORIZED CAPITAL STOCK

The Corporation shall be authorized to issue one class of stock to be designated Common Stock; the total number of shares which the Corporation shall have authority to issue is 10,000, and each such share shall have a par value of $1.00.

ARTICLE V
BOARD POWER REGARDING BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind the bylaws of the Corporation.

ARTICLE VI
ELECTION OF DIRECTORS

Elections of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.

ARTICLE VII
LIABILITY

A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

ARTICLE VIII
CORPORATE POWER

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

ARTICLE IX
INCORPORATOR

The name and mailing address of the incorporator of the Corporation is as follows:

Elke M. Mapes
333 South Grand Avenue, Suite 4854
Los Angeles, CA 90071

ARTICLE X
ELECTION OF INITIAL DIRECTORS

The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The names and mailing addresses of the persons who are to serve as the initial directors of the Corporation until the first annual meeting of stockholders of the Corporation, or until their successors are duly elected and qualified, are:

Name	Street Address	City	State	Zip
George A. Kunberger	c/o Jacobs Engineering Group Inc. 1111 South Arroyo Parkway	Pasadena	CA	91105
Craig L. Martin	c/o Jacobs Engineering Group Inc. 1111 South Arroyo Parkway	Pasadena	CA	91105
Greg J. Landry	c/o Jacobs Engineering Group Inc. 1111 South Arroyo Parkway	Pasadena	CA	91105

Jacobs Project Management Co.
Officers and Directors

Name	Address	SS#	DOB	Drivers License #
DIRECTORS				
George Kunberger Director	1111 S. Arroyo Parkway Pasadena, CA 91105	216-62-6649	11/13/52	PA 25454752
Craig L. Martin Director/President	1111 S. Arroyo Parkway Pasadena, CA 91105	515-54-0400	11/23/49	CA B8238193
Greg J. Landry Director	1111 S. Arroyo Parkway	439-72-9989	01/20/48	TX DL14278908
OFFICERS				
Robert M. Clement VP	777 Main St. Ft. Worth, TX 76102	133-38-0582	11/17/48	CA N8575482
Phillip J. Stassi VP	1111 S. Arroyo Parkway Pasadena, CA 91105	566-96-9816	08/18/55	Alberta 149064-397
Steven Ander Hultgren VP	1527 Cole Boulevard Golden, CO 80401	323-40-4812	12/27/49	CO – 94-330-0016
John Warren Prosser, Jr Treasurer	1111 S. Arroyo Parkway Pasadena, CA 91105	559-60-8717	02/24/45	CA K0308805
William Clyde Markley III Secretary	1111 S. Arroyo Parkway Pasadena, CA 91105	508-56-9142	12/21/45	CA E0265595
Jeffrey Michael Goldfarb Assistant Treasurer	501 N. Broadway St. Louis, MO 63102	228-06-5482	07/03/61	MO 228065482
Jeffrey Dwayne Robertson Assistant Secretary	1111 S. Arroyo Parkway Pasadena, CA 91105	325-64-8401	11/02/60	CA B8043985
Scott Blair McCallister VP	5757 Plaza Dr., Suite 100 Cypress, CA 90630	557-47-5462	06/25/62	CA N8575462

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, does make and file this Certificate of Incorporation.

Dated: January 4, 2006

Ellen M. Mapes

Ellen M. Mapes, Incorporator

CT
a Wolters Kluwer business

CT
187 Wolf Road
Suite 101
Albany NY 12205

518 453 2130 tel
518 459 3437 fax
www.ctlegalsolutions.com

February 12, 2008

RECEIVED
FEB 1 8 2008
JACOBS LEGAL DEPARTMENT
ST. LOUIS, MISSOURI

Cookie Huebner
Jacobs Facilities, Inc
501 N Broadway
SAINT LOUIS MO 63102-

Re: Order #: 7135691 SO
Customer Reference 1: None Given
Customer Reference 2:

Dear Cookie Huebner:

In response to your request regarding the above referenced order, your filing(s) has been completed as indicated below:

Jacobs Project Management Co. (DE)
New Name: - -
Qualification
New York
Filing Date: February 4, 2008
Filing Number: 080204000783

Jacobs Project Management Co. (DE)
New Name: - -
Cert Copy of Application Certificate of Authority
New York
Filing Date February 12, 2008

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: JACOBS PROJECT MANAGEMENT CO.

DOCUMENT TYPE: APPLICATION FOR AUTHORITY (FOREIGN BUS) COUNTY: NEWY

FILED:02/04/2008 DURATION:PERPETUAL CASH#:080204000878 FILM #:080204000783

FILER:

KATIE LACKEY
120 S. CENTRAL AVE.

CLAYTON, MO 63105

EXIST DATE

02/04/2008

ADDRESS FOR PROCESS:

C/O CT CORPORATION SYSTEM
111 EIGHTH AVENUE
NEW YORK, NY 10011

REGISTERED AGENT:

CT CORPORATION SYSTEM
111 EIGHTH AVENUE
NEW YORK, NY 10011

SERVICE COMPANY: CT CORPORATION SYSTEM - 07 SERVICE CODE: 07

FEES	235.00	PAYMENTS	235.00
FILING	225.00	CASH	0.00
TAX	0.00	CHECK	235.00
CERT	0.00	CHARGE	0.00
COPIES	10.00	DRAWDOWN	0.00
HANDLING	0.00	OPAL	0.00
		REFUND	0.00

7135691CA8 DOS-1025 (04/2007)

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and the official seal of the Department of State, at the City of Albany, on February 5, 2008.

Paul LaPointe
Special Deputy Secretary of State

Rev. 06/07

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "JACOBS PROJECT MANAGEMENT CO." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTEENTH DAY OF JANUARY, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4404626 8300

080043036

AUTHENTICATION: 6309995

DATE: 01-14-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

CT-07

0802040007

APPLICATION FOR AUTHORITY
OF

Jacobs Project Management Co
(Insert corporate name)

Under Section 1304 of the Business Corporation Law

Filed by: Katie Lackey
(Name)
120 S. Central Ave.
(Mailing address)
Clayton, MO 63105
(City, State and Zip code)

Cust Ref 7135691 CAS

ICC

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 04 2008
TAX $
BY: JCH
NEW YORK

JCH.

AJP

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended September 29, 2017 — Commission File No. 1-7463

Jacobs Engineering Group Inc.

Delaware	**95-4081636**
State of incorporation	IRS Employer identification number
1999 Bryan Street, Suite 1200 **Dallas, Texas 75201**	**(214) 583-8500**
Address of principal executive offices	Telephone number (including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $1 par value	New York Stock 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 ☐ No

Indicate by check-mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

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 ☐ No

Indicate by check-mark whether the Registrant: has submitted electronically and posted on its corporate Web site, 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 - ☐ No

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 the 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. ☐

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 ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check-mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act) ☐ Yes ☒ No

There were 120,466,122 shares of common stock outstanding as of November 10, 2017. The aggregate market value of the Registrant's common equity held by non-affiliates was approximately $6.7 billion as of March 31, 2017, based upon the last reported sales price on the New York Stock Exchange on that date.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement to be issued in connection with its 2018 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

JACOBS ENGINEERING GROUP INC.

Fiscal 2017 Annual Report on Form 10-K

Table of Contents

PART I

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not directly relate to any historical or current fact. When used herein, words such as "expects," "anticipates," "believes," "seeks," "estimates," "plans," "intends," "future," "will," "would," "could," "can," "may," and similar words are intended to identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Although such statements are based on management's current estimates and expectations and/or currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause our actual results to differ materially from what may be inferred from the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those listed and discussed in Item 1A—*Risk Factors* below. We undertake no obligation to release publicly any revisions or updates to any forward-looking statements. We encourage you to read carefully the risk factors described herein and in other documents we file from time to time with the United States Securities and Exchange Commission (the "SEC").

Unless the context otherwise requires, all references herein to "Jacobs" or the "Registrant" are to Jacobs Engineering Group Inc. and its predecessors, and references to the "Company", "we", "us" or "our" are to Jacobs Engineering Group Inc. and its consolidated subsidiaries.

Item 1. BUSINESS

General Background Information

We are one of the largest technical professional services firms in the world. We provide a diverse range of technical, professional, and construction services to a large number of industrial, commercial, and governmental clients.

We focus our services on clients operating in the following sectors:

- Oil and gas exploration, production, and refining;
- Chemicals and polymers;
- Programs for various national governments, including aerospace, defense, and environmental programs;
- Buildings (including specialized buildings for clients operating in the fields of healthcare, education, and high technology; governmental complexes; other specialized civic and mission critical buildings, installations, and laboratories; and retail and commercial buildings);
- Infrastructure and telecommunications;
- Mining and minerals;
- Pharmaceuticals and biotechnology;
- Power;
- Pulp and paper;
- Technology and manufacturing; and,
- Food and consumer products, among others.

Jacobs was founded in 1947 and incorporated as a Delaware corporation in 1987. We are headquartered in Dallas, Texas, USA, and provide our services through more than 200 offices located around the globe in North America, South America, Europe, the Middle East, India, Australia, Africa, and Asia.

How We Operate

As a broad-based technical professional services firm, we offer a range of services to help our clients maintain a competitive edge in their respective markets. From consulting and feasibility studies to design, to engineering, to construction, to start-up and commissioning, and then to operations and maintenance, we customize our services to meet business and project goals. Our global network of professionals works with a multi-office approach in an effort to provide clients with the best, most economical project or program solutions.

We strive to provide client value through continuous improvement in our performance. We regularly monitor our clients' expectations, our project delivery protocols and system, and our operational performance. Tools such as our Jacobs Value Enhancing Practices, Global Standard Operating Procedures, project reviews, the Jacobs System to Ensure Project Success ("JSTEPS") and Safe Plans of Action ("SPAs") provide added value to our clients' projects. They also allow us to create performance improvement actions during the project execution. Through continuous improvement, with our tools and our processes, we believe we can offer our clients superior value when they do business with us.

JacobsValue+ $_{SM}$ ("Value Plus") is an internal tool we use to document and quantify the actual value or savings we provide to our clients and their projects. Some of the benefits achieved through the Value Plus program include lower total installed costs, shorter schedules, and reduced life cycle costs. Value Plus is implemented at project initiation: a project goal is created, and cost-saving ideas are entered into the Value Plus database. When the Value Plus cycle is complete, the project team and client identify and agree on the unique cost and/or schedule reductions for the project.

The Company's Strategy

Our strategy is based on three key priorities:

- Build a High Performance Culture—Reinforce a culture of accountability, inspirational leadership and innovation that will drive long-term outperformance;
- Transform the Core—Fundamentally change the way we operate to improve project delivery, sales effectiveness and business excellence; and
- Grow Profitably—Execute a balanced strategy focused on organic growth, M&A and active portfolio management to drive profitable growth in the most attractive sectors and geographies.

Employees and Safety

Our employees are our most important and valuable asset and, therefore, the prevention of job-related injuries is given top priority. It is the policy of the Company to provide and maintain a safe and healthy working environment and to follow operating practices that safeguard all employees and result in a more efficient operation. BeyondZero®, the name of our program that promotes our culture of caring, moves beyond efforts to have an incident and injury-free safety performance. We implement a culture of caring where concern for employees' health, safety, and welfare extends outside the office walls, beyond the project site fences and into their homes, cars, and all the places where they interact with family, friends, and fellow employees. We have commenced a mental health program which aims to promote positive mental health across our Company.

Since Jacobs' founding, the Company has been based on doing business honestly, ethically, and with the utmost integrity. Our culture, and our Code of Conduct which all employees are required to sign annually, prescribe that everyone at the Company must adhere to Jacobs' values and ethical code, and comply with the laws that govern the Company's activities worldwide. Our employees and business partners are expected to follow the highest principles of business conduct, integrity, and ethics as they carry out their responsibilities, and are guided by the following principles in carrying out their responsibilities: loyalty, compliance with applicable laws, observance of ethical standards, avoidance of conflicts of interest, and communication. We endeavor to deal fairly with our employees, customers, suppliers, and competitors, and to respect the policies and procedures of those outside the Company.

We strive to present a clear and consistent image of our Company to our clients, employees, shareholders, and business partners, regarding how we behave, how we communicate, how we look, and most importantly, how our promises to our clients are delivered, anywhere in the world.

We accomplish this foremost through our vision, mission and values, which allow us to behave as one company and unify us worldwide. By keeping our values as a central focus of our Company, we are able to think the same way and arrive at similar conclusions, regardless of our physical location. With respect to our values:

- Our values stand on a foundation of safety and integrity;
- People are the heart of our business;
- Clients are our valued partners;
- Performance excellence is our commitment; and
- Profitable growth is an imperative.

Our Vision statement "solutions for a more connected sustainable world" underpins our commitment to sustainability. Plan Beyond is how we define and identify with our approach to sustainability. Building on BeyondZero and our culture of caring, Plan Beyond helps us to focus on looking beyond our company and how we contribute as a global corporate citizen. Our sustainability activities encompass Jacobs stakeholders at Jacobs including our clients, our people and wider communities, our supply chain partners and our investors.

Through planning beyond compliance our people are empowered to explore, to innovate, and to develop solutions that help our clients deliver their sustainable goals. We have the experience and competency to assist our clients with the challenges of climate change, resilience of cities and infrastructure, efficient and sustainable procurement, resource reuse and recycling, water resource management, energy source management and environmental protection and enhancement.

As our company values espouse, people are the heart of our business. It is the talent of our people that is the key to our contribution to achieving our company vision. By their innovation and determination to embed sustainability into their design and delivery of service, we will contribute significantly to address the challenges facing sustainability through the thousands of clients, and their stakeholders, whom we work with every year.

Applying the best, most efficient and effective sustainable solutions for clients worldwide, in all major industries in which our clients operate, allows us to make a significant contribution to a safe and sustainable future. Each year we issue a *Sustainability Report* that describes many of our efforts and accomplishments regarding sustainability.

With respect to human resources, our goal is to establish an inclusive, diverse workplace that energizes the people who fuel our Company's growth. Although we are a large company with over 54,700 employees in over 25 countries, our employees are unified in their focus on superior value, safety, and ethical business practices regardless of the country in which they work, and employees frequently move around the globe as they grow their careers.

How We Grow

Jacobs has grown significantly since its founding in 1947. Both organic growth and strategic acquisitions play an important part of the Company's growth strategy. We have acquired and integrated numerous companies over the years that have enhanced our capabilities, geographic reach, and offerings.

In terms of organic growth, our relationship-based business model is central to our sustained growth and profitability. We pursue the development of long-term relationships and alliances with our clients. By working with our clients to solve their challenges, we increase our understanding of their overall business needs, as well as the unique technical requirements of their specific projects. This increased understanding enables us to provide superior value to our clients. Our approach provides us with opportunities to market the following services to our clients:

- consulting;
- system enhancements;
- pre-design phases of large projects, which include master planning, project permitting, and project finance options;
- design phase; and
- construction, post-start-up and commissioning phases of a facility, including operations and maintenance services.

Our relationships with clients also present ongoing opportunities to expand into adjacent markets. For example, clients operating in the mining and minerals market often have a need for our infrastructure and buildings capabilities. The same is true for clients operating in other markets.

We market our services to clients in a wide range of public, institutional, process, and industrial markets. We increase our opportunities through focused market diversity, and are able to price contracts competitively and enhance overall profitability while delivering additional value to our clients by integrating and bundling our services. In complex economic times, we believe we have the ability to evolve along with market cycles worldwide. When opportunities decrease in a particular market or geography, other opportunities often increase. Because of our focused market diversity, we believe we are well positioned to address a wide range of opportunities across many markets and geographies, which helps us grow our business.

The Role of Acquisitions and Strategic Investments in the Development of Our Business

When we review acquisition targets, we are conscious of the effect the acquisition may have on our client base. We favor acquisitions that are aligned with our growth strategy, which target enhancements of our capabilities and add value to our customers and shareholders. We do this by (i) expanding into a new client market; (ii) enhancing the range of services we provide existing clients; and/or (iii) accessing new geographic areas in which our clients either already operate or plan to expand. By expanding into new geographic areas and adding to our existing technical and project management capabilities, we strive to position ourselves as a preferred, single-source provider of technical, professional, and construction services to our clients.

On August 1, 2017, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with CH2M HILL Companies, Ltd. ("CH2M"), and Basketball Merger Sub Inc., a direct wholly-owned subsidiary of the Company ("Merger Sub"). Pursuant to and subject to the terms and conditions of the Merger Agreement, (i) Merger Sub will merge with and into CH2M, with CH2M continuing as the surviving corporation and becoming a wholly-owned subsidiary of the Company (the "Merger") and (ii) each outstanding share of common stock of CH2M will be converted into the right to receive, at the election of the holder thereof in accordance with, and subject to, the terms, conditions and procedures set forth in the Merger Agreement, in each case without interest the following consideration: (a) the combination of (x) $52.85 in cash and (y) 0.6677 shares of common stock, par value $1.00 per share, of the Company; (b) $88.08 in cash; or (c) 1.6693 shares of the Company's common stock.

The Merger is subject to the satisfaction of customary closing conditions, including regulatory approvals and approval by CH2M stockholders.

Also, see the following brief description of some of our recent key acquisitions (in reverse chronological order):

- On August 31, 2017, we acquired Blue Canopy, LLC headquartered in Reston, Virginia. Blue Canopy provides data analytics, cybersecurity and application development.
- On January 27, 2017, we acquired Aquenta Consulting Pty Ltd. ("Aquenta") headquartered in Sydney, Australia. Aquenta provides integrated project services.
- On April 12, 2016, we acquired The Van Dyke Technology Group, Inc. ("Van Dyke") headquartered in Columbia, Maryland. Van Dyke provides advanced cybersecurity services and solutions designed to protect sensitive information within classified networks, with a focus on supporting the U.S. Intelligence Community.
- On December 7, 2015, we acquired J.L. Patterson & Associates ("JLP") headquartered in Orange, California. JLP is a consulting and professional services engineering firm specializing in rail planning, environmental permitting, design and construction management. It provides services to numerous public transit agencies and is a major provider of professional consulting services to Class 1 railroads across the U.S.
- On March 31, 2015, we acquired Suzhou Hans Chemical Engineering Co. ("SHCE") headquartered in China. SHCE has two specialty Class A design licenses in China's Chemical, Petrochemical and Pharmaceutical industries, which allow the firm to provide engineering design for chemical projects in China and project management services for various projects in China.

For additional information regarding certain issues related to our acquisition strategy, please refer to Item 1A—*Risk Factors* below.

Lines of Business

During the second quarter of fiscal 2016, we reorganized our operations around four global lines of business, or "LOBs". This reorganization was intended to better serve our global clients, leverage our workforce, help streamline operations, and provide enhanced growth opportunities. Our four global lines of business are: Aerospace & Technology, Buildings & Infrastructure, Industrial and Petroleum & Chemicals. Each LOB has a president that reports directly to the Company's Chairman & CEO. As part of the reorganization, certain support functions (i.e. Sales), which were managed centrally for many years, have been embedded in the lines of business and report to the respective line of business presidents. The costs of other support functions (e.g., accounting, legal, information technology and other) and certain other activities (e.g., global insurance) are assigned or allocated to each new LOB using a rationale method of assignment/allocation, or remain an element of corporate general and administrative expenses. In connection with the reorganization, the Company significantly modified its cash incentive plan utilizing performance metrics aligned along the new lines of business.

Services

Our services fall into four broad categories: Project Services; Process, Scientific and Systems Consulting Services; Construction Services; and Operations and Maintenance Services.

Project Services

We employ the engineering, architecture, interiors, design, planning, and related disciplines necessary to design and engineer modern process plants, buildings, infrastructure projects, technology and manufacturing facilities, consumer products manufacturing facilities, power plants and stations, pulp and paper plants, and other facilities.

We are capable of providing our clients with a variety of value engineering services, including "safety in design". Through safety in design we integrate best practices, hazard analysis, and risk assessment methods early in the design phase of projects, with the goal of eliminating or mitigating injury and damage during the construction, start-up, testing and commissioning, and operations phases of a project.

In the area of construction management, we provide our clients with a wide range of services as an agent for our clients. We may act as program director, whereby we oversee, on the owner's behalf, the complete planning, design, and construction phases of the project. Alternatively, our services may be limited to providing construction consulting.

Project Services also includes planning, scheduling, procurement, estimating, cost engineering, project accounting, project delivery (quality), safety, and all other key support services needed for complete cradle-to-grave project delivery.

Process, Scientific and Systems Consulting Services

We employ the professional and technical skills and expertise with respect to a broad range of consulting services, including: performing pricing studies, market analyses, and financial projections necessary in determining the feasibility of a project; performing gasoline reformulation modeling; analyzing and evaluating layout and mechanical designs for complex processing plants; analyzing automation and control systems; analyzing, designing, and executing bio containment strategies; developing and performing process protocols with respect to the U.S. Food and Drug Administration-mandated qualification and validation requirements; and performing geological and metallurgical studies.

Also included in this service category are revenues relating to defense and aerospace-related programs. Such services typically are more technical and scientific in nature than other project services we provide, and may involve tasks such as supporting the development and testing of conventional weapons systems; weapons modeling and simulations; computer systems development, maintenance, and support; evaluation and testing of mission-critical control systems; aerospace, testing, and propulsion systems and facilities; cyber security and IT services; and other highly technical or scientific tasks.

Construction Services

In addition to the construction management services included under Project Services above, we provide traditional field Construction Services to private and public sector clients. We also provide modular construction consulting services. In the area of environmental remediation and restoration, we also provide environmental remedial construction services for a variety of public and private sector clients.

Historically, our field construction activities have been focused primarily on those construction projects for which we perform much of the related engineering and design work. By focusing our construction efforts in this way, we attempt to minimize the risks associated with constructing complex projects based on designs prepared by third parties. The financial risk to us of constructing complex assets based on designs prepared by third parties may be particularly significant on fixed-price contracts, though we ensure appropriate controls are in place to manage risk. However, we will pursue construction-only projects when we can negotiate pricing and other contract terms we deem acceptable and which we believe can result in a fair return for the degree of risk we assume.

Operations and Maintenance Services

Operations and Maintenance ("O&M") refers to all of the tasks required to operate and maintain large, complex facilities on behalf of clients. We provide key management and support services over all aspects of the operations of a facility, including managing subcontractors and other on-site personnel. O&M also includes process plant maintenance services, which generally involves all tasks required to keep a process plant (typically a refinery or chemical plant) in day-to-day operation.

Within the aerospace and defense areas, O&M often requires us to provide the management and technical support services necessary to operate and maintain such sites as engine test facilities, weapons integration facilities, and high-tech simulation and verification centers. Such O&M contracts also frequently require us to provide facilities management and maintenance services, utilities operations and maintenance services, property management and disposition services, and construction support services.

Within the environmental area, O&M often includes engineering and technical support services as well as program management services necessary to remediate contaminated sites.

Although the gross profit margins we realize from O&M services are generally lower than those associated with the other services we provide, the costs to support maintenance activities are also generally lower. In addition, O&M services offer us an opportunity to build and maintain long-term relationships with clients. This aspect of O&M services greatly reduces the selling costs in respect of such services.

The following table sets forth our revenues from each of our four service categories for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Project Services	$ 4,805,863	$ 5,738,840	$ 6,307,015
Process, Scientific and Systems Consulting Services	805,144	852,329	1,188,418
Construction Services	3,374,261	3,258,890	3,291,823
Operations and Maintenance Services	1,037,520	1,114,098	1,327,576
Total	$10,022,788	$10,964,157	$12,114,832

Segments

As discussed above, the services we provide fall into the following four lines of business ("LOB"): Aerospace & Technology, Buildings & Infrastructure, Industrial, and Petroleum & Chemicals, which are also the Company's reportable segments.

For additional information regarding our segments, including information about our financial results by segment and financial results by geography, see Note 15—*Segment Information* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

Aerospace & Technology—We provide an in-depth range of scientific, engineering, construction, nuclear and technical support services to the aerospace, defense, technical and automotive industries in several countries. Long-term clients include the Ministry of Defence in the U.K., the UK Nuclear Decommissioning Authority, NASA, the U.S. Department of Defense ("DoD"), the U.S. Special Operations Command, the U.S. Intelligence community, and the Australian Department of Defence. Specific to NASA, one of our major government customers in the U.S., is our ability to design, build, operate, and maintain highly complex facilities relating to space systems, including test and evaluation facilities, launch facilities, and support infrastructure. We provide environmental characterization and restoration services to commercial and government customers both in the US and UK. This includes designing, building and operating high hazard remediation systems including for radiologically contaminated media.

In addition, we design and build aerodynamic, climatic, altitude and acoustic facilities in support of the automotive industry, and are a provider of a wide range of services in the telecommunications market.

Our experience in the defense sector includes military systems acquisition management and strategic planning; operations and maintenance of test facilities and ranges; test and evaluation services in computer, laboratory, facility, and range environments; test facility computer systems instrumentation and diagnostics; and test facility design and build. We also provide systems engineering and integration of complex weapons and space systems, as well as hardware and software design of complex flight and ground systems.

We have provided advanced technology engineering services to the DoD for more than 50 years, and currently support major defense programs in the U.S. and internationally. We operate and maintain several DoD test centers and provide services and assist in the acquisition and development of systems and equipment for Special Operations Forces, as well as the development of biological, chemical, and nuclear detection and protection systems.

We maintain enterprise information systems for government and commercial clients worldwide, ranging from the operation of complex computational networks to the development and validation of specific software applications. We also support the DoD and the intelligence community in a number of information technology programs, including network design, integration, and support; command and control technology; development and maintenance of databases and customized applications; and cyber security solutions.

Buildings & Infrastructure—We provide services to transit, aviation, built environment, mission critical, rail, and civil construction projects throughout North America, Europe, India, the Middle East, Australia, and Asia. Our representative clients include national government departments/agencies in the U.S., U.K., Australia, and Asia, state and local departments of transportation within the U.S., and private industry freight transport firms.

Typical projects include providing development/rehabilitation plans for highways, bridges, transit, tunnels, airports, railroads, intermodal facilities, and maritime or port projects. Our interdisciplinary teams can work independently or as an extension of the client's staff. We have experience with alternative financing methods, which have been used in Europe through the privatization of public infrastructure systems.

Our water infrastructure group aids emerging economies, which are investing heavily in water and wastewater systems, and governments in North America and Europe, which are addressing the challenges of drought and an aging infrastructure system. We develop or rehabilitate critical water resource systems, water/wastewater conveyance systems, and flood defense projects.

We also plan, design, and construct buildings for a variety of clients and markets. We believe our global presence and understanding of contracting and delivery demands keep us well positioned to provide professional services worldwide. Our diversified client base encompasses both public and private sectors and relates primarily to institutional, commercial, government and corporate buildings, including projects at many of the world's leading medical and research centers, and universities. We focus our efforts and resources in two areas: where capital-spending initiatives drive demand, and where changes and advances in technology require innovative, value-adding solutions. We also provide integrated facility management services (sometimes through joint ventures with third parties) for which we assume responsibility for the ongoing operation and maintenance of entire commercial or industrial complexes on behalf of clients.

We have specific capabilities in energy and power, master planning, and commissioning of office headquarters, aviation facilities, mission-critical facilities, municipal and civic buildings, courts and correctional facilities, mixed-use and commercial centers, healthcare and education campuses, and recreational complexes. For advanced technology clients, who require highly specialized buildings in the fields of medical research, nano science, biotechnology, and laser sciences, we offer total integrated design and construction management solutions. We also have global capabilities in the pharma-bio, data center, government intelligence, corporate headquarters/interiors, and science and technology-based education markets. Our government building projects include large, multi-year programs in the U.S. and Europe supporting various U.S. and U.K. government agencies.

We added specialist integrated project services capability through the Aquenta acquisition in Australia in early 2017. These skills include cost management & analysis, project planning & controls, contract & commercial advisory services, and project management services. These services are provided across the breadth of Jacobs client sectors with the potential to further expand to other geographies.

Industrial—We provide engineering, procurement, project management, construction, and on-site maintenance to our global clients in the Life Sciences, Mining & Minerals, Specialty Chemicals & Manufacturing and Field Services markets. We provide our Life Sciences clients single-point consulting, engineering, procurement, construction management, and validation project delivery, enabling us to execute large capital programs on a single-responsibility basis. Typical projects in the life sciences sector include laboratories, research and development facilities, pilot plants, bulk active pharmaceutical ingredient production facilities, full-scale biotechnology production facilities, and tertiary manufacturing facilities.

We provide services relating to modular construction, as well as other consulting and strategic planning to help our clients complete capital projects faster and more efficiently.

In addition, we offer services in containment, barrier technology, locally controlled environments, building systems automation, and off-the-site design and fabrication of facility modules, as well as vaccine production and purification, and aseptic processing.

Our mining and minerals business targets the non-ferrous and ferrous metal markets, precious metals, energy minerals (uranium, coal, oil sands), and industrial and fertilizer minerals (borates, trona, phosphates and potash). We work with many resource companies undertaking new and existing facility upgrades, process plant and underground and surface material handling and infrastructure developments.

We offer project management, front-end studies, full engineering, procurement and construction management ("EPCM") and engineering, procurement and construction ("EPC") capabilities, and completions, commissioning and start-up services specializing in new plant construction, brownfield expansions, and sustaining capital and maintenance projects. We are also able to deliver value to our mining clients by providing distinctive adjacent large infrastructure capabilities to support their mining operations.

We provide a wide range of specialty chemicals & manufacturing services and products to our global client base. Our specialty chemicals areas are focused on sulfuric acids, synthetic chemicals, and manufactured equipment. Our manufacturing business areas include the Food & Beverage, Consumer Products, and Pulp & Paper markets.

Our global Field Services unit supports construction and O&M across the company, and performs our direct hire services.

Our construction activities include both construction management services and traditional field construction services to our clients. Historically, our field construction activities focused primarily on those construction projects where we perform much of the related engineering and design work. However, we pursue construction-only projects when we can negotiate pricing and other contract terms we deem acceptable and which we believe can result in a fair return for the degree of risk we assume.

In our O&M business, we perform tasks required to operate and maintain large, complex facilities on behalf of clients. We provide key management and support services over all aspects of the operations of a facility, including managing subcontractors and other on-site personnel. O&M also includes process plant maintenance services, which generally involves all tasks required to keep a process plant (typically a refinery or chemical plant) in day-to-day operation.

Petroleum & Chemicals—We provide integrated delivery of complex projects for our Oil and Gas, Refining, and Petrochemical sector clients. Bridging the upstream, midstream and downstream industries, our end to end services encompass consulting, engineering, design, procurement, construction, commissioning, start-up and maintenance, and project management.

We provide services relating to both onshore and offshore oil and gas production facilities, including stationary and floating platforms and subsea tie-backs, as well as full field development solutions, including processing facilities, gathering systems, transmission pipelines, storage and terminals. Our heavy oil processing experience makes us a leader in upgrading, steam-assisted gravity drainage and in-situ oil sands projects. We have developed and delivered modular well pad and central processing facility designs. We also provide fit-for-purpose and standardized designs in the onshore conventional and unconventional oil & gas sector, paying particular attention to water and environmental issues.

In addition, we provide our refining customers with feasibility/economic studies, technology evaluation and conceptual engineering, front end engineering & design, detailed engineering, procurement, construction, commissioning, start-up and maintenance services. We deliver installed EPC solutions to grass root plants, and offer expansions and revamps of existing units. Our focus is on both the inside the battery limit processing units as well as utilities and offsites infrastructure. We have engineering alliances and onsite maintenance programs that span decades with core clients. With the objective of driving our clients' total installed costs down, we endeavor to leverage emerging market sourcing and high value engineering centers (HVEC). Our Comprimo Sulfur Solutions® is a significant patented technology for gas treatment and sulfur recovery plants around the world.

We also provide services to technically complex petrochemical facilities; from new manufacturing complexes, to expansions and modifications, and the overall management of plant relocations. We have experience with many licensed chemical processing technologies, integrated basic petrochemicals, commodity and specialty chemicals projects, and olefins, aromatics, synthesis gas and their respective derivatives.

Backlog

Backlog represents the total dollar amount of revenues we expect to record in the future as a result of performing work under contracts that have been awarded to us. With respect to O&M contracts, however, we include in backlog the amount of revenues we expect to receive for only one succeeding year, regardless of the remaining life of the contract. For national government programs (other than U.S. federal O&M contracts), our policy is to include in backlog the full contract award, whether funded or unfunded, excluding option periods. In accordance with industry practice, substantially all of our contracts are subject to cancellation, termination, or suspension at the discretion of the client. In addition, the contracts in our backlog are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. Accordingly, backlog is not necessarily indicative of our future revenues or earnings.

Our backlog includes expected revenues for contracts that are based on estimates. The following table summarizes our backlog for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Backlog:			
Aerospace & Technology	$ 6,231,426	$ 5,109,973	$ 4,880,775
Buildings & Infrastructure	5,412,377	5,033,539	4,723,034
Industrial	2,836,854	3,106,575	3,650,520
Petroleum & Chemicals	5,307,956	5,510,442	5,552,241
Total	$19,788,613	$18,760,529	$18,806,570

For additional information regarding our backlog including those risk factors specific to backlog, please refer to Item 1A—*Risk Factors*, and Item 7—*Management's Discussion and Analysis of Financial Condition and*

Results of Operations below. Subject to the factors discussed in Item 1A—*Risk Factors* below, we estimate that approximately $7 billion, or 35%, of total backlog at September 29, 2017 will be realized as revenues within the next fiscal year.

Significant Customers

The following table sets forth the percentage of total revenues earned directly or indirectly from agencies of the U.S. federal government for each of the last five fiscal years:

2017	2016	2015	2014	2013
19.2%	21.4%	21.7%	17.8%	19.9%

Given the percentage of total revenue derived directly from the U.S. federal government, the loss of U.S. federal government agencies as customers would have a material adverse effect on the Company. In addition, any or all of our government contracts could be terminated, we could be suspended or debarred from all government contract work, or payment of our costs could be disallowed. Approximately 88% of revenue derived directly from the U.S. federal government is in the Aerospace & Technology segment. For more information on risks relating to our government contracts, see Item 1A—*Risk Factors*.

Financial Information About Geographic Areas

Selected financial information regarding the geographic areas in which we operate is included in Note 15—*Segment Information* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K and is incorporated herein by reference. For fiscal 2017, approximately 42% of our revenues were earned from clients outside the United States. Our international operations are subject to a variety of risks, which are described under Item 1A—*Risk Factors* below.

Contracts

While there is considerable variation in the pricing provisions of the contracts we undertake, our contracts generally fall into two broad categories: cost-reimbursable and fixed-price. The following table sets forth the percentages of total revenues represented by these types of contracts for each of the last five fiscal years:

	2017	2016	2015	2014	2013
Cost-reimbursable	81%	82%	83%	83%	85%
Fixed-price	19%	18%	17%	17%	15%

In accordance with industry practice, most of our contracts (including those with the U.S. federal government) are subject to termination at the discretion of the client, which is discussed in greater detail in Item 1A—*Risk Factors*. In such situations, our contracts typically provide for reimbursement of costs incurred and payment of fees earned through the date of termination.

When we are directly responsible for engineering, design, procurement, and construction of a project or the maintenance of a client's plant or facility, we reflect the costs of materials, equipment, and subcontracts in both revenues and costs. On other projects, where the client elects to pay for such items directly and we have no associated responsibility for such items, these amounts are not reflected in either revenues or costs. The following table sets forth the approximate amount of such pass-through costs included in revenues for each of the last five fiscal years (in millions of dollars):

2017	2016	2015	2014	2013
$2,539.3	$2,489.9	$2,602.6	$2,954.9	$2,624.8

Cost-Reimbursable Contracts

Cost-reimbursable contracts generally provide for reimbursement of costs incurred plus an amount of profit. The profit element may be in the form of a simple mark-up applied to the labor costs incurred or it may be in the form of a fee, or a combination of a mark-up and a fee. The fee element can also take several forms. The fee may be a fixed amount; it may be an amount based on a percentage of the costs incurred; or it may be an incentive fee based on targets, milestones, or performance factors defined in the contract. In general, we prefer cost-reimbursable contracts because we believe the primary reason for awarding a contract to us should be our technical expertise and professional qualifications rather than price.

Fixed-Price Contracts

Fixed-price contracts include both "lump sum bid" contracts and "negotiated fixed-price" contracts. Under lump sum bid contracts, we typically bid against other contractors based on specifications the client furnishes. This type of pricing presents certain inherent risks, including the possibility of ambiguities in the specifications received, problems with new technologies, and economic and other changes that may occur over the contract period. Additionally, it is not unusual for lump sum bid contracts to lead to an adversarial relationship with clients, which is contrary to our relationship-based business model. Accordingly, lump sum bid contracts are not our preferred form of contract, and, as such, the Company has rarely entered into individual lump sum bid contracts that are material to its financial results. In contrast, under a negotiated fixed-price contract, we are selected as the contractor first and then we negotiate a price with our client. Negotiated fixed-price contracts frequently exist in single-responsibility arrangements where we perform some portion of the work before negotiating the total price of the project. Thus, although both types of contracts involve a firm price for the client, the lump sum bid contract provides the greater degree of risk to us. However, because of economies that may be realized during the contract term, both negotiated fixed-price and lump sum bid contracts may offer greater profit potential than other types of contracts. The Company carefully manages the risk inherent in these types of contracts. Over the past five years, most of our fixed-price work has been either negotiated fixed-price contracts or lump sum bid contracts for project services, rather than turnkey construction.

Competition

With respect to each of the four broad categories of services we provide, we compete with a large number of companies across the world. Typically, no single company or companies dominate the market in which we provide any such services. We compete based on the following factors, among others: price of services, technical capabilities, reputation for quality, safety record, availability of qualified personnel, ability to timely perform work, and willingness to accept project-related risk. For more information regarding the competitive conditions in our business, please refer to Item 1A—*Risk Factors* below.

Employees

At September 29, 2017, we had approximately 44,800 full-time, staff employees (including contract staff). Additionally, as of September 29, 2017, there were approximately 9,900 persons employed in the field on a project basis. The number of field employees varies in relation to the number and size of the maintenance and construction projects in progress at any particular time.

Executive Officers of the Registrant

The information required by Paragraph (a), and Paragraphs (c) through (g) of Item 401 of Regulation S-K (except for information required by Paragraph (e) of that Item to the extent the required information pertains to our executive officers) and Item 405 of Regulation S-K is set forth under the captions "Members of the Board of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference.

The following table presents the information required by Paragraph (b) of Item 401 of Regulation S-K.

Name	Age	Position with the Company	Year Joined the Registrant
Steven J. Demetriou	59	Chairman and Chief Executive Officer	2015
Kevin C. Berryman	58	Executive Vice President and Chief Financial Officer	2014
Terence D. Hagen	53	President, Aerospace & Technology	1987
Joseph G. Mandel (1)	57	Executive Vice President, Integration Management Office	2011
Robert V. Pragada	49	President, Buildings & Infrastructure	2016
William B. Allen	53	Senior Vice President and Chief Accounting Officer	2016
Michael R. Tyler	61	Senior Vice President and General Counsel	2013

(1) Mr. Mandel was appointed as Executive Vice President, Integration Management Office on August 2, 2017. Previously, he served as President, Petroleum & Chemicals.

All of the officers listed in the preceding table serve in their respective capacities at the pleasure of the Board of Directors of the Company. Mr. Hagen has served in executive and senior management capacities with the Company for more than five years. Below is additional information on the other executive officers.

Mr. Demetriou joined the Company in August 2015. Mr. Demetriou served as Chairman and CEO of Aleris Corporation for 14 years, a global downstream aluminum producer based in Cleveland, Ohio. Over the course of his career, he has gained broad experience with companies in a range of industries including metals, specialty chemicals, oil & gas, manufacturing and fertilizers.

Mr. Berryman joined the Company in December 2014. Mr. Berryman served as EVP and CFO for five years at International Flavors and Fragrances Inc., an S&P 500 company and leading global creator of flavors and fragrances used in a wide variety of consumer products. Prior to that, he spent 25 years at Nestlé in a number of finance roles including treasury, mergers & acquisitions, strategic planning, and control.

Mr. Hagen joined the Company in 1987. Mr. Hagen has worked in a number of the Company's market sectors in both senior operational and sales roles. Prior to becoming President, Aerospace & Technology, he was the Executive Vice President, Global Sales and Marketing.

Mr. Mandel joined the Company in February 2011 through the acquisition of certain operating companies comprising the process and construction business of Aker Solutions ASA, a global provider of products, systems and services to the oil and gas industry. Mr. Mandel served in various senior management roles with Aker Solutions ASA since first joining them in 1995.

Mr. Pragada rejoined the Company in February 2016 after serving as President and Chief Executive Officer of The Brock Group since August 2014. From March 2006 to August 2014 Mr. Pragada served in executive and senior management capacities with the Company.

Mr. Allen joined the Company in October 2016. Mr. Allen served as Vice President, Finance and Principal Accounting Officer at Lyondellbasell Industries, N.V. from 2013 to 2016. Prior to that, he was with Albemarle Corporation, where he served as Vice President, Corporate Controller and Chief Accounting Officer from 2009 to 2013 after serving in CFO roles for their Catalysts and Fine Chemistry businesses from 2005 to 2009.

Mr. Tyler joined the Company in June 2013. He previously served as Executive Vice President, General Counsel and Secretary of Sanmina Corporation, a global electronics manufacturing services provider from April 2007 to June 2013, and Chief Legal and Administrative Officer of Gateway, Inc., a computer hardware company, from January 2004 to April 2007.

Available Information

You may read and copy any materials we file with the SEC at the SEC's Public Reference Room located at 100 F Street N.E., Washington, D.C. 20549. In order to obtain information about the operation of the Public Reference Room, a person may call the SEC at 1-800-732-0330. The SEC also maintains a site on the Internet that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The SEC's website is http://www.sec.gov. You may also read and download the various reports we file with, or furnish to, the SEC free of charge from our website at www.jacobs.com.

Item 1A. RISK FACTORS

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our business, financial condition, and results of operations. The risks described below highlight some of the factors that have affected and could affect us in the future. We may also be affected by unknown risks or risks that we currently think are immaterial. If any such events actually occur, our business, financial condition, and results of operations could be materially adversely affected.

Construction and maintenance sites are inherently dangerous workplaces. If we, the owner, or others working at the project site fail to maintain safe work sites, we can be exposed to significant financial losses and reputational harm, as well as civil and criminal liabilities.

Construction and maintenance sites often put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials, in a challenging environment, and often in geographically remote locations. If we fail to implement such procedures or if the procedures we implement are ineffective, or if others working at the site fail to implement and follow appropriate safety procedures, our employees and others may become injured, disabled or even lose their lives, the completion or commencement of our projects may be delayed, and we may be exposed to litigation or investigations. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our clients, and raise our operating and insurance costs. Any of the foregoing could result in financial losses or reputational harm, which could have a material adverse impact on our business, financial condition, and results of operations.

In addition, our projects can involve the handling of hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject us to civil and/or criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Although we maintain functional groups whose primary purpose is to ensure we implement effective health, safety, and environmental ("HSE") work procedures throughout our organization, including construction sites and maintenance sites, the failure to comply with such regulations could subject us to liability. In addition, despite the work of our functional groups, we cannot guarantee the safety of our personnel or that there will be no damage to or loss of our work, equipment or supplies.

Our safety record is critical to our reputation. Many of our clients require that we meet certain safety criteria to be eligible to bid for contracts and many contracts provide for automatic termination or forfeiture of some or all of our contract fees or profit in the event we fail to meet certain measures. Accordingly, if we fail to maintain adequate safety standards, we could suffer reduced profitability or the loss of projects or clients, which could have a material adverse impact on our business, financial condition, and results of operations.

Our vulnerability to the cyclical nature of the sectors and industries in which our clients operate is exacerbated during economic downturns and times of political uncertainty.

We provide technical, professional, construction, and O&M services to clients operating in a number of sectors and industries, including oil and gas exploration, production, and refining; programs for various national governments, including the U.S. federal government; chemicals and polymers; mining and minerals; pharmaceuticals and biotechnology; infrastructure; buildings; power; and other general industrial and consumer businesses and markets (such as technology and manufacturing; pulp and paper; and food and consumer products). These sectors and industries and the resulting demand for our services have been, and we expect will continue to be, cyclical and subject to significant fluctuations due to a variety of factors beyond our control, including economic conditions and changes in client spending, particularly during periods of economic or political uncertainty.

Current global economic and political conditions have negatively impacted many of our clients' ability and willingness to fund their projects, including their ability to raise capital and pay, or timely pay, our invoices.

They have also caused our clients to reduce their capital expenditures, alter the mix of services purchased, seek more favorable price and other contract terms, and otherwise slow their spending on our services. For example, in the public sector, declines in state and local tax revenues as well as other economic declines may result in lower state and local government spending. In addition, due to these conditions many of our competitors may be more inclined to take greater or unusual risks or accept terms and conditions in contracts that we might not deem acceptable. These conditions have reduced, and may continue to reduce, the demand for our services, which has had, and may continue to have, a significant negative impact on our business, financial condition and results of operations.

Current economic and political conditions also make it extremely difficult for our clients, our vendors, and us to accurately forecast and plan future business activities. We cannot predict the timing, strength or duration of any economic recovery or downturn worldwide or in our clients' markets. In addition, our business has traditionally lagged recoveries in the general economy and, therefore, may not recover as quickly as the economy at large. A continuation or worsening of current weak economic conditions, a failure to obtain expected benefits from any increased infrastructure spending, or a reduction in government spending could have a material adverse impact on our business, financial condition, and results of operations. Furthermore, if a significant portion of our clients or projects are concentrated in a specific geographic area or industry, our business may be disproportionately affected by negative trends or economic downturns in those specific geographic areas or industries.

Regardless of economic or market conditions, investment decisions by our customers may vary by location or as a result of other factors like the availability of labor or relative construction cost. Because we are dependent on the timing and funding of new awards, we are therefore vulnerable to changes in our clients' markets and investment decisions. As a result, our past results have varied and may continue to vary depending upon the demand for future projects in the markets and the locations in which we operate.

Fluctuations in commodity prices may affect our customers' investment decisions and therefore subject us to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards.

Commodity prices can affect our customers in a number of ways. For example, for those customers that produce commodity products such as oil, gas, copper, or fertilizers, fluctuations in price can have a direct effect on their profitability and cash flow and, therefore, their willingness to continue to invest or make new capital investments. Furthermore, declines in commodity prices can negatively impact our business in regions whose economies are substantially dependent on commodity prices, such as the Middle East. To the extent commodity prices decline or fluctuate and our customers defer new investments or cancel or delay existing projects, the demand for our services decreases, which may have a material adverse impact on our business, financial condition, and results of operations.

Commodity prices can also strongly affect the costs of projects. Rising commodity prices can negatively impact the potential returns on investments that are planned, as well as those in progress, and result in customers deferring new investments or canceling or delaying existing projects. Cancellations and delays have affected our past results and may continue to do so in significant and unpredictable ways and could have a material adverse impact on our business, financial condition, and results of operations.

Our project execution activities may result in liability for faulty services.

If we fail to provide our services in accordance with applicable professional standards or contractual requirements, we could be exposed to significant monetary damages or even criminal violations. Our engineering practice, for example, involves professional judgments regarding the planning, design, development, construction, operations and management of industrial facilities and public infrastructure projects. While we do not generally accept liability for consequential damages in our contracts, and although we have adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, a catastrophic event at one of our project sites or completed projects resulting from the services we have performed could result in significant professional or product liability, and warranty or other claims against us as well as reputational harm, especially if public safety is impacted. These liabilities could exceed our insurance limits or the fees we generate, may not be covered by insurance at all due to various exclusions in our coverage, and could impact our ability to obtain insurance in the future. Further, even where coverage applies, the policies have deductibles, which result in our assumption of exposure for certain amounts with respect to any claim filed against us. In addition, clients or subcontractors who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay us. An uninsured claim, either in part or in whole, as well as any claim covered by insurance but subject to a high deductible, if successful and of a material magnitude, could have a material adverse impact on our business, financial condition and results of operations.

We engage in a highly competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted.

We face intense competition to provide technical, professional, and construction services to clients. The markets we serve are highly competitive and we compete against a large number of regional, national, and multinational companies.

The extent of our competition varies by industry, geographic area, and project type. For example, with respect to our construction, and operations and maintenance services, clients generally award large projects to large contractors, which may give our larger competitors an advantage when bidding for these projects. Conversely, with respect to our engineering, design, architectural, and consulting services, low barriers of entry can result in competition with smaller, newer competitors. The extent and type of competition varies by market and geographic area.

Our projects are frequently awarded through a competitive bidding process, which is standard in our industry. We are constantly competing for project awards based on pricing, schedule and the breadth and technical sophistication of our services. Competition can place downward pressure on our contract prices and profit margins, and may force us to accept contractual terms and conditions that are less favorable to us, thereby increasing the risk that, among other things, we may not realize profit margins at the same rates as we've seen in the past or may become responsible for costs or other liabilities we have not accepted in the past. If we are unable to compete effectively, we may experience a loss of market share or reduced profitability or both, which if significant, could have a material adverse impact on our business, financial condition, and results of operations.

Our results of operations depend on the award of new contracts and the timing of the performance of these contracts.

Our revenues are derived from new contract awards. Delays in the timing of the awards or cancellations of such prospects as a result of economic conditions, material and equipment pricing and availability or other factors could impact our long-term projected results. It is particularly difficult to predict whether or when we will receive large-scale projects as these contracts frequently involve a lengthy and complex bidding and selection process, which is affected by a number of factors, such as market conditions or governmental and environmental approvals. Since a significant portion of our revenues is generated from such projects, our results of operations and cash flows can fluctuate significantly from quarter to quarter depending on the timing of our contract awards and the commencement or progress of work under awarded contracts. Furthermore, many of these contracts are subject to financing contingencies and, as a result, we are subject to the risk that the customer will not be able to secure the necessary financing for the project.

In addition, many of our contracts require us to satisfy specific progress or performance milestones in order to receive payment from the customer. As a result, we may incur significant costs for engineering, materials, components, equipment, labor or subcontractors prior to receipt of payment from a customer.

The uncertainty of our contract award timing can also present difficulties in matching workforce size with contract needs. In some cases, we maintain and bear the cost of a ready workforce that is larger than necessary under existing contracts in anticipation of future workforce needs for expected contract awards. If an expected contract award is delayed or not received, we may incur additional costs resulting from reductions in staff or redundancy of facilities, which could have a material adverse effect on our business, financial condition and results of operations.

The outcome of pending and future claims and litigation could have a material adverse impact on our business, financial condition, and results of operations.

We are a party to claims and litigation in the normal course of business. Since we engage in engineering and construction activities for large facilities and projects where design, construction or systems failures can result in substantial injury or damage to employees or others, we are exposed to substantial claims and litigation and investigations if there is a failure at any such facility or project. Such claims could relate to, among other things, personal injury, loss of life, business interruption, property damage, pollution, and environmental damage and be brought by our clients or third parties, such as those who use or reside near our clients' projects. We can also be exposed to claims if we agreed that a project will achieve certain performance standards or satisfy certain technical requirements and those standards or requirements are not met. In many of our contracts with clients, subcontractors, and vendors, we agree to retain or assume potential liabilities for damages, penalties, losses, and other exposures relating to projects that could result in claims that greatly exceed the anticipated profits relating to those contracts. In addition, while clients and subcontractors may agree to indemnify us against certain liabilities, such third parties may refuse or be unable to pay us.

We maintain insurance coverage for various aspects of our business and operations. Our insurance programs have varying coverage limits as well as exclusions for matters such as fraud, and insurance companies may attempt to deny claims for which we seek coverage. In addition, we have elected to retain a portion of losses that may occur through the use of various deductibles, retentions and limits under these programs. As a result, we may be subject to future liability for which we are only partially insured, or completely uninsured.

Although in the past we have been generally able to cover our insurance needs, there can be no assurances that we can secure all necessary or appropriate insurance in the future, or that such insurance can be economically secured. For example, catastrophic events can result in decreased coverage limits, coverage that is more limited, or increased premium costs or higher deductibles. We monitor the financial health of the insurance companies from which we procure insurance, and this is one of the factors we take into account when purchasing insurance. Our insurance is purchased from a number of the world's leading providers, often in layered insurance or quota share arrangements. If any of our third party insurers fail, abruptly cancel our coverage or otherwise cannot satisfy their insurance requirements to us, then our overall risk exposure and operational expenses could be increased and our business operations could be interrupted.

In addition, the nature of our business sometimes results in clients, subcontractors, and vendors presenting claims to us for, among other things, recovery of costs related to certain projects. Similarly, we occasionally present change orders and claims to our clients, subcontractors, and vendors for, among other things, additional costs exceeding the original contract price. If we fail to document properly the nature of our claims and change orders or are otherwise unsuccessful in negotiating reasonable settlements with our clients, subcontractors, and vendors, we could incur cost overruns, reduced profits or, in some cases, a loss for a project. Further, these claims can be the subject of lengthy negotiations, arbitration or litigation proceedings, which could result in the investment of significant amounts of working capital pending the resolution of the relevant change orders and claims. A failure to promptly recover on these types of claims could have a material adverse impact on our liquidity and financial results. Additionally, irrespective of how well we document the nature of our claims and change orders, the cost to prosecute and defend claims and change orders can be significant.

Litigation and regulatory proceedings are subject to inherent uncertainties and unfavorable rulings can and do occur. Pending or future claims against us could result in professional liability, product liability, criminal liability, warranty obligations, default under our credit agreements and other liabilities which, to the extent we are not insured against a loss or our insurer fails to provide coverage, could have a material adverse impact on our business, financial condition, and results of operations.

The nature of our contracts, particularly those that are fixed-price, subject us to risks of cost overruns. We may experience reduced profits or, in some cases, losses if costs increase above budgets or estimates or if the project experiences schedule delays.

For fiscal 2017, approximately 19% of our revenues were earned under fixed-price contracts. Both fixed-price and many cost reimbursable contracts require us to estimate the total cost of the project in advance of our performance. For fixed-price contracts, we may benefit from any cost-savings, but we bear greater risk of paying some, if not all, of any cost overruns. Fixed-price contracts are established in part on partial or incomplete designs, cost and scheduling estimates that are based on a number of assumptions, including those about future economic conditions, commodity and other materials pricing and availability of labor, equipment and materials, and other exigencies. If the design or the estimates prove inaccurate or if circumstances change due to, among other things, unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather or other delays beyond our control, changes in the costs of equipment or raw materials, our vendors' or subcontractors' inability or failure to perform, or changes in general economic conditions, then cost overruns may occur and we could experience reduced profits or, in some cases, a loss for that project. These risks are exacerbated for projects with long-term durations because there is an increased risk that the circumstances on which we based our original estimates will change in a manner that increases costs. If the project is significant, or there are one or more issues that impact multiple projects, costs overruns could have a material adverse impact on our business, financial condition, and results of operations.

Our contracts that are fundamentally cost reimbursable in nature may also present a risk to the extent the final cost on a project exceeds the amount the customer expected or budgeted. Like fixed-price contracts, the expected cost of cost-reimbursable projects are based in part on partial design and our estimates of the resources and time necessary to perform such contracts. A portion of the fee is often linked to the final cost and schedule objectives and if for whatever reason, the project may be less profitable than we expect or even result in losses.

Our continued success is dependent upon our ability to hire, retain, and utilize qualified personnel.

The success of our business is dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers, architects, designers, craft personnel, and corporate management professionals who have the required experience and expertise at a reasonable cost. The market for these and other personnel is competitive. From time to time, it may be difficult to attract and retain qualified individuals with the expertise, and in the timeframe, demanded by our clients, or to replace such personnel when needed in a timely manner. In certain geographic areas, for example, we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. Furthermore, some of our personnel hold government granted clearance that may be required to obtain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. Loss of the services of, or failure to recruit, qualified technical and management personnel could limit our ability to successfully complete existing projects and compete for new projects.

In addition, in the event that any of our key personnel retire or otherwise leave the Company, we need to have appropriate succession plans in place and to successfully implement such plans, which requires devoting time and resources toward identifying and integrating new personnel into leadership roles and other key positions. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and results of operations.

The cost of providing our services, including the extent to which we utilize our workforce, affects our profitability. For example, the uncertainty of contract award timing can present difficulties in matching our workforce size with our contracts. If an expected contract award is delayed or not received, we could incur costs resulting from excess staff, reductions in staff, or redundancy of facilities that could have a material adverse impact on our business, financial conditions, and results of operations.

The contracts in our backlog may be adjusted, cancelled or suspended by our clients and, therefore, our backlog is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our backlog is not a good indicator of our future gross margins.

Backlog represents the total dollar amount of revenues we expect to record in the future as a result of performing work under contracts that have been awarded to us. As of the end of fiscal 2017, our backlog totaled approximately $19.8 billion. There is no assurance that backlog will actually be realized as revenues in the amounts reported or, if realized, will result in profits. In accordance with industry practice, substantially all of our contracts are subject to cancellation, termination, or suspension at the discretion of the client. In the event of a project cancellation, we would generally have no contractual right to the total revenue reflected in our backlog. Projects can remain in backlog for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in backlog being cancelled or suspended generally increases during periods of widespread economic slowdowns or in response to changes in commodity prices.

The contracts in our backlog are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. The revenue for certain contracts included in backlog is based on estimates. Additionally, the way we perform on our individual contracts can affect greatly our gross margins and hence, future profitability.

In some markets, there is a continuing trend towards cost-reimbursable contracts with incentive-fee arrangements. Typically, our incentive fees are based on such things as achievement of target completion dates or target costs, overall safety performance, overall client satisfaction, and other performance criteria. If we fail to meet such targets or achieve the expected performance standards, we may receive a lower, or even zero, incentive fee resulting in lower gross margins. Accordingly, there is no assurance that the contracts in backlog, assuming they produce the revenues currently expected, will generate gross margins at the rates we have realized in the past.

Contracts with the U.S. federal government and other governments and their agencies pose additional risks relating to future funding and compliance.

Contracts with the U.S. federal government and other governments and their agencies, which are a significant source of our revenue and profit, are subject to various uncertainties, restrictions, and regulations including oversight audits by various government authorities as well as profit and cost controls, which could result in withholding or delay of payments to us. Government contracts are also exposed to uncertainties associated with funding such as sequestration and budget deficits. Contracts with the U.S. federal government, for example, are subject to the uncertainties of Congressional funding. Governments are typically under no obligation to maintain funding at any specific level, and funds for government programs may even be eliminated. Legislatures typically appropriate funds on a year-by-year basis, while contract performance may take more than one year. As a result, contracts with government agencies may be only partially funded or may be terminated, and we may not realize all of the potential revenue and profit from those contracts.

Our government clients may reduce the scope or terminate our contracts for convenience or decide not to renew our contracts with little or no prior notice. Since government contracts represent a significant percentage of our revenues (for example, those with the U.S. federal government represented approximately 19.2% of our total revenue in fiscal 2017), a significant reduction in government funding or the loss of such contracts could have a material adverse impact on our business, financial condition, and results of operations.

Most government contracts are awarded through a rigorous competitive process. The U.S. federal government has increasingly relied upon multiple-year contracts with multiple contractors that generally require those contractors to engage in an additional competitive bidding process for each task order issued under a contract. This process may result in us facing significant additional pricing pressure and uncertainty and incurring additional costs. Moreover, we may not be awarded government contracts because of existing policies designed to protect small businesses and under-represented minorities. Our inability to win new contracts or be awarded work under existing contracts could have a negative impact on our business and results of operations.

In addition, government contracts are subject to specific procurement regulations and a variety of other socio-economic requirements, which affect how we transact business with our clients and, in some instances, impose additional costs on our business operations. For example, for contracts with the U.S. federal government, we must comply with the Federal Acquisition Regulation, the Truth in Negotiations Act, the Cost Accounting Standards, the Service Contract Act, and numerous regulations governing environmental protection and employment practices. Government contracts also contain terms that expose us to heightened levels of risk and potential liability than non-government contracts. This includes, for example, unlimited indemnification obligations.

We also are subject to government audits, investigations, and proceedings. For example, government agencies such as the U.S. Defense Contract Audit Agency routinely review and audit us to determine the adequacy of and our compliance with our internal control systems and policies and whether allowable costs are in accordance with applicable regulations. These audits can result in a determination that a rule or regulation has been violated or that adjustments are necessary to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies.

If we violate a rule or regulation, fail to comply with a contractual or other requirement or do not satisfy an audit, a variety of penalties can be imposed on us including monetary damages and criminal and civil penalties. For example, in so-called "qui tam" actions brought by individuals or the government under the U.S. Federal False Claims Act or under similar state and local laws, treble damages can be awarded. In addition, any or all of our government contracts could be terminated, we could be suspended or debarred from all government contract work, or payment of our costs could be disallowed. The occurrence of any of these actions could harm our reputation and our business, financial condition, and results of operations could be negatively impacted.

Many of our federal government contracts require us to have security clearances, which can be difficult and time consuming to obtain. If our employees are unable to obtain or retain the necessary securities clearances, our clients could terminate or not renew existing contracts or award us new contracts. To the extent this occurs, our business, financial condition and results of operations could be negatively impacted.

Our use of joint ventures and partnerships exposes us to risks and uncertainties, many of which are outside of our control.

As is common in our industry, we perform certain contracts as a member of joint ventures, partnerships, and similar arrangements. This situation exposes us to a number of risks, including the risk that our partners may be unable to fulfill their obligations to us or our clients.

Further, we have limited ability to control the actions of our joint venture partners, including with respect to nonperformance, default, bankruptcy or legal or regulatory compliance. Our partners may be unable or unwilling to provide the required levels of financial support to the partnerships. If these circumstances occur, we may be liable for claims and losses attributable to the partner by operation of law or contract. These circumstances could also lead to disputes and litigation with our partners or clients, all of which could have a material adverse impact on our reputation, business, financial condition, and results of operations.

We depend on the management effectiveness of our joint venture partners. Differences in views among the joint venture participants may result in delayed decisions or in failures to agree on major issues, which could materially affect the business and operations of these ventures. In addition, in many of the countries in which we engage in joint ventures, it may be difficult to enforce our contractual rights under the applicable joint venture agreement. If we are not able to enforce our contractual rights, we may not be able to realize the benefits of the joint venture or we may be subject to additional liabilities.

We participate in joint ventures and similar arrangements in which we are not the controlling partner. In these cases, we have limited control over the actions of the joint venture. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. To the extent the controlling partner makes decisions that negatively impact the joint venture or internal control problems arise within the joint venture, it could have a material adverse impact on our business, financial condition, and results of operations.

The failure by a joint venture partner to comply with applicable laws, regulations or client requirements could negatively impact our business and, for government clients, could result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our business, financial condition, and results of operations.

We are dependent on third parties to complete many of our contracts.

Third-party subcontractors we hire perform much of the work performed under our contracts. We also rely on third-party equipment manufacturers or suppliers to provide much of the equipment and materials used for projects. If we are unable to hire qualified subcontractors or find qualified equipment manufacturers or suppliers, our ability to successfully complete a project could be impaired. If we are not able to locate qualified third-party subcontractors or the amount we are required to pay for subcontractors or equipment and supplies exceeds what we have estimated, especially in a lump sum or a fixed-price contract, we may suffer losses on these contracts. If a subcontractor, supplier, or manufacturer fails to provide services, supplies or equipment as required under a contract for any reason, we may be required to source these services, equipment or supplies to other third parties on a delayed basis or on less favorable terms, which could impact contract profitability. There is a risk that we may have disputes with our subcontractors relating to, among other things, the quality and timeliness of work performed, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a contract. In addition, faulty workmanship, equipment or materials could impact the overall project, resulting in claims against us for failure to meet required project specifications.

In the current economic environment, third parties may find it difficult to obtain sufficient financing to help fund their operations. The inability to obtain financing could adversely affect a third party's ability to provide materials, equipment or services which could have a material adverse impact on our business, financial condition, and results of operations. In addition, a failure by a third party subcontractor, supplier or manufacturer to comply with applicable laws, regulations or client requirements could negatively impact our business and, for government clients, could result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our business, financial condition, and results of operations.

Negative conditions in the credit and financial markets and delays in receiving client payments could result in liquidity problems, adversely affecting our cost of borrowing and our business.

Although we finance much of our operations using cash provided by operations, at times we depend on the availability of credit to grow our business and to help fund business acquisitions. Instability in the credit markets in the U.S. or abroad could cause the availability of credit to be relatively difficult or expensive to obtain at competitive rates, on commercially reasonable terms or in sufficient amounts. This situation could make it more difficult or more expensive for us to access funds, refinance our existing indebtedness, enter into agreements for new indebtedness, or obtain funding through the issuance of securities or such additional capital may not be available on terms acceptable to us, or at all. We may also enter into business acquisition agreements that require us to access credit, which if not available at the closing of the acquisition could result in a breach of the acquisition agreement and a resulting claim for damages by the sellers of such business. In addition, market conditions could negatively impact our clients' ability to fund their projects and, therefore, utilize our services, which could have a material adverse impact on our business, financial condition, and results of operations.

In addition, we are subject to the risk that the counterparties to our credit agreements may go bankrupt if they suffer catastrophic demand on their liquidity that will prevent them from fulfilling their contractual obligations to us. We also routinely enter into contracts with counterparties including vendors, suppliers, and subcontractors that may be negatively impacted by events in the credit markets. If those counterparties are unable to perform their obligations to us or our clients, we may be required to provide additional services or make alternate arrangements on less favorable terms with other parties to ensure adequate performance and delivery of services to our clients. These circumstances could also lead to disputes and litigation with our partners or clients, which could have a material adverse impact on our reputation, business, financial condition, and results of operations.

Some of our customers, suppliers and subcontractors depend on access to commercial financing and capital markets to fund their operations. Disruptions of the credit or capital markets could adversely affect our clients' ability to finance projects and could result in contract cancellations or suspensions, project delays and payment delays or defaults by our clients. In addition, clients may be unable to fund new projects, may choose to make fewer capital expenditures or otherwise slow their spending on our services or to seek contract terms more favorable to them. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects or that cause them to exercise their right to terminate our contracts with little or no prior notice. In addition, any financial difficulties suffered by our subcontractors or suppliers could increase our cost or adversely impact project schedules. These disruptions could materially impact our backlog and have a material adverse impact on our business, financial condition, and results of operations.

In addition, we typically bill our clients for our services in arrears and are, therefore, subject to our clients delaying or failing to pay our invoices after we have already committed resources to their projects. In weak economic environments, we may experience increased delays and failures due to, among other reasons, our clients' unwillingness to pay for alleged poor performance or to preserve their own working capital. If one or more clients delays in paying or fails to pay us a significant amount of our outstanding receivables, it could have a material adverse impact on our liquidity, financial condition, and results of operations.

Furthermore, our cash balances and short-term investments are maintained in accounts held by major banks and financial institutions located primarily in North America, Europe, South America, Australia and Asia. Some of our accounts hold deposits in amounts that exceed available insurance. Although none of the financial institutions in which we hold our cash and investments have gone into bankruptcy or forced receivership, or have been seized by their governments, there is a risk that such events may occur in the future. If any such events were to occur, we would be at risk of not being able to access our cash, which may result in a temporary liquidity crisis that could impede our ability to fund our operations, which could have a material adverse impact on our business, financial condition, and results of operations.

Maintaining adequate bonding and letter of credit capacity is necessary for us to successfully bid on and win some contracts.

In line with industry practice, we are often required to provide performance or payment bonds or letters of credit to our customers. These instruments indemnify the customer should we fail to perform our obligations under the contract. If a bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate bond or letter of credit, we cannot pursue that project. Historically, we have had adequate bonding and letter of credit capacity but, as is typically the case, the issuance of a bond is at the surety's sole discretion and the issuance of a letter of credit is based on the Company's credit-worthiness. Because of an overall lack of worldwide bonding capacity, we may find it difficult to find sureties who will provide required levels of bonding or such bonding may only be available at significant additional cost. There can be no assurance that our bonding capacity will continue to be available to us on reasonable terms. In addition, future projects may require us to obtain letters of credit that extend beyond the term of our existing credit facilities. Our inability to obtain adequate bonding and, as a result, to bid on new contracts that require such bonding or letter of credit could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

Past and future environmental, heath, and safety laws could impose significant additional costs and liabilities.

We are subject to a variety of environmental, health, and safety laws and regulations governing, among other things, discharges to air and water, the handling, storage, and disposal of hazardous or waste materials and the remediation of contamination associated with the releases of hazardous substances and human health and safety. These laws and regulations and the risk of attendant litigation can cause significant delays to a project and add significantly to its cost. Violations of these regulations could subject us and our management to civil and criminal penalties and other liabilities.

Various U.S. federal, state, local, and foreign environmental laws and regulations may impose liability for property damage and costs of investigation and cleanup of hazardous or toxic substances on property currently or previously owned by us or arising out of our waste management or environmental remediation activities. These laws may impose responsibility and liability without regard to knowledge of or causation of the presence of contaminants. The liability under these laws is joint and several. We have potential liabilities associated with our past waste management and other activities and with our current and prior ownership of various properties. The discovery of additional contaminants or the imposition of unforeseen clean-up obligations at these or other sites could have a material adverse impact on our financial condition and results of operations.

When we perform our services, our personnel and equipment may be exposed to radioactive and hazardous materials and conditions. We may be subject to liability claims by employees, customers, and third parties as a result of such exposures. In addition, we may be subject to fines, penalties or other liabilities arising under environmental or safety laws. A claim, if not covered or only partially covered by insurance, could have a material adverse impact on our results of operations and financial condition.

Health safety, and environmental laws and regulations and policies are reviewed periodically and any changes thereto could affect us in substantial and unpredictable ways. Such changes could, for example, relax or repeal laws and regulations relating to the environment, which could result in a decline in the demand for our environmental services and, in turn, could negatively impact our revenue. Changes in the environmental laws and regulations, remediation obligations, enforcement actions, stricter interpretations of existing requirements, future discovery of contamination or claims for damages to persons, property, natural resources or the environment could result in material costs and liabilities that we currently do not anticipate. If we fail to comply with any environmental, health, or safety laws or regulations, whether actual or alleged, we could be exposed to fines, penalties or potential litigation liabilities, including costs, settlements and judgments, any of which could adversely affect our business, financial condition and results of operations.

In addition, we and many of our clients operate in highly regulated environments, which may require us or our clients to obtain, and to comply with, federal, state, and local government permits and approvals. Any of these permits or approvals may be subject to denial, revocation or modification under various circumstances. Failure to obtain or comply with, or the loss or modification of, the conditions of permits or approvals may subject us to penalties or other liabilities, which could have a material adverse impact on our business, financial condition, and result of operations.

If we fail to comply with federal, state, local or foreign governmental requirements, our business may be adversely affected.

We are subject to U.S. federal, state, local and foreign laws and regulations that affect our business. For example, our global operations require importing and exporting goods and technology across international borders which requires full compliance with both Export Regulatory Laws and International Trafficking in Arms Regulations ("ITAR"). Although we have policies and procedures to comply with U.S. and foreign international trade laws, the violation of such laws could subject the Company and its employees to civil or criminal penalties, including substantial monetary fines, or other adverse actions including denial of import or export privileges or debarment from participation in U.S. government contracts, and could damage our reputation and our ability to do business.

Employee, agent or partner misconduct or our overall failure to comply with laws or regulations could weaken our ability to win contracts, which could result in reduced revenues and profits.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one of our employees, agents or partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other corrupt practices, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, regulations pertaining to export control, environmental laws, and any other applicable laws or regulations. For example, we routinely provide services that may be highly sensitive or that relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited. The precautions we take to prevent and detect these activities may not be effective, and we could face unknown risks or losses. Our failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, cancellation of contracts, loss of security clearance, and suspension or debarment from contracting, which could weaken our ability to win contracts and result in reduced revenues and profits and could have a material adverse impact on our business, financial condition, and results of operations.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.

The U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act of 2010, and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws, including the requirements to maintain accurate information and internal controls. We operate in many parts of the world that have experienced governmental corruption to some degree and in certain circumstances; strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance programs, there is no assurance that our internal control policies and procedures will protect us from acts committed by our employees or agents. If we are found to be liable for FCPA or other violations (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), we could suffer from civil and criminal penalties or other sanctions, including contract cancellations or debarment, and loss of reputation, any of which could have a material adverse impact on our business, financial condition, and results of operations.

The loss of or a significant reduction in business from one or a few customers could have a material adverse impact on us.

A few clients have in the past and may in the future account for a significant portion of our revenue and/or backlog in any one year or over a period of several consecutive years. For example, in fiscal 2017, 2016, and 2015, approximately 19.2%, 21.4% and 21.7%, respectively, of our revenue was earned directly or indirectly from agencies of the U.S. federal government. Although we have long-standing relationships with many of our significant clients, our clients may unilaterally reduce, delay, or cancel their contracts at any time. Our loss of or a significant reduction in business from a significant client could have a material adverse impact on our business, financial condition, and results of operations.

Our international operations are exposed to additional risks and uncertainties, including unfavorable political developments and weak foreign economies.

For fiscal 2017, approximately 42% of our revenue was earned from clients outside the U.S. Our business is dependent on the continued success of our international operations, and we expect our international operations to continue to account for a significant portion of our total revenues. Our international operations are subject to a variety of risks, including:

- Recessions and other economic crises in other regions, such as Europe, or specific foreign economies and the impact on our costs of doing business in those countries;
- Difficulties in staffing and managing foreign operations, including logistical and communication challenges;
- Unexpected changes in foreign government policies and regulatory requirements;
- Potential non-compliance with a wide variety of laws and regulations, including anti-corruption, export control and anti-boycott laws and similar non-U.S. laws and regulations;
- Lack of developed legal systems to enforce contractual rights;
- Expropriation and nationalization of our assets in a foreign country;
- Renegotiation or nullification of our existing contracts;
- The adoption of new, and the expansion of existing, trade or other restrictions;
- Embargoes or other trade restrictions, including sanctions;
- Changes in labor conditions;
- Acts of war, civil unrest, force majeure, and terrorism;
- The ability to finance efficiently our foreign operations;
- Social, political, and economic instability;
- Expropriation of property;
- Tax increases;
- Currency exchanges rate fluctuations;
- Limitations on the ability to repatriate foreign earnings; and
- U.S. government policy changes in relation to the foreign countries in which we operate.

The lack of a well-developed legal system in some of these countries may make it difficult to enforce our contractual rights. In addition, military action or continued unrest, particularly in the Middle East, could impact the supply or pricing of oil, disrupt our operations in the region and elsewhere and increase our security costs. To the extent our international operations are affected by unexpected or adverse economic, political and other conditions, our business, financial condition, and results of operations may be adversely affected.

We work in international locations where there are high security risks, which could result in harm to our employees or unanticipated cost.

Some of our services are performed in high-risk locations, where the country or location is subject to political, social or economic risks, or war or civil unrest. In those locations where we have employees or operations, we may expend significant efforts and incur substantial security costs to maintain the safety of our personnel. Despite these activities, in these locations, we cannot guarantee the safety of our personnel and we may suffer future losses of employees and subcontractors. Acts of terrorism and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets.

Foreign exchange risks may affect our ability to realize a profit from certain projects.

Our reported financial condition and results of operations are exposed to the effects (both positive and negative) that fluctuating exchange rates have on the process of translating the financial statements of our international operations, which are denominated in currencies other than the U.S. dollar, into the U.S. dollar. While we generally attempt to denominate our contracts in the currencies of our expenditures, we do enter into contracts that expose us to currency risk, particularly to the extent contract revenue is denominated in a currency different than the contract costs. We attempt to minimize our exposure from currency risks by obtaining escalation provisions for projects in inflationary economies or entering into derivative (hedging) instruments, when there is currency risk exposure that is not naturally mitigated via our contracts. These actions, however, may not always eliminate currency risk exposure. The governments of certain countries have or may in the future impose restrictive exchange controls on local currencies and it may not be possible for us to engage in effective hedging transactions to mitigate the risks associated with fluctuations in a particular currency. Based on fluctuations in currency, the U.S. dollar value of our backlog may from time to time increase or decrease significantly. We may also be exposed to limitations on our ability to reinvest earnings from operations in one country to fund the financing requirements of our operations in other countries.

Our operations may be impacted by the United Kingdom's proposed exit from the European Union.

In June 2016, the U.K. held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit." As a result of the U.K.'s exit from the E.U., there may be greater restrictions on imports and exports between the U.K. and E.U. countries and increased regulatory complexities. These changes may adversely affect our relationships with our existing and future customers, suppliers, employees, and subcontractors, or otherwise have an adverse effect on our business, financial condition and results of operations. The ongoing negotiations between the U.K. and the E.U. as to the terms upon which the U.K. will exit from the E.U. and the uncertainty as to their future trade agreement continues to create economic uncertainty, which may cause our customers to closely monitor their costs, terminate or reduce the scope of existing contracts, decrease or postpone currently planned contracts, or negotiate for more favorable deal terms, each of which may have a negative impact on our business, financial condition and results of operations.

Our business strategy relies in part on acquisitions to sustain our growth. Acquisitions of other companies present certain risks and uncertainties.

Our business strategy involves growth through, among other things, the acquisition of other companies. Acquiring companies presents a number of risks, including:

- Assumption of liabilities of an acquired business, including liabilities that were unknown at the time the acquisition was negotiated;
- Valuation methodologies may not accurately capture the value of the acquired business;
- Failure to realize anticipated benefits, such as cost savings and revenue enhancements;
- Difficulties relating to combining previously separate entities into a single, integrated, and efficient business;
- The effects of diverting management's attention from day-to-day operations to matters involving the integration of acquired companies;
- Potentially substantial transaction costs associated with business combinations;

- Potential impairment resulting from the overpayment for an acquisition or post-acquisition deterioration in an acquired business;
- Difficulties relating to assimilating the personnel, services, and systems of an acquired business and to assimilating marketing and other operational capabilities;
- Difficulties retaining key personnel of an acquired business;
- Increased burdens on our staff and on our administrative, internal control and operating systems, which may hinder our legal and regulatory compliance activities;
- Difficulties in applying and integrating our system of internal controls to an acquired business;
- Increased financial and accounting challenges and complexities in areas such as tax planning, treasury management, financial reporting and internal controls; and
- The potential requirement for additional equity or debt financing, which may not be available, or if available, may not have favorable terms.

While we may obtain indemnification rights from the sellers of acquired businesses, such rights may be difficult to enforce, the losses may exceed any dedicated escrow funds, and the indemnitors may not have the ability to financially support the indemnity.

If our management is unable to successfully integrate acquired companies or implement our growth strategy, our operating results could be harmed. In addition, even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of an acquisition, including the synergies, cost savings, or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. Moreover, we cannot assure that we will continue to successfully expand or that growth or expansion will result in profitability.

In addition, there is no assurance that we will continue to locate suitable acquisition targets or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Existing cash balances and cash flow from operations, together with borrowing capacity under our credit facilities, may be insufficient to make acquisitions. Future acquisitions may require us to obtain additional equity or debt financing, which may not be available on attractive terms, or at all. Acquisitions may also bring us into businesses we have not previously conducted and expose us to additional business risks that are different than those we have traditionally experienced.

In the event we issue stock as consideration for certain acquisitions we may make, we could dilute share ownership.

One method of acquiring companies or otherwise funding our corporate activities is through the issuance of additional equity securities. If we issue additional equity securities, as is contemplated, for example, in connection with the Merger, such issuances could have the effect of diluting our earnings per share as well as our existing shareholders' individual ownership percentages in the Company.

There can be no assurance that we will pay dividends on our common stock.

Our Board of Directors initiated a quarterly cash dividend program in fiscal 2017 under which we have paid, and intend to continue paying, a regular quarterly dividend. The declaration, amount and timing of such dividends are subject to capital availability and determinations by our Board of Directors that cash dividends are in the best interest of our stockholders and are in compliance with all respective laws and our agreements applicable to the declaration and payment of cash dividends. Our ability to pay dividends will depend upon, among other factors, our cash balances and potential future capital requirements for strategic transactions, including acquisitions, debt service requirements, results of operations, financial condition and other factors that our Board of Directors may deem relevant. A reduction in or elimination of our dividend payments and/or our dividend program could have a material negative effect on our stock price.

Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of our common stock.

Our quarterly operating results may fluctuate significantly, which could cause our operating results to fall below the expectations of securities analysts and have a material negative effect on the price of our common stock. Fluctuations are caused by a number of factors, including:

- Fluctuations in the spending patterns of our government and commercial customers;
- The number and significance of projects executed during a quarter;
- Unanticipated changes in contract performance, particularly with contracts that have funding limits;
- The timing of resolving change orders, requests for equitable adjustments, and other contract adjustments;
- Delays incurred in connection with a project;
- Changes in prices of commodities or other supplies;
- Changes in foreign currency exchange rates;
- Weather conditions that delay work at project sites;
- The timing of expenses incurred in connection with acquisitions or other corporate initiatives;
- The decision by the Board of Directors to begin or cease paying a dividend, and the expectation that if the Company pays dividends, it would declare dividends at the same or higher levels in the future;
- Natural disasters or other crises;
- Staff levels and utilization rates;
- Changes in prices of services offered by our competitors; and
- General economic and political conditions.

Our actual results could differ from the estimates and assumptions used to prepare our financial statements.

In preparing our financial statements, our management is required under U.S. GAAP to make estimates and assumptions as of the date of the financial statements. These estimates and assumptions affect the reported values of assets, liabilities, revenue, and expenses and disclosure of contingent assets and liabilities. Areas requiring significant estimates by our management include:

- Recognition of contract revenue, costs, profit or losses in applying the principles of percentage of completion accounting;
- Estimated amounts for expected project losses, warranty costs, contract close-out or other costs;
- Recognition of recoveries under contract change orders or claims;
- Collectability of billed and unbilled accounts receivable and the need and amount of any allowance for doubtful accounts;
- Estimates of other liabilities, including litigation and insurance revenues/reserves and reserves necessary for self-insured risks;
- Accruals for estimated liabilities, including litigation reserves;
- Valuation of assets acquired, and liabilities, goodwill, and intangible assets assumed, in acquisitions;
- Valuation of stock-based compensation;
- The determination of liabilities under pension and other post-retirement benefit programs; and
- Income tax provisions and related valuation allowances.

Our actual business and financial results could differ from our estimates of such results, which could have a material negative impact on our financial condition and results of operations.

An impairment charge on our goodwill could have a material adverse impact on our financial position and results of operations.

Because we have grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of our assets. Under U.S. GAAP, we are required to test goodwill carried in our Consolidated Balance Sheets for possible impairment on an annual basis based upon a fair value approach. As of September 29, 2017, we had $3.0 billion of goodwill, representing 40.8% of our total assets of $7.4 billion. We have chosen to perform our annual impairment reviews of goodwill at the end of the third quarter of our fiscal year. We also are required to test goodwill for impairment between annual tests if events occur or circumstances change that would more likely than not reduce our enterprise fair value below its book value. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a reporting unit's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of our business, potential government actions toward our facilities, and other factors.

If our market capitalization drops significantly below the amount of net equity recorded on our balance sheet, it might indicate a decline in our fair value and would require us to further evaluate whether our goodwill has been impaired. If the fair value of our reporting units is less than their carrying value, we could be required to record an impairment charge. The amount of any impairment could be significant and could have a material adverse impact on our financial position and results of operations for the period in which the charge is taken. For a further discussion of goodwill impairment testing, please see Item 7- *Management's Discussion and Analysis of Financial Condition and Results of Operations* below.

We may be required to contribute additional cash to meet any underfunded benefit obligations associated with retirement and post-retirement benefit plans we manage.

We have various employee benefit plan obligations that require us to make contributions to satisfy, over time, our underfunded benefit obligations, which are generally determined by calculating the projected benefit obligations minus the fair value of plan assets. For example, as of September 29, 2017 and September 30, 2016, our defined benefit pension and post-retirement benefit plans were underfunded by $252.0 million and $403.1 million, respectively. See Note 7- *Pension Plans and Other Postretirement Plans* of the Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K for additional disclosure. In the future, our benefit plan obligations may increase or decrease depending on changes in the levels of interest rates, pension plan asset performance and other factors. If we are required to contribute a significant amount of the deficit for underfunded benefit plans, our cash flows could be materially and adversely affected.

Rising inflation, interest rates, and/or construction costs could reduce the demand for our services as well as decrease our profit on our existing contracts, in particular with respect to our fixed-price contracts.

Rising inflation, interest rates, or construction costs could reduce the demand for our services. In addition, we bear all of the risk of rising inflation with respect to those contracts that are fixed-price. Because a significant portion of our revenues are earned from cost-reimbursable type contracts (approximately 81% during fiscal 2017), the effects of inflation on our financial condition and results of operations over the past few years have been generally minor. However, if we expand our business into markets and geographic areas where fixed-price and lump-sum work is more prevalent, inflation may have a larger impact on our results of operations in the future. Therefore, increases in inflation, interest rates or construction costs could have a material adverse impact on our business, financial condition, and results of operations.

We may be affected by market or regulatory responses to climate change.

Growing concerns about climate change may result in the imposition of additional environmental regulations. Legislation, international protocols, regulation or other restrictions on emissions could result in increased compliance costs for us and our clients and have other impacts on our clients, including those who are involved in the exploration, production or refining of fossil fuels, emit greenhouse gases through the combustion of fossil fuels or emit greenhouse gases through the mining, manufacture, utilization or production of materials or goods. Such policy changes could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services, which would in turn have a material adverse impact on our business, financial condition, and results of operations. However, these changes could also increase the pace of projects, such as carbon capture or storage projects, that could have a positive impact on our business. We cannot predict when or whether any of these various proposals may be enacted or what their effect will be on us or on our customers.

Our effective tax rate may increase or decrease.

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities. Although we believe that our tax estimates and tax positions are reasonable, they could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations, and related interpretations, our global mix of earnings, the realizability of deferred tax assets and changes in uncertain tax positions. An increase or decrease in our effective tax rate, or an ultimate determination that the Company owes more taxes than the amounts previously accrued, could have a material adverse impact on our financial condition and results of operations.

Systems and information technology interruption or failure and data security breaches could adversely impact our ability to operate or expose us to significant financial losses and reputational harm.

We rely heavily on computer, information, and communications technology and related systems in order to properly operate our business. From time to time, we experience occasional system interruptions and delays. In the event we are unable to regularly deploy software and hardware, effectively upgrade our systems and network infrastructure, and take other steps to maintain or improve the efficiency and efficacy of our systems, the operation of such systems could be interrupted or result in the loss, corruption, or release of data. In addition, our computer and communication systems and operations could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Any of these or other events could cause interruptions, delays, loss of critical and/or sensitive data or similar effects, which could have a material adverse impact on our business, financial condition, protection of intellectual property, and results of operations, as well as those of our clients.

In addition, we face the threat to our computer systems of unauthorized access, computer hackers, computer viruses, malicious code, organized cyber-attacks and other security problems and system disruptions, including possible unauthorized access to and disclosure of our and our clients' proprietary or classified information. As part of our ongoing effort to utilize industry accepted security measures and technology to securely maintain all confidential and proprietary information on our computer systems, we have observed increased threat activity to our computer systems, and have identified instances of unauthorized access to certain of our computer systems occurring in the 2014-2016 timeframe. In response, we are conducting an ongoing internal investigation with the assistance of outside counsel and technical experts to identify and remediate the source and impact of these incursions, as well as comply with related notification and disclosure obligations. Expenses incurred to date related to this matter have not been material. We will incur additional expenses and may incur losses in connection with this matter, which may have a material adverse effect on our business, financial conditions, results of operations and cash flows; however, at this time we are unable to reasonably estimate any such additional expenses or losses.

While we have security measures and technology in place to protect our and our clients' proprietary or classified information, if these measures fail as a result of a cyber-attack, other third-party action, employee error, malfeasance or otherwise, and someone obtains unauthorized access to our or our clients' information, our reputation could be damaged, our business may suffer and we could incur significant liability. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. As a result, we may be required to expend significant resources to protect against the threat of system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows.

We continuously evaluate the need to upgrade and/or replace our systems and network infrastructure to protect our computing environment, to stay current on vendor supported products and to improve the efficiency of our systems and for other business reasons. The implementation of new systems and information technology could adversely impact our operations by imposing substantial capital expenditures, demands on management time and risks of delays or difficulties in transitioning to new systems. And, our systems implementations may not result in productivity improvements at the levels anticipated. Systems implementation disruption and any other information technology disruption, if not anticipated and appropriately mitigated, could have an adverse effect on our business.

We may not be able to protect our intellectual property or that of our clients.

Our technology and intellectual property provide us, in certain instances, with a competitive advantage. Although we protect our property through patent registrations, license restrictions, and similar mechanisms, we may not be able to successfully preserve our rights and they could be invalidated, circumvented, challenged or become obsolete. Our employees and contractors are subject to confidentiality obligations, but this protection may be inadequate to deter or prevent misappropriation of our confidential information and/or infringement of our intellectual property. In addition, the laws of some foreign countries in which we operate do not protect intellectual property rights to the same extent as the U.S. If we are unable to protect and maintain our intellectual property rights or if there are any successful intellectual property challenges or infringement proceedings against us, our ability to differentiate our service offerings could be reduced. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert management's attention away from other aspects of our business.

We also hold licenses from third parties which may be utilized in our business operations. If we are no longer able to license such technology on commercially reasonable terms or otherwise, our business and financial performance could be adversely affected.

If our intellectual property rights or work processes become obsolete, we may not be able to differentiate our service offerings and some of our competitors may be able to offer more attractive services to our customers. Our competitors may independently attempt to develop or obtain access to technologies that are similar or superior to our technologies.

Our clients or other third parties may also provide us with their technology and intellectual property. There is a risk we may not sufficiently protect our or their information from improper use or dissemination and, as a result, could be subject to claims and litigation and resulting liabilities, loss of contracts or other consequences that could have an adverse impact on our business, financial condition, and results of operations.

Our businesses could be materially and adversely affected by events outside of our control.

Extraordinary or force majeure events beyond our control, such as natural or man-made disasters, could negatively impact our ability to operate. As an example, from time to time we face unexpected severe weather conditions which may result in weather-related delays that are not always reimbursable under a fixed-price contract; evacuation of personnel and curtailment of services; increased labor and material costs in areas resulting from weather-related damage and subsequent increased demand for labor and materials for repairing and rebuilding; inability to deliver materials, equipment and personnel to jobsites in accordance with contract schedules; and loss of productivity. We may remain obligated to perform our services after any such natural or man-made event, unless a force majeure clause or other contractual provision provides us with relief from our contractual obligations. If we are not able to react quickly to such events, or if a high concentration of our projects are in a specific geographic region that suffers from a natural or man-made catastrophe, our operations may be significantly affected, which could have a negative impact on our operations. In addition, if we cannot complete our contracts on time, we may be subject to potential liability claims by our clients which may reduce our profits.

We are subject to professional standards, duties and statutory obligations on professional reports and opinions we issue, which could subject us to monetary damages.

We issue reports and opinions to clients based on our professional engineering expertise as well as our other professional credentials that subject us to professional standards, duties and obligations regulating the performance of our services. For example, we issue opinions and reports to government clients in connection with securities offerings. If a client or another third party alleges that our report or opinion is incorrect or it is improperly relied upon and we are held responsible, we could be subject to significant monetary damages. In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties.

Delaware law and our charter documents may impede or discourage a takeover or change of control.

We are a Delaware corporation. Certain anti-takeover provisions of the Delaware general corporation law impose restrictions on the ability of others to acquire control of us. In addition, certain provisions of our charter documents may impede or discourage a takeover. For example:

- Only our Board of Directors can fill vacancies on the board;
- There are various restrictions on the ability of a shareholder to nominate a director for election; and
- Our Board of Directors can authorize the issuance of preferred shares.

These types of provisions, as well as our ability to adopt a shareholder rights agreement in the future, could make it more difficult for a third party to acquire control of us, even if the acquisition would be beneficial to our shareholders. Accordingly, shareholders may be limited in the ability to obtain a premium for their shares.

Failure of the Merger to be consummated, the termination of the Merger Agreement or a significant delay in the consummation of the Merger could negatively affect our stock price and our future business and financial results.

Our obligations and CH2M's obligations to consummate the Merger are subject to the satisfaction or waiver of certain customary conditions, including, but not limited to: (i) the approval of the Merger Agreement by the CH2M stockholders, (ii) the expiration or termination of applicable waiting periods under, or receipt of the applicable consents required under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and certain foreign antitrust and competition laws, each of which have been satisfied or obtained, (iii) the absence of any order, applicable law or other legal restraints of certain specified governmental authorities enjoining or otherwise prohibiting the consummation of the Merger, (iv) the accuracy of certain representations and warranties of each of the parties contained in the Merger Agreement, subject to specified materiality qualifications, (v) compliance, in all material respects, by each of the parties with their respective covenants contained in the Merger Agreement, (vi) the effectiveness of the registration statement on Form S-4 filed by the Company for the issuance of the Company common stock in the Merger, which was satisfied on November 9, 2017, and the approval of the listing of such shares on the New York Stock Exchange, (vii) the absence of a material adverse effect on either CH2M or the Company since the date of the Merger Agreement and (viii) the other conditions set forth in the Merger Agreement. There can be no assurance that these conditions to the consummation of the Merger will be satisfied in a timely manner or at all. In addition, other factors such as Jacobs' ability to obtain the debt financing it needs to consummate the Merger, or legal proceedings related to the Merger, may affect when and whether the Merger will occur.

If the Merger is not consummated or is delayed, our ongoing business, financial condition and results of operations may be materially adversely affected and the market price of our common stock may decline significantly, particularly to the extent that the market price reflects a market assumption that the Merger will be consummated or will be consummated on a particular timeframe. In addition, we and our subsidiaries may experience negative reactions from our respective clients, regulators, vendors and employees.

Furthermore, we have incurred and expect to continue to incur substantial expenses in connection with the completion of the transactions contemplated by the Merger Agreement. If the Merger is not consummated, we will have paid these expenses without realizing the expected benefits of the transaction. Any of the foregoing, or other risks arising in connection with a failure or delay in consummating the Merger, including the diversion of management attention or loss of other opportunities during the pendency of the Merger, could have a material adverse effect on our business, financial condition and results of operations.

If Jacobs' financing for the Merger becomes unavailable, the Merger may not be completed.

Jacobs intends to finance the cash component of the consideration payable to CH2M stockholders in the Merger, the repayment of CH2M's outstanding indebtedness and other transaction expenses with a combination of cash on hand and debt financing, which includes the Jacobs Term Loan Facility in an aggregate principal amount of $1.5 billion and additional borrowings under the Revolving Credit Facility. Jacobs currently estimates that the aggregate principal amount of indebtedness to be incurred in connection with the Merger will be approximately $1.9 billion. There are a number of conditions in the Jacobs Term Loan Credit Agreement and the Revolving Credit Facility that must be satisfied or waived in order for closing of the debt financing to occur. There is a risk that these conditions will not be satisfied. In the event that the financing contemplated by the Jacobs Term Loan Credit Agreement and the Revolving Credit Facility is not available, Jacobs may obtain alternative financing to finance the consideration payable to CH2M stockholders in the Merger, the repayment of CH2M's outstanding indebtedness and other transaction expenses. Such alternative financing may not be available on acceptable terms, in a timely manner or at all. While obtaining financing is not a condition to Jacobs' obligation to effect the Merger, if other financing becomes necessary and Jacobs is unable to secure such other financing, the Merger may not be completed.

The Merger may adversely affect the outcome of pending and future claims and litigation.

If the Merger is completed, it may give rise to unexpected liabilities and costs, including costs associated with the defense and resolution of possible litigation or other claims, and may have an adverse effect on any pending claims against Jacobs or CH2M. Jacobs could also be subject to claims or litigation related to the Merger, whether or not the Merger is consummated. Such actions may create additional uncertainty relating to the Merger, and responding to such claims and defending such actions may be costly and distracting to management.

The current ownership and voting interests of Jacobs stockholders will be diluted by the Merger.

Upon the completion of the Merger, except for stockholders who own stock in both Jacobs and CH2M, each Jacobs stockholder will have a percentage ownership of Jacobs that is smaller than such stockholder's current percentage ownership of Jacobs. Because of this, Jacobs stockholders will generally have less influence on the management and policies of the combined company than they now have on the management and policies of Jacobs. If the combined company is unable to realize the full strategic and financial benefits currently anticipated from the Merger, Jacobs stockholders will have experienced substantial dilution of their ownership interests in their respective companies without receiving any commensurate benefit, or only receiving part of the strategic and financial benefits currently anticipated from the Merger.

The combined company may fail to realize the anticipated benefits of the Merger.

The success of the Merger will depend on, among other things, the combined company's ability to realize the anticipated benefits from combining Jacobs' and CH2M's businesses, including achieving cost savings and operating synergies. The combined company's ability to realize the anticipated benefits of the Merger will depend, to a large extent, on the ability of Jacobs to integrate the businesses of CH2M with Jacobs. The combination of two independent companies is a complex, costly and time-consuming process. As a result, the combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Jacobs and CH2M. The integration process may disrupt the business of either or both of the companies and, if implemented ineffectively, could preclude or delay the realization of the full benefits expected by Jacobs. The failure of the combined company to meet the challenges involved in integrating successfully the operations of Jacobs and CH2M or otherwise to realize the anticipated benefits of the Merger could cause an interruption of, or a loss of momentum in, the activities of the combined company and could seriously harm its results of operations. In addition, the overall integration of the two companies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of client relationships and diversion of management's attention, and may cause the combined company's stock price to decline.

The difficulties of combining the operations of the companies include, among others:

- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the combination;
- delays, unexpected costs or difficulties in completing the integration of CH2M or its assets;
- unanticipated issues in integrating logistics, information, communications and other systems;
- unanticipated changes in applicable laws and regulations;
- difficulties assimilating the operations and personnel of acquired companies into our operations;
- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- diversion of the attention and resources of management or other disruptions to current operations;
- challenges in attracting and retaining key personnel;
- retaining key customers and suppliers;
- challenges in obtaining new customers and winning customer contracts;
- retaining and obtaining required regulatory approvals, licenses and permits;
- organizational conflicts of interest;
- difficulties in managing the expanded operations of a significantly larger and more complex company; and
- potential unknown liabilities and unforeseen increased expenses or delays associated with the Merger.

Many of these factors will be outside of Jacobs' and the combined company's control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact Jacobs' and the combined company's business, financial condition and results of operations.

In addition, even if the operations of Jacobs and CH2M are integrated successfully, the combined company may not realize the full benefits of the proposed transactions, including the synergies, cost savings or growth opportunities that the combined company expects. These benefits may not be achieved within the anticipated time frame, or at all. As a result, there can be no assurance that the Merger will result in the realization of the full benefits anticipated from the transactions contemplated by the Merger Agreement.

We will be subject to business uncertainties while the Merger is pending and following the combination.

Uncertainty about the effect of the Merger on Jacobs' employees and business relationships may have an adverse effect on Jacobs and on the combined company following the closing of the Merger. Our continued success depends, in part, upon our ability to retain the talents and dedication of our key employees and the ability of the combined company to retain the talents and dedication of CH2M's key employees. Employees may decide not to remain with the Company or CH2M, as applicable, while the Merger is pending. If key employees terminate their employment, or if an insufficient number of employees are retained to maintain effective operations, our business activities may be adversely affected and management's attention may be diverted from successfully managing our business to hiring suitable replacements, any of which factors may cause our business to deteriorate. In addition, we or CH2M may not be able to motivate certain key employees during the pendency of the Merger due to a perceived lack of appropriate opportunities for advancement or other reasons.

In addition, uncertainties during the pendency of the Merger may cause third parties who deal with the Company and/or CH2M to seek to change existing business relationships with us or CH2M. Moreover, customers' uncertainty about the effect of the Merger, including the perception of potential conflicts of interest with respect to projects where CH2M assumes, or will assume, a project role and Jacobs assumes, or will assume, a delivery role, and vice versa, may have an adverse effect on the ability of Jacobs and/or CH2M to attract or retain customers or to win customer contracts.

In addition, competitors may target the Company's or CH2M's clients by highlighting potential uncertainties and integration difficulties that may result from the Merger. The pursuit of the Merger and the preparation for the integration will require management attention and use of internal resources. Any significant diversion of management attention away from ongoing business concerns and any business difficulties resulting from the transition and integration process could have a material adverse effect on our business, financial condition and results of operations.

During the pendency of the Merger and following the Merger, our operating results and share price may be volatile, which could cause the value of our stockholder's investments to decline.

During the pendency of the Merger and following the Merger, our quarterly and annual operating results, as well as our stock price, may fluctuate, and such fluctuations may be significant. Such fluctuations may occur due to the accretion, or anticipated accretion, of the value of the Merger, the progress and success of the integration process or the perception of such progress or success, additions or departures of key personnel, or sales of large blocks of stock or the perception that such sales may occur.

Jacobs expects to incur substantial indebtedness to finance the Merger, which may decrease Jacobs' business flexibility and could adversely impact Jacobs' financial condition and results of operations.

In addition to using cash on hand at Jacobs and CH2M, Jacobs intends to finance the cash component of the consideration payable to the CH2M stockholders in the Merger, the repayment of CH2M's outstanding indebtedness and other transaction expenses with debt financing, which includes the Jacobs Term Loan Facility in an aggregate principal amount of $1.5 billion and additional borrowings under the Revolving Credit Facility. Jacobs currently estimates that the aggregate principal amount of indebtedness to be incurred in connection with the Merger will be approximately $1.9 billion. The financial and other covenants to which Jacobs has agreed to, or may agree to in connection with the incurrence of new indebtedness, and the combined company's increased indebtedness may have the effect, among other things, of reducing the combined company's flexibility to respond to changing business and economic conditions, thereby placing the combined company at a competitive disadvantage compared to competitors that have less indebtedness and making the combined company more vulnerable to general adverse economic and industry conditions. The combined company's increased indebtedness will also increase borrowing costs, and the covenants pertaining thereto may also limit the combined company's ability to obtain additional financing to fund working capital, capital expenditures, acquisitions or general corporate requirements. The combined company will also be required to dedicate a larger portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flow for other purposes, including working capital, capital expenditures and general corporate purposes. In addition, the terms and conditions of such debt may not be favorable to the combined company and, as such, could further increase the costs of the Merger, as well as the overall burden of such debt upon the combined company and the combined company's business flexibility. Further, the combined company will be exposed to the risk of increased interest rates as a result of (i) higher leverage at or after the closing of the Merger and (ii) unless the combined company enters into offsetting hedging transactions, interest rates that vary based on LIBOR or a bank's prime rate.

The combined company's ability to make payments on and to refinance its debt obligations and to fund planned capital expenditures will depend on its ability to generate cash from the combined company's operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the combined company's control.

The combined company may not be able to refinance any of its indebtedness on commercially reasonable terms, or at all. If the combined company cannot service its indebtedness, the combined company may have to take actions such as selling assets, selling additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments or alliances, any of which could impede the implementation of the combined company's business strategy or prevent the combined company from entering into transactions that would otherwise benefit its business. Additionally, the combined company may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all.

Any of the foregoing consequences could adversely affect the combined company's financial condition or results of operations.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Our properties consist primarily of office space within general, commercial office buildings located in major cities primarily in the following countries: United States; Australia; Austria; Belgium; Canada; Chile; China; Finland; Germany; Greece; India; Italy; Malaysia; Mexico; Morocco; The Netherlands; Oman; The Philippines; Puerto Rico; Peru; Republic of Ireland; Saudi Arabia; South Africa; Singapore; Spain; Sweden; United Arab Emirates; and the United Kingdom. Such space is used for operations (providing technical, professional, and other home office services), sales, and administration. Most of our properties are leased. In addition, we have fabrication facilities located in Canada in Pickering, Ontario and Edmonton and Lamont, Alberta. The total amount of space used by us for all of our operations is approximately 7.6 million square feet.

We also lease smaller, project offices located throughout the U.S., the U.K., and in certain other countries. We also rent most of our construction equipment on a short-term basis.

Item 3. LEGAL PROCEEDINGS

The information required by this Item 3 is included in Note 12—*Contractual Guarantees, Litigation, Investigations, and Insurance* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K and is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration. Under the Mine Act, an independent contractor, such as Jacobs, that performs services or construction of a mine is included within the definition of a mining operator. We do not act as the owner of any mines.

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K is included in Exhibit 95.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Jacobs' common stock is listed on the NYSE and trades under the symbol JEC. We provided to the NYSE, without qualification, the required annual certification of our Chief Executive Officer regarding compliance with the NYSE's corporate governance listing standards. The following table sets forth the low and high sales prices of a share of our common stock during each of the fiscal quarters presented, based on the NYSE Composite Price History:

	Low Sales Price	High Sales Price
Fiscal 2017:		
First quarter	$49.16	$63.42
Second quarter	52.39	62.20
Third quarter	50.53	55.97
Fourth quarter	49.31	58.51
Fiscal 2016:		
First quarter	$37.51	$45.41
Second quarter	34.76	44.77
Third quarter	40.93	53.33
Fourth quarter	48.13	55.89

Shareholders

According to the records of our transfer agent, there were 989 shareholders of record as of November 10, 2017.

Share Repurchases

On July 23, 2015, the Board of Directors approved a program to repurchase up to $500 million of the Company's common stock over the next three years. Share repurchases may be executed through various means including, without limitation, open market transactions. The share repurchase program, which expires on July 22, 2018, does not oblige the Company to purchase any shares. The authorization for the share repurchase program may be terminated, increased, or decreased by the Company's Board of Directors in its discretion at any time. The timing of our share repurchases may depend upon market conditions, other uses of capital, and other factors.

There were no repurchases of our common stock during the fourth quarter of fiscal 2017.

Dividends

Our current policy is to use cash flows from operations to fund future growth, pay down debt, and, subject to market conditions, repurchase common stock under a stock buy-back program approved by our Board of Directors. On December 1, 2016, the Company announced that the Board of Directors has approved the initiation of a cash dividend program. Quarterly dividends of $0.15 per share were paid in each of the second, third and fourth quarters of fiscal 2017. On September 27, 2017, the Board of Directors declared a quarterly cash dividend of $0.15 per share, which was paid on November 10, 2017. Future dividend payments are subject to review and approval by the Company's Board of Directors.

Unregistered Sales of Equity Securities.

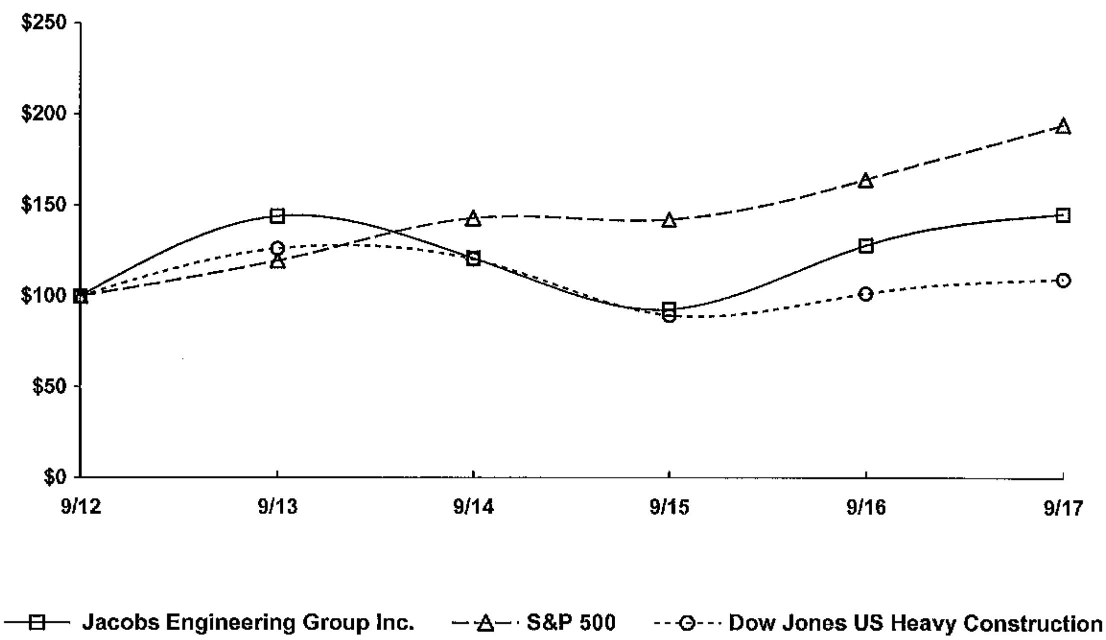
None.

Performance Graph

The following graph and table shows the changes over the five-year period ended September 29, 2017 in the value of $100 as of the close of market on September 30, 2012 in (1) the common stock of Jacobs Engineering Group Inc., (2) the Standard & Poor's 500 Stock Index, and (3) the Dow Jones Heavy Construction Group Index. The values of each investment are based on share price appreciation, with reinvestment of all dividends, provided any were paid. The investments are assumed to have occurred at the beginning of the period presented. The stock performance included in this graph is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Jacobs Engineering Group Inc., the S&P 500 Index
and the Dow Jones US Heavy Construction Index



*$100 invested on 9/30/12 in stock or index, including reinvestment of dividends.
Fiscal year ending September 30.

	2012	2013	2014	2015	2016	2017
Jacobs Engineering Group Inc.	**100.00**	**143.90**	**120.75**	**92.58**	**127.92**	**145.32**
S&P 500	**100.00**	**119.34**	**142.89**	**142.02**	**163.93**	**194.44**
Dow Jones US Heavy Construction	**100.00**	**125.97**	**120.24**	**89.30**	**101.31**	**109.49**

Note: The above information was provided by Research Data Group, Inc.

Item 6. SELECTED FINANCIAL DATA

The following table presents selected financial data for each of the last five fiscal years. This selected financial data should be read in conjunction with the Consolidated Financial Statements and related notes beginning on page F-1 of this Annual Report on Form 10-K. Dollar amounts are presented in thousands, except for per share information:

	2017 (a)	2016 (b)	2015 (c)	2014 (d)	2013
Results of Operations:					
Revenues	$10,022,788	$10,964,157	$12,114,832	$12,695,157	$11,818,376
Net earnings attributable to Jacobs	293,727	210,463	302,971	328,108	423,093
Financial Position:					
Current ratio	1.56 to 1	1.61 to 1	1.58 to 1	1.58 to 1	2.07 to 1
Working capital	1,069,953	1,081,784	1,141,512	1,372,332	2,020,853
Current assets	2,996,180	2,864,470	3,122,678	3,722,178	3,908,473
Total assets	7,380,859	7,360,022	7,785,926	8,453,659	7,274,144
Cash	774,151	655,716	460,859	732,647	1,256,405
Long-term debt	235,000	385,330	584,434	764,075	415,086
Total Jacobs stockholders' equity	4,428,352	4,265,276	4,291,745	4,469,255	4,213,097
Return on average equity	6.76%	4.92%	6.92%	7.56%	10.66%
Backlog:					
Technical professional services	12,593,615	12,013,121	11,692,404	12,607,029	11,118,400
Field services	7,194,998	6,747,408	7,114,166	5,773,005	6,099,500
Total	19,788,613	18,760,529	18,806,570	18,380,034	17,217,900
Per Share Information:					
Basic earnings per share	2.43	1.75	2.42	2.51	3.27
Diluted earnings per share	2.42	1.73	2.40	2.48	3.23
Stockholders' equity	36.78	35.26	34.85	33.92	32.00
Average Number of Shares of Common Stock and Common Stock Equivalents Outstanding (Diluted)	121,466	121,483	126,110	132,371	130,945
Common Shares Outstanding At Year End	120,386	120,951	123,153	131,753	131,639
Cash Dividends Declared Per Common Share	$ 0.60	—	—	—	—

(a) Includes costs of $87.9 million, or $0.73 per diluted share, related to the Company's restructuring and other initiatives in the first, second, third and fourth quarter of fiscal 2017. Also included in the fourth quarter of fiscal 2017 are after-tax charges of $10.6 million, or $0.09 per diluted share, respectively, in professional fees and related costs associated with the pending CH2M acquisition. For a description of these restructuring and other initiatives, see "Restructuring and Other Charges" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(b) Includes costs of $135.6 million, or $1.12 per diluted share, related to the Company's restructuring initiatives in the first, second, third and fourth quarter of fiscal 2016. Also included in the fourth quarter of fiscal 2016 are (i) a loss on sale of our French subsidiary of $17.1 million or $0.14 per diluted share; and (ii) a non-cash write-off on an equity investment of $10.4 million or $0.09 per diluted share. For a description of these restructuring and other initiatives, see "Restructuring and Other Charges" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(c) Includes costs of $107.9 million, or $0.86 per diluted share, related to the Company's restructuring initiatives in the second, third and fourth quarters of fiscal 2015. For a description of these restructuring and other initiatives, see "Restructuring and Other Charges" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(d) Includes costs of $109.2 million, or $0.82 per diluted share, related to the Company's restructuring initiatives in the third and fourth quarter of fiscal 2014.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Critical Accounting Policies and Estimates

In order to understand better the changes that occur to key elements of our financial condition, results of operations, and cash flows, a reader of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be aware of the critical accounting policies we apply in preparing our consolidated financial statements.

The consolidated financial statements contained in this report were prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements and the financial statements of any business performing long-term engineering and construction-type contracts requires management to make certain estimates and judgments that affect both the entity's results of operations and the carrying values of its assets and liabilities. Although our significant accounting policies are described in Note 2—*Significant Accounting Policies* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K, the following discussion is intended to highlight and describe those accounting policies that are especially critical to the preparation of our consolidated financial statements.

Revenue Accounting for Contracts and Use of Joint Ventures—We recognize revenue earned on our technical professional and field services projects under the percentage-of-completion method described in ASC 605-35, Construction-Type and Production-Type Contracts. In general, we recognize revenues at the time we provide services. Pre-contract costs are generally expensed as incurred. Contracts are generally segmented between types of services, such as project services and construction, and accordingly, gross margin related to each activity is recognized as those separate services are rendered. For multiple contracts with a single customer we account for each contract separately.

The percentage-of-completion method of accounting is applied by comparing contract costs incurred to date to the total estimated costs at completion. On cost-reimbursable contracts, the cost of materials and subcontracts are generally excluded from the calculation of the measure of progress towards completion to provide a more meaningful allocation of income. Contract losses are provided for in their entirety in the period they become known, without regard to the percentage-of-completion.

Unapproved change orders are included in the contract price to the extent it is probable that such change orders will result in additional contract revenue and the amount of such additional revenue can be reliably estimated. Claims meeting these recognition criteria are included in revenues only to the extent of the related costs incurred.

Certain cost-reimbursable contracts include incentive-fee arrangements. These incentive fees can be based on a variety of factors but the most common are the achievement of target completion dates, target costs, and/or other performance criteria. Failure to meet these targets can result in unrealized incentive fees. We recognize incentive fees based on expected results using the percentage-of-completion method of accounting. As the contract progresses and more information becomes available, the estimate of the anticipated incentive fee that will be earned is revised as necessary. We bill incentive fees based on the terms and conditions of the individual contracts. In certain situations, we are allowed to bill a portion of the incentive fees over the performance period of the contract. In other situations, we are allowed to bill incentive fees only after the target criterion has been achieved. Incentive fees which have been recognized but not billed are included in receivables in the accompanying Consolidated Balance Sheets.

Certain cost-reimbursable contracts with government customers as well as certain commercial clients provide that contract costs are subject to audit and adjustment. In this situation, revenues are recorded at the time services are performed based upon the amounts we expect to realize upon completion of the contracts. Revenues are not recognized for non-recoverable costs. In those situations where an audit indicates that we may have billed a client for costs not allowable under the terms of the contract, we estimate the amount of such nonbillable costs and adjust our revenues accordingly.

When we are directly responsible for subcontractor labor or third-party materials and equipment, we reflect the costs of such items in both revenues and costs (and we refer to such costs as "pass-through" costs). On those projects where the client elects to pay for such items directly and we have no associated responsibility for such items, these amounts are not reflected in either revenues or costs.

As is common to the industry, we execute certain contracts jointly with third parties through various forms of joint ventures and consortiums. Although the joint ventures own and hold the contracts with the clients, the services required by the contracts are typically performed by us and our joint venture partners, or by other subcontractors under subcontracting agreements with the joint ventures. The assets of our joint ventures, therefore, consist almost entirely of cash and receivables (representing amounts due from clients), and the liabilities of our joint ventures consist almost entirely of amounts due to the joint venture partners (for services provided by the partners to the joint ventures under their individual subcontracts) and other subcontractors. In general, at any given time, the equity of our joint ventures represents the undistributed profits earned on contracts the joint ventures hold with clients. Very few of our joint ventures have employees. None of our joint ventures have third-party debt or credit facilities. Under U.S. GAAP, our share of profits and losses associated with the contracts held by the joint ventures is reflected in our Consolidated Financial Statements.

Certain of our joint ventures meet the definition of a VIE. In evaluating our VIEs for possible consolidation, we perform a qualitative analysis to determine whether or not we have a "controlling financial interest" in the VIE as defined by U.S. GAAP. We consolidate only those VIEs over which we have a controlling financial interest and are the primary beneficiary.

For the Company's unconsolidated joint ventures, we use either the equity method of accounting or proportional consolidation.

There were no changes in facts and circumstances during the period that caused the Company to reassess the method of accounting for its VIEs.

Accounting for Stock Issued to Employees and Others—We measure the cost of employee services received in exchange for an award of equity instruments based on the estimated grant-date fair value of the award. We estimate the fair value of stock options granted to employees and directors using the Black-Scholes option-pricing model. Like all option-pricing models, the Black-Scholes model requires the use of subjective assumptions including (i) the expected volatility of the market price of the underlying stock, and (ii) the expected term of the award, among others. Accordingly, changes in assumptions and any subsequent adjustments to those assumptions can cause different fair values to be assigned to our stock option awards. For restricted stock units containing service and performance conditions with measures external to the Company, compensation expense is based on the fair value of such units determined using Monte Carlo Simulations.

Accounting for Pension Plans—The accounting for pension plans requires the use of assumptions and estimates in order to calculate periodic pension cost and the value of the plans' assets and liabilities. These assumptions include discount rates, investment returns, and projected salary increases, among others. The actuarial assumptions used in determining the funded statuses of the plans are provided in Note 7—*Pension and other Postretirement Benefit Plans* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

The expected rates of return on plan assets for fiscal 2018 range from 3.5% to 8.5% which is the same for the fiscal 2017. We believe the range of rates selected for fiscal 2018 reflects the long-term returns expected on the plans' assets, considering recent market conditions, projected rates of inflation, the diversification of the plans' assets, and the expected real rates of market returns. The discount rates used to compute plan liabilities were changed from a range of 0.7% to 7.0% in fiscal 2016 to a range of 1.3% to 7.0% in fiscal 2017. These assumptions represent the Company's best estimate of the rates at which its pension obligations could be effectively settled.

Changes in the actuarial assumptions often have a material effect on the values assigned to plan assets and liabilities, and the associated pension expense. For example, if the discount rate used to value the net pension benefit obligation ("PBO") at September 30, 2017, was higher (lower) by 0.5%, the PBO would have been lower (higher) at that date by approximately $119.7 million for non-U.S. plans, and by approximately $7.3 million for U.S. plans. If the expected return on plan assets was higher (lower) by 1.0%, the net periodic pension cost for fiscal 2017 would be lower (higher) by approximately $10.7 million for non-U.S. plans, and by approximately $1.3 million for U.S. plans. Differences between actuarial assumptions and actual performance (i.e., actuarial gains and losses) that are not recognized as a component of net periodic pension cost in the period in which such differences arise are recorded to accumulated other comprehensive income (loss) and are recognized as part of net periodic pension cost in future periods in accordance with U.S. GAAP. Management monitors trends in the marketplace within which our pension plans operate in an effort to assure the fairness of the actuarial assumptions used.

Contractual Guarantees, Litigation, Investigations, and Insurance—In the normal course of business, we are subject to certain contractual guarantees and litigation. The guarantees to which we are a party generally relate to project schedules and plant performance. Most of the litigation in which we are involved has us as a defendant in workers' compensation; personal injury; environmental; employment/labor; professional liability; and other similar lawsuits. We maintain insurance coverage for various aspects of our business and operations. We have elected, however, to retain a portion of losses that occur through the use of various deductibles, limits, and retentions under our insurance programs. In addition, our insurance policies may contain exclusions for certain matters, and insurance companies may seek to deny coverage for claims against us. This situation may subject us to some future liability for which we are only partially insured, or completely uninsured, and we intend to mitigate any such future liability by continuing to exercise prudent business judgment in negotiating the terms and conditions of our contracts.

In accordance with U.S. GAAP, we record in our Consolidated Balance Sheets amounts representing our estimated liability relating to such guarantees, litigation, and insurance claims. We include any adjustments to such liabilities in our consolidated results of operations.

In addition, as a contractor providing services to the U.S. federal government and several of its agencies, we are subject to many levels of audits, investigations, and claims by, or on behalf of, the U.S. federal government with respect to contract performance, pricing, costs, cost allocations, and procurement practices. We adjust revenues based upon the amounts we expect to realize considering the effects of any client audits or governmental investigations.

Testing Goodwill for Possible Impairment—The goodwill carried on our Consolidated Balance Sheets is tested annually for possible impairment. In performing the annual impairment test, we evaluate our goodwill at the reporting unit level. The Company performs the annual goodwill impairment test for the reporting units at the end of the third quarter of our fiscal year. The Company will test goodwill for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

During the second quarter of fiscal 2016, we reorganized our operations around four global lines of business, which also serve as our operating segments: Petroleum & Chemicals, Buildings & Infrastructure, Aerospace & Technology, and Industrial. We determined that this new organization would better support the needs of managing each unique set of customers that fall within each segment. As a result of the new organization, we subsequently realigned our internal reporting structures to enable our Chief Executive Officer, who is also our Chief Operating Decision Maker, to evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. For purposes of our goodwill impairment testing, we have determined that our operating segments are also our reporting units based on management's conclusion that the components comprising each of our operating segments share similar economic characteristics and meet the aggregation criteria in accordance with ASC 350.

U.S. GAAP does not prescribe a specific valuation method for estimating the fair value of reporting units. Any valuation technique used to estimate the fair value of a reporting unit requires the use of significant estimates and assumptions, including revenue growth rates, operating margins, discount rates and future market conditions, among others.

We used both an income approach and a market approach to test our goodwill for possible impairment. Such approaches require us to make estimates and judgments. Under the income approach, fair value is determined by using the discounted cash flows of our reporting units. The Company's discount rate reflects a weighted average cost of capital ("WACC") for a peer group of companies representative of the Company's respective reporting units. Under the market approach, the fair value of our reporting units is determined by reference to guideline companies that are reasonably comparable to our reporting units; the fair values are estimated based on the valuation multiples of the invested capital associated with the guideline companies. In assessing whether there is an indication that the carrying value of goodwill has been impaired, we utilize the results of both valuation techniques and consider the range of fair values indicated. The fair values for each reporting unit exceeded the respective book values ranging from 27% to 110%.

It is possible that changes in market conditions, economy, facts and circumstances, judgments, and assumptions used in estimating the fair value could change, resulting in possible impairment of goodwill in the future. The fair values resulting from the valuation techniques used are not necessarily representative of the values we might obtain in a sale of the reporting units to willing third parties.

In performing the Company's annual impairment test as of the end of the third quarter of fiscal 2017 the Company performed a qualitative assessment, and determined that it was more likely than not that the fair value of its reporting units exceeded their carrying amounts. As a result, the Company is not required to proceed to a quantitative impairment assessment.

We have determined that the fair value of our reporting units substantially exceeded their respective carrying values for the Consolidated Balance Sheets presented.

Restructuring and Other Charges

During the second fiscal quarter of 2015, the Company began implementing a series of initiatives intended to improve operational efficiency, reduce costs, and better position itself to drive growth of the business in the future. We refer to these initiatives, in the aggregate, as the "2015 Restructuring". These activities evolved and developed over time as management identified and evaluated opportunities for changes in the Company's operations (and related areas of potential cost savings), as economic conditions changed and as the realignment of the Company's operations into its four global lines of business was implemented. Actions related to the 2015 Restructuring include involuntary terminations, the abandonment of certain leased offices, combining operational organizations, and the co-location of employees into other existing offices. We did not exit any service types or client end-markets in connection with the 2015 Restructuring.

The majority of the costs associated with the 2015 Restructuring are included in SG&A expense in the Consolidated Statements of Earnings. The following table summarizes the impact of the 2015 Restructuring for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Lease Abandonments	$55,647	$ 92,643	$ 90,569
Involuntary Terminations	30,716	85,599	55,313
Outside Services	4,236	7,398	12,734
Other restructuring related, net	8,089	2,267	(1,424)
Total	$98,688	$187,907	$157,192

The 2015 Restructuring was completed in the fourth quarter of fiscal 2017, with the results of this program generally being in line with management's expectations. The Company expects annual savings from the 2015 Restructuring to be approximately $285 million per year.

During the second fiscal quarter of 2017, the Company entered into strategic business restructuring activities associated with realignment of its Europe, U.K. and Middle East regional operations in our Buildings & Infrastructure segment. Pre-tax net charges of $22.6 million were recorded associated mainly with net realizable value write-offs on contract accounts receivable of $16.5 million, with additional charges recorded for statutory redundancy and severance costs of $1.4 million and other liabilities of $4.7 million which are both expected to be paid or settled within fiscal 2018. Additional charges of $1.2 million were recorded under this business exit during third quarter fiscal 2017 associated mainly with contract accounts receivable charges. Further, management has determined that these business restructuring activities do not qualify for discontinued operations treatment in accordance with U.S. GAAP as the associated businesses were not material.

During the fourth fiscal quarter of 2017, the Company implemented certain restructuring activities (primarily severance related activities) associated with the Company's announced definitive agreement to acquire CH2M as well as final charges recognized in connection with the completion of the 2015 Restructuring. Approximately $13.6 million, or $0.11 per diluted share of after tax charges were recorded in association with these activities.

Collectively, the 2015 Restructuring and the above mentioned restructuring activities are referred to as "Restructuring and other charges."

Also, our fourth quarter of fiscal 2017 included after-tax charges of $10.6 million, or $0.09 per diluted share in professional fees and related costs associated with the pending CH2M acquisition.

The following table summarizes the effects of Restructuring and other charges and CH2M and professional fees and integration costs in the Company's consolidated results of operations for the years ended September 29, 2017, September 30, 2016 and October 2, 2015, respectively (in thousands, except for earnings per share):

	Year Ended September 29, 2017			
	U.S. GAAP	Effects of Restructuring and Other Charges	Effects of CH2M professional fees and integration costs	Adjusted
Revenue	$10,022,788	$ 17,526	$ —	$10,040,314
Direct cost of contracts	(8,250,536)	4,913	—	(8,245,623)
Selling, general and administrative expenses	(1,379,983)	111,767	17,100	(1,251,116)
Total other income, net	948	1,233	—	2,181
Earnings before taxes	393,217	135,439	17,100	545,756
Income tax expense	(105,842)	(42,663)	(6,498)	(155,003)
Net earnings of the group	287,375	92,776	10,602	390,753
Net earnings attributable to non-controlling interests	6,352	(4,913)	—	1,439
Net earnings attributable to Jacobs	$ 293,727	$ 87,863	$10,602	$ 392,192
Diluted earnings per share	$ 2.42	$ 0.73	$ 0.09	$ 3.24

	Year Ended September 30, 2016		
	U.S. GAAP	Effects of 2015 Restructuring	Adjusted
Revenue	$10,964,157	$ —	$10,964,157
Direct cost of contracts	(9,196,326)	—	(9,196,326)
Selling, general and administrative expenses	(1,429,233)	187,630	(1,241,603)
Total other (expense) income, net	(51,875)	41,687	(10,188)
Earnings before taxes	286,723	229,317	516,040
Income tax expense	(72,208)	(66,225)	(138,433)
Net earnings of the group	214,515	163,092	377,607
Net earnings attributable to non-controlling interests	(4,052)	—	(4,052)
Net earnings attributable to Jacobs	$ 210,463	$163,092	$ 373,555
Diluted earnings per share	$ 1.73	$ 1.35	$ 3.08

	Year Ended October 2, 2015		
	U.S. GAAP	Effects of 2015 Restructuring	Adjusted
Revenue	$ 12,114,832	$ —	$ 12,114,832
Direct cost of contracts	(10,146,494)	—	(10,146,494)
Selling, general and administrative expenses	(1,522,811)	154,283	(1,368,528)
Total other (expense) income, net	(15,390)	2,909	(12,481)
Earnings before taxes	430,137	157,192	587,329
Income tax expense	(101,255)	(49,278)	(150,533)
Net earnings of the group	328,882	107,914	436,796
Net earnings attributable to non-controlling interests	(25,911)	—	(25,911)
Net earnings attributable to Jacobs	$ 302,971	$107,914	$ 410,885
Diluted earnings per share	$ 2.40	$ 0.86	$ 3.26

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

For the Fiscal Years Ended September 29, 2017, September 30, 2016, and October 2, 2015
(In thousands, except per share information)

	September 29, 2017	September 30, 2016	October 2, 2015
Revenues	$10,022,788	$10,964,157	$ 12,114,832
Costs and Expenses:			
Direct costs of contracts	(8,250,536)	(9,196,326)	(10,146,494)
Selling, general and administrative expenses	(1,379,983)	(1,429,233)	(1,522,811)
Operating Profit	392,269	338,598	445,527
Other Income (Expense):			
Interest income	8,748	7,848	7,262
Interest expense	(12,035)	(15,260)	(19,503)
Gain/(Loss) on disposal of business and investments	10,880	(41,410)	(2,909)
Miscellaneous expense, net	(6,645)	(3,053)	(240)
Total other income (expense), net	948	(51,875)	(15,390)
Earnings Before Taxes	393,217	286,723	430,137
Income Tax Expense	(105,842)	(72,208)	(101,255)
Net Earnings of the Group	287,375	214,515	328,882
Net Earnings (Loss) Attributable to Noncontrolling Interests	6,352	(4,052)	(25,911)
Net Earnings Attributable to Jacobs	$ 293,727	$ 210,463	$ 302,971
Net Earnings Per Share:			
Basic	$ 2.43	$ 1.75	$ 2.42
Diluted	$ 2.42	$ 1.73	$ 2.40

2017 Overview

The Company's net earnings for fiscal 2017 were $293.7 million, an increase of $83.3 million, or 39.6%, when compared to fiscal 2016. The Company's results for the current year when compared to the prior year were favorably impacted by improving gross margins based on benefits from our improvements in project execution and favorable mix. Our results were also favorably affected by lower SG&A of $49.2 million year over year, due largely to lower costs from our 2015 Restructuring initiatives which concluded at the end of fiscal 2017, with resulting ongoing savings from these initiatives helping offset higher personnel related costs and professional services. Our fiscal 2017 results were also favorably impacted in comparision to 2016 by an $11 million pre tax gain on the sale of our Neste Jacobs JV combined with the non-recurrence of 2016 charges associated with the loss on sale of our French subsidiary of $24.4 million and the noncash write-off on an equity investment of $17 million. Income taxes for fiscal 2017 were higher by $33.6 million due mainly to higher pre-tax income.

On August 1, 2017, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with CH2M HILL Companies, Ltd. ("CH2M"), and Basketball Merger Sub Inc., a direct wholly-owned subsidiary of the Company ("Merger Sub"). Pursuant to and subject to the terms and conditions of the Merger Agreement, (i) Merger Sub will merge with and into CH2M, with CH2M continuing as the surviving corporation and becoming a wholly-owned subsidiary of the Company (the "Merger") and (ii) each outstanding share of common stock of CH2M will be converted into the right to receive, at the election of the holder thereof in accordance with, and subject to, the terms, conditions and procedures set forth in the Merger Agreement, in each case without interest the following consideration: (a) the combination of (x) $52.85 in cash and (y) 0.6677 shares of common stock, par value $1.00 per share, of the Company; (b) $88.08 in cash; or (c) 1.6693 shares of the Company's common stock. The Merger is subject to the satisfaction of customary closing conditions, including regulatory approvals and approval by CH2M stockholders, and is expected to close by the end of fiscal first quarter 2018.

On January 27, 2017, we acquired Aquenta Consulting Pty Ltd. ("Aquenta") headquartered in Sydney, Australia, an integrated project service solutions company. Also, on August 31, 2017, we acquired Blue Canopy, LLC headquartered in Reston, Virginia. Blue Canopy provides data analytics, cybersecurity and application development.

Backlog at September 29, 2017 was $19.8 billion, up $1.0 billion over 2016 and a record level for the Company. New prospects and new sales remain strong and the Company continues to have a positive outlook for many of the industry groups and markets in which our clients operate.

On December 1, 2016, the Company announced the approval of a cash dividend program. Quarterly dividends of $0.15 per share were paid in each of the second, third and fourth quarters of fiscal 2017. On September 27, 2017, the Board of Directors declared a quarterly cash dividend of $0.15 per share, which was paid on November 10, 2017. Also, the Company repurchased and retired 2.0 million shares of its common stock under its share repurchase program for $97.2 million.

Results of Operations

Fiscal 2017 Compared to Fiscal 2016

Total revenues for the year ended September 29, 2017, were $10.02 billion, a decrease of $941.4 million, or 8.6%, from $10.96 billion for the corresponding period last year. The decrease in revenues was due primarily to lower volumes in the Petroleum & Chemicals, Aerospace & Technology and Industrial LOBs, partially offset by an increase in volume in the Buildings & Infrastructure LOB. These lower volumes were driven mainly by lower field services volume, primarily with Petroleum & Chemicals customers and the timing of project completions versus new project timing.

Direct costs of contracts for the year ended September 29, 2017 were $8.25 billion, a decrease of $945.8 million, or 10.3%, from $9.20 billion for the corresponding period last year. Direct costs of contracts include all costs incurred in connection with and directly for the benefit of client contracts, including depreciation and amortization relating to assets used in providing the services required by the related projects. The level of direct costs of contracts may fluctuate between reporting periods due to a variety of factors, including the amount of pass-through costs we incur during a period. On those projects where we are responsible for subcontract labor or third-party materials and equipment, we reflect the amounts of such items in both revenues and costs (and we refer to such costs as "pass-through costs"). On other projects where the client elects to pay for such items directly and we have no associated responsibility for such items, these amounts are not considered pass-through costs and are, therefore, not reflected in either revenues or costs. To the extent that we incur a significant amount of passthrough costs in a period, our direct costs of contracts are likely to increase as well.

Pass-through costs included in revenues for the year ended September 29, 2017 were $2.54 billion in comparison to $2.49 billion in line with amounts in the corresponding period last year. In general, pass-through costs are more significant on projects that have a higher content of field services activities. Pass-through costs are generally incurred at specific points during the life cycle of a project and are highly dependent on the needs of our individual clients and the nature of the clients' projects. However, because we have hundreds of projects which start at various times within a fiscal year, the effect of pass-through costs on the level of direct costs of contracts can vary between fiscal years without there being a fundamental or significant change to the underlying business.

As a percentage of revenues, direct costs of contracts for the year ended September 29, 2017 was 82.3%. This compares to 83.9% for the year ended September 30, 2016. The relationship between direct costs of contracts and revenues will fluctuate between reporting periods depending on a variety of factors including the mix of business during the reporting periods being compared as well as the level of margins earned from the various types of services provided. Generally, the more procurement we do on behalf of our clients (e.g., where we purchase equipment and materials for use on projects and/or procure subcontracts in connection with projects) and the more field services revenues we have relative to technical, professional services revenues, the higher the ratio will be of direct costs of contracts to revenues. Because revenues from pass-through cost arrangements typically have lower margin rates associated with them, it is not unusual for us to experience an increase or decrease in such revenues without experiencing a proportionate increase or decrease in our gross margins and operating profit. The reduction in cost relative to revenue is driven by both 1) our strategic focus on realigning our portfolio to higher profit businesses and 2) a reduction in field services revenue, which tends to have a lower margin, as a percent of total revenue resulting in higher margin overall.

Selling, general & administrative expenses for the year ended September 29, 2017 were $1,380.0 million, a decrease of $49.2 million, or 3.4%, from $1,429.2 million for the corresponding period last year. The decrease in SG&A expenses for the comparative annual periods was due mainly to lower Restructuring and other charges of $75.9 million and related savings from the 2015 Restructuring. These decreases were offset in part by higher year over year spending mainly in personnel related costs and professional service fees, including an additional $17 million associated with CH2M professional service fees and integration costs.

Net interest expense for the year ended September 29, 2017 was $3.3 million, a decrease of $4.1 million from $7.4 million for the corresponding period last year. The decrease in interest expense for the year ended September 29, 2017 as compared to the corresponding period last year was due primarily to the reversal of $2.5 million of accrued interest expense related to the statute expiration of a foreign tax reserve as well as higher levels of interest income.

Miscellaneous expense, net for the year ended September 29, 2017 was ($6.6) million, as compared to ($3.1) million for the corresponding period last year. This change was due primarily to a reversal in fiscal 2016 of $5.1 million of accrued penalties related to the statute expiration of a foreign tax reserve, which did not recur in fiscal 2017, offset in part by other miscellaneous charges.

Gain/(Loss) on disposal of business and investments was $10.9 million and $(41.4) million for the years ended September 29, 2017 and September 30, 2016, respectively. The reported amounts for fiscal 2017 were associated mainly with the Company's divestiture of its equity investment in Neste Jacobs Oy, a joint venture between the Company and Neste Corporation. The $(41.4) million loss on disposal in fiscal 2016 was mainly attributable to the Company's loss on the sale of our French subsidiary of $24.4 million, and a non-cash write-off on an equity investment of $17.0 million.

The Company's consolidated effective income tax rate is generally lower than the U.S. statutory rate of 35% primarily due to the impacts of favorable tax rate differences in our foreign operations. The following table reconciles total income tax expense using the statutory U.S. federal income tax rate to the consolidated income tax expense shown in the accompanying Consolidated Statements of Earnings for the years ended September 29, 2017 and September 30, 2016 (dollars in thousands):

	For the Years Ended			
	September 29, 2017	%	September 30, 2016	%
Statutory amount	$137,626	35.0%	$100,353	35.0%
State taxes, net of the federal benefit	8,955	2.3%	7,853	2.7%
Exclusion of tax on non-controlling interests	2,223	0.6%	(1,418)	(0.5%)
Foreign:				
Difference in tax rates of foreign operations	(16,987)	(4.3%)	(17,184)	(6.0%)
Benefit from foreign valuation allowance release	(3,085)	(0.8%)	(11,182)	(3.9%)
U.K. tax rate change on deferred tax assets	—	0.0%	8,853	3.1%
Nontaxable income from foreign affiliate	(3,280)	(0.8%)	—	0.0%
U.S. tax cost of foreign operations	18,612	4.7%	30,850	10.9%
Tax differential on foreign earnings	(4,740)	(1.2%)	11,337	4.1%
Foreign tax credits	(20,454)	(5.2%)	(44,018)	(15.4%)
Uncertain tax positions	(5,779)	(1.5%)	1,449	0.5%
Other items:				
IRS §179D deduction	(3,351)	(0.8%)	(2,153)	(0.8%)
IRS §199D deduction	(2,113)	(0.5%)	(2,800)	(1.0%)
Foreign partnership loss	(9,861)	(2.5%)	(2,658)	(0.9%)
Other items—net	3,336	0.7%	4,263	1.5%
Total other items	(11,989)	(3.1%)	(3,348)	(1.2%)
Taxes on income	$105,842	26.9%	$ 72,208	25.2%

The Company's consolidated effective income tax rate for the year ended September 29, 2017 increased to 26.9% from 25.2% for fiscal 2016. Key drivers for this year over year increase include the impacts of lower foreign tax credit benefits and lower benefits from valuation allowance releases on foreign deferred tax assets, partly offset by favorable impacts of U.S. tax cost of foreign operations, the non-recurrence of 2016 tax rate change impacts on deferred income tax assets in the UK and favorable impacts from change in uncertain tax positions.

Fiscal 2016 Compared to Fiscal 2015

Total revenues for the year ended September 30, 2016, were $10.96 billion, a decrease of $1.15 billion, or 9.5%, from $12.11 billion for the corresponding period last year. The decrease in revenues was due primarily to lower volumes in the Petroleum & Chemicals, Aerospace & Technology and Buildings & Infrastructure LOBs, partially offset by an increase in the Industrial LOB.

Direct costs of contracts decreased $1.0 billion, or 9.4%, from $10.1 billion during fiscal 2015 to $9.2 billion during fiscal 2016. Direct costs of contracts include all costs incurred in connection with and directly for the benefit of client contracts, including depreciation and amortization relating to assets used in connection with providing the services required by client projects. The level of direct costs of contracts may fluctuate between reporting periods due to a variety of factors including the amount of pass-through costs we incur during a period. On those projects where we are responsible for subcontract labor or third party materials and equipment, we reflect the amounts of such items in both revenues and costs (and we refer to such costs as "pass-through costs"). On other projects, where the client elects to pay for such items directly and we have no associated responsibility for such items, these amounts are not considered pass-through costs and are, therefore, not reflected in either revenues or costs. To the extent that we incur a significant amount of pass-through costs in a period, our direct cost of contracts are likely to increase as well. The decrease in direct costs of contracts between fiscal years 2015 and 2016 is primarily a result of the general decline in our business.

Pass-through costs decreased $112.7 million, or 4.3%, from $2.6 billion during fiscal 2015 to $2.5 billion for fiscal 2016. In general, pass-through costs are more significant on projects that have a higher content of field services activities. Pass-through costs are generally incurred at a specific point in the lifecycle of a project and are highly dependent on the needs of our individual clients and the nature of the clients' projects. However, because we have hundreds of projects, which start at various times within a fiscal year, the effect of pass-through costs on the level of direct costs of contracts, can vary between fiscal years without there being a fundamental or significant change to the underlying business.

As a percentage of revenues, direct costs of contracts were 83.9% for fiscal 2016, compared to 83.8% for fiscal 2015. The relationship between direct costs of contracts and revenues will fluctuate between reporting periods depending on a variety of factors including the mix of business during the reporting periods being compared as well as the level of margins earned from the various types of services provided. Generally speaking, the more procurement we do on behalf of our clients (i.e., where we purchase equipment and materials for use on projects, and/or procure subcontracts in connection with projects) and the more field services revenues we have relative to technical, professional services revenues, the higher the ratio will be of direct costs of contracts to revenues. Because revenues from pass-through costs typically have lower margin rates associated with them, it is not unusual for us to experience an increase or decrease in such revenues without experiencing a corresponding increase or decrease in our gross margins and operating profit. The ratio of direct costs of contracts to revenues was flat over the prior year period. The Company experienced a slight decrease in margins in fiscal 2016 when compared to fiscal 2015.

SG&A expenses for fiscal 2016 decreased by $93.6 million, or 6%, to $1.43 billion, compared to $1.52 billion for fiscal 2015. The decrease in SG&A expenses was primarily due to higher SG&A savings associated with the 2015 Restructuring. Excluding the effects of the 2015 Restructuring in both fiscal 2016 and 2015, adjusted SG&A expenses for fiscal 2016 decreased $126.9 million, or 9%, to $1.24 billion from $1.37 billion in fiscal 2015.

Net interest expense for fiscal 2016 decreased $4.8 million to $7.4 million from $12.2 million in fiscal 2015. Included in net interest expense for fiscal 2016 was a reversal of $2.7 million of accrued interest expense related to the expiration of the statute of limitations relating to a foreign tax reserve. Interest expense for fiscal 2016 was also lower when compared to the same period last year due to lower debt levels.

Loss on disposal of business and investments for fiscal 2016 increased by $38.5 million to $41.4 million from $2.9 million in fiscal 2015. The increase is due to the previously discussed fiscal 2016 loss items on the sale of our French subsidiary of $24.4 million, and a non-cash write-off on an equity investment of $17.0 million.

Miscellaneous expense for fiscal 2016 increased $2.8 million to $3.1 million from $0.2 million in fiscal 2015. The increase over the prior year period was primarily due to realized exchange rate losses. Included in miscellaneous expense for fiscal 2016 was a reversal of $5.1 million of accrued penalties related to the expiration of the statute of limitations relating to a foreign tax reserve.

The Company's consolidated effective income tax rate is generally lower than the U.S. statutory rate of 35% primarily due to the impacts of favorable tax rate differences in our foreign operations. The following table reconciles total income tax expense using the statutory U.S. federal income tax rate to the consolidated income tax expense shown in the accompanying Consolidated Statements of Earnings for the years ended September 30, 2016 and October 2, 2015 (dollars in thousands):

	For the Years Ended			
	September 30, 2016	%	October 2, 2015	%
Statutory amount	100,353	35.0%	$150,548	35.0%
State taxes, net of the federal benefit	7,853	2.7%	12,857	3.0%
Exclusion of tax on non-controlling interests	(1,418)	(0.5%)	(9,069)	(2.1%)
Foreign:				
Difference in tax rates of foreign operations	(17,184)	(6.0%)	(19,180)	(4.5%)
Benefit from foreign valuation allowance release	(11,182)	(3.9%)	(3,372)	(0.8%)
Tax deductible foreign currency loss	—	0.0%	(23,100)	(5.4%)
U.K. tax rate change on deferred tax assets	8,853	3.1%	—	0.0%
U.S. tax cost of foreign operations	30,850	10.9%	6,814	1.6%
Tax differential on foreign earnings	11,337	4.1%	(38,838)	(9.0%)
Foreign tax credits	(44,018)	(15.4%)	(21,313)	(5.0%)
Uncertain tax positions	1,449	0.5%	2,281	0.5%
Other items:				
IRS §179D deduction	(2,153)	(0.8%)	—	0.0%
IRS §199D deduction	(2,800)	(1.0%)	(4,582)	(1.1%)
Foreign partnership (loss)/income	(2,658)	(0.9%)	11,858	2.8%
Other items—net	4,263	1.5%	(2,487)	(0.6%)
Total other items	(3,348)	(1.2%)	4,789	1.1%
Taxes on income	72,208	25.2%	$101,255	23.5%

The Company's consolidated effective income tax rate for the year ended September 30, 2016 increased to 25.2% from 23.5% for fiscal 2015. The primary components of this increase in tax rate were due mainly to unfavorable impacts from U.S. tax cost of foreign operations, the non-recurrence of tax deductible foreign currency losses in fiscal 2015, unfavorable impacts from U.K. tax rates changes on deferred tax assets and other unfavorable items. These unfavorable impacts on the tax rate were partly offset by favorable foreign tax credits year over year, favorable income levels from our foreign partnerships in 2016 and comparably higher benefits from foreign valuation allowance releases in fiscal 2016.

Segment Financial Information

The following table provides selected financial information for our operating segments and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit by including certain corporate-level expenses and expenses relating to Restructuring and other charges and CH2M professional fees and integration costs (in thousands).

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Revenues from External Customers:			
Aerospace & Technology	$ 2,360,613	$ 2,657,433	$ 2,924,753
Buildings & Infrastructure	2,452,321	2,253,512	2,458,379
Industrial	2,743,662	2,793,713	2,517,571
Petroleum & Chemicals	2,466,192	3,259,499	4,214,129
Total	$10,022,788	$10,964,157	$12,114,832

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Operating Profit:			
Aerospace & Technology	$ 202,595	$ 203,808	$ 205,368
Buildings & Infrastructure (1)	193,455	174,648	145,299
Industrial	115,262	81,268	126,531
Petroleum & Chemicals	113,858	126,604	138,351
Total Segment Operating Profit	625,170	586,328	615,549
Other Corporate Expenses	(81,595)	(60,100)	(15,739)
Restructuring and Other Charges	(134,206)	(187,630)	(154,283)
CH2M Professional Fees and Integration Costs	(17,100)	—	—
Total U.S. GAAP Operating Profit	392,269	338,598	445,527
Gain/(Loss) on disposal of business and investments	10,880	(41,410)	(2,909)
Total Other (Expense) income (2)	(9,932)	(10,465)	(12,481)
Earnings Before Taxes	$ 393,217	$ 286,723	$ 430,137

(1) Excludes $23,844 in Restructuring and other charges for the fiscal year ended September 29, 2017.

(2) Years ending September 29, 2017 and September 30, 2016 include Restructuring and other charges of $1,233 and $277, respectively.

In evaluating the Company's performance by operating segment, the CODM reviews various metrics and statistical data for each LOB but focuses primarily on revenues and operating profit. As discussed above, segment operating profit includes not only local SG&A expenses but the SG&A expenses of the Company's support groups that have been allocated to the segments. In addition, the Company attributes each LOB's specific incentive compensation plan costs to the LOBs. The revenues of certain LOBs are more affected by pass-through revenues than other LOBs. The methods for recognizing revenue, incentive fees, project losses, and change orders are consistent among the LOBs.

Aerospace & Technology

	September 29, 2017	September 30, 2016	October 2, 2015
Revenue	$2,360,613	$2,657,433	$2,924,753
Operating Profit	202,595	203,808	205,368

Aerospace & Technology segment revenues for the year ended September 29, 2017 were $2.36 billion, down $296.8 million, or 11.2%, from $2.66 billion for the corresponding period last year. The decrease in revenues was mainly in our U.S. government business sector, where rebid losses and small business award preferences drove the declines. Unfavorable foreign currency impacts of approximately $13 million also contributed to this year over year decline. These unfavorable items were partially offset by positive gains from organic growth and improvement in our telecommunications sector, our NASA projects and our projects for the Ministry of Defence in Australia.

Aerospace & Technology revenues for the fiscal year ended September 30, 2016 were $2.66 billion, down $267.3 million, or 9.1%, from $2.92 billion in fiscal 2015. The decrease was due mainly to the impact of certain of our U.S. government customers' shift to a small-business preference in contract awards of approximately $281 million, offset slightly by stronger revenues in our U.K. nuclear and defense markets of approximately $14 million.

Operating profit for the Aerospace & Technology segment was $202.6 million for the year ended September 29, 2017, down $1.2 million, or 0.6%, from $203.8 million for the year ended September 30, 2016. This decrease in profitability was due primarily to the revenue declines in the U.S. government business sector mentioned above, as well as lower equity income from our U.K. joint venture for the comparative periods mainly associated with year over year declines in project funding.

Aerospace and Technology operating profit for the year ended September 30, 2016 was $203.8 million, down $1.6 million, or 0.8%, from $205.4 million in fiscal 2015. The slight decrease in operating profit was due mainly to the U.S. government customer shifts in fiscal 2016 described above but was mostly mitigated by improving our performance on fixed price contracts, which increased operating profit by $14.5 million over the comparable prior year period.

Buildings & Infrastructure

	September 29, 2017	September 30, 2016	October 2, 2015
Revenue	$2,452,321	$2,253,512	$2,458,379
Operating Profit	193,455	174,648	145,299

Buildings & Infrastructure revenues for the year ended September 29, 2017 were $2.45 billion, an increase of $198.8 million, or 8.8%, versus $2.25 billion for the comparable period in 2016. The year over year increases in revenues was due mainly to U.S. client spending level increases in the project-management/construction-management ("PMCM") market. Year over year impacts on revenues from unfavorable foreign currency were approximately $36 million.

Buildings & Infrastructure revenues for the year ended September 30, 2016 was $2.3 billion, a decrease of $204.9 million, or 8.3%, from $2.5 billion in fiscal 2015. The decrease was primarily due to reduced U.S. and U.K. client spending in certain markets during fiscal 2016.

Operating profit for Buildings & Infrastructure for the year ended September 29, 2017 was $193.5 million, up $18.8 million, or 10.8%, compared to $174.6 million for 2016. Excluded from the presented operating profit amounts for the year ending September 29, 2017 were $23.8 million in Restructuring and other charges related to strategic business restructuring activities in our U.K, Middle East and Europe businesses. Increases in profitability for the period in 2017 over 2016 were due mainly to higher revenue from the U.S. PMCM projects, partially offset by charges from a contract settlement of $6.0 million.

Operating profit for the year ended September 30, 2016 were $174.6 million, an increase of $29.3 million, or 20.2%, from $145.3 million for 2015. Proactive cost control and restructuring efforts contributed to the increase in operating profit for fiscal 2016 as compared to the corresponding period last year. As a result, operating margin for fiscal 2016 improved to 7.8%, compared to 5.9%, in fiscal 2015.

Industrial

	September 29, 2017	September 30, 2016	October 2, 2015
Revenue	$2,743,662	$2,793,713	$2,517,571
Operating Profit	115,262	81,268	126,531

Industrial revenues for the year ended September 29, 2017 were $2.74 billion versus $2.79 billion for the same period in 2016, down $50.1 million, or 1.8%. The decrease in revenues was due mainly to revenue declines from Field Services project completions, weaker market conditions in the Mining & Minerals businesses and unfavorable foreign currency impacts, partially offset by improvements in higher revenues associated with increased client major capex spending in the Life Sciences business.

Industrial revenues for the year ended September 30, 2016 were $2.79 million, an increase of $276.1 million, or 11.0%, from $2.5 billion in fiscal 2015. The increase was primarily due to new Life Sciences projects offset by a decline in the Mining & Minerals business due to weak market conditions.

Operating profit for the year ended September 29, 2017, was $115.3 million, up $34.0 million, or 41.8%, from $81.3 million for the corresponding period last year. The increase in profitability was due mainly to improved project performance in the Mining & Minerals business and higher levels of professional service and project procurement business in the Life Sciences business. Year over year profit comparisons were also impacted by unfavorable charges in the second quarter fiscal 2016 associated with litigation settlements and a customer bankruptcy amounting to $12.2 million.

Operating profit for the year ended September 30, 2016 was $81.3 million, a decrease of $45.3 million, or 35.8%, from $126.5 million, in fiscal 2015. The decrease was due to the decline in the Mining & Minerals business and was caused primarily by a negotiated settlement of a project claim that occurred in the second quarter of fiscal 2015 combined with the negative effects of a litigation settlement affecting the second quarter of fiscal 2016 and a customer bankruptcy. These decreases were offset in part by the increases in the Life Sciences market and benefits associated with the 2015 Restructuring. Although driven by discrete items in each of the periods presented, the change in operating profit was negative. As a result, operating margin for fiscal 2016 declined to 2.9% from 5.0% for the corresponding period last year.

Petroleum & Chemicals

	September 29, 2017	September 30, 2016	October 2, 2015
Revenue	$2,466,192	$3,259,499	$4,214,129
Operating Profit	113,858	126,604	138,351

Petroleum & Chemicals revenues for the year ended September 29, 2017 were $2.45 billion, a decrease of $793.3 million, or 24.3%, from $3.26 billion for the same period in 2016. The decrease in revenues for the year ended September 29, 2017 as compared to the prior year was due primarily to the completion or wind-down of several projects with significant pass-through revenue as well as award delays of large post front-end engineering and design projects, as clients continue to evaluate their capital spending plans as oil prices remained low. Both of these factors resulted in lower field service revenues compared with the prior year periods, while client investment spending continues primarily on compliance, maintenance and sustaining capital programs. Additionally, foreign currency impacts were unfavorable of approximately $18 million on year over year revenue comparisons for fiscal 2017 versus fiscal 2016.

Petroleum & Chemicals revenues for the year ended September 30, 2016 were $3.26 billion, a decrease of $954.6 million, or 22.7%, from $4.2 billion in fiscal 2015. The decrease was primarily due to lower business volume in the Oil & Gas market sector and to a lesser extent the Refining market sector, particularly in the Middle East and North America, as weak oil prices have significantly impacted client capital spending and delayed the pace of new contract awards.

Operating profit for the year ended September 29, 2017 was $113.9 million, a decrease of $12.7 million, or 10.1%, from $126.6 million for the corresponding period last year. The decrease in profitability as compared to the prior year period was due mainly to revenue declines from lower business volumes mentioned above, offset in part by SG&A savings from restructuring efforts and a one-time $9.9 million benefit associated with benefit plan changes in our India operations.

Operating profit for the year ended September 30, 2016 was $126.6 million, down $11.7 million, or 8.5%, from $138.4 million in fiscal 2015. The decrease in operating profit primarily was due to lower volume in the Oil and Gas and Refining market sectors offset in part by significant savings from restructuring efforts and LOB structure efficiencies. A continued strong focus on cost reductions has partially mitigated the volume reduction impact on operating profit. As a result, operating margin for the year ended September 30, 2016 increased to 3.9% from 3.3% in fiscal 2015.

Other Corporate Expenses

Other corporate expenses were $81.6 million, $60.1 million and $15.8 million for the years ended September 29, 2017, September 30, 2016 and October 2, 2015. The increases across the respective years were due mainly to higher spending in personnel related costs and outside services, offset by savings from the 2015 Restructuring program.

Included in other corporate expenses in the above table are costs and expenses which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of our incentive compensation plans relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of purchased business combinations; (iv) the quarterly variances between the Company's actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company's international defined benefit pension plans. In addition, other corporate expenses may also include from time to time certain adjustments to contract margins (both positive and negative) associated with projects where it has been determined, in the opinion of management, that such adjustments are not indicative of the performance of the related LOB.

Backlog Information

We include in backlog the total dollar amount of revenues we expect to record in the future as a result of performing work under contracts that have been awarded to us. Our policy with respect to O&M contracts, however, is to include in backlog the amount of revenues we expect to receive for one succeeding year, regardless of the remaining life of the contract. For national government programs (other than national government O&M contracts), our policy is to include in backlog the full contract award, whether funded or unfunded, excluding option periods. Because of the nature, size, expected duration, funding commitments, and the scope of services required by our contracts, the timing of when backlog will be recognized as revenues can vary greatly between individual contracts.

Consistent with industry practice, substantially all of our contracts are subject to cancellation or termination at the option of the client. While management uses all information available to it to determine backlog, at any given time our backlog is subject to changes in the scope of services to be provided as well as increases or decreases in costs relating to the contracts included therein. Backlog is not necessarily an indicator of future revenues.

Because certain contracts (e.g., contracts relating to large EPC projects as well as national government programs) can cause large increases to backlog in the fiscal period in which we recognize the award, and because many of our contracts require us to provide services that span over a number of fiscal quarters (and sometimes over fiscal years), we evaluate our backlog on a year-over-year basis, rather than on a sequential, quarter-over-quarter basis.

Please refer to Item 1A—*Risk Factors*, above, for a discussion of other factors that may cause backlog to ultimately convert into revenues at different amounts.

The following table summarizes our backlog for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in millions):

	September 29, 2017	September 30, 2016	October 2, 2015
Backlog:			
Aerospace & Technology	$ 6,231,426	$ 5,109,973	$ 4,880,775
Buildings & Infrastructure	5,412,377	5,033,539	4,723,034
Industrial	2,836,854	3,106,575	3,650,520
Petroleum & Chemicals	5,307,956	5,510,442	5,552,241
Total	$19,788,613	$18,760,529	$18,806,570

Increases in backlog in Aerospace & Technology for the years presented were primarily the result of new awards from the U.S. federal government.

Increases in backlog in Building & Infrastructure for the years presented were primarily the result of new awards in the U.S. market.

Decreases in backlog in the Industrial line of business resulted mainly from a large cancellation in the Life Sciences area and strong revenue realization associated with large pharma projects for fiscal 2017 versus fiscal 2016. The decrease from fiscal 2015 to fiscal 2016 was primarily related to a lower level of field services awards.

The decrease in backlog in Petroleum & Chemicals from fiscal 2016 to fiscal 2017 was due mainly to continuing weakness in the upstream market, partly offset by strong performance in chemicals backlog. The decrease from fiscal 2015 to fiscal 2016 was primarily related to weak oil prices affecting our customers' capital spend.

Backlog relating to work to be performed either directly or indirectly for the U.S. federal government and its agencies totaled approximately $4.6 billion (or 23.2% of total backlog), $4.8 billion (or 25.4% of total backlog) and $4.6 billion (or 23.9% of total backlog) at September 29, 2017, September 30, 2016 and October 2, 2015, respectively. Most of our federal government contracts require that services be provided beyond one year. In general, these contracts must be funded annually (i.e., the amounts to be spent under the contract must be appropriated by the U.S. Congress to the procuring agency, and then the agency must allot these sums to the specific contracts).

We estimate that approximately $7 billion, or 35%, of total backlog at September 29, 2017 will be realized as revenues within the next fiscal year.

Liquidity and Capital Resources

At September 29, 2017, our principal sources of liquidity consisted of $774.2 million of cash and cash equivalents, $1.3 billion of available borrowing capacity under our $1.6 billion 2014 revolving credit facility (the

"Revolving Credit Facility") and $1.5 billion of available borrowings under our Term Loan Facility (defined below). Additional information regarding the Revolving Credit Facility and the Term Loan Facility is set forth in Note 6—*Borrowings* in Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K. We finance much of our operations and growth through cash generated by our operations.

On September 28, 2017, the Company entered into a $1.5 billion unsecured delayed-draw term loan facility (the "Term Loan Facility") with a syndicate of financial institutions as lenders and letter of credit issuers. Subject to certain terms and conditions set forth therein, loans under the Term Loan Facility may be incurred on the day the CH2M acquisition is consummated in order to pay cash consideration for the transaction, and to pay fees and expenses related to the acquisition and the Term Loan Facility.

The Company intends to finance the cash consideration for the CH2M acquisition, the repayment of CH2M's outstanding indebtedness and other transaction expenses with a combination of cash on hand and debt financing, which includes Term Loan Facility in an aggregate principal amount of $1.5 billion and additional borrowings under the Revolving Credit Facility. The Company currently estimates that the aggregate principal amount of indebtedness to be incurred in connection with the acquisition will be approximately $1.9 billion.

At September 29, 2017, our cash and cash equivalents were $774.2 million, an increase of $118.4 million from $655.7 million at September 30, 2016. This compares to a net increase of $194.9 for the year ended September 30, 2016.

The most significant factors contributing to the net increase in cash and cash equivalents for fiscal 2017 from fiscal 2016 were favorable cash from operations of $574.9 million, partly offset by cash outflows from investing activities of $236.2 million, $242.6 million in cash used in financing activities and unfavorable effects of exchange rate changes of $22.3 million. On a comparative basis, cash and cash equivalents increased $194.9 million from fiscal 2015 to fiscal 2016 mainly from cash generated from operating activities of $680.2 million, partly offset by cash used in investing activities of $139.6 million, cash used in financing activities of $317.0 million and unfavorable effects of exchange rate changes of $28.7 million.

Our cash from operations for the year ended September 29, 2017 was $574.9 million, down $105.3 million from the corresponding period of 2016. This net decrease was mainly associated with increases in net working capital of $206.1 million (mainly higher accounts receivable and offset in part by higher accounts payable), partly offset by higher net earnings of $72.9 million, favorable cash flows from other deferred liabilities of $34.8 million and other operating cash items. Our cash from operations for the year ended September 30, 2016 was $680.2 million, up $195.6 million from the corresponding period of 2015. This net increase was mainly associated with decreases in working capital of $373.1 million (mainly lower accounts receivable and increases in billings in excess of costs), offset in part by lower net earnings of $114.4 million and other operating cash items.

With respect to the Company's working capital accounts, the Company's cash flows from operations are greatly affected by the cost-plus nature of our customer contracts. Because such a high percentage of our revenues are earned on cost-plus type contracts, and due to the significance of revenues relating to pass-through costs, most of the costs we incur are included in invoices we send to clients. Although we continually monitor our accounts receivable, we manage the operating cash flows of the Company by managing the working capital accounts in total, rather than by the individual elements. The primary elements of the Company's working capital accounts are accounts receivable, accounts payable, and billings in excess of cost. Accounts payable consist of obligations to third parties relating primarily to costs incurred for projects which are generally billable to clients. Accounts receivable consist of amounts due from our clients of which a substantial portion are for project-related costs. Billings in excess of cost consist of billings to and payments from our clients for costs yet to be incurred.

This relationship between revenues and costs, and between receivables and payables, is unique to our industry, and facilitates review of our liquidity at the total working capital level.

With respect to the Company's trade accounts receivable, while our credit risk could be significant based on the fact that we provide services to clients operating in a wide range of industries as well as in a number of countries outside the U.S., we manage these issues closely to reduce exposures as much as possible and historically have not experienced material losses. Our private sector customers include large, well-known, and well-established multi-national companies, and our government customers consist of national, state, and local agencies located principally in the U.S., the U.K., and Australia. Although we have not historically experienced significant collection issues with our governmental or commercial customers, we continue to monitor our credit policies with our customers in the markets we serve.

Our cash used in investing activities for the year ended September 29, 2017 was $236.2 million, up $96.6 million from the corresponding period of 2016. This net increase in cash used was due mainly to higher levels of acquisition spend of $100.2 million and higher capex of $50.4 million, partly offset by proceeds from the sale of our Neste Jacobs joint venture. Our cash used in investing activities for the year ended September 30, 2016 was $139.6 million, up $43.5 million from the corresponding period of 2015. This net increase in cash used was due mainly to higher levels of spend on acquisitions and divestitures of $60.9 million, offset in part by lower capex of $20.7 million.

Our cash used in financing activities for the year ended September 29, 2017 was $242.6 million, down $74.4 million from the corresponding period of 2016. This net decrease increase in cash used was mainly attributable to lower net cash activity of long-term borrowings of $38.4 million and lower cash spend in common stock repurchases of $55.4 million, offset in part mainly by dividends of $54.2 million paid in 2017. Our cash used in financing activities for the year ended September 30, 2016 was $317.0 million, down $236.3 million from the corresponding period of 2015. This net decrease increase in cash used was mainly attributable to lower cash spent on common stock repurchases of $269.8 million, offset in part mainly by higher net cash used in long-term borrowings activity of $52.7 million.

The Company had $774.2 million of cash and cash equivalents at September 29, 2017. Of this amount, approximately $124.1 million was held in the U.S. and $650.1 million was held outside of the U.S. (primarily in the U.K., the Eurozone, Chile, and India) and was used primarily for funding operations in those regions. Other than the tax cost of repatriating funds to the U.S. (see Note 10—*Income Taxes* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K), there are no impediments to repatriating these funds to the U.S.

The Company had $262.1 million in letters of credit outstanding at September 29, 2017. Of this amount, $2.5 million was issued under the Revolving Credit Facility and $259.6 million was issued under separate, committed and uncommitted letter-of-credit facilities.

We believe we have adequate liquidity and capital resources to fund our operations, support our acquisition strategy, service our debt, and pay dividends for the next twelve months. We believe that the capacity, terms and conditions of the Revolving Credit Facility and the Term Loan Facility, combined with cash on-hand and the other committed and uncommitted facilities we have in place, are adequate for our working capital and general business requirements for the next twelve months.

Contractual Obligations

The following table sets forth certain information about our contractual obligations as of September 29, 2017 (in thousands):

		Payments Due by Fiscal Period			
	Total	1 Year or Less	1 - 3 Years	3 - 5 Years	More than 5 Years
Debt obligations	$ 238,071	$ 3,071	$235,000	—	$ —
Operating leases (a)	768,104	139,967	251,816	202,052	174,269
Obligations under defined benefit pension plans (b)	254,483	23,874	47,607	52,510	130,492
Obligations under nonqualified deferred compensation plans (c)	135,996	27,159	57,620	51,217	—
Purchase obligations (d)	1,333,934	1,333,934	—	—	—
Interest (e)	13,568	4,065	7,865	1,638	—
Total	$2,744,156	$1,532,070	$599,908	$307,417	$304,761

(a) Assumes the Company will make the end of lease term residual value guarantee payment of $62.4 million in 2025 with respect to the lease of an office building in Houston, Texas. Please refer to Note 11—*Commitments and Contingencies, and Derivative Financial Instruments* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

(b) Assumes that future contributions will be consistent with amounts projected to be contributed in fiscal 2017, allowing for certain growth based on rates of inflation and salary increases, but limited to the amount recorded as of September 29, 2017. Actual contributions will depend on a variety of factors, including amounts required by local laws and regulations, and other funding requirements.

(c) Assumes that future payments will be consistent with amounts paid in fiscal 2017. Due to the nonqualified nature of the plans, and the fact that benefits are based in part on years of service, the payments included in the schedule were limited to the amount recorded as of September 29, 2017.

(d) Represents those liabilities estimated to be under firm contractual commitments as of September 29, 2017; primarily accounts payable, accrued payroll and accrued dividends.

(e) Determined based on borrowings outstanding at the end of fiscal 2017 using the interest rates in effect at that time and, for our outstanding long term debt, concluding with the expiration date of the Revolving Credit Facility, as defined below.

Merger Agreement

On August 1, 2017, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with CH2M HILL Companies, Ltd. ("CH2M"), and Basketball Merger Sub Inc., a direct wholly-owned subsidiary of the Company ("Merger Sub"). Pursuant to and subject to the terms and conditions of the Merger Agreement, (i) Merger Sub will merge with and into CH2M, with CH2M continuing as the surviving corporation and becoming a wholly-owned subsidiary of the Company (the "Merger") and (ii) each outstanding share of common stock of CH2M will be converted into the right to receive, at the election of the holder thereof in accordance with, and subject to, the terms, conditions and procedures set forth in the Merger Agreement, in each case without interest the following consideration: (a) the combination of (x) $52.85 in cash and (y) 0.6677 shares of common stock, par value $1.00 per share, of the Company; (b) $88.08 in cash; or (c) 1.6693 shares of the Company's common stock.

The Merger is subject to the satisfaction of customary closing conditions, including without limitation, approval by CH2M stockholders. For risks related to the Merger, see Item 1A-*Risk Factors* above.

Effects of Inflation and Changing Prices

The effects of inflation and changing prices on our business is discussed in Item 1A—*Risk Factors*, and is incorporated herein by reference.

Off-Balance Sheet Arrangements

We are party to financial instruments with off-balance sheet risk in the form of guarantees not reflected in our balance sheet that arise in the normal course of business. However, such off-balance sheet arrangements are not reasonably likely to have an effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or resources that are material to investors. See Note 11 – *Commitments and Contingencies and Derivative Financial Instruments* of Notes to Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

New Accounting Pronouncements

Revenue Recognition

From time to time, the Financial Accounting Standards Board ("FASB") issues accounting standards updates (each an "ASU") to its Accounting Standards Codification ("ASC"), which constitutes the primary source of U.S. GAAP. The Company regularly monitors ASUs as they are issued and considers their applicability to its business. All ASUs applicable to the Company are adopted by the due date and in the manner prescribed by the FASB.

In May 2014, the FASB issued ASU No. 2014-09—*Revenue from Contracts with Customers*. The new guidance provided by ASU 2014-09 is intended to remove inconsistencies and perceived weaknesses in the existing revenue requirements, provide a more robust framework for addressing revenue issues, improve comparability, provide more useful information and simplify the preparation of financial statements. ASU 2014-09 was initially effective for annual and interim reporting periods beginning after December 15, 2016. In July, 2015, the FASB approved a one-year deferral of the effective date of this standard. The revised effective date for the standard is for annual reporting periods beginning after December 15, 2017 and interim periods therein. The FASB also approved changes allowing for early adoption of the standard as of the original effective date.

The Company's adoption activities will be performed over three phases: (i) assessment, (ii) design, and (iii) implementation. Our assessment phase is substantially complete. The following are the potential significant differences identified during the assessment phase:

Performance Obligations

Under current U.S. GAAP the Company typically considers engineering and construction services as separate performance obligations. Under ASU 2014-09, the Company has determined, in most instances, it is likely that engineering and construction services will be required to be combined into a single performance obligation. In these instances, this will likely change the timing and pattern of revenue recognition.

Contract Modifications

In many instances, the Company enters into contracts for construction services subsequent to entering in to engineering services contracts. Under ASU 2014-09, the construction services contract may be deemed to modify the engineering contract, or may be required to be combined with the engineering contract. This modification or combination of contracts may result in a cumulative catchup adjustment, which will have an immediate impact on the Company's results of operations in the period the contract combination or modification occurs. In addition, it will change the timing and pattern of revenue recognition after the period the contracts have been combined or modified.

The Company currently intends to adopt the new standard using the Modified Retrospective application. This standard could have a significant impact on the Company's Consolidated Financial Statements and an administrative impact on its operations and will depend on the magnitude of the items discussed above. The Company will continue to evaluate the impact through the design and implementation phases.

Lease Accounting

In February 2016, the FASB issued ASU 2016-02—*Leases*. ASU 2016-02 requires lessees to recognize assets and liabilities for most leases. ASU 2016-02 is effective for public entity financial statements for annual periods beginning after December 15, 2018, and interim periods within those annual periods. Early adoption is permitted, including adoption in an interim period. The guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Company is evaluating the impact of the new guidance on its consolidated financial statements. This standard could have a significant administrative impact on its operations, and the Company will further assess the impact through its implementation program.

Employee Share-Based Payment Accounting

In March 2016, the FASB issued ASU 2016-09—*Improvements to Employee Share-Based Payment Accounting*. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for any entity in any interim or annual period for which financial statements have not been issued or made available for issuance. If an entity early adopts the amendments in an interim period, any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is evaluating the impact of the new guidance on its consolidated financial statements and does not plan to early adopt this pronouncement.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not enter into derivative financial instruments for trading, speculation or other purposes that would expose the Company to market risk. In the normal course of business, our results of operations are exposed to risks associated with fluctuations in interest rates and currency exchange rates.

Interest Rate Risk

Please refer to the discussion of the Revolving Credit Facility and the Term Loan Facility in the liquidity and capital resources discussion in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report on Form 10-K, and Note 6—*Borrowings* in Notes to Consolidated Financial Statements beginning on Page F-1 of this Annual report on Form 10-K.

Foreign Currency Risk

In situations where our operations incur contract costs in currencies other than their functional currency, we attempt to have a portion of the related contract revenues denominated in the same currencies as the costs. In those situations where revenues and costs are transacted in different currencies, we sometimes enter into foreign exchange contracts in order to limit our exposure to fluctuating foreign currencies. We follow the provisions of ASC 815-10—*Derivatives and Hedging* in accounting for our derivative contracts. The Company does not currently have exchange rate sensitive instruments that would have a material effect on our consolidated financial statements or results of operations.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item 8 is submitted as a separate section beginning on page F-1 of this Annual Report on Form 10-K and is incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as defined by Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of September 29, 2017, the end of the period covered by this Annual Report on Form 10-K (the "Evaluation Date"). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were functioning effectively as of the Evaluation Date to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining for the Company adequate internal controls over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Management, with the participation of its Chief Executive Officer and Chief Financial Officer, has assessed the effectiveness of the Company's internal control over financial reporting as of the Evaluation Date based on the framework established in *"Internal Control—Integrated Framework,"* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, management has concluded that the Company's internal controls over financial reporting as of the Evaluation Date were effective. The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the Company's internal control over financial reporting which appears later in this Annual Report on Form 10-K.

Changes in Internal Control

There were no changes in the Company's internal control over financial reporting during the Company's fiscal quarter ended September 29, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls

The Company's management, including its Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures or its system of internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed or operated, can provide only reasonable, but not absolute, assurance that the objectives of the system of internal control are met. The design of the Company's control system reflects the fact that there are resource constraints, and that the benefits of such control systems must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control failures and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the intentional acts of individuals, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part on certain assumptions about the likelihood of future events, and there can be no assurance that the design of any particular control will always succeed in achieving its objective under all potential future conditions.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors, Executive Officers, Promoters and Control Persons

The information required by Paragraph (a), and Paragraphs (c) through (g) of Item 401 of Regulation S-K (except for information required by Paragraph (e) of that Item to the extent the required information pertains to our executive officers) and Item 405 of Regulation S-K is set forth under the captions "Members of the Board of Directors," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference. The information required by Paragraph (b) of Item 401 of Regulation S-K, as well as the information required by Paragraph (e) of that Item to the extent the required information pertains to our executive officers, is set forth in Part I, Item 1 of this Annual Report on Form 10-K under the heading "Executive Officers of the Registrant."

Code of Ethics

We have adopted a code of ethics for our Chief Executive Officer and senior financial officers; a code of business conduct and ethics for members of our Board of Directors and corporate governance guidelines. The full text of these codes of ethics and corporate governance guidelines are available at our website at www.jacobs.com. In the event we make any amendment to, or grant any waiver from, a provision of the code of ethics that applies to the principal executive officer, principal financial officer or principal accounting officer that requires disclosure under applicable SEC rules, we will disclose such amendment or waiver and the reasons therefor on our website. We will provide any person without charge a copy of any of the aforementioned codes of ethics upon receipt of a written request. Requests should be addressed to: Jacobs Engineering Group Inc., 1999 Bryan Street, Suite 1200, Dallas, Texas 75201, Attention: Corporate Secretary.

Corporate Governance

The information required by Items 407(d)(4) and (d)(5) of Regulation S-K is set forth under the caption "Corporate Governance" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth under the captions "Corporate Governance," "Compensation Committee Report," "Compensation Discussion and Analysis," and "Executive Compensation" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table presents certain information about our equity compensation plans as of September 29, 2017:

	Column A	Column B	Column C
Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants, and rights**	**Weighted-average exercise price of outstanding options, warrants, and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column A)**
Equity compensation plans approved by shareholders (a)	2,516,825	$$46.19	7,664,358
Equity compensation plans not approved by shareholders	—	—	—
Total	2,516,825	$$46.19	7,664,358

(a) The number in Column A excludes purchase rights accruing under our two, broad-based, shareholder-approved employee stock purchase plans: The Jacobs Engineering Group Inc. 1989 Employee Stock Purchase Plan, as amended and restated (the "1989 ESPP"), and the Global Employee Stock Purchase Plan, as amended and restated (the "GESPP"). These plans give employees the right to purchase shares at an amount and price that are not determinable until the end of the specified purchase periods, which occur monthly. Our shareholders have authorized a total of 32.3 million shares of common stock to be issued through the 1989 ESPP and the GESPP. From the inception of the 1989 ESPP and the GESPP through September 29, 2017, a total of 27.6 million shares have been issued, leaving 4.7 million shares of common stock available for future issuance at that date.

The information required by Item 403 of Regulation S-K is set forth under the caption "Security Ownership" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is set forth under the captions "Members of The Board of Directors," "Corporate Governance," and "Certain Relationships and Related Transactions" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is set forth under the captions "Report of the Audit Committee" and "Audit and Non-Audit Fees" in our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the close of our fiscal year and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The Company's Consolidated Financial Statements at September 29, 2017 and September 30, 2016 and for each of the three years in the period ended September 29, 2017, September 30, 2016 and October 2, 2015 and the notes thereto, together with the report of the independent auditors on those Consolidated Financial Statements are hereby filed as part of this report, beginning on page F-1.

(2) Financial statement schedules—no financial statement schedules are presented as the required information is either not applicable, or is included in the consolidated financial statements or notes thereto.

(3) See Exhibit Index below.

(b) Exhibit Index:

2.1	Agreement and Plan of Merger, dated August 1, 2017, by and among Jacobs Engineering Group Inc., CH2M HILL Companies, Ltd. and Basketball Merger Sub Inc. Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K on August 2, 2017 and incorporated herein by reference.
2.2	Voting and Support Agreement, dated August 1, 2017, by and among Jacobs Engineering Group Inc., Basketball Merger Sub Inc. and AP VIII CH2 Holdings, L.P. Filed as Exhibit 2.2 to the Registrant's Current Report on Form 8-K on August 2, 2017 and incorporated herein by reference.
3.1	Amended and Restated Certificate of Incorporation of Jacobs Engineering Group Inc. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on January 28, 2014 and incorporated herein by reference.
3.2	Amended and Restated Bylaws of Jacobs Engineering Group Inc., dated January 19, 2017. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A on May 15, 2017 and incorporated herein by reference.
4.1	See Sections 5 through 18 of Exhibit 3.1.
4.2	See Article II, Section 3.03 of Article III, Article VI and Sections 8.04 and 8.06 of Article VIII of Exhibit 3.2.
10.1	Amended and Restated Credit Agreement dated as of February 7, 2014 among Jacobs Engineering Group Inc. and certain of its subsidiaries as borrowers, and the Bank of America, N.A. (as Administrative Agent); Bank of America, N.A., BNP Paribas, and Wells Fargo Bank, N.A. (as Co-Syndication Agents); The Bank of Tokyo-Mitsubishi UFJ, LTD, and TD Bank, N.A. (as Co- Documentation Agents); Merrill Lynch, Pierce, Fenner & Smith Incorporated (as Sole Book Manager); and Merrill Lynch, Pierce, Fenner & Smith Incorporated, BNP Paribas Securities Corp, and Wells Fargo Securities, LLC (as Joint Lead Arrangers). Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on February 11, 2014 and incorporated herein by reference.
10.2	Amendment No. 1, dated as of March 4, 2015, among Jacobs Engineering Group, Inc. and the lenders thereto, and Bank of America, N.A., as administrative agent, to the Amended and Restated Credit Agreement dated as of February 7, 2014, by and among Jacobs Engineering Group, Inc., the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on March 5, 2015 and incorporated herein by reference.

10.3	Amendment No. 2, dated as of September 28, 2017, among Jacobs Engineering Group Inc. and the lenders thereto, and Bank of America, N.A., as administrative agent, to the Amended and Restated Credit Agreement dated as of February 7, 2014, by and among Jacobs Engineering Group Inc., the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on September 29, 2017 and incorporated herein by reference.
10.4	Credit Agreement, dated as of September 28, 2017, among Jacobs Engineering Group Inc. and the lenders thereto, and BNP Paribas, as administrative agent. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on September 29, 2017 and incorporated herein by reference.
10.5	Term Loan Commitment Letter, dated August 1, 2017, by and among Jacobs Engineering Group Inc., BNP Paribas, BNP Paribas Securities Corp. and The Bank of Nova Scotia. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on August 2, 2017 and incorporated herein by reference.
10.6	Revolver Backstop Commitment Letter, dated August 1, 2017, by and among Jacobs Engineering Group Inc., BNP Paribas, BNP Paribas Securities Corp. and The Bank of Nova Scotia. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on August 2, 2017 and incorporated herein by reference.
10.7#	Offer Letter by and between Jacobs Engineering Group Inc. and Steven J. Demetriou, dated July 10, 2015. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on July 16, 2015 and incorporated herein by reference.
10.8#	Offer Letter by and between Jacobs Engineering Group Inc. and Kevin C. Berryman, effective November 12, 2014. Filed as Exhibit 99.1 to Amendment No. 1 to the Registrant's Current Report on Form 8-K/A on November 17, 2014 and incorporated herein by reference.
10.9#	Employment Agreement dated December 23, 2010 between Jacobs Engineering Group Inc. and Gary Mandel. Filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2011 and incorporated herein by reference.
10.10#	Offer letter by and between Jacobs Engineering Group Inc. and Robert V. Pragada, dated January 28, 2016. Filed as Exhibit 10.61 to the Registrant's fiscal 2016 Annual Report on Form 10-K and incorporated herein by reference.
10.11#	Offer letter by and between Jacobs Engineering Group Inc. and Michael Tyler dated May 28, 2013. Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2013 and incorporated herein by reference
10.12#	Offer letter by and between Jacobs Engineering Group Inc. and William Benton Allen, Jr. dated October 4, 2016. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on October 14, 2016 and incorporated herein by reference.
10.13#	Retirement Agreement by and between Jacobs Engineering Group Inc. and Phillip J. Stassi dated June 1, 2016. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10—Q for the third quarter of fiscal 2016 and incorporated herein by reference.
10.14#	Amended and Restated Separation Agreement by and between Jacobs Engineering Group Inc. and Lori Sundberg, dated July 26, 2017. Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2017 and incorporated herein by reference.
10.15#	Form of Indemnification Agreement entered into between Jacobs Engineering Group Inc. and certain of its officers and directors. Filed as Exhibit10.1 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2012 and incorporated herein by reference.

10.16# Jacobs Engineering Group Inc. 401(k) Plus Savings Plan and Trust, as amended and restated April 1, 2003. Filed as Exhibit 10.12 to the Registrant's fiscal 2012 Annual Report on Form 10-K and incorporated herein by reference.

10.17# Jacobs Engineering Group Inc. 1989 Employee Stock Purchase Plan (as amended and restated on January 19, 2017). Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on January 24, 2017 and incorporated herein by reference.

10.18# Jacobs Engineering Group Inc. Global Employee Stock Purchase Plan (as amended and restated on January 19, 2017). Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on January 24, 2017 and incorporated herein by reference.

10.19# The Executive Security Program of Jacobs Engineering Group Inc. Filed as Exhibit 10.2 to the Registrant's fiscal 2014 Annual Report on Form 10-K and incorporated herein by reference.

10.20# Amendment to the Executive Security Program of Jacobs Engineering Group Inc., dated December 23, 2008. Filed as Exhibit 10.3 to the Registrant's fiscal 2014 Annual Report on Form 10-K and incorporated herein by reference.

10.21# Amendment to the Executive Security Program of Jacobs Engineering Group Inc., dated May 31, 2009. Filed as Exhibit 10.4 to the Registrant's fiscal 2014 Annual Report on Form 10-K and incorporated herein by reference.

10.22# Jacobs Engineering Group Inc. 1991 Executive Deferral Plan, effective June 1, 1991. Filed as Exhibit 10.5 to the Registrant's fiscal 2012 Annual Report on Form 10-K and incorporated herein by reference.

10.23# Jacobs Engineering Group Inc. 1993 Executive Deferral Plan, effective December 1, 1993. Filed as Exhibit 10.6 to the Registrant's fiscal 2012 Annual Report on Form 10-K and incorporated herein by reference.

10.24# Jacobs Engineering Group Inc. 1995 Executive Deferral Plan, effective January 1, 1995. Filed as Exhibit 10.7 to the Registrant's fiscal 2014 Annual Report on Form 10-K and incorporated herein by reference.

10.25# Jacobs Engineering Group Inc. 2005 Executive Deferral Plan, effective January 1, 2005. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2010 and incorporated herein by reference.

10.26# Jacobs Engineering Group Inc. Amended and Restated Executive Deferral Plan. Filed as Exhibit 10.8 to the Registrant's fiscal 2012 Annual Report on Form 10-K and incorporated herein by reference.

10.27# Jacobs Engineering Group Inc. Executive Deferral Plan, effective January 1, 2018. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on October 2, 2017 and incorporated herein by reference.

10.28# Jacobs Engineering Group Inc. Directors Deferral Plan, effective January 1, 2018. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on October 2, 2017 and incorporated herein by reference.

10.29# Jacobs Engineering Group Inc. Management Incentive Plan, as amended and restated effective November 19, 2015. Filed as Exhibit 10.50 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.

10.30# Jacobs Engineering Group Inc. 1999 Stock Incentive Plan, as amended and restated. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on January 28, 2014 and incorporated herein by reference.

10.31# Jacobs Engineering Group Inc. 1999 Outside Director Stock Plan, as Amended and Restated. Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the first quarter of fiscal 2016 and incorporated herein by reference.

10.32# Form of Stock Option Award Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Outside Directors Stock Plan). Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2016 and incorporated herein by reference.

10.33# Form of Nonqualified Stock Option Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2015 and incorporated herein by reference.

10.34# Form of Nonqualified Stock Option Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2015 and incorporated herein by reference.

10.35# Form of Nonqualified Stock Option Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.49 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.

10.36# Form of Restricted Stock Unit Award Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2012 and incorporated herein by reference.

10.37# Form of Restricted Stock Unit Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.45 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.

10.38# Summary Description of Amendment to Restricted Stock Unit Award Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2017 and incorporated herein by reference.

10.39†# Form of Restricted Stock Unit Agreement (with dividend equivalent rights) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).

10.40# Form of Restricted Stock Unit Award Agreement (Performance Shares—Net Earnings Growth—2014 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2014 and incorporated herein by reference.

10.41# Form of Restricted Stock Unit Award Agreement (Performance Shares—TSR—2014 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2014 and incorporated herein by reference.

10.42# Form of Restricted Stock Unit Award Agreement (Performance Shares—Net Earnings Growth—2015 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the third quarter of fiscal 2015 and incorporated herein by reference.

10.43# Form of Restricted Stock Unit Agreement (Performance Shares—Earnings Per Share Growth—2016 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.46 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.

10.44# Form of Restricted Stock Unit Agreement (Performance Shares—TSR—2016 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.47 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.

10.45†#	Form of Restricted Stock Unit Agreement (Performance Shares—Earnings Per Share Growth—2017 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).
10.46†#	Form of Restricted Stock Unit Agreement (Performance Shares—ROIC—2017 Award) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan).
10.47#	Form of Restricted Stock Unit Agreement (Cash Settled Non-US Employees) (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.48 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.
10.48#	Form of Restricted Stock Award Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K on June 1, 2011 and incorporated herein by reference.
10.49#	Form of Restricted Stock Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan). Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2012 and incorporated herein by reference.
10.50#	Form of Restricted Stock Agreement (awarded pursuant to the Jacobs Engineering Group Inc.1999 Stock Incentive Plan). Filed as Exhibit 10.44 to the Registrant's fiscal 2015 Annual Report on Form 10-K and incorporated herein by reference.
10.51#	Form of Restricted Stock Unit Award Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Outside Directors Stock Plan). Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2016 and incorporated herein by reference.
10.52#	Form of Restricted Stock Unit Award Agreement (awarded pursuant to the Jacobs Engineering Group Inc. 1999 Outside Directors Stock Plan). Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the second quarter of fiscal 2017 and incorporated herein by reference.
†21	List of Subsidiaries of Jacobs Engineering Group Inc.
†23	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
†31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
†32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
†95.	Mine Safety Disclosure.
†101.INS	XBRL Instance Document
†101.SCH	XBRL Taxonomy Extension Schema Document
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
†101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
†101.LAB	XBRL Taxonomy Extension Label Linkbase Document
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

† Being filed herewith.

Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JACOBS ENGINEERING GROUP INC.

Dated: November 21, 2017

By: /s/ STEVEN J. DEMETRIOU

Steven J. Demetriou
Chief Executive Officer and Chairman
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ STEVEN J. DEMETRIOU **Steven J. Demetriou**	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	November 21, 2017
/s/ JOSEPH R. BRONSON **Joseph R. Bronson**	Director	November 21, 2017
/s/ JUAN JOSE SUAREZ COPPEL **Juan Jose Suarez Coppel**	Director	November 21, 2017
/s/ ROBERT C. DAVIDSON, JR. **Robert C. Davidson, Jr.**	Director	November 21, 2017
/s/ RALPH E. EBERHART **Ralph E. Eberhart**	Director	November 21, 2017
/s/ DAWNE S. HICKTON **Dawne S. Hickton**	Director	November 21, 2017
/s/ LINDA FAYNE LEVINSON **Linda Fayne Levinson**	Director	November 21, 2017
/s/ ROBERT A. MCNAMARA **Robert A. McNamara**	Director	November 21, 2017
/s/ PETER J. ROBERTSON **Peter J. Robertson**	Director	November 21, 2017
/s/ CHRISTOPHER M.T. THOMPSON **Christopher M.T. Thompson**	Director	November 21, 2017
/s/ KEVIN C. BERRYMAN **Kevin C. Berryman**	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	November 21, 2017
/s/ WILLIAM B. ALLEN **William B. Allen**	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	November 21, 2017

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

September 29, 2017

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

September 29, 2017

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share information)
At September 29, 2017 and September 30, 2016

	September 29, 2017	September 30, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 774,151	$ 655,716
Receivables	2,102,543	2,115,663
Prepaid expenses and other current assets	119,486	93,091
Total current assets	2,996,180	2,864,470
Property, Equipment, and Improvements, net	349,911	319,673
Other Noncurrent Assets:		
Goodwill	3,009,826	3,079,628
Intangibles, net	332,920	336,922
Miscellaneous	692,022	759,329
Total other noncurrent assets	4,034,768	4,175,879
	$7,380,859	$7,360,022
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$ 3,071	$ 2,421
Accounts payable	683,605	522,427
Accrued liabilities	939,687	938,378
Billings in excess of costs	299,864	319,460
Total current liabilities	1,926,227	1,782,686
Long-term Debt	235,000	385,330
Other Deferred Liabilities	732,281	861,824
Commitments and Contingencies		
Stockholders' Equity:		
Capital stock:		
Preferred stock, $1 par value, authorized—1,000,000 shares; issued and outstanding—none	—	—
Common stock, $1 par value, authorized—240,000,000 shares; issued and outstanding—120,385,544 shares and 120,950,899 shares as of September 29, 2017 and September 30, 2016, respectively	120,386	120,951
Additional paid-in capital	1,239,782	1,168,272
Retained earnings	3,721,698	3,586,647
Accumulated other comprehensive loss	(653,514)	(610,594)
Total Jacobs stockholders' equity	4,428,352	4,265,276
Noncontrolling interests	58,999	64,906
Total Group stockholders' equity	4,487,351	4,330,182
	$7,380,859	$7,360,022

See the accompanying Notes to Consolidated Financial Statements.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

For the Fiscal Years Ended September 29, 2017, September 30, 2016, and October 2, 2015
(In thousands, except per share information)

	September 29, 2017	September 30, 2016	October 2, 2015
Revenues	$10,022,788	$10,964,157	$ 12,114,832
Costs and Expenses:			
Direct costs of contracts	(8,250,536)	(9,196,326)	(10,146,494)
Selling, general and administrative expenses	(1,379,983)	(1,429,233)	(1,522,811)
Operating Profit	392,269	338,598	445,527
Other Income (Expense):			
Interest income	8,748	7,848	7,262
Interest expense	(12,035)	(15,260)	(19,503)
Gain/(Loss) on disposal of business and investments	10,880	(41,410)	(2,909)
Miscellaneous expense, net	(6,645)	(3,053)	(240)
Total other income (expense), net	948	(51,875)	(15,390)
Earnings Before Taxes	393,217	286,723	430,137
Income Tax Expense	(105,842)	(72,208)	(101,255)
Net Earnings of the Group	287,375	214,515	328,882
Net Loss (Earnings) Attributable to Noncontrolling Interests	6,352	(4,052)	(25,911)
Net Earnings Attributable to Jacobs	$ 293,727	$ 210,463	$ 302,971
Net Earnings Per Share:			
Basic	$ 2.43	$ 1.75	$ 2.42
Diluted	$ 2.42	$ 1.73	$ 2.40

See the accompanying Notes to Consolidated Financial Statements.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Fiscal Years Ended September 29, 2017, September 30, 2016, and October 2, 2015
(In thousands)

	September 29, 2017	September 30, 2016	October 2, 2015
Net Earnings of the Group	$ 287,375	$ 214,515	$ 328,882
Other Comprehensive (Loss) Income:			
Foreign currency translation adjustments	(140,527)	(46,515)	(136,168)
Change in pension liability	123,427	(111,488)	33,208
(Losses) Gains on cash flow hedges	(1,350)	(1,403)	2,949
Other Comprehensive Loss Before Income Taxes	(18,450)	(159,406)	(100,011)
Income Tax (Expense) Benefit:			
Change in pension liability	(24,380)	13,303	(438)
(Losses) Gains on cash flow hedges	(90)	273	(766)
Income Tax (Expense) Benefit	(24,470)	13,576	(1,204)
Net Other Comprehensive Loss	(42,920)	(145,830)	(101,215)
Net Comprehensive Income of the Group	244,455	68,685	227,667
Net Comprehensive Loss (Income) Attributable to Noncontrolling Interests	6,352	(4,052)	(25,911)
Total Comprehensive Income	$ 250,807	$ 64,633	$ 201,756

See the accompanying Notes to Consolidated Financial Statements including the Company's note on Other Comprehensive Income for a presentation of amounts reclassified to net income during the period.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the Fiscal Years Ended September 29, 2017, September 30, 2016, and October 2, 2015
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Jacobs Stockholders' Equity	Non-controlling Interests	Total Group Stockholders' Equity
Balances at September 26, 2014	**$131,753**	**$1,173,858**	**$3,527,193**	**$(363,549)**	**$4,469,255**	**$36,405**	**$4,505,660**
Net earnings	—	—	302,971	—	302,971	25,911	328,882
Foreign currency translation adjustments	—	—	—	(136,168)	(136,168)	—	(136,168)
Pension liability, net of deferred taxes of $438	—	—	—	32,770	32,770	—	32,770
Gain on derivatives, net of deferred taxes of $766	—	—	—	2,183	2,183	—	2,183
Noncontrolling interest acquired / consolidated	—	—	(9,709)	—	(9,709)	9,627	(82)
Distributions to noncontrolling interests	—	—	—	—	—	(7,230)	(7,230)
Issuances of equity securities, net of deferred taxes of $10,332	1,590	80,801	—	—	82,391	—	82,391
Repurchases of equity securities	(10,190)	(117,515)	(324,243)	—	(451,948)	—	(451,948)
Balances at October 2, 2015	**$123,153**	**$1,137,144**	**$3,496,212**	**$(464,764)**	**$4,291,745**	**$64,713**	**$4,356,458**
Net earnings	—	—	210,463	—	210,463	4,052	214,515
Foreign currency translation adjustments	—	—	—	(46,516)	(46,516)	—	(46,516)
Pension liability, net of deferred taxes of $13,303	—	—	—	(98,185)	(98,185)	—	(98,185)
Loss on derivatives, net of deferred taxes of $274	—	—	—	(1,129)	(1,129)	—	(1,129)
Noncontrolling interest acquired / consolidated	—	(127)	—	—	(127)	(1,150)	(1,277)
Distributions to noncontrolling interests	—	—	(3,146)	—	(3,146)	(2,709)	(5,855)
Issuances of equity securities, net of deferred taxes of $3,382	1,351	72,055	—	—	73,406	—	73,406
Repurchases of equity securities	(3,553)	(40,800)	(116,882)	—	(161,235)	—	(161,235)
Balances at September 30, 2016	**$120,951**	**$1,168,272**	**$3,586,647**	**$(610,594)**	**$4,265,276**	**$64,906**	**$4,330,182**
Net earnings	—	—	293,727	—	293,727	(6,352)	287,375
Foreign currency translation adjustments	—	—	—	(140,527)	(140,527)	—	(140,527)
Pension liability, net of deferred taxes of $24,380	—	—	—	99,047	99,047	—	99,047
Loss on derivatives, net of deferred taxes of $90	—	—	—	(1,440)	(1,440)	—	(1,440)
Noncontrolling interest acquired / consolidated	—	—	—	—	—	445	445
Dividends	—	—	(72,765)	—	(72,765)	—	(72,765)
Distributions to noncontrolling interests	—	—	(4,559)	—	(4,559)	—	(4,559)
Issuances of equity securities, net of deferred taxes of $1,015	1,468	99,117	—	—	100,585	—	100,585
Repurchases of equity securities	(2,033)	(27,607)	(81,352)	—	(110,992)	—	(110,992)
Balances at September 29, 2017	**$120,386**	**$1,239,782**	**$3,721,698**	**$(653,514)**	**$4,428,352**	**$58,999**	**$4,487,351**

See the accompanying Notes to Consolidated Financial Statements.

JACOBS ENGINEERING GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended September 29, 2017, September 30, 2016, and October 2, 2015
(In thousands)

	September 29, 2017	September 30, 2016	October 2, 2015
Cash Flows from Operating Activities:			
Net earnings attributable to the Group	$ 287,375	$ 214,515	$ 328,882
Adjustments to reconcile net earnings to net cash flows provided by operations:			
Depreciation and amortization:			
Property, equipment and improvements	76,418	82,363	99,924
Intangible assets	46,095	47,608	49,368
(Gain) Loss on sales of investments	(10,880)	17,049	—
Loss on sales of business	822	24,361	2,909
Gain on benefit plan change	(9,955)	—	—
Stock based compensation	38,764	32,370	41,412
Tax deficiency from stock based compensation	(2,877)	(377)	(1,237)
Equity in losses (earnings) of operating ventures, net	(7,788)	(11,892)	5,483
Change in pension plan obligations	(26,990)	(9,380)	(5,980)
Change in deferred compensation plans	(531)	576	(3,229)
Losses on disposals of assets, net	14,876	10,680	30,985
Deferred income taxes	36,663	(27,407)	(31,177)
Changes in assets and liabilities, excluding the effects of businesses acquired:			
Receivables	75,441	397,268	172,958
Prepaid expenses and other current assets	(23,755)	17,906	6,644
Accounts payable	153,961	(44,214)	(28,943)
Accrued liabilities	(56,279)	(71,930)	(120,847)
Billings in excess of costs	(31,976)	33,347	(52,441)
Income taxes payable	4,264	(4,586)	(22,685)
Other deferred liabilities	(6,026)	(28,801)	(15,759)
Deferred gain on synthetic lease transaction	—	—	23,343
Other, net	17,259	717	4,962
Net cash provided by operating activities	574,881	680,173	484,572
Cash Flows Used for Investing Activities:			
Additions to property and equipment	(118,060)	(67,688)	(88,404)
Disposals of property and equipment	2,387	10,479	369
Purchases of intangibles	—	(10,027)	—
Purchases of investments	—	(3,403)	—
Sales of investments	31,701	—	13
Acquisitions of businesses, net of cash acquired	(150,190)	(49,943)	(8,101)
Sales of business	(2,036)	(19,039)	—
Net cash used for investing activities	(236,198)	(139,621)	(96,123)
Cash Flows Used for Financing Activities:			
Proceeds from long-term borrowings	1,694,023	1,649,653	1,768,639
Repayments of long-term borrowings	(1,846,797)	(1,840,789)	(1,907,109)
Proceeds from short-term borrowings	1,347	3,040	362,433
Repayments of short-term borrowings	(702)	(14,042)	(382,190)
Proceeds from issuances of common stock	62,645	43,140	33,222
Common stock repurchases	(97,180)	(152,550)	(422,316)
Excess tax benefits from stock based compensation	2,877	377	1,237
Cash dividends	(54,234)	—	—
Dividends paid to noncontrolling interests	(4,559)	(5,855)	(7,230)
Net cash used for financing activities	(242,580)	(317,026)	(553,314)
Effect of Exchange Rate Changes	22,332	(28,669)	(106,923)
Net Increase (Decrease) in Cash and Cash Equivalents	118,435	194,857	(271,788)
Cash and Cash Equivalents at Beginning of Period	655,716	460,859	732,647
Cash and Cash Equivalents at End of Period	$ 774,151	$ 655,716	$ 460,859

See the accompanying Notes to Consolidated Financial Statements.

1. Description of Business and Basis of Presentation

Description of Business

We provide a broad range of technical, professional, and construction services including engineering, design, and architectural services; construction and construction management services; operations and maintenance services; and process, scientific, and systems consulting services. We provide our services through offices and subsidiaries located primarily in North America, South America, Europe, the Middle East, India, Australia, Africa, and Asia. We provide our services under cost-reimbursable and fixed-price contracts. The percentage of revenues realized from each of these types of contracts for the fiscal years ended September 29, 2017, September 30, 2016 and October 2, 2015 was as follows:

	For the Year Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Cost-reimbursable	81%	82%	83%
Fixed-price	19%	18%	17%

Basis of Presentation, Definition of Fiscal Year, and Other Matters

The accompanying Consolidated Financial Statements have been prepared in accordance with U.S. GAAP and include the accounts of Jacobs Engineering Group Inc. and its subsidiaries and affiliates which it controls. All intercompany accounts and transactions have been eliminated in consolidation.

The Company's fiscal year ends on the Friday closest to September 30 (determined on the basis of the number of workdays) and, accordingly, an additional week of activity is added every five -to- six years. Fiscal 2015 included an extra week of activity.

During the second quarter of fiscal 2016, we reorganized our operating and reporting structure around four lines of business ("LOB"). This reorganization is intended to better serve our global clients, leverage our workforce, help streamline operations, and provide enhanced growth opportunities. The four global LOBs are: Petroleum & Chemicals, Buildings & Infrastructure, Aerospace & Technology, and Industrial. Previously, the Company operated its business as a single segment. For a further discussion of our segment information, please refer to Note 15-*Segment Information.*

Please refer to Note 17—*Definitions* for the definitions of certain terms used in the accompanying Consolidated Financial Statements and these Notes to Consolidated Financial Statements.

2. Significant Accounting Policies

Revenue Accounting for Contracts and Use of Joint Ventures

We recognize revenue earned on our technical professional and field services projects under the percentage-of-completion method described in ASC 605-35, Construction-Type and Production-Type Contracts. In general, we recognize revenues at the time we provide services. Pre-contract costs are generally expensed as incurred. Contracts are generally segmented between types of services, such as project services and construction, and accordingly, gross margin related to each activity is recognized as those separate services are rendered. For multiple contracts with a single customer we account for each contract separately.

The percentage-of-completion method of accounting is applied by comparing contract costs incurred to date to the total estimated costs at completion. On cost-reimbursable contracts, the cost of materials and subcontracts are generally excluded from the calculation of the measure of progress towards completion to provide a more meaningful allocation of income. Contract losses are provided for in their entirety in the period they become known, without regard to the percentage-of-completion.

Unapproved change orders are included in the contract price to the extent it is probable that such change orders will result in additional contract revenue and the amount of such additional revenue can be reliably estimated. Claims meeting these recognition criteria are included in revenues only to the extent of the related costs incurred.

Certain cost-reimbursable contracts include incentive-fee arrangements. These incentive fees can be based on a variety of factors but the most common are the achievement of target completion dates, target costs, and/or other performance criteria. Failure to meet these targets can result in unrealized incentive fees. We recognize incentive fees based on expected results using the percentage-of-completion method of accounting. As the contract progresses and more information becomes available, the estimate of the anticipated incentive fee that will be earned is revised as necessary. We bill incentive fees based on the terms and conditions of the individual contracts. In certain situations, we are allowed to bill a portion of the incentive fees over the performance period of the contract. In other situations, we are allowed to bill incentive fees only after the target criterion has been achieved. Incentive fees which have been recognized but not billed are included in receivables in the accompanying Consolidated Balance Sheets.

Certain cost-reimbursable contracts with government customers as well as certain commercial clients provide that contract costs are subject to audit and adjustment. In this situation, revenues are recorded at the time services are performed based upon the amounts we expect to realize upon completion of the contracts. Revenues are not recognized for non-recoverable costs. In those situations where an audit indicates that we may have billed a client for costs not allowable under the terms of the contract, we estimate the amount of such nonbillable costs and adjust our revenues accordingly.

When we are directly responsible for subcontractor labor or third-party materials and equipment, we reflect the costs of such items in both revenues and costs (and we refer to such costs as "pass-through" costs). On those projects where the client elects to pay for such items directly and we have no associated responsibility for such items, these amounts are not reflected in either revenues or costs.

The following table sets forth pass-through costs included in revenues in the accompanying Consolidated Statements of Earnings (in millions):

For the Year Ended		
September 29, 2017	September 30, 2016	October 2, 2015
$2,539.3	$2,489.9	$2,602.6

As is common to the industry, we execute certain contracts jointly with third parties through various forms of joint ventures and consortiums. Although the joint ventures own and hold the contracts with the clients, the services required by the contracts are typically performed by us and our joint venture partners, or by other subcontractors under subcontracting agreements with the joint ventures. The assets of our joint ventures, therefore, consist almost entirely of cash and receivables (representing amounts due from clients), and the liabilities of our joint ventures consist almost entirely of amounts due to the joint venture partners (for services provided by the partners to the joint ventures under their individual subcontracts) and other subcontractors. In general, at any given time, the equity of our joint ventures represents the undistributed profits earned on contracts the joint ventures hold with clients. Very few of our joint ventures have employees. None of our joint ventures have third-party debt or credit facilities. Under U.S. GAAP, our share of profits and losses associated with the contracts held by the joint ventures is reflected in our Consolidated Financial Statements.

Certain of our joint ventures meet the definition of a VIE. In evaluating our VIEs for possible consolidation, we perform a qualitative analysis to determine whether or not we have a "controlling financial interest" in the VIE as defined by U.S. GAAP. We consolidate only those VIEs over which we have a controlling financial interest and are the primary beneficiary.

For the Company's unconsolidated joint ventures, we use either the equity method of accounting or proportional consolidation.

There were no changes in facts and circumstances during the period that caused the Company to reassess the method of accounting for its VIEs.

Fair Value Measurements

The net carrying amounts of cash and cash equivalents, trade receivables and payables, and notes payable approximate Fair Value due to the short-term nature of these instruments. Similarly, we believe the carrying value of long-term debt also approximates Fair Value based on the interest rates and scheduled maturities applicable to the outstanding borrowings. Certain other assets and liabilities, such as forward contracts and an interest rate swap agreement we purchased as cash-flow hedges discussed in Note 11—*Commitments and Contingencies and Derivative Financial Instruments* are required to be carried in our Consolidated Financial Statements at Fair Value.

The Fair Value of the Company's reporting units (used for purposes of determining whether there is an indication of possible impairment of the carrying value of goodwill) is determined using both an income approach and a market approach. Both approaches require us to make certain estimates and judgments. Under the income approach, Fair Value is determined by using the discounted cash flows of our reporting units. Under the market approach, the Fair Values of our reporting units are determined by reference to guideline companies that are reasonably comparable to our reporting units; the Fair Values are estimated based on the valuation multiples of the invested capital associated with the guideline companies. In assessing whether there is an indication that the carrying value of goodwill has been impaired, we utilize the results of both valuation techniques and consider the range of Fair Values indicated. The range of values (both ends of the range) for each reporting unit exceeded the respective book values by 27% to 110%.

With respect to equity-based compensation (i.e., share-based payments), we estimate the Fair Value of stock options granted to employees and directors using the Black-Scholes option-pricing model. Like all option-pricing models, the Black-Scholes model requires the use of subjective assumptions including (i) the expected volatility of the market price of the underlying stock, and (ii) the expected term of the award, among others. Accordingly, changes in assumptions and any subsequent adjustments to those assumptions can cause different Fair Values to be assigned to our future stock option awards. For restricted stock units containing service, market and performance conditions, compensation expense is based on the Fair Value of such units using a Monte Carlo simulation.

The Fair Values of the assets owned by the various pension plans that the Company sponsors are determined based on the type of asset, consistent with U.S. GAAP. Equity securities are valued by using market observable data such as quoted prices. Publicly traded corporate equity securities are valued at the last reported sale price on the last business day of the year. Securities not traded on the last business day are valued at the last reported bid price. Debt securities are valued at the last reported sale price on the last business day applicable. Real estate consists primarily of common or collective trusts, with underlying investments in real estate. These investments are valued using the best information available, including quoted market price, market prices for similar assets when available, internal cash flow estimates discounted at an appropriate interest rate, or independent appraisals, as appropriate. Management values insurance contracts, investments in infrastructure/raw goods, and hedge funds using actuarial assumptions and certain values reported by fund managers.

The methodologies described above and elsewhere in these Notes to Consolidated Financial Statements may produce a Fair Value measure that may not be indicative of net realizable value or reflective of future Fair Values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the Fair Value of certain financial instruments could result in a different Fair Value measurement.

Cash Equivalents

We consider all highly liquid investments with original maturities of less than three months to be cash equivalents. Cash equivalents at September 29, 2017 and September 30, 2016 consisted primarily of money market mutual funds and overnight bank deposits.

Receivables and Billings in Excess of Costs

Receivables include billed receivables, unbilled receivables, and retentions receivable. Billed receivables represent amounts invoiced to clients in accordance with the terms of our client contracts. They are recorded in our financial statements when they are issued. Unbilled receivables and retentions receivable represent reimbursable costs and amounts earned and reimbursable under contracts in progress as of the respective balance sheet dates. Such amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next fiscal year.

Certain contracts allow us to issue invoices to clients in advance of providing services. Billings in excess of costs represent billings to, and cash collected from, clients in advance of work performed. We anticipate that substantially all such amounts will be earned over the next twelve months.

Property, Equipment, and Improvements

Property, equipment and improvements are carried at cost, and are shown net of accumulated depreciation and amortization in the accompanying Consolidated Balance Sheets. Depreciation and amortization is computed primarily by using the straight-line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight-line method over the lesser of the estimated useful life of the asset or the remaining term of the related lease. Estimated useful lives range from 20 to 40 years for buildings, from 3 to 10 years for equipment and from 4 to 10 years for leasehold improvements.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of an acquired business over the Fair Value of the net tangible and intangible assets acquired. Goodwill and intangible assets with indefinite lives are not amortized; instead, on an annual basis as of the end of the third quarter of each fiscal year we test goodwill and intangible assets with indefinite lives for possible impairment. Interim testing for impairment is performed if indicators of potential impairment exist. For purposes of impairment testing, goodwill is assigned to the applicable reporting units based on the current reporting structure.

During the second quarter of fiscal 2016, we reorganized our operations around four global lines of business, which also serve as our operating segments: Petroleum & Chemicals, Buildings & Infrastructure, Aerospace & Technology, and Industrial. We determined that this new organization would better support the needs of managing each unique set of customers that fall within each segment. As a result of the new organization, we subsequently realigned our internal reporting structures to enable our Chief Executive Officer, who is also our Chief Operating Decision Maker, to evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. For purposes of our goodwill impairment testing, we have determined that our operating segments are also our reporting units based on management's conclusion that the components comprising each of our operating segments share similar economic characteristics and meet the aggregation criteria in accordance with ASC 350.

When testing goodwill for impairment quantitatively, the Company first compares the fair value of each reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, a second step is performed to measure the amount of potential impairment. In the second step, the Company compared the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit's goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized. During 2017, we completed our annual goodwill impairment test and quantitatively determined that none of the goodwill was impaired. The Company recorded $119.3 million of goodwill during 2017 in conjunction with the acquisitions of Aquenta Consulting Pty Ltd. and Blue Canopy LLC. Goodwill for each of the Company's segments is presented in Note 15.

We have determined that the fair value of our reporting units substantially exceeded their respective carrying values for the Consolidated Balance Sheets presented.

The following table presents the components of our goodwill by reporting unit appearing in the accompanying Consolidated Balance Sheets at September 29, 2017 (in thousands):

	September 29, 2017
Aerospace & Technology	$1,025,780
Buildings & Infrastructure	751,407
Industrial	561,785
Petroleum & Chemicals	670,854
Total Goodwill	$3,009,826

During the preparation of the Form 10-Q for the first fiscal quarter of 2017, the Company determined that its prior financial statements contained immaterial misstatements related to incorrect translation of the Company's non-U.S. goodwill balances from local currency to the U.S. Dollar reporting currency. It was determined that the Company had incorrectly used historical translation rates for the U.S. Dollar in place at the time of the Company's recording of its foreign goodwill balances rather than using current translation rates at each balance sheet date in accordance with U.S. GAAP. The error dated back to the time of our initial reporting of non-US goodwill balances in the late 1990s and affected our historical quarterly and annual reporting periods through the first fiscal quarter of 2017.

As a result, goodwill and accumulated other comprehensive income in the Company's September 30, 2016 consolidated balance sheet (which have not been adjusted) were each overstated by $209.9 million and were corrected in the first fiscal quarter of 2017 foreign currency translation adjustment. Consequently, the correction was a direct component of the overall translation adjustment amount of $140.5 million that was reported for fiscal 2017. These adjustments had no impact on the Company's Consolidated Statements of Earnings or Cash Flows. Also, other comprehensive income for the year ended September 30, 2016 was overstated by $33.8 million as a result of these misstatements.

The following table provides certain information related to the Company's acquired intangible assets in the accompanying Consolidated Balance Sheets at September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	Customer Relationships, Contracts, and Backlog	Developed Technology	Trade Names	Patents	Other	Total
Balances, September 26, 2014	$408,041	$17,378	$14,148	$ —	$ 625	$440,192
Acquisitions	(4,315)	—	(1,292)	—	300	(5,307)
Amortization	(39,967)	(1,533)	(4,172)	—	(277)	(45,949)
Foreign currency translation	(34,418)	—	(1,085)	—	(14)	(35,517)
Balances, October 2, 2015	329,341	15,845	7,599	—	634	353,419
Acquisitions	7,286	—	859	10,027	—	18,172
Amortization	(38,595)	(1,534)	(3,819)	—	(454)	(44,402)
Foreign currency translation	9,605	—	147	—	(19)	9,733
Balances, September 30, 2016	307,637	14,311	4,786	10,027	161	336,922
Acquisitions	29,803	1,685	4,417	—	—	35,905
Amortization	(39,679)	(1,534)	(2,549)	(400)	(50)	(44,212)
Foreign currency translation	3,707	—	45	553	—	4,305
Balances, September 29, 2017	$301,468	14,462	6,699	10,180	111	332,920
Weighted Average Amortization Period (years)	7.9	7.7	4.4	24	2.2	8.3

The weighted average amortization period includes the effects of foreign currency translation.

The above table excludes the values assigned to those intangible assets embedded in the Company's equity method investment in AWE Management Ltd. ("AWE") and Guimar Engenharia LTDA ("Guimar"). Those amounts are included in the carrying value of the Company's investment in AWE and Guimar. The amount of amortization expense we estimate we will record during each of the next five fiscal years relating to intangible assets existing at September 29, 2017, including those associated with AWE and Guimar, is: fiscal 2018—$49.7 million; fiscal 2019—$48.3 million; fiscal 2020—$46.1 million; fiscal 2021—$40.9 million; and fiscal 2022—$39.5 million.

Foreign Currencies

In preparing our Consolidated Financial Statements, it is necessary to translate the financial statements of our subsidiaries operating outside the U.S., which are denominated in currencies other than the U.S. dollar, into the U.S. dollar. In accordance with U.S. GAAP, revenues and expenses of operations outside the U.S. are translated into U.S. dollars using weighted-average exchange rates for the applicable periods being translated while the assets and liabilities of operations outside the U.S. are generally translated into U.S. dollars using period-end exchange rates. The net effect of foreign currency translation adjustments is included in stockholders' equity as a component of accumulated other comprehensive income (loss) in the accompanying Consolidated Balance Sheets.

Share-Based Payments

We measure the value of services received from employees and directors in exchange for an award of an equity instrument based on the grant-date Fair Value of the award. The computed value is recognized as a non-cash cost on a straight-line basis over the period the individual provides services, which is typically the vesting period of the award with the exception of awards containing an internal performance measure which is recognized on a straight-line basis over the vesting period subject to the probability of meeting the performance requirements and adjusted for the number of shares expected to be earned. The cost of these awards is recorded in selling, general and administrative expense in the accompanying Consolidated Statements of Earnings.

The following table presents our stock-based compensation expense for the various types of awards made by the Company as included in the Consolidated Statements of Earnings for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
Award Type	September 29, 2017	September 30, 2016	October 2, 2015
Restricted Stock and Restricted Stock Units (excluding Market and Performance Awards)	$26,393	$21,156	$20,779
Stock Options	4,338	7,165	10,683
Market and Performance Awards	8,033	4,049	9,950
Total Expense	$38,764	$32,370	$41,412

The Company has two incentive plans whereby eligible employees and directors of Jacobs may be granted stock options, restricted stock, and/or restricted stock units.

Stock Options—Substantially all of the stock options granted during the previous years were awarded on the same date for all employees and directors (although the date is different for employees and directors). For fiscal year 2017, there were no stock options granted to either employees or directors. The following table presents the assumptions used in the Black-Scholes option-pricing model for awards made to employees and directors for the years ended September 30, 2016 and October 2, 2015:

	Awards Made to Employees		Awards Made to Directors	
	September 30, 2016	October 2, 2015	September 30, 2016	October 2, 2015
Dividend yield	— %	— %	— %	— %
Expected volatility	27.77%	27.00%	29.21%	29.28%
Risk-free interest rate	1.82%	1.67%	1.44%	1.63%
Expected term of options (in years)	5.82	5.82	5.82	5.82

Market and Performance Awards—The Company granted restricted stock units containing service, performance, and market conditions ("PSUs"). PSUs are earned over a three-year performance period if the specified performance metrics are met. During fiscal 2015, the Company only granted PSUs based on net earnings growth ("Net Earnings Growth Based PSUs"). For fiscal 2016, half of the PSUs granted were based on relative total stockholder return ("Relative TSR Based PSUs") and the other half of the PSUs were based on earnings per share ("EPS Based PSUs"). For fiscal 2017, half of the PSUs granted were EPS Based PSUs and the other half were based on return on invested capital ("ROIC Based PSUs").

2014 and 2015 Awards

The number of Net Earnings Growth Based PSUs awarded in fiscal years 2014 and 2015 which may ultimately vest is equal to the sum of the following: (1) an amount, not less than zero, equal to one-third of the target Net Earnings Growth Based PSUs multiplied by the Net Earnings Growth Performance Multiplier (or, "NEGPM", as shown in the table below) determined based upon the growth in the Company's Adjusted Net Earnings (as defined in the applicable award agreements under the Stock Incentive Plan) over the period starting on the first day of the Company's third quarter of fiscal 2014 (in the case of Net Earnings Growth Based PSUs issued in fiscal 2014), or fiscal 2015 (in the case of Net Earnings Growth Based PSUs issued in fiscal 2015) and ending on the last day of the Company's second quarter of fiscal 2015 and fiscal 2016, respectively; plus, (2) an amount, not less than zero, equal to (A) two-thirds of the target Net Earnings Growth Based PSUs multiplied by the NEGPM determined based upon the average growth in the Company's Adjusted Net Earnings over the period starting on the first day of the Company's third quarter of fiscal 2014 (in the case of Net Earnings Growth Based PSUs issued in fiscal 2014), or fiscal 2015 (in the case of Net Earnings Growth Based PSUs issued in fiscal 2015) and ending on the last day of the Company's second quarter of fiscal 2016 and fiscal 2017, respectively, minus (B) the amount determined pursuant to (1) above; plus, (3) an amount, not less than zero, equal to (A) the target Net Earnings Growth Based PSUs multiplied by the NEGPM determined based upon the average growth in the Company's Adjusted Net Earnings over the period starting on the first day of the Company's third quarter of fiscal

2014 (in the case of Net Earnings Growth Based PSUs issued in fiscal 2014), or fiscal 2015 (in the case of Net Earnings Growth Based PSUs issued in fiscal 2015) and ending on the last day of the Company's second quarter of fiscal 2017 and fiscal 2018, respectively, minus (B) the amount determined pursuant to (1) and (2) above.

If the Company's average growth in Adjusted Net Earnings over the applicable fiscal years during the respective performance periods is between 5% and 10%, 10% and 15%, or 15% and 20%, the Net Earnings Growth Performance Multiplier will be determined using straight line interpolation based on the actual average growth in the Company's Adjusted Net Earnings.

The following table presents the basis on which the Net Earnings Growth Based PSUs are determined:

Average Adjusted Net Earnings Growth	Net Earnings Growth Performance Multiplier
Less than 5%	0%
5%	50%
10%	100%
15%	150%
20%	200%

Unless stated otherwise, the Net Earnings Growth Based PSUs are valued based on the closing price of the Company's common stock as reported in the NYSE Composite Price History on their respective grant dates.

2016 Awards

EPS Based PSUs

For the EPS Based PSUs issued in fiscal 2016, the number of restricted stock units to be issued on the vesting date of November 19, 2018 is based on the Company's adjusted EPS growth over fiscal 2016, 2017 and 2018. The number of restricted stock units to be issued equals the sum of: (i) an amount, not less than zero, equal to one-third of the target number of restricted stock units multiplied by an EPS Performance Multiplier (as defined below) for that period determined based upon the growth in the Company's adjusted EPS ("EPS Growth

Rate") from fiscal 2015 to fiscal 2016; (ii) an amount, not less than zero, equal to two-thirds of the target number of restricted stock units multiplied by an EPS Performance Multiplier determined based upon the Compound Annual EPS Growth Rate (as defined below) for fiscal 2017 as compared to fiscal 2015, minus the amount of shares earned pursuant to clause (i); and (iii) an amount, not less than zero, equal to the target number of restricted stock units multiplied by an EPS Performance Multiplier determined based upon the Compound Annual EPS Growth Rate for fiscal 2018 as compared to fiscal 2015, minus the amount of shares earned pursuant to clauses (i) and (ii).

The "Compound Annual EPS Growth Rate" for purposes of clauses (ii) and (iii) above means the growth rate, which when multiplied two times fiscal 2015 adjusted EPS (in the case of clause (ii)) or three times fiscal 2015 adjusted EPS (in the case of clause (iii)) results in a number equal to actual fiscal 2017 adjusted EPS and fiscal 2018 adjusted EPS, respectively. The "EPS Performance Multiplier" is determined by reference to the following table based upon the Company's EPS Growth Rate or Compound Annual EPS Growth Rate over the relevant fiscal periods. The Human Resource and Compensation Committee of the Board of Directors of the Company set these metrics based on the Company's plan at the start of the fiscal year.

EPS Growth Rate or Compound Annual EPS Growth Rate	EPS Performance Multiplier
Less than 4%	0%
4%	50%
7.5%	100%
15%	150%
20% or greater	200%

If the EPS Growth Rate or Compound Annual EPS Growth Rate falls between 4% and 7.5%, 7.5% and 15%, or 15% and 20%, the EPS Performance Multiplier is determined using linear interpolation based on the actual growth in adjusted EPS.

Unless stated otherwise, the EPS Based PSUs are valued based on the closing price of the Company's common stock as reported in the NYSE Composite Price History on their respective grant dates.

Relative TSR Based PSUs

The number of Relative TSR Based PSUs which may ultimately vest is equal to the target Relative TSR Based PSUs multiplied by the TSR Performance Multiplier. The TSR Performance Multiplier is determined by comparing the Company's total stockholder return to the total stockholder return of each of the companies in a specified industry peer group over the three year period immediately following the award date. For purposes of computing total stockholder return, the beginning stock price is the average closing stock price over the 30 calendar day period ending on the award date ("Performance Period"), and the ending stock price is the average closing price over the 30 calendar day period ending on the last day of the Performance Period. Any dividend payments made over the Performance Period are deemed re-invested on the ex-dividend date in additional shares of the applicable company.

The following table presents the basis on which the Relative TSR Based PSUs are determined:

Company TSR Percentile Rank	TSR Performance Multiplier
Below 30th percentile	0%
30th percentile	50%
50th percentile	100%
70th percentile or above	150%

If the Company's total stockholder return over the Performance Period falls between any of the brackets described above, the TSR Performance Multiplier will be determined using straight line interpolation based on the actual percentile ranking.

Substantially all of the TSR Based PSUs awarded during fiscal year 2016 were awarded on the same date. For fiscal year 2017 and 2015, no TSR Based PSUs were awarded. The following table presents the assumptions used to value the TSR Based PSUs for the years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Dividend yield	— %	— %	— %
Expected volatility	— %	25.06%	— %
Risk-free interest rate	— %	1.21%	— %
Expected term (in years)	—	3	—

2017 Awards

For the EPS Based PSUs issued in fiscal 2017, the number of restricted stock units to be issued on the vesting date of November 16, 2019 is based on the Company's adjusted EPS growth over fiscal 2017, 2018 and 2019. The number of restricted stock units to be issued equals the sum of: (i) an amount, not less than zero, equal to one-third of the target number of restricted stock units multiplied by an EPS Performance Multiplier (as shown in the table below) for that period determined based upon the growth in the Company's adjusted EPS ("EPS Growth Rate") from fiscal 2016 to fiscal 2017; (ii) an amount, not less than zero, equal to two-thirds of the target number of restricted stock units multiplied by an EPS Performance Multiplier determined based upon the average EPS Growth Rate in fiscal years 2017 and 2018 as compared to fiscal 2016, minus the amount of shares earned pursuant to clause (i); and (iii) an amount, not less than zero, equal to the target number of restricted stock units multiplied by an EPS Performance Multiplier determined based upon the average EPS Growth Rate in fiscal years 2017, 2018 and 2019 as compared to fiscal 2016, minus the amount of shares earned pursuant to clauses (i) and (ii).

The "EPS Performance Multiplier" is determined by reference to the following table based upon the average growth in the Company's adjusted EPS over the indicated fiscal periods. The Human Resource and Compensation Committee of the Board of Directors of the Company set these metrics based on the Company's plan at the start of the fiscal year.

Average EPS Growth Rate from fiscal 2016 to fiscal 2017

Average EPS Growth Rate	EPS Performance Multiplier
Less than 0%	0
2.3%	100%
4.3%	200%

Average EPS Growth Rate from fiscal 2016 to fiscal 2018

Average EPS Growth Rate	EPS Performance Multiplier
Less than 2.1%	0
4.1%	100%
6.1%	200%

Average EPS Growth Rate from fiscal 2016 to fiscal 2019

Average EPS Growth Rate	EPS Performance Multiplier
Less than 3.6%	0
5.6%	100%
7.6%	200%

If the average EPS Growth Rate falls between the percentages referenced in the tables above, the EPS Performance Multiplier will be determined using linear interpolation based on the actual average EPS Growth Rate.

Unless stated otherwise, the EPS Based PSUs are valued based on the closing price of the Company's common stock as reported in the NYSE Composite Price History on their respective grant dates.

For the ROIC Based PSUs issued in fiscal 2017, the number of restricted stock units to be issued on the vesting date of November 16, 2019 is based on the Company's average annual return on invested capital ("ROIC") from fiscal 2017 to fiscal 2019. The number of restricted stock units to be issued equals the target number of restricted stock units multiplied by an ROIC Performance Multiplier (as shown in the table below) determined based upon the Company's average annual ROIC from fiscal 2017 to fiscal 2019.

Average ROIC – Fiscal 2017 – 2019	ROIC Performance Multiplier
Less than 8.9%	0%
8.9%	50%
9.9%	100%
10.9%	200%

If the average annual ROIC falls between 8.9% and 9.9% and 10.9%, the ROIC Performance Multiplier will be determined using linear interpolation based on the actual average ROIC.

Concentrations of Credit Risk

Our cash balances and cash equivalents are maintained in accounts held by major banks and financial institutions located in North America, South America, Europe, the Middle East, India, Australia, Africa, and Asia. In the normal course of business, and consistent with industry practices, we grant credit to our clients without requiring collateral. Concentrations of credit risk is the risk that, if we extend a significant amount of credit to clients in a specific geographic area or industry, we may experience disproportionately high levels of default if those clients are adversely affected by factors particular to their geographic area or industry. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government and multi-national corporations operating in a broad range of industries and geographic areas. Additionally, in order to mitigate credit risk, we continually evaluate the credit worthiness of our major commercial clients.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires us to employ estimates and make assumptions that affect the reported amounts of certain assets and liabilities; the revenues and expenses reported for the periods covered by the financial statements; and certain amounts disclosed in these Notes to the Consolidated Financial Statements. Although such estimates and assumptions are based on management's most recent assessment of the underlying facts and circumstances utilizing the most current information available and past experience, actual results could differ significantly from those estimates and assumptions. Our estimates, judgments, and assumptions are evaluated periodically and adjusted accordingly.

Earlier in these Notes to Consolidated Financial Statements we discussed three significant accounting policies that rely on the application of estimates and assumptions: revenue recognition for long-term construction contracts; the process for testing goodwill for possible impairment; and the accounting for share-based payments to employees and directors. The following is a discussion of certain other significant accounting policies that rely on the use of estimates:

Accounting for Pensions—We use certain assumptions and estimates in order to calculate periodic pension cost and the value of the assets and liabilities of our pension plans. These assumptions involve discount rates, investment returns, and projected salary increases, among others. Changes in the actuarial assumptions may have a material effect on the plans' liabilities and the projected pension expense.

Accounting for Income Taxes—We determine our consolidated income tax expense using the asset and liability method prescribed by U.S. GAAP. Under this method, deferred tax assets and liabilities are recognized for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. Such deferred tax assets and liabilities are adjusted, as appropriate, to reflect changes in tax rates expected to be in effect when the temporary differences reverse. If and when we determine that a deferred tax asset will not be realized for its full amount, we will recognize and record a valuation allowance with a corresponding charge to earnings. Judgment is required in determining our worldwide provision for income taxes. In the normal course of business, we may engage in numerous transactions every day for which the ultimate tax outcome (including the period in which the transaction will ultimately be included in taxable income or deducted as an expense) is uncertain. Additionally, we file income, franchise, gross receipts and similar tax returns in many jurisdictions. Our tax returns are subject to audit and investigation by the Internal Revenue Service, most states in the U.S., and by various government agencies representing many jurisdictions outside the U.S.

Contractual Guarantees, Litigation, Investigations, and Insurance—In the normal course of business we are subject to certain contractual guarantees and litigation. We record in the Consolidated Balance Sheets amounts representing our estimated liability relating to such guarantees, litigation, and insurance claims. We perform an analysis to determine the level of reserves to establish for both insurance-related claims that are known and have been asserted against us as well as for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our Consolidated Statements of Earnings. In addition, as a contractor providing services to various agencies of the U.S. federal government, we are subject to many levels of audits, investigations, and claims by, or on behalf of, the U.S. federal government with respect to contract performance, pricing, costs, cost allocations, and procurement practices. We adjust revenues based upon the amounts we expect to realize considering the effects of any client audits or governmental investigations.

Accounting for Business Combinations—U.S. GAAP requires that the purchase price paid for business combinations accounted for using the acquisition method be allocated to the assets and liabilities acquired based on their respective Fair Values. Determining the Fair Value of contract assets and liabilities acquired often requires estimates and judgments regarding, among other things, the estimated cost to complete such contracts. The Company must also make certain estimates and judgments relating to other assets and liabilities acquired as well as any identifiable intangible assets acquired.

During the fourth fiscal quarter of 2017, the Company acquired Blue Canopy LLC. During the second fiscal quarter of 2017, the Company acquired Aquenta Consulting Pty Ltd. During the first fiscal quarter of 2016, the Company acquired J.L. Patterson & Associates. These acquisitions were not material to the Company's consolidated results for fiscal 2017 or 2016.

On May 19, 2017, the Company entered into an agreement with Saudi Aramco to form a 50/50 Saudi Arabia-based joint venture company to provide professional program and construction management ("PMCM") services for social infrastructure projects throughout Saudi Arabia and across the Middle East and North Africa. The venture commenced start-up operations in fourth quarter fiscal 2017. Initial funding commitments from each of the partners include $6.5 million in capital contributions and $7.0 million in partner loans which are expected to be executed during fiscal 2018. The partners have also committed up to an additional $7.0 million each for future loans to the joint venture.

New Accounting Pronouncements

Revenue Recognition

From time to time, the Financial Accounting Standards Board ("FASB") issues accounting standards updates (each being an "ASU") to its Accounting Standards Codification ("ASC"), which constitutes the primary source of U.S. GAAP. The Company regularly monitors ASUs as they are issued and considers their applicability to its business. All ASUs applicable to the Company are adopted by the due date and in the manner prescribed by the FASB.

In May 2014, the FASB issued ASU No. 2014-09— Revenue from Contracts with Customers. The new guidance provided by ASU 2014-09 is intended to remove inconsistencies and perceived weaknesses in the existing revenue requirements, provide a more robust framework for addressing revenue issues, improve comparability, provide more useful information and simplify the preparation of financial statements. ASU 2014-09 was initially effective for annual and interim reporting periods beginning after December 15, 2016. On July 9, 2015, the FASB approved a one-year deferral of the effective date of this standard. The revised effective date for the standard is for annual reporting periods beginning after December 15, 2017 and interim periods therein. The FASB also approved changes allowing for early adoption of the standard as of the original effective date.

The Company's adoption activities will be performed over three phases: (i) assessment, (ii) design, and (iii) implementation. Our assessment phase is predominantly complete. The following are the potential significant differences identified during the assessment phase:

Performance Obligations

Under current U.S. GAAP the Company typically considers engineering and construction services as separate performance obligations. Under ASU 2014-09, the Company has determined that, in most instances, it is likely that engineering and construction services will be required to be combined into a single performance obligation. In these instances, this will likely change the timing and pattern of revenue recognition.

Contract Modifications

In many instances, the Company enters into contracts for construction services subsequent to entering in to engineering services contracts. Under ASU 2014-09, the construction services contract may be deemed to modify the engineering contract, or may be required to be combined with the engineering contract. This modification or combination of contracts may result in a cumulative catch-up adjustment, which will have an immediate impact on the Company's results of operations in the period the contract combination or modification occurs. In addition, it will change the timing and pattern of revenue recognition after the period the contracts have been combined or modified.

The Company currently intends to adopt the new standard using the Modified Retrospective application. This standard could have a significant impact on the Company's Consolidated Financial Statements and an administrative impact on its operations and will depend on the magnitude of the items discussed above. The Company will continue to evaluate the impact through the design and implementation phases.

Lease Accounting

In February 2016, the FASB issued ASU 2016-02—Leases. ASU 2016-02 requires lessees to recognize assets and liabilities for most leases. ASU 2016-02 is effective for public entity financial statements for annual periods beginning after December 15, 2018, and interim periods within those annual periods. Early adoption is permitted, including adoption in an interim period. The guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Company is evaluating the impact of the new guidance on its consolidated financial statements. This standard could have a significant administrative impact on its operations, and the Company will further assess the impact through its implementation program.

Employee Share-Based Payment Accounting

In March 2016, the FASB issued ASU 2016-09—Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company is evaluating the impact of the new guidance on its consolidated financial statements and plans to adopt in fiscal 2018.

3. Employee Stock Purchase and Stock Option Plans

Broad-Based, Employee Stock Purchase Plans

Under the 1989 ESPP and the GESPP, eligible employees who elect to participate in these plans are granted the right to purchase shares of the common stock of Jacobs at a discount that is limited to 5% of the per-share market value on the day shares are sold to employees. The following table summarizes the stock issuance activity under the 1989 ESPP and the GESPP for the fiscal years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Aggregate Purchase Price Paid for Shares Sold:			
Under the 1989 ESPP	$21,084,657	$23,631,241	$28,621,800
Under the GESPP	2,105,834	2,660,067	3,535,479
Total	$23,190,491	$26,291,308	$32,157,279
Aggregate Number of Shares Sold:			
Under the 1989 ESPP	403,652	564,461	696,853
Under the GESPP	39,648	63,196	84,361
Total	443,300	627,657	781,214

On January 19, 2017, the Company's stockholders approved an increase in the number of shares authorized by 4,350,000 shares for the 1989 ESPP and by 150,000 shares for the GESPP.

At September 29, 2017, there remains 4,545,854 shares reserved for issuance under the 1989 ESPP and 174,980 shares reserved for issuance under the GESPP.

Stock Incentive Plans

We also sponsor the 1999 SIP and the 1999 ODSP. The 1999 SIP provides for the issuance of incentive stock options, nonqualified stock options, share appreciation rights ("SARs"), restricted stock, and restricted stock units to employees. The 1999 ODSP provides for awards of shares of common stock, restricted stock, and restricted stock units, and grants of nonqualified stock options to our outside (i.e., nonemployee) directors. The following table sets forth certain information about the 1999 Plans:

	1999 SIP	1999 ODSP	Total
Number of shares authorized	29,850,000	1,100,000	30,950,000
Number of remaining shares reserved for issuance at September 29, 2017	9,641,396	539,787	10,181,183
Number of shares relating to outstanding stock options at September 29, 2017	2,289,450	227,375	2,516,825
Number of shares available for future awards:			
At September 29, 2017	7,351,946	312,412	7,664,358
At September 30, 2016	7,233,173	319,535	7,552,708

Effective September 28, 2012, all grants of shares under the 1999 SIP are issued on a fungible basis. An award other than an option or SAR are granted on a 1.92-to-1.00 basis ("Fungible"). An award of an option or SAR are granted on a 1-to-1 basis ("Not Fungible").

The following table presents the Fair Value of shares (of restricted stock and restricted stock units) vested for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Restricted Stock and Restricted Stock Units (service condition)	$34,466	$17,481	$18,568
Restricted Stock Units (service, market, and performance conditions at target)	4,183	4,336	11,264
Total	$38,649	$21,817	$29,832

The following table presents the Company's total pre-tax compensation cost relating to share-based payments included in the accompanying Consolidated Statements of Earnings for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

For the Years Ended		
September 29, 2017	September 30, 2016	October 2, 2015
$38,764	$32,370	$41,412

At September 29, 2017, the amount of compensation cost relating to nonvested awards not yet recognized in the financial statements is approximately $83.7 million. The majority of the unrecognized compensation costs will be recognized by the first quarter of fiscal 2019. The weighted average remaining contractual term of options currently exercisable is 4.8 years.

Stock Options

The following table summarizes the stock option activity for the years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding at September 26, 2014	4,221,147	$53.23
Granted	614,759	$43.56
Exercised	(34,000)	$31.54
Cancelled or expired	(729,199)	$86.15
Outstanding at October 2, 2015	4,072,707	$46.06
Granted	460,770	$42.17
Exercised	(412,416)	$40.88
Cancelled or expired	(543,549)	$49.13
Outstanding at September 30, 2016	3,577,512	$45.69
Granted	—	$ —
Exercised	(906,648)	$43.79
Cancelled or expired	(154,039)	$48.79
Outstanding at September 29, 2017	2,516,825	$46.19

Stock options outstanding at September 29, 2017 consisted entirely of nonqualified stock options. The following table presents the total intrinsic value of stock options exercised for the fiscal years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

For the Years Ended		
September 29, 2017	September 30, 2016	October 2, 2015
$14,713	$4,149	$442

The total intrinsic value of stock options exercisable at September 29, 2017 was approximately $23.5 million. The following table presents certain other information regarding our 1999 SIP and 1999 OSDP for the fiscal years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	September 29, 2017	September 30, 2016	October 2, 2015
At fiscal year end:			
Range of exercise prices for options outstanding	$32.51 — $80.63	$32.51 — $80.63	$32.51 — $80.63
Number of options exercisable	1,992,022	2,581,421	2,590,560
For the fiscal year:			
Range of prices relating to options exercised	$37.03 — $55.53	$36.88 — $55.00	$25.87 — $42.74
Estimated weighted average fair values of options granted	$ —	$ 12.80	$ 13.41

The following table presents certain information regarding stock options outstanding and stock options exercisable at September 29, 2017:

	September 29, 2017				
	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Contractual Life (years)	Weighted Average Price	Number	Weighted Average Exercise Price
$32.51 – $37.03	247,875	4.47	$36.99	247,875	$36.99
$37.43 – $46.09	1,360,188	5.63	$42.69	890,206	$42.65
$47.11 – $55.13	836,812	5.30	$52.81	788,116	$52.80
$60.08 – $80.63	71,950	4.23	$66.92	65,825	$67.52
	2,516,825	5.37	$46.19	1,992,022	$46.78

The 1999 ODSP and the 1999 SIP allow participants to satisfy the exercise price of stock options by tendering shares of Jacobs common stock that have been owned by the participants for at least six months. Shares so tendered are retired and canceled, and are shown as repurchases of common stock in the accompanying Consolidated Statements of Stockholders' Equity.

Restricted Stock

The following table presents the number of shares of restricted stock and restricted stock units issued as common stock under the 1999 SIP for the year ended September 29, 2017, September 30, 2016 and October 2, 2015:

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Restricted stock	—	597,091	507,882
Restricted stock units (service condition)	496,951	183,131	126,635
Restricted stock units (service, market and performance conditions)	237,058	372,794	219,965

The amount of restricted stock units issued for awards with performance and market conditions in the above table are issued based on performance against the target amount. The number of shares ultimately issued, which could be greater or less than target, will be based on achieving specific performance conditions described in *Note 2—Significant Accounting Policies.*

The share amounts in the above tables reflect the Non-Fungible share counting of one share for each share of restricted stock and restricted stock unit issued.

The following table presents the number of shares of restricted stock and restricted stock units cancelled and withheld for taxes under the 1999 SIP for the years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Restricted stock	365,481	512,903	326,480
Restricted stock units (service condition)	128,536	177,640	70,296
Restricted stock units (service, market and performance conditions)	86,742	275,933	194,116

The amount of unvested restricted stock units cancelled for awards with service and performance conditions in the above table is based on the service period achieved and performance against the target amount.

The share amounts in the above tables reflect the Non-Fungible share counting of one share for each share of restricted stock and restricted stock unit issued.

The restrictions attached to restricted stock and restricted stock units generally relate to the recipient's ability to sell or otherwise transfer the stock or stock units. There are also restrictions that subject the stock and stock units to forfeiture back to the Company until earned by the recipient through continued employment or service.

The following table provides the number of shares of restricted stock and restricted stock units outstanding at September 29, 2017 under the 1999 SIP. Shares granted in the table below are granted on a 1.92 -to-1.00 basis (fungible):

	September 29, 2017
	Total
Restricted stock	950,593
Restricted stock units (service condition)	766,759
Restricted stock units (service, market and performance conditions)	672,440

The following table presents the number of shares of restricted stock and restricted stock units issued under the 1999 ODSP for the years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Restricted stock units (service condition)	21,123	23,090	13,500

The following table provides the number of shares of restricted stock and restricted stock units outstanding at September 29, 2017 under the 1999 ODSP:

	September 29, 2017
Restricted stock	34,000
Restricted stock units (service condition)	90,595

All shares granted under the 1999 ODSP are issued on a 1-to-1 basis.

Modification

On January 18, 2017, the Company modified time vested outstanding restricted stock units, paid out in stock and cash, specifically to allow participants to be entitled to dividend equivalents during the vesting period on the outstanding RSUs. Dividends will be paid out at the end of the vesting period and are forfeitable before the vesting period concludes. This modification affected 786 employees and resulted in $1.1 million of incremental compensation cost and will be recognized over the remaining vesting period for each grant, since dividends are forfeitable until vesting is achieved.

4. Earnings Per Share

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share are computed using the two-class method, which is an earnings allocation method that determines earnings per share ("EPS") for common shares and participating securities. The undistributed earnings are allocated between common shares and participating securities as if all earnings had been distributed during the period. Participating securities and common shares have equal rights to undistributed earnings. Net earnings used for the purpose of determining basic and diluted earnings per share is determined by taking net earnings, less earnings available to participating securities.

The following table reconciles the denominator used to compute basic EPS to the denominator used to compute diluted EPS for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Numerator for Basic and Diluted EPS:			
Net income	$293,727	$210,463	$302,971
Net income allocated to participating securities	(3,077)	—	—
Net income allocated to common stock for EPS calculation	**$290,650**	**$210,463**	**$302,971**
Denominator for Basic and Diluted EPS:			
Weighted average basic shares	**119,370**	**120,133**	**125,007**
Effect of dilutive securities:			
Stock compensation plans	777	680	481
Restricted stock	1,319	670	622
Diluted shares	121,466	121,483	126,110
Shares allocated to participating securities	(1,319)	—	—
Shares used for calculating diluted EPS attributable to common stock	**120,147**	**121,483**	**126,110**
Basic EPS	**$ 2.43**	**$ 1.75**	**$ 2.42**
Diluted EPS	**$ 2.42**	**$ 1.73**	**$ 2.40**

Share Repurchases

On July 23, 2015, the Board of Directors approved a share repurchase program to repurchase up to $500 million of the Company's common stock over the ensuing three years (the "2015 Share Repurchase Program"). As authorized, share repurchases may be executed through various means including, without limitation, open market transactions and/or privately negotiated transactions. The 2015 Share Repurchase Program does not obligate the Company to purchase any shares, and expires on July 22, 2018. The timing of shares repurchases may depend upon market conditions, other uses of capital, and other factors.

The following table summarizes the activity under this program during fiscal 2017 (in thousands, except per-share amounts):

Amount Authorized (in thousands)	Average Price Per Share (1)	Shares Retired (In thousands)	Shares Repurchased (In thousands)
$500,000	$55.60	1,748	1,748

(1) Includes commissions paid and calculated as the average price per share since the repurchase program authorization date.

Dividend Program

On December 1, 2016, the Company announced that the Board of Directors has approved the initiation of a cash dividend program. Quarterly dividends of $0.15 per share were paid in each of the second, third and fourth quarters of fiscal 2017. On September 27, 2017, the Board of Directors declared a quarterly cash dividend of $0.15 per share, which was paid on November 10, 2017. Future dividend payments are subject to review and approval by the Company's Board of Directors.

5. Restructuring and Other Charges

During the second fiscal quarter of 2015, the Company began implementing a series of initiatives intended to improve operational efficiency, reduce costs, and better position itself to drive growth of the business in the future. We refer to these initiatives, in the aggregate, as the "2015 Restructuring". These activities evolved and developed over time as management identified and evaluated opportunities for changes in the Company's operations (and related areas of potential cost savings), as economic conditions changed and as the realignment of the Company's operations into its four global lines of business was implemented. Actions related to the 2015 Restructuring included involuntary terminations, the abandonment of certain leased offices, combining operational organizations, and the co-location of employees into other existing offices. We did not exit any service types or client end-markets in connection with the 2015 Restructuring.

The majority of the costs associated with the 2015 Restructuring are included in SG&A expense in the Consolidated Statements of Earnings. The following table summarizes the impacts of the 2015 Restructuring on the Company's reportable segment income by line of business for the years ended September 29, 2017 and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Aerospace & Technology	$ 1,820	$ 5,835
Buildings & Infrastructure	23,675	23,378
Industrial	6,698	29,690
Petroleum & Chemicals	36,664	87,188
Corporate	29,831	41,816
Total Restructuring Charges	$98,688	$187,907

Total 2015 restructuring charges were $157,192 for the year ended October 2, 2015. The activity in the Company's accrual for the 2015 Restructuring for the year ended September 29, 2017 is as follows (in thousands):

Balance at September 30, 2016	$ 152,174
Charges	98,688
Payments	(122,407)
Balance at September 29, 2017	$ 128,455

The following table summarizes the 2015 Restructuring by major type of restructuring costs for the years ended September 29, 2017 and September 30, 2016 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Lease Abandonments	$55,647	$ 92,643	$ 90,569
Involuntary Terminations	30,716	85,599	55,313
Outside Services	4,236	7,398	12,734
Other restructuring related costs, net	8,089	2,267	(1,424)
Total	$98,688	$187,907	$157,192

Cumulative amounts incurred to date for the 2015 Restructuring by each major type of restructuring costs as of September 29, 2017 is as follows (in thousands):

Lease Abandonments	$238,859
Involuntary Terminations	171,628
Outside Services	24,368
Other restructuring related costs, net	8,932
Total	$443,787

The 2015 Restructuring was completed in the fourth quarter of fiscal 2017.

Also, during the second fiscal quarter of 2017, the Company entered into strategic business restructuring activities associated with realignment of its Europe, U.K. and Middle East regional operations in our Buildings & Infrastructure segment. Pre-tax net charges of $22.6 million were recorded associated mainly with net realizable value write-offs on contract accounts receivable of $16.5 million, with additional charges recorded for statutory redundancy and severance costs of $1.4 million and other liabilities of $4.7 million which are both expected to be paid or settled within fiscal 2018. Additional charges of $1.2 million were recorded under this business exit during third quarter fiscal 2017 associated mainly with contract accounts receivable charges. Further, management has determined that these business restructuring activities do not qualify for discontinued operations treatment in accordance with U.S. GAAP.

6. Borrowings

Short-Term Credit Arrangements

The Company maintains both committed and uncommitted credit arrangements with several banks providing for short-term borrowing capacity and overdraft protection. There were borrowings of $3.1 million outstanding under these short-term credit facilities at a weighted average interest rate of 4.33% at September 29, 2017, and there were borrowings of $2.4 million outstanding under these short-term credit facilities at September 30, 2016.

Long-term Debt

On February 7, 2014, the Company and certain of its subsidiaries entered into a $1.6 billion long-term unsecured, revolving credit facility (as amended the "Revolving Credit Facility") with a syndicate of large U.S. and international banks and financial institutions. The following table presents certain information regarding the

Company's long-term revolving credit facilities at September 29, 2017 and September 30, 2016 (dollars in thousands):

September 29, 2017		September 30, 2016	
Principal Balance Outstanding	Range of Interest Rates	Principal Balance Outstanding	Range of Interest Rates
$235,000	1.0% – 2.23%	$385,330	1.0% – 1.65%

The total amount outstanding under the Revolving Credit Facility in the form of direct borrowings at September 29, 2017 was $235.0 million. The Company issued $2.5 million in letters of credit leaving $1.363 billion of available borrowing capacity under the Revolving Credit Facility at September 29, 2017. In addition, the Company had $259.6 million issued under separate, committed and uncommitted letter-of-credit facilities for total issued letters of credit of $262.1 million at September 29, 2017.

The Revolving Credit Facility expires in February 2020 and permits the Company to borrow under two separate tranches in U.S. dollars, certain specified foreign currencies, and any other currency that may be approved in accordance with the terms of the Revolving Credit Facility. Depending on the Company's Consolidated Leverage Ratio, borrowings under the Revolving Credit Facility will bear interest at either a euro rate plus a margin of between 1.0% and 1.5% or a base rate plus a margin of between 0% and 0.5%. The Revolving Credit Facility also provides for a financial letter of credit subfacility of $300.0 million, permits performance letters of credit, and provides for a $50.0 million subfacility for swingline loans. Letters of credit are subject to fees based on the Company's Consolidated Leverage Ratio at the time any such letter of credit is issued. The Revolving Credit Facility also provides an accordion feature that allows the Company and the lenders to increase the facility amount to $2.1 billion. The Company pays a facility fee of between 0.100% and 0.25% per annum depending on the Company's Consolidated Leverage Ratio. Amounts outstanding under the Revolving Credit Facility may be prepaid at the option of the Company without premium or penalty, subject to customary breakage fees in connection with the prepayment of eurocurrency loans. The Revolving Credit Facility contains affirmative, negative, and financial covenants customary for financings of this type including, among other things, limitations on certain other indebtedness, loans and investments, liens, mergers, asset sales and transactions with affiliates. In addition, the Revolving Credit Facility contains customary events of default. We were in compliance with these debt covenants at September 29, 2017.

On September 28, 2017, the Company entered into a Second Amendment to the Revolving Credit Facility, which provides for, among other things, an amendment to certain financial definitions used in the Revolving Credit Facility, including "Consolidated EBITDA". These amendments are effective upon the consummation of the acquisition of CH2M.

On September 28, 2017, the Company entered into a $1.5 billion unsecured delayed-draw term loan facility (the "Term Loan Facility") with a syndicate of financial institutions as lenders and letter of credit issuers and BNP Paribas as administrative agent, TD Bank, N.A. and U.S. Bank National Association as co-documentation agent, BNP Paribas Securities Corp., The Bank of Nova Scotia and Wells Fargo Securities, LLC as joint book runners, and as joint arrangers.

Subject to certain terms and conditions set forth therein, loans under the Term Loan Facility may be incurred on the day the CH2M acquisition is consummated in order to pay cash consideration for the acquisition, and to pay fees and expenses related to the acquisition and the Term Loan Facility. The Term Loan Facility has a three year maturity from the date of initial funding and permits the Company to borrow in U.S. dollars at a base rate or a eurocurrency rate. Depending on the Company's consolidated leverage ratio, borrowings under the Term

Loan Facility will bear interest at either a eurocurrency rate plus a margin of between 1.00% and 1.50% or a base rate plus a margin of between 0.00% and 0.50%. In addition, prior to the date the acquisition is consummated, the Company must pay a ticking fee of between 0.10% and 0.25% of unused commitments under the Term Loan Facility. Amounts outstanding under the Term Loan Facility may be prepaid at the option of the Company without premium or penalty, subject to customary breakage fees in connection with the prepayment of eurocurrency loans.

The Term Loan Facility contains affirmative, negative and financial covenants customary for financings of this type, including, among other things, limitations on certain other indebtedness, investments, liens, mergers, asset sales and transactions with affiliates. In addition, the Term Loan Facility contains customary events of default. We were in compliance with these covenants at September 29, 2017.

The following table presents certain additional information regarding the Company's long-term debt for the fiscal years shown:

	2017	2016
Maximum amount outstanding at any month-end during the fiscal year	$659,103	$958,460
Average amount outstanding during the year	$639,210	$825,641
Weighted average interest rate during the year	1.67%	1.39%

The following table presents the amount of interest paid by the Company during September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

For the Years Ended		
September 29, 2017	September 30, 2016	October 2, 2015
$12,862	$13,282	$15,506

7. Pension and Other Postretirement Benefit Plans

Company-Only Sponsored Plans

We sponsor various defined benefit pension plans covering employees of certain U.S. and international subsidiaries. The pension plans provide pension benefits that are based on the employee's compensation and years of service. Our funding policy is to fund the actuarially determined accrued benefits where applicable, allowing for projected compensation increases using the projected unit method.

The accounting for pension and other post-retirement benefit plans requires the use of assumptions and estimates in order to calculate periodic benefit cost and the value of the plans' assets and benefit obligations. These assumptions include discount rates, investment returns, and projected salary increases, among others. The discount rates used in valuing the plans' benefit obligations were determined with reference to high quality corporate and government bonds that are appropriately matched to the duration of each plan's obligations. The expected long-term rate of return on plan assets is generally based on using country-specific simulation models which select a single outcome for expected return based on the target asset allocation. The expected long-term-rates of return used in the valuation are the annual average returns generated by these assumptions over a 20-year period for each asset class based on the expected long-term rate of return of the underlying assets.

The following table sets forth the changes in the plans' combined net benefit obligation (segregated between plans existing within and outside the U.S.) for the years ended September 29, 2017 and September 30, 2016 (in thousands):

	U.S. Pension Plans		Non-U.S. Pension Plans	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Net benefit obligation at the beginning of the year	$185,664	$ 533,665	$1,363,782	$1,155,592
Service cost	1,000	9,875	7,509	14,378
Interest cost	5,757	16,746	31,205	38,892
Participants' contributions	—	1,847	250	2,255
Actuarial (gains)/losses	(9,922)	29,129	(142,273)	382,691
Benefits paid	(14,338)	(14,143)	(40,208)	(32,277)
Curtailments/settlements	—	(35,224)	(1,375)	(35,375)
Transfers *	—	(356,231)	—	—
Effect of exchange rate changes and other, net	1,781	—	87,917	(162,374)
Net benefit obligation at the end of the year	$169,942	$ 185,664	$1,306,807	$1,363,782

* Pension plan transferred to a new sponsor for the plan

The following table sets forth the changes in the combined Fair Value of the plans' assets (segregated between plans existing within and outside the U.S.) for the year ended September 29, 2017 and September 30, 2016 (in thousands):

	U.S. Pension Plans		Non-U.S. Pension Plans	
	September 29, 2017	September 30, 2016	September 29, 2017	October 2, 2016
Fair value of plan assets at the beginning of the year	$142,464	$ 379,907	$1,003,911	$ 896,298
Actual return on plan assets	18,662	28,835	16,789	242,927
Employer contributions	1,000	10,213	21,005	23,217
Participants' contributions	—	1,847	250	2,255
Gross benefits paid	(14,338)	(14,143)	(40,208)	(32,277)
Curtailments/settlements	—	(35,224)	(228)	(1,863)
Transfers *	—	(228,971)	—	—
Effect of exchange rate changes and other, net	—	—	75,409	(126,646)
Fair value of plan assets at the end of the year	$147,788	$ 142,464	$1,076,928	$1,003,911

* Pension plan transferred to a new sponsor for the plan

During fiscal 2017 we curtailed the pension plan in Ireland and in fiscal 2016 we curtailed our U.K. and French pension plans.

The following table reconciles the combined funded statuses of the plans recognized in the accompanying Consolidated Balance Sheets at September 29, 2017 and September 30, 2016 (segregated between plans existing within and outside the U.S.) (in thousands):

	U.S. Pension Plans		Non-U.S. Pension Plans	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Net benefit obligation at the end of the year	$169,942	$185,664	$1,306,807	$1,363,782
Fair value of plan assets at the end of the year	147,788	142,464	1,076,928	1,003,911
Under funded amount recognized at the end of the year	$ 22,154	$ 43,200	$ 229,879	$ 359,871

The following table presents the accumulated benefit obligation at September 29, 2017 and September 30, 2016 (segregated between plans existing within and outside the U.S.) (in thousands):

	U.S. Pension Plans		Non-U.S. Pension Plans	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Accumulated benefit obligation at the end of the year	$169,942	$185,664	$1,291,600	$1,331,884

The following table presents the amounts recognized in the accompanying Consolidated Balance Sheets at September 29, 2017 and September 30, 2016 (segregated between plans existing within and outside the U.S.) (in thousands):

	U.S. Pension Plans		Non-U.S. Pension Plans	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Prepaid benefit cost included in prepaid assets	$ —	$ —	$ 3,035	$ 492
Accrued benefit cost included in current liabilities	—	—	585	608
Accrued benefit cost included in noncurrent liabilities	22,154	43,200	232,329	359,755
Net amount recognized at the end of the year	$22,154	$43,200	$229,879	$359,871

In fiscal 2015 and through June 30, 2016, we were responsible for administering a U.S. pension plan for participating employees who were assigned to, and worked exclusively on, a specific operating contract with the U.S. federal government. The costs of this pension plan were fully reimbursed by the U.S. federal government pursuant to applicable cost accounting standards. As of June 30, 2016, we ceased performing on this operating contract, and, as such, we are no longer responsible for administering this pension plan. As a result of no longer administering the plan, we derecognized the plan benefit obligation and plan assets pertaining to the plan resulting in a decrease of plan benefit obligation by $356.2 million and plan assets by $229.0 million.

The following table presents the significant actuarial assumptions used in determining the funded statuses and the following year's benefit cost of the Company's U.S. plans for the years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	For the Year Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Weighted average discount rates	3.5%	3.2	3.9% to 4.0%
Rates of compensation increases	— %	— %	3.0%
Return on Assets	7.5%	7.4%	7.4%

The following table presents the significant actuarial assumptions used in determining the funded statuses and the following year's benefit cost of the Company's non-U.S. pension plans for the years ended September 29, 2017, September 30, 2016 and October 2, 2015:

	September 29, 2017	September 30, 2016	October 2, 2015
Weighted average discount rates	1.3% to 7.0%	0.7% to 7.0%	1.6% to 7.8%
Rates of compensation increases	2.5% to 7.5%	2.5% to 7.5%	2.4% to 7.5%
Expected long-term rates of return on assets	3.5% to 8.5%	3.5% to 8.5%	3.5% to 8.5%

The following table presents certain amounts relating to our U.S. pension plans recognized in accumulated other comprehensive (gain) loss at September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Arising during the period:			
Net actuarial (gain) loss	$(11,372)	$ 4,337	$12,237
Reclassification adjustments:			
Net actuarial losses	(2,431)	(2,312)	(2,347)
Total	$(13,803)	$ 2,025	$ 9,890

The following table presents certain amounts relating to our non-U.S. pension plans recognized in accumulated other comprehensive (gain) loss at September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Arising during the period:			
Net actuarial (gain) loss	$(76,860)	$102,925	$(27,165)
Prior service cost (benefit)	119	580	(1,512)
Total	(76,741)	103,505	(28,677)
Reclassification adjustments:			
Net actuarial losses	(8,732)	(7,508)	(14,034)
Prior service cost	229	163	51
Total	(8,503)	(7,345)	(13,983)
Total	$(85,244)	$ 96,160	$(42,660)

The following table presents certain amounts relating to our pension plans recorded in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost at September 29, 2017, and September 30, 2016 (segregated between U.S. and non-U.S. plans) (in thousands):

	U.S. Pension Plans		Non-U.S. Pension Plans	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Net actuarial loss	$47,681	$61,483	$218,752	$304,345
Prior service cost	—	—	(855)	(1,203)
Total	$47,681	$61,483	$217,897	$303,142

The following table presents the amount of accumulated comprehensive income that will be amortized against earnings as part of our net periodic benefit cost in fiscal 2018 based on 2017 exchange rates (segregated between U.S. and non-U.S. plans) (in thousands):

	U.S. Pension Plans	Non-U.S. Pension Plans
Unrecognized net actuarial loss	$3,325	$6,829
Unrecognized prior service cost	—	(277)
Accumulated comprehensive loss to be recorded against earnings	$3,325	$6,552

We consider various factors in developing the estimates for the expected, long-term rates of return on plan assets. These factors include the projected, long-term rates of returns on the various types of assets in which the plans invest, as well as historical returns. In general, investment allocations are determined by each plan's trustees and/or investment committees. The objectives of the plans' investment policies are to (i) maximize returns while preserving capital; (ii) provide returns sufficient to meet the current and long-term obligations of the plan as the obligations become due; and (iii) maintain a diversified portfolio of assets so as to reduce the risk associated with having a disproportionate amount of the plans' total assets invested in any one type of asset, issuer or geography. None of our pension plans hold Jacobs common stock directly (although some plans may hold shares indirectly through investments in mutual funds). The plans' weighted average asset allocations at September 29, 2017 and September 30, 2016 (the measurement dates used in valuing the plans' assets and liabilities) were as follows:

	U.S. Pension Plans		Non-U.S. Pension Pans	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Equity securities	70%	71%	24%	25%
Debt securities	23%	20%	32%	32%
Real estate investments	— %	2%	5%	6%
Other	7%	7%	39%	37%

The following table presents the Fair Value of the Company's Domestic U.S. plan assets at September 29, 2017, segregated by level of Fair Value measurement inputs within the Fair Value hierarchy promulgated by U.S. GAAP (in thousands):

	September 29, 2017		
	Fair Value, Determined Using Fair Value Measurement Inputs		
	Level 1	Level 3	Total
U.S. Domestic equities	$103,760	$ —	$103,760
U.S. Domestic bonds	33,404	—	33,404
Cash and equivalents	4,448	—	4,448
Hedge funds	—	6,176	6,176
Total	$141,612	$6,176	$147,788

The following table presents the Fair Value of the Company's non-U.S. pension plan assets at September 29, 2017, segregated by level of Fair Value measurement inputs within the Fair Value hierarchy promulgated by U.S. GAAP (in thousands):

	September 29, 2017		
	Fair Value, Determined Using Fair Value Measurement Inputs		
	Level 1	Level 3	Total
U.S. Domestic equities	$ 30,916	$ —	$ 30,916
Overseas equities	229,205	—	229,205
U.S. Domestic bonds	263,145	—	263,145
Overseas bonds	77,682	—	77,682
Cash and equivalents	38,924	—	38,924
Real estate	—	58,974	58,974
Insurance contracts	—	74,353	74,353
Other	—	303,729	303,729
Total	$639,872	$437,056	$1,076,928

The following table presents the Fair Value of the Company's U.S. pension plan assets at September 30, 2016, segregated by level of Fair Value measurement inputs within the Fair Value hierarchy promulgated by U.S. GAAP (in thousands):

	September 30, 2016		
	Fair Value, Determined Using Fair Value Measurement Inputs		
	Level 1	Level 3	Total
U.S. Domestic equities	$ 85,494	$ —	$ 85,494
Overseas equities	15,169	—	15,169
U.S. Domestic bonds	28,886	—	28,886
Cash and equivalents	3,723	—	3,723
Real estate	—	3,477	3,477
Hedge funds	—	5,715	5,715
Total	$133,272	$9,192	$142,464

The following table presents the Fair Value of the Company's non-U.S. pension plan assets at September 30, 2016, segregated by level of Fair Value measurement inputs within the Fair Value hierarchy promulgated by U.S. GAAP (in thousands):

	September 30, 2016		
	Fair Value, Determined Using Fair Value Measurement Inputs		
	Level 1	Level 3	Total
U.S. Domestic equities	$ 31,972	$ —	$ 31,972
Overseas equities	220,179	—	220,179
U.S. Domestic bonds	258,949	—	258,949
Overseas bonds	61,974	—	61,974
Cash and equivalents	63,182	—	63,182
Real estate	—	55,665	55,665
Insurance contracts	—	39,473	39,473
Hedge funds	—	272,517	272,517
Total	$636,256	$367,655	$1,003,911

At September 29, 2017 and September 30, 2016, the Company holds no assets in the U.S. or non-U.S. pension plans that use Level 2 fair value measurement inputs.

The following table summarizes the changes in the Fair Value of the Company's U.S. Pension Plans' Level 3 assets for the year ended September 29, 2017 (in thousands):

	Real Estate	Hedge Funds
Balance at September 30, 2016	$ 3,477	$5,715
Purchases, sales, and settlements	(3,477)	(557)
Realized and unrealized gains	—	1,018
Balance at September 29, 2017	$ —	$6,176

The following table summarizes the changes in the Fair Value of the Company's non-U.S. Pension Plans' Level 3 assets for the year ended September 29, 2017 (in thousands):

	Real Estate	Insurance Contracts	Hedge Funds
Balance at September 30, 2016	$55,665	$39,473	$272,517
Purchases, sales, and settlements	(1,199)	422	(9,022)
Realized and unrealized gains (losses)	2,642	(7,572)	19,662
Transfers	—	40,031	11,758
Effect of exchange rate changes	1,866	1,999	8,814
Balance at September 29, 2017	$58,974	$74,353	$303,729

The following table summarizes the changes in the Fair Value of the Company's U.S. Pension Plans' Level 3 assets for the year ended September 30, 2016 (in thousands):

	Real Estate	Hedge Funds
Balance at October 2, 2015	$ 9,914	$ 16,372
Purchases	(6,530)	(10,788)
Realized and unrealized gains	93	131
Balance at September 30, 2016	$ 3,477	$ 5,715

The following table summarizes the changes in the Fair Value of the Company's non-U.S. Pension Plans' Level 3 assets for the year ended September 30, 2016 (in thousands):

	Real Estate	Insurance Contracts	Hedge Funds
Balance at October 2, 2015	$61,996	$32,522	$260,720
Purchases, sales, and settlements	(462)	(165)	(1,205)
Realized and unrealized gains	2,572	6,451	57,656
Effect of exchange rate changes	(8,441)	665	(44,654)
Balance at September 30, 2016	$55,665	$39,473	$272,517

The following table presents the amount of cash contributions we anticipate making into the plans during fiscal 2018 (in thousands):

	U.S. Pension Plans	Non-U.S. Pension Pans
Anticipated cash contributions	$1,300	$22,574

The following table presents the total benefit payments expected to be paid to pension plan participants during each of the next five fiscal years, and in total for the five years thereafter (in thousands):

	U.S. Pension Plans	Non-U.S. Pension Pans
2018	$21,506	$ 31,063
2019	11,372	32,509
2020	11,377	32,923
2021	11,472	36,220
2022	11,485	38,086
For the periods 2023 through 2027	54,747	231,183

The following table presents the components of net periodic benefit cost for the Company's U.S. pension plans recognized in the accompanying Consolidated Statements of Earnings for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Service cost	$ 1,000	$ 9,875	$ 12,045
Interest cost	5,757	16,746	20,629
Expected return on plan assets	(9,942)	(22,368)	(29,526)
Actuarial loss	3,985	7,512	3,756
Prior service cost	—	(176)	(239)
Net pension cost, before special items	800	11,589	6,665
Contractual expense/Settlement loss	1,781	8,061	—
Total net periodic pension cost recognized	$ 2,581	$ 19,650	$ 6,665

The fiscal 2016 settlement loss included in the U.S. pension plan net periodic benefit cost table above related to the previously discussed transfer of a U.S. pension plan to a new service provider.

The following table presents the components of net periodic benefit cost for the Company's Non-U.S. pension plans recognized in the accompanying Consolidated Statements of Earnings for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Service cost	$ 7,509	$ 14,378	$ 21,374
Interest cost	31,205	38,892	44,659
Expected return on plan assets	(56,269)	(50,190)	(53,052)
Actuarial loss	10,616	9,092	17,398
Prior service cost	(329)	(260)	(96)
Net pension cost, before special items	(7,268)	11,912	30,283
Curtailments and settlements	(298)	(7,512)	255
Total net periodic pension cost recognized	$ (7,566)	$ 4,400	$ 30,538

The fiscal 2016 settlement loss included in the Non-U.S. pension plan net periodic benefit cost table above related to the sale of the Company's French subsidiary.

Multiemployer Plans

In Canada and the U.S., we contribute to various trusteed pension plans covering hourly construction employees under industry-wide agreements. We also contribute to various trusteed plans in Australia and certain countries in Europe covering both hourly and certain salaried employees. Contributions are based on the hours worked by employees covered under these agreements and are charged to direct costs of contracts on a current basis.

The majority of the contributions the Company makes to multiemployer pension plans are outside the U.S. With respect to these multiemployer plans, the Company's liability to fund these plans is generally limited to the contributions we are required to make under collective bargaining agreements.

Based on our review of our multiemployer pension plans under the guidance provided in ASU 2011-09—*Compensation-Retirement Benefits-Multiemployer Plans*, we have concluded that none of the multiemployer pension plans into which we contribute are individually significant to our Consolidated Financial Statements.

The following table presents the Company's contributions to these multiemployer plans for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Canada	$35,182	$44,912	$42,575
Europe	$ 6,212	$ 8,771	$10,902
United States	$ 4,548	$ 5,058	$ 5,968
Contributions to multiemployer pension plans	$45,942	$58,741	$59,445

Other Benefit Plans

During the second fiscal quarter of 2017, the Company restructured certain employee welfare trust plans benefitting certain of its employees within its India operations by moving these plans under the legal ownership and operation of the Company's legal entity structure in the region. Historically, the Company structured these plans as separate, stand-alone entities outside of the Company's consolidated legal entity framework. As a result of these changes, the Company has recorded a one-time, non-cash benefit of $9.9 million reported in SG&A expense in its Consolidated Statement of Earnings for the year ended September 29, 2017, with corresponding assets in the plans associated with restricted investments of $7.7 million and employee loans receivable of $2.2 million and both recorded in Total other non-current assets in our Consolidated Balance Sheet at September 29, 2017.

8. Other Comprehensive Income

The following table presents amounts reclassified from changes in pension liabilities in other comprehensive income to direct cost of contracts and SG&A expenses in the Company's Consolidated Statements of Earnings for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 related to the Company's defined benefit pension plans (in thousands):

	September 29, 2017	September 30, 2016	October 2, 2015
Amortization of Defined Benefit Items:			
Actuarial losses	$(14,601)	$(12,880)	$(21,153)
Prior service cost	328	260	96
Total Before Income Tax	(14,273)	(12,620)	(21,057)
Income Tax Benefit	3,339	2,963	4,727
Total reclassifications after-tax	$(10,934)	$ (9,657)	$(16,330)

9. Savings and Deferred Compensation Plans

Savings Plans

We sponsor various defined contribution savings plans which allow participants to make voluntary contributions by salary deduction. Such plans cover substantially all of our domestic, nonunion employees in the

U.S. and are qualified under Section 401(k) of the U.S. Internal Revenue Code. Similar plans outside the U.S. cover various groups of employees of our international subsidiaries and affiliates. Several of these plans allow the Company to match, on a voluntary basis, a portion of the employee contributions. The following table presents the Company's contributions to these savings plans for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

September 29, 2017	September 30, 2016	October 2, 2015
$82,882	$89,966	$87,973

Deferred Compensation Plans

Our Executive Security Plan and Executive Deferral Plans are nonqualified deferred compensation programs that provide benefits payable to directors, officers, and certain key employees or their designated beneficiaries at specified future dates, upon retirement, or death. Benefit payments under both plans are funded by a combination of contributions from participants and the Company, and most of the participants are covered by life insurance policies with the Company designated as the beneficiary. The following table presents the amount charged to expense for the Company's deferred compensation plans for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

September 29, 2017	September 30, 2016	October 2, 2015
$4,368	$5,792	$5,536

10. Income Taxes

The following table presents the components of our consolidated income tax expense for years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Current income tax expense:			
Federal	$ 29,297	$ 36,020	$ 72,840
State	8,535	11,336	16,248
Foreign	31,347	52,259	43,344
Total current tax expense	69,179	99,615	132,432
Deferred income tax expense (benefit):			
Federal	29,390	6,439	13,337
State	3,407	485	2,295
Foreign	3,866	(34,331)	(46,809)
Total deferred tax expense (benefit)	36,663	(27,407)	(31,177)
Consolidated income tax expense	$105,842	$ 72,208	$101,255

Deferred taxes reflect the tax effects of temporary differences between the amounts recorded as assets and liabilities for financial reporting purposes and the comparable amounts recorded for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The following table presents the components of our net deferred tax assets at September 29, 2017 and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Deferred tax assets:		
Obligations relating to:		
Defined benefit pension plans	$ 52,299	$ 77,834
Other employee benefit plans	192,299	179,063
Net Operating Losses	136,783	139,125
Self-insurance programs	489	1,722
Contract revenues and costs	(18,374)	(8,177)
Deferred Rent	25,654	7,955
Restructuring	18,258	47,792
Other	19,389	9,933
Valuation Allowance	(58,097)	(41,684)
Gross deferred tax assets	368,700	413,563
Deferred tax liabilities:		
Depreciation and amortization	(176,327)	(154,939)
Other, net	(1,438)	(1,555)
Gross deferred tax liabilities	(177,765)	(156,494)
Net deferred tax assets	$ 190,935	$ 257,069

A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized based on an assessment of positive and negative evidence, including estimates of future taxable income necessary to realize future deductible amounts. The valuation allowance at September 29, 2017 and September 30, 2016 was $58.1 million and $41.7 million, respectively.

Net operating loss carry forwards of foreign subsidiaries at September 29, 2017 and September 30, 2016 totaled $490.9 million and $483.4 million, respectively. If unused, foreign net operating losses of $117.1 million will expire between 2018 and 2037. Net operating losses of $373.8 million can be carried forward indefinitely.

The following table presents the income tax benefits realized from the exercise of nonqualified stock options and disqualifying dispositions of stock sold under our employee stock purchase plans for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in millions):

For the Years Ended		
September 29, 2017	September 30, 2016	October 2, 2015
$5.20	$1.50	$0.20

The Company's consolidated effective income tax rate is generally lower than the US statutory rate of 35% primarily due to the impacts of favorable tax rate differences in our foreign operations. The following table reconciles total income tax expense using the statutory U.S. federal income tax rate to the consolidated income tax expense shown in the accompanying Consolidated Statements of Earnings for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (dollars in thousands):

	For the Years Ended					
	September 29, 2017	%	September 30, 2016	%	October 2, 2015	%
Statutory amount	$137,626	35.0%	$100,353	35.0%	$150,548	35.0%
State taxes, net of the federal benefit	8,955	2.3%	7,853	2.7%	12,857	3.0%
Exclusion of tax on non-controlling interests	2,223	0.6%	(1,418)	(0.5%)	(9,069)	(2.1%)
Foreign:						
Difference in tax rates of foreign operations	(16,987)	(4.3%)	(17,184)	(6.0%)	(19,180)	(4.5%)
Benefit from foreign valuation allowance release	(3,085)	(0.8%)	(11,182)	(3.9%)	(3,372)	(0.8%)
Tax deductible foreign currency loss	—	0.0%	—	0.0%	(23,100)	(5.4%)
U.K. tax rate change on deferred tax assets	—	0.0%	8,853	3.1%	—	0.0%
Nontaxable income from foreign affiliate	(3,280)	(0.8%)	—	0.0%	—	0.0%
U.S. tax cost of foreign operations	18,612	4.7%	30,850	10.9%	6,814	1.6%
Tax differential on foreign earnings	(4,740)	(1.2%)	11,337	4.1%	(38,838)	(9.0%)
Foreign tax credits	(20,454)	(5.2%)	(44,018)	(15.4%)	(21,313)	(5.0%)
Uncertain tax positions	(5,779)	(1.5%)	1,449	0.5%	2,281	0.5%
Other items:						
IRS §179D deduction	(3,351)	(0.8%)	(2,153)	(0.8%)	—	0.0%
IRS §199D deduction	(2,113)	(0.5%)	(2,800)	(1.0%)	(4,582)	(1.1%)
Foreign partnership income/(loss)	(9,861)	(2.5%)	(2,658)	(0.9%)	11,858	2.8%
Other items – net	3,336	0.7%	4,263	1.5%	(2,487)	(0.6%)
Total other items	(11,989)	(3.1%)	(3,348)	(1.2%)	4,789	1.1%
Taxes on income	$105,842	26.9%	$ 72,208	25.2%	$101,255	23.5%

The Company's consolidated effective income tax rate for the year ended September 29, 2017 increased to 26.9% from 25.2% for fiscal 2016. Key drivers for this year over year increase include the impacts of lower foreign tax credit benefits and lower benefits from valuation allowance releases on foreign deferred tax assets, partly offset by favorable impacts of U.S. tax cost of foreign operations, the non-recurrence of 2016 tax rate change impacts on deferred income tax assets in the UK and favorable impacts from change in uncertain tax positions.

The Company's consolidated effective income tax rate for the year ended September 30, 2016 increased to 25.2% from 23.5% for fiscal 2015. The primary components of this increase in tax rate were due mainly to unfavorable impacts from U.S. tax cost of foreign operations, the non-recurrence of tax deductible foreign currency losses in fiscal 2015, unfavorable impacts from U.K. tax rates changes on deferred tax assets and other unfavorable items. These unfavorable impacts on the tax rate were partly offset by favorable foreign tax credits year over year, favorable income levels from our foreign partnerships in 2016 and comparably higher benefits from foreign valuation allowance releases in fiscal 2016.

The following table presents income tax payments made during the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in millions):

September 29, 2017	September 30, 2016	October 2, 2015
$78.39	$116.30	$156.50

The following table presents the components of our consolidated earnings before taxes for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
United States earnings	$232,342	$206,159	$283,504
Foreign earnings	160,875	80,564	146,633
	$393,217	$286,723	$430,137

United States income taxes, net of applicable credits, have been provided on the undistributed earnings of the Company's foreign subsidiaries, except in those instances where the earnings have been permanently reinvested. At September 29, 2017, approximately $26.1 million of such undistributed earnings of certain foreign subsidiaries have been permanently reinvested. Should these earnings be repatriated, approximately $6.0 million of income taxes would be payable.

The Company accounts for unrecognized tax benefits in accordance with ASC Topic 740, *Income Taxes*. It accounts for interest and penalties on unrecognized tax benefits as interest and penalties (i.e., not as part of income tax expense). The Company's liability for gross unrecognized tax benefits was $38.6 million and $44.2 million at September 29, 2017 and September 30, 2016, respectively, all of which, if recognized, would affect the Company's consolidated effective income tax rate. The Company had $36.6 million and $36.4 million in accrued interest and penalties at September 29, 2017 and September 30, 2016, respectively. The Company estimates that, within 12 months, $6.5 million of gross, primarily non-U.S. unrecognized tax benefits will reverse due to the anticipated expiration of time to assess tax. As of September 29, 2017, the Company's U.S. federal income tax returns for tax years 2015 and forward remain subject to examination.

The following table presents the reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Balance, beginning of year	$44,167	$42,666	$41,923
Additions based on tax positions related to the current year	5,900	5,670	6,440
Additions for tax positions of prior years	237	367	—
Reductions for tax positions of prior years	(4,524)	(2,451)	(5,697)
Settlement	(7,200)	(2,085)	—
Balance, end of year	$38,580	$44,167	$42,666

11. Commitments and Contingencies, and Derivative Financial Instruments

Commitments Under Operating Leases

We lease certain of our facilities and equipment under operating leases with net aggregate future lease payments of approximately $753,102 million at September 29, 2017, payable as follows (in thousands):

In fiscal years,	
2018	$139,967
2019	133,609
2020	118,207
2021	97,062
2022	104,990
Thereafter	174,269
	768,104
Amounts representing sublease income	(15,002)
	$753,102

We recognize rent expense, inclusive of landlord concessions and tenant allowances, over the lease term on a straight-line basis. We also recognize rent expense on a straight-line basis for leases containing fixed escalation clauses and rent holidays. Contingent rentals are included in rent expense as accruable. Operating leases relating to many of our major offices generally contain renewal options, and provide for additional rental based on escalation in operating expenses and real estate taxes.

The following table presents rent expense and sublease income offsetting the Company's rent expense for the years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Rent expense	$145,344	$151,539	$175,067
Sublease income	(7,052)	(7,212)	(5,275)
Net rent	$138,292	$144,327	$169,792

Guarantee

We are party to a synthetic lease agreement involving certain real and personal property located in Houston, Texas that we use in our operations. A synthetic lease is a type of off-balance sheet transaction which provides us with certain tax and other financial benefits. Significant terms of the lease are as follows:

End of lease term	2025
End of term purchase option (in thousands)	$76,950
Residual value guaranty (in thousands)	$62,412

The Company refinanced the synthetic lease agreement effective July 28, 2015 with a ten-year term. The new lease agreement continues to gives us the right to request an extension of the lease term. We may also assist the owner in selling the property at the end of the lease term, the proceeds from which would be used to reduce our residual value guarantee. The minimum lease payments required by the lease agreement is included in the above lease pay-out schedule. We have determined that the estimated Fair Value of the aforementioned financial guarantee was not significant at September 29, 2017.

Derivative Financial Instruments

In situations where our operations incur contract costs in currencies other than their functional currency, we attempt to have a portion of the related contract revenues denominated in the same currencies as the costs. In those situations where revenues and costs are transacted in different currencies, we sometimes enter into foreign exchange contracts in order to limit our exposure to fluctuating foreign currencies. The Company does not currently have exchange rate sensitive instruments that would have a material effect on our consolidated financial statements or results of operations.

Letters of Credit

Letters of credit outstanding at September 29, 2017 totaled $262.1 million. Of this amount, $2.5 million has been issued under the Revolving Credit Facility and $259.6 million are issued under separate, committed and uncommitted letter-of-credit facilities.

12. Contractual Guarantees, Litigation, Investigations, and Insurance

In the normal course of business, we are subject to certain contractual guarantees and litigation. The guarantees to which we are a party generally relate to project schedules and plant performance. Most of the litigation in which we are involved has us as a defendant in workers' compensation, personal injury, environmental, employment/labor, professional liability, and other similar lawsuits.

We maintain insurance coverage for various aspects of our business and operations. Our insurance programs have varying coverage limits and maximums, and insurance companies may seek to not pay any claims we might make. We have also elected to retain a portion of losses that occur through the use of various deductibles, limits, and retentions under our insurance programs. As a result, we may be subject to future liability for which we are only partially insured or completely uninsured. We intend to mitigate any such future liability by continuing to exercise prudent business judgment in negotiating the terms and conditions of our contracts. Our insurers are also subject to business risk and, as a result, one or more of them may be unable to fulfill their insurance obligations due to insolvency or otherwise.

Additionally, as a contractor providing services to the U.S. federal government and several of its agencies, we are subject to many levels of audits, investigations, and claims by, or on behalf of, the U.S. federal government with respect to our contract performance, pricing, costs, cost allocations, and procurement practices. Furthermore, our income, franchise, and similar tax returns and filings are also subject to audit and investigation by the Internal Revenue Service, most states within the U.S., as well as by various government agencies representing jurisdictions outside the U.S.

We record in our Consolidated Balance Sheets amounts representing our estimated liability relating to such claims, guarantees, litigation, and audits and investigations. We perform an analysis to determine the level of reserves to establish for insurance-related claims that are known and have been asserted against us, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations. Insurance recoveries are recorded as assets if recovery is probable. Estimated liabilities are not reduced by expected insurance recoveries.

The Company believes, after consultation with counsel, that such guarantees, litigation, U.S. government contract-related audits, investigations and claims, and income tax audits and investigations should not have any material adverse effect on our consolidated financial statements.

On August 9, 2014, the Company received a Notice of Arbitration from Motiva Enterprises LLC ("Motiva") seeking monetary relief in excess of $8 billion from the Bechtel-Jacobs CEP Port Arthur Joint Venture ("BJJV"), a joint venture between Bechtel Corporation ("Bechtel") and the Company. On December 30, 2016, the arbitral panel in this matter issued its unanimous decision, which rejected all of Motiva's claims and assigned no liability to BJJV, the Company or Bechtel.

On September 30, 2015, Nui Phao Mining Company Limited ("NPMC") commenced arbitration proceedings against Jacobs E&C Australia Pty Limited ("Jacobs E&C"). The arbitration is pending in Singapore before the Singapore International Arbitration Centre. In March 2011, Jacobs E&C was engaged by NPMC for the provision of management, design, engineering, and procurement services for the Nui Phao mine/mineral processing project in Vietnam. In the Notice of Arbitration dated February 1, 2016, and in a subsequently filed Statement of Claim and Supplementary Statement of Claim dated February 26, 2016, and an Amended Statement of Claim dated August 17, 2017, NPMC asserts various causes of action and alleges that the quantum of its claim exceeds $167 million. Jacobs has denied liability and is vigorously defending this claim. A hearing on the merits is scheduled to begin on November 27, 2017. The Company does not expect the resolution of this matter to have a material adverse effect on its financial condition, results of operations and/or cash flows.

On December 7, 2009, the Judicial Council of California, Administrative Office of the Courts ("AOC") initiated an action in the San Francisco County Superior Court against Jacobs Facilities Inc. ("JFI") and Jacobs Project Management ("JPM") and subsequently added Jacobs as a defendant. The action arises out of a contract between AOC and JFI pursuant to which JFI provided regular maintenance and repairs at certain AOC court facilities. AOC has alleged, among other things, that the Jacobs entities are required under California's Contractors' State License Law ("CSLL") to disgorge certain fees paid by AOC, and the Jacobs entities have, among other things, cross-claimed for unpaid sums for work performed. On May 2, 2012, the jury returned a special verdict in favor of the Jacobs entities finding, among other things, JPM was owed approximately $4.7 million in unpaid fees and that JFI was not required to disgorge the approximate $18.3 million that AOC had paid for work performed. On August 20, 2015, the California Court of Appeal reversed the jury's verdict, holding that JFI had violated the CSLL. The Court of Appeal remanded to the San Francisco County Superior Court for an evidentiary hearing to determine whether the JFI had "substantially complied" with the CSLL under California Business and Professions Code Section 7031(e). Establishing "substantial compliance" would prevent $18.3 million in disgorgement against Jacobs and permit Jacobs to recover $4.7 million. The evidentiary hearing on substantial compliance was conducted between July 18 and August 5, 2016. On December 29, 2016, the court issued a Statement of Decision in favor of the Company, finding that Jacobs Facilities had substantially complied with the CSLL, and entered a judgment in favor of JPM in the amount of $4.7 million plus prejudgment interest. On January 30, 2017, AOC filed a notice of appeal and has filed its opening brief. The Company's response is due in January 2018, subject to any extensions. The Company does not expect the resolution of this matter to have a material adverse effect on its financial condition, results of operations and/or cash flows.

13. Common and Preferred Stock

Jacobs is authorized to issue two classes of capital stock designated "common stock" and "preferred stock" (each has a par value of $1.00 per share). The preferred stock may be issued in one or more series. The number of shares to be included in a series as well as each series' designation, relative powers, dividend and other preferences, rights and qualifications, redemption provisions, and restrictions are to be fixed by the Company's Board of Directors at the time each series is issued. Except as may be provided by the Company's Board of Directors in a preferred stock designation, or otherwise provided for by statute, the holders of shares of common stock have the exclusive right to vote for the election of directors and on all other matters requiring stockholder action. The holders of shares of common stock are entitled to dividends if and when declared by the Company's Board of Directors from whatever assets are legally available for that purpose.

14. Other Financial Information

Receivables

The following table presents the components of "Receivables" as shown in the accompanying Consolidated Balance Sheets at September 29, 2017 and September 30, 2016 as well as certain other related information (in thousands):

	September 29, 2017	September 30, 2016
Amounts billed, net	$ 949,060	$1,110,042
Unbilled receivables and other	1,118,144	937,552
Retentions receivable	35,339	68,069
Total receivables, net	$2,102,543	$2,115,663
Other information about receivables:		
Amounts due from the United States federal government included above, net of advanced billings	$ 226,236	$ 235,203
Claims receivable	$ 4,600	$ 26,061

Billed receivables, net consist of amounts invoiced to clients in accordance with the terms of the client contracts and are shown net of an allowance for doubtful accounts. We anticipate that substantially all of such billed amounts will be collected over the next twelve months.

Unbilled receivables and retentions receivable represent reimbursable costs and amounts earned and reimbursable under contracts in progress as of the respective balance sheet dates. Such amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next twelve months.

Claims receivable are included in "Receivables" in the accompanying Consolidated Balance Sheets and represent certain costs incurred on contracts to the extent it is probable that such claims will result in additional contract revenue and the amount of such additional revenue can be reliably estimated.

Property, Equipment, and Improvements, Net

The following table presents the components of our property, equipment, and improvements, net at September 29, 2017 and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Land	$ 17,197	$ 16,680
Buildings	93,313	91,194
Equipment	627,609	531,539
Leasehold improvements	220,295	221,437
Construction in progress	21,300	36,764
	979,714	897,614
Accumulated depreciation and amortization	(629,803)	(577,941)
	$ 349,911	$ 319,673

Miscellaneous Noncurrent Assets

The following table presents the components of "Miscellaneous noncurrent assets" shown in the accompanying Consolidated Balance Sheets at September 29, 2017 and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Deferred income taxes	$368,700	$413,563
Cash surrender value of life insurance policies	130,411	122,364
Investments	145,069	178,256
Notes receivable	17,839	18,303
Other	30,003	26,843
Total	$692,022	$759,329

Accrued Liabilities

The following table presents the components of "Accrued liabilities" shown in the accompanying Consolidated Balance Sheets at September 29, 2017 and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Accrued payroll and related liabilities	$572,946	$561,652
Project-related accruals	71,815	102,400
Non project-related accruals	68,025	87,813
Insurance liabilities	67,546	54,984
Sales and other similar taxes	32,163	37,029
Deferred rent	60,593	69,059
Dividends payable	18,180	—
Other	48,419	25,441
Total	$939,687	$938,378

Other Deferred Liabilities

The following table presents the components of "Other deferred liabilities" shown in the accompanying Consolidated Balance Sheets at September 29, 2017 and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Liabilities relating to defined benefit pension and early retirement plans	$254,483	$402,955
Liabilities relating to nonqualified deferred compensation Arrangements	114,616	123,926
Deferred income taxes	177,765	156,494
Miscellaneous	185,417	178,449
Total	$732,281	$861,824

Total Accumulated Other Comprehensive Loss

The following table presents the components of "Accumulated other comprehensive loss" shown in the accompanying Consolidated Balance Sheets at September 29, 2017, and September 30, 2016 (in thousands):

	September 29, 2017	September 30, 2016
Foreign currency translation adjustments	$(386,131)	$(245,603)
Adjustments relating to defined benefit pension plans	(265,578)	(364,625)
Other	(1,805)	(366)
Total	$(653,514)	$(610,594)

Supplemental Cash Flow Information

During fiscal 2017 and fiscal 2016, the Company acquired businesses for cash of $150.2 million and cash and stock of $49.9 million, respectively. The following table presents the non-cash adjustments relating to these acquisitions made in preparing the accompanying Consolidated Statements of Cash Flows (in thousands):

	September 29, 2017	September 30, 2016
Working capital	$ 9,121	$10,023
Property and equipment	912	879
Noncurrent assets	35,976	8,192
Deferred liabilities	(273)	—
Goodwill	104,454	30,849

15. Segment Information

During the second fiscal quarter of 2016, we reorganized our operations around four global lines of business ("LOB"), which also serve as our operating segments: Petroleum & Chemicals, Buildings & Infrastructure, Aerospace & Technology, and Industrial. We determined that this new organization would better support the needs of managing each unique set of customers that fall within each segment. As a result of the new organization, we subsequently realigned our internal reporting structures to enable our Chief Executive Officer, who is also our Chief Operating Decision Maker ("CODM"), to evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. For purposes of our goodwill impairment testing, we have determined that our operating segments are also our reporting units based on management's conclusion that the components comprising each of our operating segments share similar economic characteristics and meet the aggregation criteria in accordance with ASC 350.

Under the current organization, each LOB has a president that reports directly to the Company's Chairman and CEO or CODM. In addition, the sales function, which had been managed centrally for many years, is now managed on an LOB basis, and accordingly, the associated cost is now embedded in the new segments and reported to the respective LOB presidents. In addition, a portion of the costs of other support functions (e.g., finance, legal, human resources, and information technology) is allocated to each LOB using methodologies which, we believe, effectively attribute the cost of these support functions to the revenue generating activities of the Company on a rational basis. The cost of the Company's cash incentive plan, the Management Incentive Plan ("MIP") and the expense associated with the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan ("1999 SIP") have likewise been charged to the LOBs except for those amounts determined to relate to the business as a whole (which amounts remain in corporate's results of operations).

Financial information for each LOB is reviewed by the CODM to assess performance and make decisions regarding the allocation of resources. The Company generally does not track assets by LOB, nor does it provide such information to the CODM.

The CODM evaluates the operating performance of our LOBs using operating profit, which is defined as margin less "corporate charges" (e.g., the allocated amounts described above). The Company incurs certain SG&A costs which relate to its business as a whole which are not allocated to the LOBs.

The following tables present total revenues and operating profit for each reportable segment (in thousands) and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit by including certain corporate-level expenses and expenses relating to the Restructuring and other charges and CH2M professional fees and integration costs (in thousands).

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Revenues from External Customers:			
Aerospace & Technology	$ 2,360,613	$ 2,657,433	$ 2,924,753
Buildings & Infrastructure	2,452,321	2,253,512	2,458,379
Industrial	2,743,662	2,793,713	2,517,571
Petroleum & Chemicals	2,466,192	3,259,499	4,214,129
Total	$10,022,788	$10,964,157	$12,114,832

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Operating Profit:			
Aerospace & Technology	$ 202,595	$ 203,808	$ 205,368
Buildings & Infrastructure (1)	193,455	174,648	145,299
Industrial	115,262	81,268	126,531
Petroleum & Chemicals	113,858	126,604	138,351
Total Segment Operating Profit	625,170	586,328	615,549
Other Corporate Items	(81,595)	(60,100)	(15,739)
Restructuring and Other Charges	(134,206)	(187,630)	(154,283)
CH2M Professional Fees and Integration Costs	(17,100)	—	—
Total U.S. GAAP Operating Profit	392,269	338,598	445,527
Gain (Loss) on disposal of business and investments	10,880	(41,410)	(2,909)
Total Other Expense (2)	(9,932)	(10,465)	(12,481)
Earnings Before Taxes	$ 393,217	$ 286,723	$ 430,137

(1) Excludes $ 23,844 in restructuring and other charges for the fiscal year ended September 29, 2017.
(2) Years ending September 29, 2017 and September 30, 2016 include Restructuring and other charges of $1,233 and $277, respectively.

Included in "other corporate items" in the above table are costs and expenses which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of the

Management Incentive Plan and the 1999 SIP relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of purchased business combinations; (iv) the quarterly variances between the Company's actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company's international defined benefit pension plans. In addition, "other corporate items" includes adjustments to contract margins (both positive and negative) associated with projects where it has been determined, in the opinion of management, that such adjustments are not indicative of the performance of the related LOB and therefore should not be attributed to the LOB.

Included in gain on disposal of business and investments for the year ended September 29, 2017 was a gain on the sale of the Company's ownership interest in the Neste Jacobs joint venture. Included in loss on disposal of business and investments for the year ended September 30, 2016 was the losses associated with the sale of the Company's French subsidiary and a non-cash write-off on an equity investment.

We provide a broad range of technical, professional, and construction services including engineering, design, and architectural services; construction and construction management services; operations and maintenance services; and process, scientific, and systems consulting services. We provide our services through offices and subsidiaries located primarily in North America, South America, Europe, the Middle East, India, Australia, Africa, and Asia. We provide our services under cost-reimbursable and fixed-price contracts.

The following tables present total services revenues for each reportable segment for the three years ended September 29, 2017, September 30, 2016 and October 2, 2015 (in thousands):

	For the Year Ended September 29, 2017				
	Aerospace & Technology	Buildings & Infrastructure	Industrial	Petroleum & Chemicals	Total
Technical Professional Services Revenues					
Project Services	$ 960,374	$2,185,220	$ 196,171	$1,464,098	$ 4,805,863
Process, Scientific and Systems Consulting	774,063	—	—	31,081	805,144
Total Technical Professional Services Revenues	1,734,437	2,185,220	196,171	1,495,179	5,611,007
Field Services Revenues					
Construction	250,956	254,118	1,901,299	967,888	3,374,261
Operations and Maintenance ("O&M")	375,220	12,983	646,192	3,125	1,037,520
Total Field Services Revenues	626,176	267,101	2,547,491	971,013	4,411,781
Total Revenues	$2,360,613	$2,452,321	$2,743,662	$2,466,192	$10,022,788

	For the Year Ended September 30, 2016				
	Aerospace & Technology	Buildings & Infrastructure	Industrial	Petroleum & Chemicals	Total
Technical Professional Services Revenues					
Project Services	$ 910,290	$2,094,282	$ 891,018	$1,843,250	$ 5,738,840
Process, Scientific and Systems Consulting	803,654	—	—	48,675	852,329
Total Technical Professional Services Revenues	1,713,944	2,094,282	891,018	1,891,925	6,591,169
Field Services Revenues					
Construction	171,614	119,463	1,601,562	1,366,251	3,258,890
Operations and Maintenance ("O&M")	771,875	39,767	301,133	1,323	1,114,098
Total Field Services Revenues	943,489	159,230	1,902,695	1,367,574	4,372,988
Total Revenues	$2,657,433	$2,253,512	$2,793,713	$3,259,499	$10,964,157

The following table presents certain financial information by geographic area (in thousands):

	For the Years Ended		
	September 29, 2017	September 30, 2016	October 2, 2015
Revenues:			
United States	$ 5,822,843	$ 6,247,448	$ 7,154,433
Europe	2,262,092	2,346,224	2,074,837
Canada	590,604	927,942	1,065,651
Asia	253,167	299,952	304,393
India	165,295	187,929	163,871
Australia and New Zealand	628,945	436,670	611,271
South America and Mexico	73,456	125,610	143,014
Middle East and Africa	226,386	392,382	597,362
Total	$10,022,788	$10,964,157	$12,114,832
Property, equipment and improvements, net:			
United States	$ 220,416	$ 195,392	$ 208,155
Europe	46,108	37,163	55,713
Canada	18,435	21,464	36,647
Asia	2,793	3,069	3,859
India	19,191	13,350	16,264
Australia and New Zealand	18,692	18,888	24,460
South America and Mexico	4,619	5,621	9,127
Middle East and Africa	19,657	24,726	27,013
Total	$ 349,911	$ 319,673	$ 381,238

Revenues were earned from unaffiliated clients located primarily within the various and respective geographic areas shown.

The following table presents the revenues earned directly or indirectly from the U.S. federal government and its agencies, expressed as a percentage of total revenues:

For the Years Ended		
September 29, 2017	September 30, 2016	October 2, 2015
19.2%	21.4%	21.7%

16. Selected Quarterly Information—Unaudited

The following table presents selected quarterly financial information. (in thousands, except for per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
September 29, 2017					
Revenues	$2,551,604	$2,302,567(f)	$2,514,751(f)	$2,653,866	$10,022,788
Operating profit (a)	88,628	68,173(f)	128,475(f)	106,993	392,269
Earnings before taxes	85,880	60,491	127,396	119,450	393,217
Net earnings of the Group	61,153	44,165	88,629	93,428	287,375
Net earnings attributable to Jacobs	60,536(f)	50,018(f)	89,032(f)	94,141(f)(g)	293,727
Earnings per share:					
Basic	0.50(f)	0.41(f)	0.74(f)	0.78(f)(g)	2.43
Diluted	0.50(f)	0.41(f)	0.74(f)	0.78(f)(g)	2.42
September 30, 2016					
Revenues	$2,847,934	$2,781,763	$2,693,873	$2,640,587	$10,964,157
Operating profit (a)	59,450	86,781	109,556	82,811	338,598
Earnings before taxes	57,787	90,456	102,807	35,673	286,723
Net earnings of the Group	50,306	63,389	70,937	29,883	214,515
Net earnings attributable to Jacobs	46,514(b)	65,250(b)	69,055(b)	29,644(b)	210,463
Earnings per share:					
Basic	0.38(b)	0.54(b)	0.58(b)	0.25(b)	1.75
Diluted	0.38(b)	0.54(b)	0.57(b)	0.24(b)	1.73
October 2, 2015					
Revenues	$3,187,005	$2,903,332	$2,907,541	$3,116,954	$12,114,832
Operating profit (a)	158,223	133,045	100,434	53,825	445,527
Earnings before taxes	154,695	128,962	97,188	49,292	430,137
Net earnings of the Group	106,195	88,110	97,308	37,269	328,882
Net earnings attributable to Jacobs	100,079	81,967(c)	91,062(c)	29,863(c)	302,971
Earnings per share:					
Basic	0.78	0.65(c)	0.74(c)	0.25(c)	2.42
Diluted	0.77	0.64(c)	0.73(c)	0.24(c)	2.40

(a) Operating profit represents revenues less (i) direct costs of contracts, and (ii) selling, general and administrative expenses.

(b) Includes costs of $48.1 million, or $0.39 per diluted share, in the first quarter of fiscal 2016, $25.7 million or $0.21 per diluted share in the second quarter of fiscal 2016, $25.8 million, or $0.21 per diluted share, in the third quarter, and $36.0 million or $0.3 per diluted share in the fourth quarter of fiscal 2016, in each case, related to the 2015 Restructuring. Also included in the fourth quarter of fiscal 2016 were $17.1 million, or $0.14 per diluted share related to the loss on sale of our French subsidiary; and $10.4 million, or $0.09 per diluted share related to the non-cash write-off on an equity investment.

(c) Includes costs of $9.6 million, or $0.08 per diluted share, in the second quarter of fiscal 2015, $30.1 million or $0.24 per diluted share in the third quarter of fiscal 2015, and $68.2 million, or $0.56 per diluted share, in the fourth quarter of fiscal 2015, in each case, related to the 2015 Restructuring.

(d) Includes costs of $47.0 million, or $0.35 per diluted share, in the third quarter of fiscal 2014, and $30.4 million, or $0.23 per diluted share, in the fourth quarter of fiscal 2014, in each case, related to the 2014 Restructuring.

(e) Includes $6.4 million, or $0.05 per diluted share, increase to net earnings related to a gain on the sale of certain intellectual property in the second quarter of fiscal 2014.

(f) Includes costs of $31.7 million, or $0.18 per diluted share, in the first quarter of fiscal 2017; includes $16.5 million in revenue, $72.2 million in operating profit, $45.2 million in net earnings attributable to Jacobs, or $0.37 per diluted share, in the second quarter of fiscal 2017; includes $1 million in revenue, $10.7 million in operating profit and $6.3 million in net earnings attributable to Jacobs, or $0.05 per diluted share, in the third quarter of fiscal 2017; includes $19.5 million in operating profit, $13.6 million in net earnings attributable to Jacobs, or $0.11 per diluted share, in the fourth quarter of fiscal 2017, in each case, related to restructuring and other charges.

(g) Includes costs of $10.6 million, or $0.09 per diluted share, in the fourth quarter of fiscal 2017 related to professional fees and integration costs for the CH2M acquisition.

17. Definitions

The following terms used in the accompanying Consolidated Financial Statements and these Notes to Consolidated Financial Statements have the meanings set forth below:

"1989 ESPP" means the Jacobs Engineering Group Inc. 1989 Employee Stock Purchase Plan, as amended and restated. The 1989 ESPP is a shareholder-approved, broad-based, employee stock purchase plan qualified under Section 423 of the U.S. Internal Revenue Code.

"1999 ODSP" means the Jacobs Engineering Group Inc. 1999 Outside Director Stock Plan, as amended and restated. The 1999 ODSP is a shareholder-approved, equity-based compensation plan covering Jacobs' non-management directors.

"1999 SIP" means the Jacobs Engineering Group Inc. 1999 Stock Incentive Plan, as amended and restated. The 1999 SIP is a shareholder-approved, equity-based compensation plan covering the Company's officers and key employees.

The "2015 Restructuring" refers to a series of initiatives intended to improve operational efficiency, reduce costs, and better position the Company to drive growth of the business in the future. Actions included involuntary terminations, the abandonment of certain leased offices, and the co-location of employees. Included in the Company's consolidated results of operations for fiscal 2017, fiscal 2016 and fiscal 2015 are pre-tax costs of $98.7 million, $187.9 million and $157.2 million, respectively, relating to the 2015 Restructuring. These costs are primarily included in SG&A in the accompanying Consolidated Statements of Earnings.

The "2014 Restructuring" refers to a series of initiatives intended to improve operational efficiency, reduce costs, accelerate the integration of SKM, and better position the Company to drive growth of the business in the future. Actions included involuntary terminations, the abandonment of certain leased offices, and the co-location of employees. Included in the Company's consolidated results of operations for fiscal 2014 are pre-tax costs of $93.3 million relating to the 2014 Restructuring. These costs are included in SG&A in the accompanying Consolidated Statements of Earnings.

"ASC" refers to the Accounting Standards Codification as maintained by the FASB. The ASC is the primary source of U.S. GAAP to be applied by the Company and all other nongovernmental entities. The ASC organizes and presents hundreds of previously separate pieces of authoritative accounting guidance into a single on-line research database. The accounting principles promulgated by the ASC are organized therein by broad topics, and are updated by the FASB through the issuances of ASUs.

"ASU" means Accounting Standards Updates, the primary means by which the ASC is updated by the FASB.

"Company" (including "we", "us" or "our") means Jacobs Engineering Group Inc. and its consolidated subsidiaries and affiliates.

"Consolidated EBITDA" generally means consolidated net earnings attributable to Jacobs, plus consolidated (i) interest expense, (ii) tax expense, and (iii) depreciation and amortization expense (including amortization expense relating to intangible assets).

"Consolidated Funded Indebtedness" generally means the sum of (i) the balances outstanding under all loan, credit, and similar agreements for borrowed money (including purchase money indebtedness), (ii) all amounts representing direct obligations arising under letters of credit, (iii) indebtedness in respect of capital leases and similar financing arrangements, and (iv) the value of all guarantees issued with respect to the types of indebtedness described in (i) through (iii).

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (i) the Company's Consolidated Funded Indebtedness as of such date to (ii) the Company's Consolidated EBITDA for the immediately preceding four consecutive fiscal quarters.

"EPS" means earnings-per-share. "Basic EPS" is computed by dividing the consolidated net earnings attributable to Jacobs by the weighted average number of shares of common stock outstanding during the period. "Diluted EPS" is computed in a manner similar to the computation of Basic EPS, but gives effect to all dilutive securities that were outstanding during the period. Our dilutive securities consist of nonqualified stock options and restricted stock (including restricted stock units)

"Fair Value" means the price that would be received from selling an asset, or paid to transfer a liability, in an orderly transaction between market participants as of the date fair value is determined (i.e., the "measurement date"). When determining fair value, U.S. GAAP requires that we consider the principal or most advantageous market in which we would transact any sale or purchase. U.S. GAAP also requires that the inputs (factors) we use (consider) to determine fair value be considered in the following order of priority:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are observable inputs (other than quoted prices in active markets included in Level 1) such as (i) quoted prices for similar assets or liabilities, (ii) quoted prices in markets that have insufficient volume or infrequent transactions (i.e., less active markets), and (iii) model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data for substantially the full term of the asset or liability; and

- Level 3 inputs are unobservable inputs to the valuation methodology that are significant to the fair value measurement.

"FASB" means the Financial Accounting Standards Board. The FASB is the designated organization within the U.S. for establishing standards of financial accounting that govern the preparation of financial reports by nongovernmental entities.

"GESPP" means the Jacobs Engineering Group Inc. Global Employee Stock Purchase Plan, as amended. The GESPP is a shareholder-approved, broad-based, employee stock purchase plan covering employees of certain of Jacobs' non-U.S. subsidiaries.

"Group" refers to the combined economic interests and activities of Jacobs and the persons and entities holding noncontrolling interests in the subsidiaries and affiliates that are consolidated into the accompanying Consolidated Financial Statements.

"Jacobs" means Jacobs Engineering Group Inc.

"U.S. GAAP" means those accounting principles and practices generally accepted in the United States.

"U.S. IRC" means the U.S. Internal Revenue Code of 1986, as amended.

"VIE" means a "Variable Interest Entity" as defined in U.S. GAAP. A VIE is a legal entity in which equity investors do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or, as a group, the holders of the equity investment at risk lack any one of the following three characteristics: (i) the power, through voting rights or similar rights, to direct the activities of a legal entity that most significantly impact the entity's economic performance; (ii) the obligation to absorb the expected losses of the legal entity; or (iii) the right to receive the expected residual returns of the legal entity. Accordingly, entities issuing consolidated financial statements (i.e., a "reporting entity") shall consolidate a VIE if the reporting entity has a "controlling financial interest" in the VIE, as demonstrated by the reporting entity having both (i) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance; and (ii) the right to receive benefits from the VIE that could potentially be significant to the VIE or the obligation to absorb losses of the VIE that could potentially be significant to the VIE.

Report of Ernst & Young LLP
Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Jacobs Engineering Group Inc.

We have audited the accompanying consolidated balance sheets of Jacobs Engineering Group Inc. and subsidiaries as of September 29, 2017 and September 30, 2016, and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for each of the three fiscal years in the period ended September 29, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jacobs Engineering Group Inc. and subsidiaries at September 29, 2017 and September 30, 2016, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended September 29, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Jacobs Engineering Group Inc. and subsidiaries' internal control over financial reporting as of September 29, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 21, 2017 expressed an unqualified opinion thereon.

/S/ Ernst & Young, LLP

Dallas, Texas
November 21, 2017

Report of Ernst & Young LLP
Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Jacobs Engineering Group Inc.

We have audited Jacobs Engineering Group Inc. and subsidiaries' internal control over financial reporting as of September 29, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Jacobs Engineering Group Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Jacobs Engineering Group Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 29, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Jacobs Engineering Group Inc. and subsidiaries as of September 29, 2017 and September 30, 2016 and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for each of the three fiscal years in the period ended September 29, 2017 of Jacobs Engineering Group Inc. and subsidiaries and our report dated November 21, 2017 expressed an unqualified opinion thereon.

/S/ Ernst & Young, LLP

Dallas, Texas
November 21, 2017

JACOBS

Registrar and Transfer Agent

Wells Fargo Shareholder Services
South St. Paul, Minnesota

Shareholder Services

Correspondence about share ownership, transfer requirements, changes of address, lost stock certificates, and account status may be directed to:

Wells Fargo Shareowner Services
161 North Concord Exchange Street
South St. Paul, Minnesota 55075-1139
800.469.9716
http://www.wellsfargo.com/shareownerservices

Independent Registered Public Accounting Firm

Ernst & Young LLP
Dallas, Texas

Stockholder Contact

A copy of our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, will be furnished without charge to any stockholder upon written request to:

Kevin C. Berryman
Executive Vice President and Chief Financial Officer
Jacobs Engineering Group Inc.
1999 Bryan Street, Suite 1200
Dallas, Texas 75201
+1.214.638.0145

Photography

Front Cover

Transport Scotland

Queensferry Crossing

Edinburgh, Scotland, UK

Feasibility phase, design, promotion through statutory bill, procurement and construction monitoring services, as part of the JacobsArup joint venture

Image courtesy Transport Scotland

Inside Front Cover

Walsh Vinci Construction (WVC)

Ohio River Bridge

Prospect, KY, USA

Lead engineering firm responsible for the roadway, pavement, traffic, structural, drainage, electrical (lighting and ITS), geotechnical, aesthetics, landscaping design, and design of the tunnel's permanent liner and mechanical and electrical systems as well as the main span cable stay bridge over the Ohio River

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CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: Jacobs Project Management Company

Address: 1305 Franklin Avenue, Suite 245

City, State and Zip Code: Garden City, NY 11530

2. Entity's Vendor Identification Number: 35-2321289

3. Type of Business: X Public Corp ____Partnership ____Joint Venture

____Ltd. Liability Co ____Closely Held Corp ________________Other (specify)

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

Please see attached

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.

Please see attached

Jacobs Engineering Group Inc. (Parent)

1999 Bryant Street, Suite1200, Dallas, TX 75201

*** The answers to the questions on this questionnaire that pertain to affiliates of the business submitting the questionnaire, Jacobs Project Management Co., are responsive for United States affiliates only. Jacobs Project Management Co. operates in the United States only.**

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.

Please see attached

No affiliates will be taking part in the performance of this contract/amendment

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). If none, enter "None." The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

(a) Name, title, business address and telephone number of lobbyist(s):

None

(b) Describe lobbying activity of each lobbyist. **See below for a complete description of lobbying activities.**

None

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

None

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Dated: 1/23/2019

Signed: [signature]

Print Name: Vincent A. Manglere, P.E.

Title: Vice President

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified in Bronx County
My Commission Expires 06/2019

Niurka Ozuna

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

COUNTY OF NASSAU
CONSULTANT'S, CONTRACTOR'S AND VENDORS DISCLOSURE FORM

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary)

Jacobs Project Management Company

Name	Title	Address
Mandel, Joseph Gary	Director	2224 Bay Area Boulevard Suite 200 Houston, TX 77058
Bunderson, Michael	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Progada, Robert V.	Director	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Bante, Michael J.	Assistant Secretary	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Carlin, Michael	Treasurer	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Goldfarb, Jeffrey Michael	Assistant Treasurer	1999 Bryan Street, Suite 1200 Dallas, TX 75201
McCallister, Scott	Vice President	3161 Michelson Drive, Suite 500 Irvine, CA 92612
Davis, Jim	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Sabbatini, Julian	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Tanjuaquio, Allen	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Refinski, Elizabeth A.	Assistant Secretary	299 Madison Ave Morristown, NJ 07962
Tyler, Michael R.	Secretary	600 Wilshire Boulevard, Suite 1000 Los Angeles, CA 90017
Khalaf, Issam	Vice President / Authorized Signer	3161 Michelson Drive, Suite 500 Irvine, CA 92612
Mangiere, Vincent A.	Vice President / Authorized Signer	500 7th Avenue, 17th Floor New York, NY 10018
Massey, J. C.	Vice President / Authorized Signer	10 10th Street, Suite 1400 Atlanta, GA 30309
McLean, Jim	Vice President / Authorized Signer	525 West Monroe, Suite 1600 Chicago, IL 60661
Allen, William	Vice President	1999 Bryan Street, Suite 1200 Dallas, TX 75201
Syphard, David W.	Vice President / Authorized Signer	2224 Bay Area Boulevard Suite 200 Houston, TX 77058
Titzer, Doug	Vice President / Authorized Signer	11 North Glebe Road, Suite 500 Arlington, VA 22201

Name	Title	Address
Hsu, Mike	Director, Tax, North America	155 North Lake Avenue Pasadena, CA 91101
Lyon, Davinia	Sr. Director, Tax, Transfer Pricing & Global Tax Accounting	9191 South Jamaica Street Englewood, CO 80112
Winters, Keven	Director, Tax, accounting Methods & Tax Controversy Matters	9191 South Jamaica Street Englewood, CO 80112
Sheldon, Tyler	Vice President	155 Grand Avenue, Suite 800 Oakland, CA 94612

5. **List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.**

   A copy of the 2017 10K is included on the following pages.

   Please note: Jacobs Engineering Group Inc. owns 100% of Jacobs Project Management Co.

6. **List all affiliated and related companies and their relationship to the firm entered on line 1. Above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include the affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.**

   The firm, Jacobs Project Management Co. is a wholly-owned subsidiary of Jacobs Engineering Group Inc. Jacobs Engineering Group Inc. and its subsidiaries ("Jacobs") form an organization that is comprised of approximately 250 operating companies and affiliates, having a total current employment compliment of over 74,000 persons and revenues approximately $15 billion.

   The parent and U.S. affiliates of Jacobs Project Management Co., located at Two Penn Plaza, New York, NY 10121, include the following:

Federal ID #	Company Name	Address
95-4081636	Jacobs Engineering Group Inc. (JEG) (Parent Company)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-0436690	Jacobs Civil Consultants Inc. (JCCI)	500 7th Avenue, 17th Floor New York, NY 10018
13-2749347	Jacobs Engineering New York Inc. (JENY)	500 7th Avenue, 17th Floor New York, NY 10018
66-0286979	Jacobs Government Services Co.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
74-1712438	Jacobs Field Services North America Inc.	5995 Rogerdale Road Houston, TX 77072
74-1744538	Jacobs Consultancy Inc.	5995 Rogerdale Road Houston, TX 77072

Federal ID #	Company Name	Address
95-2744655	Jacobs Engineering Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
95-3669738	Jacobs Advisers Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
95-4362684	JE Professional Resources Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
62-0510412	Jacobs Technology Inc.	600 William Northern Blvd. Tullahoma, TN 37388
43-1865020	Jacobs Industrial Services Inc.	501 North Broadway St. Louis, MO 63102
57-0745988	CRSS International Inc.	5995 Rogerdale Road Houston, TX 77072
22-3514442	Jacobs Telecommunications Inc.	299 Madison Avenue Morristown, NJ 07962
36-4090392	Edwards and Kelcey Design Services Inc.	130 East Randolph Chicago, IL 60601
95-3525833	Jacobs Engineering Company	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-4224332	Edwards and Kelcey Partners LLP	299 Madison Avenue Morristown, NJ 07962
95-4065257	Payne & Keller Company Inc.	4949 Essen Lane Baton Rouge, LA 70809
58-0907412	Jordan Jones and Goulding, Inc.	6801 Governors Lake Parkway Norcross, GA 30071
80-0529415	LeighFisher Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
35-2449995	Integrated Pipeline Solutions, Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
58-1923778	Resource Spectrum Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-3914330	JKW	500 7th Avenue, 17th Floor New York, NY 10018
*93-0549963	CH2M Hill Companies LTD.	9191 South Jamaica Street Englewood, CO 80112

* On December 15, 2017, CH2M Hill LTD (CHM) through an acquisition became a wholly-owned subsidiary of Jacobs Engineering Group Inc. ("Jacobs"). Jacobs will update its certifications and make disclosures as necessary.

The following is a list of U.S. affiliates and related entities that conduct business in New York or are parent companies of companies licensed to do business in New York.

Federal ID #	Company Name	Address
13-0436690	Jacobs Civil Consultants Inc.	500 7th Avenue, 17th Floor New York, NY 10018
35-2321289	Jacobs Project Management Co. (JPMCo.)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
95-4081636	Jacobs Engineering Group Inc. (JEG) (Parent Company)	1999 Bryan Street, Suite 1200 Dallas, TX 75201
13-2749347	Jacobs Engineering New York Inc. (JENY)	500 7th Avenue, 17th Floor New York, NY 10018
75-2923095	JE Architects/Engineers , P.C.	777 Main Street Fort Worth, TX 76102
80-0529415	LeighFisher Inc.	1999 Bryan Street, Suite 1200 Dallas, TX 75201
22-3514442	Jacobs Telecommunications Inc.	299 Madison Avenue Morristown, NJ 07962
13-3914330	Iffland Kavanagh Waterbury, PLLC	500 7th Avenue, 17th Floor New York, NY 10018
80-0078173	CH2M Hill New York, Inc. (a Jacobs Company) *	22 Cortlandt Street New York, NY 10007

Jacobs Project Management Co. is submitting this proposal but we acknowledge that there are several Jacobs entities that conduct business in New York. We are aware of the requirements regarding conflicts of interest and will adhere to those requirements during the duration of the agreement if awarded the contract.

AMENDMENT NO. 1

THIS AMENDMENT No. 1 (this "Amendment"), dated as of the date this Amendment is executed by the County of Nassau, between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County"), acting on behalf of the Department of Public Works having its principal office at 1194 Prospect Avenue, Westbury, New York 11590 and (ii) Jacobs Project Management Co., having its principal office at 1305 Franklin Ave, Suite 245, Garden City, NY 11530 (the "Firm").

WITNESSETH:

WHEREAS, pursuant to County contract number S35121-09M between the County and the Firm, executed on behalf of the County on August 27, 2014 (the "Original Agreement"), the Firm performed certain services for the County in connection with Construction Management Services, which services are more fully described in the Original Agreement (the services contemplated by the Original Agreement, the "Services");

WHEREAS, the term of the Original Agreement was from August 27, 2014 through July 27, 2018 (the "Original Term"); through notice of extension the term of the agreement was extended to July 27, 2019.

WHEREAS, the County and the Contractor desire to extend the Original Term;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Amendment, the parties agree as follows:

1. Term Extension. The Term of the Original Agreement shall be extended by one (1) year so that the termination of the Original Agreement, as amended by this amendment (the "Amended Agreement") shall be July 27, 2020.

2. Full Force and Effect. All the terms and conditions of the Original Agreement not expressly amended by this Amendment shall remain in full force and effect and govern the relationship of the parties for the term of the Amended Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

Jacobs Project Management Company

By:______________________________
Name: Vincent Mangiere
Title: Vice President
Date: June 18, 2019

NASSAU COUNTY

By:______________________________
Name:____________________________
Title: County Executive
Deputy County Executive
Date:____________________________

PLEASE EXECUTE IN BLUE INK

STATE OF NEW YORK)
)ss.:
COUNTY OF NASSAU)

On the 18th day of June in the year 2019 before me personally came Vincent A. Mangiere to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Westchester; that he or she is the Vice President of Jacobs Project Management Co., the corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto by authority of the board of directors of said corporation.

William E. Gove

NOTARY PUBLIC

WILLIAM E. GOVE
NOTARY PUBLIC, STATE OF NEW YORK
No. 01GO6093479
QUALIFIED IN ROCKLAND COUNTY
MY COMMISSION EXPIRES JUNE 2, 202_

STATE OF NEW YORK)
)ss.:
COUNTY OF NASSAU)

On the ____ day of ________________ in the year 201_ before me personally came ________________________ to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of ________________; that he or she is County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

NOTARY PUBLIC

3. Compliance with Law.

(e) Prohibition of Gifts. In accordance with County Executive Order 2-2018, the Contractor shall not offer, give, or agree to give anything of value to any County employee, agent, consultant, construction manager, or other person or firm representing the County (a "County Representative"), including members of a County Representative's immediate family, in connection with the performance by such County Representative of duties involving transactions with the Contractor on behalf of the County, whether such duties are related to this Agreement or any other County contract or matter. As used herein, "anything of value" shall include, but not be limited to, meals, holiday gifts, holiday baskets, gift cards, tickets to golf outings, tickets to sporting events, currency of any kind, or any other gifts, gratuities, favorable opportunities or preferences. For purposes of this subsection, an immediate family member shall include a spouse, child, parent, or sibling. The Contractor shall include the provisions of this subsection in each subcontract entered into under this Agreement.

(f) Disclosure of Conflicts of Interest. In accordance with County Executive Order 2-2018, the Contractor has disclosed as part of its response to the County's Business History Form, or other disclosure form(s), any and all instances where the Contractor employs any spouse, child, or parent of a County employee of the agency or department that contracted or procured the goods and/or services described under this Agreement. The Contractor shall have a continuing obligation, as circumstances arise, to update this disclosure throughout the term of this Agreement.

Vice President

Signature/Title

6/26/19

Date

FW: Sludge Dewatering Amendment Zero Tolerance Policy

Mangiere, Vinny

Sent: Wednesday, June 26, 2019 9:48 AM
To: Posner, David N.; Xenakis, Gus X.
Attachments: Jacobs S35121-09M Amendmen~1.pdf (241 KB)

I hereby attest to the fact that I signed the attached document.

Vincent A. Mangiere, PE|Jacobs|Vice President|646-908-6665|917-734-0314 cell
vinny.mangiere@jacobs.com|500 7th Ave. 17th Fl New York, New York 10018|

From: Posner, David N.
Sent: Wednesday, June 26, 2019 9:46 AM
To: Mangiere, Vinny <Vinny.Mangiere@jacobs.com>
Cc: Xenakis, Gus X. <Gus.Xenakis@jacobs.com>
Subject: Sludge Dewatering Amendment Zero Tolerance Policy

Vinny,

The County Attorney has asked for proof that you have signed the Zero Tolerance Policy document since there was no space for you to print your name. An email from you will suffice.

Please send me an email directly with the document attached to this email indicating that you have signed the document. I will then forward to the County.

Thank you!

Regards,
David

JACOBS Global Buildings North America | David Posner | Senior Budget Manager | 516.535.1932 desk | 516.526.5541 cell | 516.571.9675 fax | David.Posner@Jacobs.com <mailto:David.Posner@Jacobs.com>

c/o Nassau County DPW
1194 Prospect Avenue
Westbury, NY 11590
www.jacobs.com

Appendix "L"

Certificate of Compliance

In compliance with Local Law 1-2006, as amended, the Proposer/Bidder hereby certifies the following:

1. The managing principal of the Proposer/Bidder is:

Jacobs Project Management Company (Name)

1305 Franklin Avenue, Suite 245, Garden City, NY 11530 (Address)

(516) 307-1320 (Telephone Number)

2. The Proposer/Bidder agrees to comply with the requirements of the Nassau County Living Wage Law, and with all applicable federal, state and local laws.

3. In the past five years, Proposer/Bidder _____ has __√__ has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed by the Proposer/Bidder, describe below:

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action _____ has ____√____ has not been commenced against or relating to the Proposer/Bidder. If such a proceeding, action, or investigation has been commenced, describe below:

See attached

*** The answers to the questions on this questionnaire that pertain to affiliates of the business submitting the questionnaire, Jacobs Project Management Co., are responsive for United States affiliates only. Jacobs Project Management Co. operates in the United States only.**

5. Proposer/Bidder agrees to permit access to work sites and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of noncompliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

3/26/19
Dated

Signature of Vice President

Vincent A. Mangiere
Name of Vice President

Sworn to before me this

26th day of March, 2019

Niurka Ozuna
Notary Public

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified in Bronx County
My Commission Expires 06/2019

Response to Item 4

Jacobs Project Management Co. (JPMCo.) entered into an agreement with the New York City Housing Authority (NYCHA) effective April 2014 to provide construction management services in connection with various projects related to NYCHA's Hurricane Sandy Restoration Program. Under the Agreement Jacobs was issued a Task Order for a project developed by NYCHA to repair damages caused by Superstorm Sandy in crawl spaces beneath NYCHA developments located in the boroughs of Manhattan, Brooklyn and Queens in New York City. The Project was divided into two phases; Phase I was an environmental assessment of the crawlspaces and Phase 2 was the remediation based on the assessment.

The Construction Contractor was awarded the Construction Contract with NYCHA. It was the Construction Contractor that was responsible for and performed all construction services, pursuant to its contract with NYCHA, including but not limited to the removal of debris, remediation of ACM in soil and hazardous materials, the re-insulation of piping in the crawlspaces, including the measurement of same. JPMCo. only provided construction management services and performed no construction in the crawlspaces.

The New York City Inspector General (IG) has notified participants on the Project that there are significant discrepancies between the claimed quantity of removals and re insulation of piping in the crawlspaces and the actual installed quantity as measured by their agents. The IG is conducting an investigation on the Project. Jacobs was unaware of the discrepancy prior to the information provided by the IG and has been cooperating with the IG. Jacobs has not been notified that it is a target of the investigation and does not believe that it will become a target of the investigation.

COUNTY OF NASSAU
DEPARTMENT OF PUBLIC WORKS
Inter-Departmental Memo

TO: Office of the County Executive
Att: Brian J. Schneider, Deputy County Executive

FROM: Department of Public Works

DATE: April 3, 2019

SUBJECT: Sludge Dewatering Facilities Improvements Construction Management Services
Extension of Time
Agreement No.: S35121-09M
Encumbrance No.: CFPW14000036
Capital Project No.: 35121

This Department is requesting approval to amend the existing personal services agreement S35121-09M with the firm Jacobs Project Management Co. This amendment is necessary to continue with the construction management services in connection with the Dewatering Facilities Improvements Project at the Bay Park STP.

Jacobs has been providing construction management services for the subject project; however, the term of their personal services agreement, having already been extended one (1) year, expires on July 27, 2019. It is the intent of this Department to amend the existing agreement to extend those services for an additional year to July 26, 2020, without an increase in fee.

The Dewatering Facilities Improvements Project entails a complete renovation of the facility and the installation of dewatering centrifuges. It was issued NTP on December 7, 2015. Substantial completion is currently forecast for April 30, 2019; however, it is projected that the coordination and final approvals for the fire alarm system and resolution of some equipment warranty issues will not be resolved until the end of 2019.

If you approve or disapprove of the above request, please signify below and return the memo to this office for appropriate action.

Kenneth G. Arnold
Commissioner

KGA:VF:rp
c: Christopher Nolan, Deputy Budget Director
Vincent Falkowski, Deputy Commissioner
Roseann D'Alleva, Deputy Commissioner
Loretta Dionisio, Assistant to Deputy Commissioner
Edward Visone, Assistant Superintendent of Sanitary Construction
Eric Mills, Hazen/Arcadis JV

APPROVED:	DISAPPROVED:
3/29/19	
Brian J. Schneider Date	Brian J. Schneider Date
Deputy County Executive	Deputy County Executive

S:\ADMIN\Letters for Signature\Water Management\Perfetti\S35121-09M DCE Memo Extension of Time.docx

U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
OFFICE OF THE COMPTROLLER

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions (Sub-Recipient)

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 28 CFR Part 67, Section 67.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department of agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Vincent A. Mangiere, PE Vice President 1/23/2019

Name and Title of Authorized Representative m/d/yy

1/23/2019

Signature Date

Jacobs Project Management Co.

Name of Organization

500 7th Avenue, 17th Floor New York, NY 10018

Address of Organization

OJP FORM 4061/1 (REV. 2/89) Previous editions are obsolete

NIURKA OZUNA
Notary Public - State of New York
NO. 01OZ6167612
Qualified In Bronx County
My Commission Expires 06/2019

Niurka Ozuna

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposes," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of reports in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these Instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntary excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 06/06/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0437153 1-212-948-1306 Marsh Risk & Insurance Services CIRTS_Support@jacobs.com 633 W. Fifth Street Los Angeles, CA 90071	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): 1-212-948-1306 E-MAIL ADDRESS:
INSURED Jacobs Project Management Co. C/O Global Risk Management 1000 Wilshire Blvd., Suite 2100 Los Angeles, CA 90017	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : ACE AMER INS CO	22667
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: 56388696 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR X CONTRACTUAL LIABILITY GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:			HDO G71565129	07/01/19	07/01/20	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 500,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 1,000,000 $
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $ $
A A A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBEREXCLUDED? [N] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		SCF C65892327 (WI) WCUC65892285 (AK,LA,OH,TX) WLR C65892248 (AOS)	07/01/19 07/01/19 07/01/19	07/01/20 07/01/20 07/01/20	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
A	PROFESSIONAL LIABILITY "CLAIMS MADE"			EON G21655065 010	07/01/19	07/01/20	PER CLAIM/PER AGG AGGREGATE DEFENSE INCLUDED	2,000,000 4,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

OFFICE LOCATION: New York, NY 10121. PROJECT MGR: Vinny Mangiere. RE: Comprehensive Construction and Post-Construction Phase Services. CONTRACT NUMBER: S35121-09M. CONTRACT END DATE: 2016. SECTOR: Public. *$2,250,000 SIR FOR STATES OF: LA, OH, TX. Nassau County is added as an additional insured for general liability as respects the negligence of the insured in the performance of insured's services to cert holder under contract for captioned work. *THE TERMS, CONDITIONS, AND LIMITS PROVIDED UNDER THIS CERTIFICATE OF INSURANCE WILL NOT EXCEED OR BROADEN IN ANY WAY THE TERMS, CONDITIONS, AND LIMITS AGREED TO UNDER THE APPLICABLE CONTRACT.*

CERTIFICATE HOLDER	CANCELLATION
County of Nassau Department of Public Works Attention: Mr. Damon Urso Cedar Creek WPCP/Building 'R', 3rd Floor/3340 Merrick Road Wantagh, NY 11793-4311 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

Cert_Renewal
56388696

SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE	06/06/2019

NAME OF INSURED: Jacobs Project Management Co.

LAURA CURRAN
NASSAU COUNTY EXECUTIVE

KENNETH G. ARNOLD, P.E.
COMMISSIONER

COUNTY OF NASSAU
DEPARTMENT OF PUBLIC WORKS
1194 PROSPECT AVENUE
WESTBURY, NEW YORK 11590-2723

June 27, 2018

Gus Xenakis, Program Manager
Jacobs Project Management Company
1305 Franklin Avenue, Suite 245
Garden City, New York 11530

Re: Bay Park Sewage Treatment Plant
Sludge Dewatering Facility Improvements
Construction Management Services
Agreement No. S35121-09M
Extension of Time Request

Dear Mr. Xenakis:

We are in receipt of your attached letter dated June 27, 2018 requesting a one (1) year time extension for the above referenced contract. The term of the subject agreement was forty-seven (47) months commencing on August 27, 2014 and terminating on July 27, 2018. By mutual agreement both Nassau County and Jacobs Project Management Company, agree to extend the agreement for one (1) year to July 27, 2019. You are hereby advised that an extension of time for construction management services is granted to **July 27, 2019**. All other terms and conditions of the agreement remain the same.

Should you have any questions, please contact Mr. Damon Urso of this office at 516-571-7534.

Very truly yours,

Kenneth G. Arnold, P.E.
Commissioner of Public Works

KGA:VF:rp
Attachment
c: Vinny Falkowski, Deputy Commissioner for Environmental Programs
Damon Urso, Sanitary Engineer III
Artem K, Jacobs
Eric Mills, Hazen & Sawyer
Josephine Santoro, Hazen & Sawyer
Matt Duffy, Inspector, Office of the Comptroller

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CFPW14000036

Contract ID#: S35121-09M

Department: Public Works

CF (Capital)

E-186-14 **CF**

Contract Details

SERVICE:

NIFS ID #: ____ NIFS Entry Date:____ Term: from commencement to 47 months

New X Renewal	☐
Amendment	☐
Time Extension	☐
Addl. Funds	☐
Blanket Resolution RES#	☐

1) Mandated Program:	Yes X	No ☐
2) Comptroller Approval Form Attached:	Yes X	No ☐
3) CSEA Agmt. § 32 Compliance Attached:	Yes X	No ☐
4) Vendor Ownership & Mgmt. Disclosure Attached:	~~Yes X~~	~~No~~ ☐
5) Insurance Required	Yes X	No ☐

Agency Information

Vendor	
Name JACOBS PROJECT MANAGEMENT CO.	Vendor ID# 35-2321289
Address 1305 Franklin Avenue Garden City, NY 11530	Contact Person Vincent A. Mangiere, P.E., Vice President
	Phone (212) 946-2230

County Department
Department Contact Kenneth G. Arnold, Assistant to Commissioner
Address 1194 Prospect Ave. Westbury, NY 11590-2723
Phone 516-571-9607

Routing Slip

DATE Rec'd.	DEPARTMENT	Internal Verification		DATE Appv'd & Fw'd.	SIGNATURE	Leg. Approval Required
	Department	NIFS Entry (Dept) NIFS Appvl (Dept. Head)	☐ ☐	7/1/14	[signature]	
	DPW (Capital Only)	CF Capital Fund Approval	☐	7/1/14	[signature]	
	OMB	NIFS Approval	☐	7/2/14	[signature]	Yes ☐ No ☐ Not required if Blanket Res
7/21/14	County Attorney	CA RE & Insurance Verification	☒	7/21/14	[signature]	
	County Attorney	CA Approval as to form	☒	7/21/14	[signature]	Yes X No ☐
	Legislative Affairs	Fw'd Original Contract to CA	☐	7/21/14	Gregory G. May	
	Rules ☐/ Leg. ☐		☐			
	County Attorney	NIFS Approval	☐	7/31/2014	[signature]	
	Comptroller	NIFS Approval	☑	8/12/14	[signature] MEO	P 8/12/14
	County Executive	Notarization Filed with Clerk of the Leg.	☐ ☐	8/27/14	[signature]	

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Contract ID#: S35121-09M

Department: Public Works

Contract Summary

Description: Construction Management Services Agreement for the Bay Park Sewage Treatment Sludge Dewatering Facility Demolition and Improvements	
Purpose: Agreement to provide Construction Management Services for the Bay Park STP Sludge Dewatering Facility Demolition and Improvements construction contract S35121-09R, and future S35121-09G.	
Method of Procurement: Qualification Based Selection (QBS) procedure for the procurement of professional services, developed in accordance with procedures stipulated in the Board of Supervisor's Resolution 928-1993 and the County Executive's Order No. 1-1993.	
Procurement History: A Request for Proposal (RFP) was advertised in Newsday and the County Website on April 4, 2014 with technical proposals received on April 25, 2014. Eight (8) Firms responded to this RFP. All of the Firms except one (1) were considered local Firms (Firms having a main or branch office in Nassau or Suffolk Counties). After review of the Technical Proposals and Costs, JACOBS was deemed the highest technical rank.	
Description of General Provisions: This Agreement provides for complete Construction Management Services including furnishing resident engineer, inspectors, schedulers, cost estimators, evaluation of contractor claims, and other construction related services.	
Impact on Funding / Price Analysis: Funding for these services to be provided under this Agreement will come from Capital Project 35123. JACOBS proposed fee was determined to be fair and reasonable. This forty-seven (47) month Agreement has a maximum payment limitation of **$4,550,000.**	
Change in Contract from Prior Procurement:	Not applicable
Recommendation:	Approve as submitted

Advisement Information

BUDGET CODES	
Fund:	CSW EFC
Control:	35
Resp:	123
Object:	0003
Transaction:	

FUNDING SOURCE	AMOUNT
Revenue Contract ☐	XXXXXXX
County	$ 4,550,000
Federal	$
State	$
Capital	$
Other	$
TOTAL	$ 4,550,000

LINE	INDEX/OBJECT CODE	AMOUNT
1	CSW 35123, [illegible] L32	$ 4,550,000
2		$
3		$
APPROVED 4	G. Amato 7/31/14	$
5		$
6	SIGN	$
	TOTAL	$ 4,550,000

RENEWAL	
% Increase	
% Decrease	

Document Prepared By: Damon W. Urso, Sanitary Engineer III

Date: June 16, 2014

NIFS Certification	Comptroller Certification	County Executive Approval
I certify that this document was accepted into NIFS.	I certify that an unencumbered balance sufficient to cover this contract is present in the appropriation to be charged.	Name
Name	Name	Date 8/27/14
Date 8/13/14	Date 8/12/14	E #: (For Office Use Only)

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E-186-14

RULES RESOLUTION NO. 227 2014

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE NASSAU COUNTY DEPARTMENT OF PUBLIC WORKS, AND JACOBS PROJECT MANAGEMENT COMPANY.

Passed by the Rules Committee
Nassau County Legislature
By Voice Vote on 7-28-14
VOTING:
ayes 7 nayes 0 abstained 0 recused 0
Legislators present: 7

WHEREAS, the County has negotiated a personal services agreement with Jacobs Project Management Company, to provide construction management services for the Bay Park Sewage Treatment Sludge Dewatering Facility Demolition and Improvements, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said agreement with Jacobs Project Management Company.

RULES RESOLUTION NO. – 2014

A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE A PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE NASSAU COUNTY DEPARTMENT OF PUBLIC WORKS, AND JACOBS PROJECT MANAGEMENT COMPANY.

WHEREAS, the County has negotiated a personal services agreement with Jacobs Project Management Company, to provide construction management services for the Bay Park Sewage Treatment Sludge Dewatering Facility Demolition and Improvements, a copy of which is on file with the Clerk of the Legislature; now, therefore, be it

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the County Executive to execute the said agreement with Jacobs Project Management Company.

REQUEST TO INITIATE TO LS 6-13-14 RTI Number ______

REQUEST FOR QUALIFICATIONS/REQUEST FOR PROPOSAL/REQUEST FOR BID CONTRACT

PART I: Approval by the Deputy County Executive for Operations must be obtained prior to ANY RFQ/RFP/RFBC

☐ RFQ ■ RFP ☐ RFBC ☐ In-House or Requirements Work Order

Project Title: Bay Park Sewage Treatment Plant Sludge Dewatering Facility Demolition/Improvements (S35121-09M)

Department: Public Works Project Manager: Damon Urso Date: June 11, 2014

Service Requested: An agreement with a qualified firm to provide Construction Management (CM) services for the Bay Park Sludge Dewatering Facility.

Justification: This agreement will provide staffing to ensure that the required management, inspections, specialty inspections, and scheduling services are available during the construction phase of the project (demolition and installation).

Requested by: Water/Wastewater Engineering Unit Department/Agency/Office

Project Cost for this Phase/Contract: (Plan/Design/Construction/CM/Equipment) $4,550,000.00 (Includes Contingencies)
Circle appropriate phase

Total Project Cost: $63,000,000.00
Includes, design, construction and CM

Date Start Work: July 27, 2014
Phase being requested

Duration: 47 Months
Phase being requested

Capital Funding Approval: YES ☐ NO ☐ ______ SIGNATURE ______ DATE

Funding Allocation (Capital Project): ______
See Attached Sheet if multiyear ☐

NIFS Entered: ______ SIGNATURE ______ DATE

AIM Entered: ______ SIGNATURE ______ DATE

Funding Code: ______
use this on all encumbrances

Timesheet Code: ______
use this on timesheets

State Environmental Quality Review Act (SEQRA):
Type II Action ☐ or, Environmental Assessment Form Required ☐
Supplemental Environmental Documentation ______

Department Head Approval: YES ☐ NO ☐ ______ SIGNATURE

DCE/Ops Approval: YES ☐ NO ☐ ______ SIGNATURE

PART II: To be submitted to Chief Deputy County Executive after Qualifications/Proposals/Contracts are received from responding vendors.

See Attached Sheet ☐

	Vendor	Quote	Comment
1.			
2.			
3.			
4.			

DCE/Ops Approval: YES NO Signature ______
SSG:KGA:JLD:cs

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COUNTY OF NASSAU
DEPARTMENT OF PUBLIC WORKS
Inter-Departmental Memo

TO: Civil Service Employees Association, Nassau Local 830
Att: Ronald Gurrieri, Executive Vice President

FROM: Department of Public Works

DATE: June 17, 2014

SUBJECT: CSEA Notification of a Proposed DPW Construction Management Contract
Proposed Contract No. S35121-09M
Capital Project No. 3B121

The following notification is to comply with the spirit and intent of Section 32 of the County/CSEA contract. It should not be implied that the proposed DPW contract/agreement is for the work which has "historically and exclusively been performed by bargaining unit members".

1. DPW plans to recommend a contract/agreement for the following services:

   Construction Management Services

2. The work involves the following:

   Scope of Work: Management of the General construction contract for the Bay Park STP Sludge Dewatering Facility demolition and installation, which when completed will include four (4) new dewatering centrifuges.

3. An estimate of the cost is: $4,550,000.00

4. An estimate of the duration is: Forty-seven (47) months

Should you wish to propose an alternative to the proposed contract/agreement, please respond within ten (10) days to: Department of Public Works, Att: Kenneth G. Arnold, Assistant to Commissioner, telephone 1-9607, fax 1-9657.

Kenneth G. Arnold
Assistant to Commissioner

KGA:JLD:cs
c: Christopher Fusco, Director, Office of Labor Relations
Keith Cromwell, Office of Labor Relations
William S. Nimmo, Deputy Commissioner
Joseph L. Davenport, Unit Head, Water/Wastewater Engineering Unit
Patricia Kivo, Unit Head, Human Resources Unit
Damon W. Urso, Sanitary Engineer III
Loretta V. Dionisio, Hydrogeologist II

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COUNTY OF NASSAU
DEPARTMENT OF PUBLIC WORKS

Inter-Departmental Memo

TO: Office of the County Executive
Att: Richard R. Walker, Chief Deputy County Executive

FROM: Department of Public Works

DATE: June 10, 2014

SUBJECT: Bay Park STP Sludge Dewatering Facility
Selection of Firm for Construction Management Services
Proposed Agreement No. S35121-09M

This Department intends to procure a firm to provide construction management services through a personal service agreement, in regard to Construction Management (CM) for the Bay Park Sludge Dewatering Facility Permanent Repair and Mitigation Project. Services shall include a full-time resident engineer, inspection, office engineer, monitoring and reviewing contractor's CPM scheduling, perform cost estimating, and other construction administrative services.

Firms were requested to submit technical and cost proposals in accordance with the Department's Request for Proposal (RFP) dated April 4, 2014. The RFP was prepared in accordance with the Department's policy for assessing technical understanding, statement of qualifications and proposed project schedule. The RFP was posted on the County's website and advertised in *Newsday*.

Proposals from eight (8) firms were received on April 25, 2014. The technical proposals were evaluated by professionals from within the Department of Public Works. Following the review, the technical rank was established and the cost proposals were reviewed. The results of the technical evaluation are summarized below, along with each firm's total proposed project fee based upon project duration of forty-four (44) months.

Firm Name	Rank	Rating	Proposed Cost	Proposed Cost with Contingency
Jacobs	1	89.3	$3,818,014.00	$4,963,418.00
Gannett Fleming	2	84.0	$2,072,009.00	$2,693,612.00
Dvirka & Bartilucci	3	83.5	$1,990,000.00	$2,587,000.00
HAKS	4	82.3	$4,147,933.00	$5,392,313.00
Lockwood, Kessler & Bartlett	5	81.3	$3,484,868.00	$4,530,328.00
AECOM	6	81.0	$3,563,742.00	$4,632,865.00
Savin Engineers	7	78.8	$4,126,027.00	$5,363,835.00
Haider Engineering	8	71.8	$4,145,100.00	$5,388,630.00

When reviewing the cost proposals in more detail, it was found that two (2) of the firms significantly underestimated the staffing required to appropriately manage and oversee the construction activities. A project of this magnitude necessitates a full-time staff of four (4) or more, including the resident engineer, office engineer, and two (2) full-time inspection staff, as well as sufficient additional man-hours for special inspections, cost estimating and other as-needed services. The cost proposal submitted by Gannett Fleming, based upon the man hour summary, only provides for 2.8 full-time employees. The cost proposal submitted by Dvirka and Bartilucci only provides for 2.6 full-time employees. In each instance, if some portion of the proposed man-hours is to be set aside for special/periodic services, it further reduces the number of full-time employees.

Additionally, while the proposal from Jacobs received the highest technical rating, it was believed that clarification to the basis for their proposed cost was necessary. A discussion was held with representatives of Jacobs to discuss the scope of services. Subsequent to this discussion, Jacobs submitted a revised cost proposal of $3,500,000.00 ($4,550,000.00 with contingency) for this project.

Office of the County Executive
June 10, 2014
Page 2
Subject: Bay Park STP Sludge Dewatering Facility
Selection of Firm for Construction Management Services
Proposed Agreement No. S35121-09M

Considering the foregoing, the following technical ranking with adjusted proposed costs was developed:

Firm Name	Rank	Rating	Adjusted Proposed Cost	Adjusted Cost with Contingency
Jacobs	1	89.3	$3,500,000.00	$4,550,000.00
Gannett Fleming	2	84.0	$3,508,748.00	$4,561,372.00
Dvirka & Bartilucci	3	83.5	$3,671,295.00	$4,772,684.00
HAKS	4	82.3	$4,147,933.00	$5,392,313.00
Lockwood, Kessler & Bartlett	5	81.3	$3,484,868.00	$4,530,328.00
AECOM	6	81.0	$3,563,742.00	$4,632,865.00
Savin Engineers	7	78.8	$4,126,027.00	$5,363,835.00
Haider Engineering	8	71.8	$4,145,100.00	$5,388,630.00

In our professional judgment, the proposal submitted by Jacobs, having received the highest technical rating and proposing a reasonable cost, represents the best value to the County. Therefore, we recommend proceeding with a Personal Service Agreement with Jacobs for $3,500,000.00 to provide Construction Management Services for the Bay Park Sludge Dewatering Facility Project.

The funding for these professional services is available under Capital Project No. 35123. It is expected that the full cost of these services will be eligible for reimbursement by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

In accordance with the procedural guidelines, CSEA has been notified of this proposed agreement.

Please signify below if you approve or disapprove of our recommendation after which we will implement the next appropriate Department procedure(s).

Richard P. Millet
Chief Deputy Commissioner

RPM:KGA:JLD:cs
c: Shila Shah-Gavnoudias, Commissioner
Kenneth G. Arnold, Assistant to Commissioner
Joseph L. Davenport, Unit Head, Water/Wastewater Engineering Unit
Damon W. Urso, Sanitary Engineer III
Loretta V. Dionisio, Hydrogeologist II

APPROVED:

6/6/14

Richard R. Walker — Date
Chief Deputy County Executive

DISAPPROVED:

Richard R. Walker — Date
Chief Deputy County Executive

George Maragos
Comptroller

OFFICE OF THE COMPTROLLER
240 Old Country Road
Mineola, New York 11501

COMPTROLLER APPROVAL FORM FOR PERSONAL, PROFESSIONAL OR HUMAN SERVICES CONTRACTS

Attach this form along with all personal, professional or human services contracts, contract renewals, extensions and amendments.

CONTRACTOR NAME: Jacobs Project Management Co.

CONTRACTOR ADDRESS: 1305 Franklin Avenue, Garden City NY 11530

FEDERAL TAX ID #: 35-2321289

Instructions: **Please check the appropriate box ("☑") after one of the following Roman Numerals, and provide all the requested information.**

I. ☐ The contract was awarded to the lowest, responsible bidder after advertisement for sealed bids. The contract was awarded after a request for sealed bids was published in____________________ [newspaper] on ____________ [date]. The sealed bids were publicly opened on ____________ [date]. _____ [#] of sealed bids were received and opened.

II. ☐ The contractor was selected pursuant to a Request for Proposals.
The Contract was entered into after a written request for proposals was issued on ____________ [date]. Potential proposers were made aware of the availability of the RFP by________________ [newspaper advertisement, posting on website, mailing, etc.]. _____ [#] of potential proposers requested copies of the RFP. Proposals were due on ____________ [date]. _____[#] proposals were received and evaluated. The evaluation committee consisted of:____ [list members]. The proposals were scored and ranked. As a result of the scoring and ranking (attached), the highest-ranking proposer was selected.

III. ☐ This is a renewal, extension or amendment of an existing contract.
The contract was originally executed by Nassau County on ______________________ [date]. This is a renewal or extension pursuant to the contract, or an amendment within the scope of the contract or RFP (copies of the relevant pages are attached). The original contract was entered into after ____ [describe procurement method; i.e., RFP, three proposals evaluated, etc.] Attach a copy of the most recent evaluation of the contractor's performance for any contract to be renewed or extended. If the contractor has not received a satisfactory evaluation, the Department must explain why the contractor should nevertheless be permitted to continue to contract with the County.

IV.[X] Pursuant to Executive Order No. 1 of 1993, as amended, at least three proposals were solicited and received. The attached memorandum from the department head describes the proposals received, along with the cost of each proposal.

☐ **A.** The contract has been awarded to the proposer offering the lowest cost proposal; **OR**:

☐ **B.** The attached memorandum contains a detailed explanation as to the reason(s) why the contract was awarded to other than the lowest-cost proposer. The attachment includes a specific delineation of the unique skills and experience, the specific reasons why a proposal is deemed superior, and/or why the proposer has been judged to be able to perform more quickly than other proposers.

V. ☐ Pursuant to Executive Order No. 1 of 1993 as amended, the attached memorandum from the department head explains why the department did not obtain at least three proposals.

☐ **A.** There are only one or two providers of the services sought or less than three providers submitted proposals. The memorandum describes how the contractor was determined to be the sole source provider of the personal service needed or explains why only two proposals could be obtained. If two proposals were obtained, the memorandum explains that the contract was awarded to the lowest cost proposer, or why the selected proposer offered the higher quality proposal, the proposer's unique and special experience, skill, or expertise, or its availability to perform in the most immediate and timely manner.

☐ **B.** The memorandum explains that the contractor's selection was dictated by the terms of a federal or New York State grant, by legislation or by a court order. (Copies of the relevant documents are attached).

☐ **C.** Pursuant to General Municipal Law Section 104, the department is purchasing the services required through a New York State Office of General Services contract no.____________________, and the attached memorandum explains how the purchase is within the scope of the terms of that contract.

☐ **D.** Pursuant to General Municipal Law Section 119-o, the department is purchasing the services required through an inter-municipal agreement.

VI. ☐ This is a human services contract with a not-for-profit agency for which a competitive process has not been initiated. Attached is a memorandum that explains the reasons for entering into this contract without conducting a competitive process, and details when the department intends to initiate a competitive process for the future award of these services. For any such contract, where the vendor has previously provided services to the county, attach a copy of the most recent evaluation of the vendor's performance. If the contractor has not received a satisfactory evaluation, the department must explain why the contractor should nevertheless be permitted to contract with the county.

In certain limited circumstances, conducting a competitive process and/or completing performance evaluations may not be possible because of the nature of the human services program, or because of a compelling need to continue services through the same provider. In those circumstances, attach an explanation of why a competitive process and/or performance evaluation is inapplicable.

VII. (X) This is a public works contract for the provision of architectural, engineering or surveying services. The attached memorandum provides details of the department's compliance with Board of Supervisors' Resolution No.928 of 1993, including its receipt and evaluation of annual Statements of Qualifications & Performance Data, and its negotiations with the most highly qualified firms.

In addition, if this is a contract with an individual or with an entity that has only one or two employees:

☐ a review of the criteria set forth by the Internal Revenue Service, *Revenue Ruling No.* 87-41, 1987-1 C.B. 296, attached as Appendix A to the Comptroller's Memorandum, dated February 13, 2004, concerning independent contractors and employees indicates that the contractor would not be considered an employee for federal tax purposes.

Department Head Signature

7/21/14
Date

***NOTE:* Any information requested above, or in the exhibit below, may be included in the county's "staff summary" form in lieu of a separate memorandum.**

Compt. form Pers./Prof. Services Contracts: Rev. 02/04

COUNTY OF NASSAU
DEPARTMENT OF PUBLIC WORKS
CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE STATEMENT

1. Name of Firm: Jacobs Project Management Co.

   Address: Two Penn Plaza, Suite 0603

   City and State: New York, New York Zip Code 10121

2. Firm's Vendor Identification Number: 35-2321289

3. Type of Business:

   ____ Public Corp. ____ Partnership ____ Sole Proprietorship ____ Joint Venture

   ____ Ltd Liability Company ____ Closely Held Corp. Corporation X ____ Other (specify)

4. List names and address of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, a corporate officers, all parties of Joint ventures, and all members and officers of Limited Liability Companies (attach additional sheet (s) if necessary)

George Kunberger, Director
Greg Landry, Director
Phillip J. Stassi, Director
Michael Bantc, Assistant Secretary
Anthony Ferruccio, Vice President
David Syphard, Vice President
Scott McAllister, Vice President
John Fisher, Vice President
Issam Khalaf, Vice President
Vincent Mangiere, Vice President
Mike Udovic, Secretary
Jeffrey D. Roberison, Assistant Secretary
John Warren Prosser, Jr., Treasurer
Jeffrey Goldfarb, Assistant Treasurer
Doug Mouton, Vice President
Doug Hyde, Vice President
Ed Pogreba, Vice President
Doug Tilzer, Vice President
Jim McLean, Vice President

5. List all names and address of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. (* If a Publicly held Corporation include a copy of 10K form in lieu of completing this section) (attach additional she (s) if necessary).

   Jacobs Engineering Group Inc. – 100% shareholder

   Jacobs Engineering Group Inc., is a publicly held corporation.

6. List all affiliated and related companies and their relationship to the firm entered on line 1 (one) above [if none, enter "None"] (* include a separate disclosure form for each affiliated or subsidiary company) (attach additional sheet (s) if necessary).

   NONE (Parent company listed in #5)

7. VERIFICATION: This section must be signed by a principal of the Consultant, Contractor or Vendor authorized as signator of the firm for the purpose c executing contracts. The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her own knowledge, true.

Dated: June 27, 2014

Signed:

Print Name: Vincent A. Mangiere, PE

Title: Vice President

COUNTY OF NASSAU
DEPARTMENT OF PUBLIC WORKS
CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE STATEMENT

1. Name of Firm: Jacobs Project Management Co.

Address: Two Penn Plaza, Suite 0603

City and State: New York, New York Zip Code 10121

2. Firm's Vendor Identification Number: 35-2321289

3. Type of Business:

____ Public Corp. ____ Partnership ____ Sole Proprietorship ____ Joint Venture

____ Ltd Liability Company ____ Closely Held Corp. Corporation X ____ Other (specify)

4. List names and address of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, a corporate officers, all parties of Joint ventures, and all members and officers of Limited Liability Companies (attach additional sheet (s) if necessary)

George Kunberger, Director
Greg Landry, Director
Phillip J. Stassi, Director
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Scott McAllister, Vice President
John Fisher, Vice President
Issam Khalaf, Vice President
Vincent Mangiere, Vice President
Mike Udovic, Secretary
Jeffrey D. Robertson, Assistant Secretary
John Warren Prosser, Jr., Treasurer
Jeffrey Goldfarb, Assistant Treasurer
Doug Mouton, Vice President
Doug Hyde, Vice President
Ed Pogreba, Vice President
Doug Titzer, Vice President
Jim McLean, Vice President

5. List all names and address of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. (* If a Publicly held Corporation include a copy of 10K form in lieu of completing this section) (attach additional shee (s) if necessary).

Jacobs Engineering Group Inc. – 100% shareholder

Jacobs Engineering Group Inc., is a publicly held corporation.

6. List all affiliated and related companies and their relationship to the firm entered on line 1 (one) above (If none, enter "None"] (* include a separate disclosure form for each affiliated or subsidiary company) (attach additional sheet (s) if necessary).

NONE (Parent company listed in #5)

7. VERIFICATION: This section must be signed by a principal of the Consultant, Contractor or Vendor authorized as signator of the firm for the purpose c executing contracts. The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her own knowledge, true.

Dated: June 27, 2014

Signed:

Print Name: Vincent A. Mangiere, PE

Title: Vice President

CONTRACT FOR SERVICES

THIS AGREEMENT (together with the schedules, appendices, attachments and exhibits, if any, this "Agreement"), dated as of the date this Agreement is executed by the County of Nassau, between (i) Nassau County, a municipal corporation having its principal office at 1550 Franklin Avenue, Mineola, New York 11501 (the "County") acting on behalf of the County Department of Public Works, having its principal office at 1194 Prospect Avenue, Westbury, New York 11590 (the "Department") and (ii) JACOBS Project Management Company, a consulting engineering firm having its principal office at 1305 Franklin Avenue, Suite 245, Garden City NY 11530 (the "Firm" or "Contractor")..

WITNESSETH:

WHEREAS, the County desires to hire the Firm to perform the services described in this Agreement; and

WHEREAS, the Firm desires to perform the services described in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the parties agree as follows:

1. Term.

This term of this Agreement shall commence on the date on which this Agreement is executed by the County (the "Commencement Date") and terminate on the Forty-seventh (47) month anniversary of the Commencement Date (the "Expiration Date") unless sooner terminated or extended in accordance with its terms. Notwithstanding the foregoing, the Department, in its sole discretion, shall have the right to extend this Agreement one year delivering a notice of extension to the Firm at least thirty (30) days prior to the Expiration Date. The Agreement so extended shall be on the same terms, conditions and covenants as during the initial term except that the Expiration Date shall be modified in accordance with the notice of extension.

2.. Services.

(a) The services to be provided by the Firm under this Agreement for the Bay Park Sewage Treatment Plant Sludge Dewatering Facility Demolition and Improvements Construction Management, shall consist of those specific work divisions and deliverables as enumerated in the "Detailed Scope of Services," attached hereto and hereby made a part hereof as Exhibit "A".

(b) At any time during the term of this Agreement, the County may, in its sole and absolute discretion, require the Firm to perform Extra Services. The Firm shall not perform, nor be compensated for, Extra Services without the prior written approval of the Commissioner. The Firm agrees to perform any such Extra Services in accordance with the terms and conditions contained in this Agreement. As used herein, "Extra Services" means additional services which are (i) generally within the scope of services set forth in this Agreement, (ii) necessary or in furtherance of the goals of this Agreement and (iii) not due to the fault or negligence of the Contractor.

(c) The following items are not included in the Firm's fee, and shall be reimbursable at an actual cost as expenditures in the interest of the project, provided (i) they have been approved in advance by the Commissioner of the Department in writing, in his/her sole discretion, (ii) are not considered services as set forth in this Agreement, and (iii) subject to compliance with the County's bill paying procedures:

(1) The direct cost of expenses for travel to locations other than the County and or the project site, including transportation (coach unless otherwise authorized by the County), reasonable meal and lodging expenses, at rates established by the County for its own employees, and as have been approved in advance by the County.

(2) Testing Laboratory Services.

(3) Messenger service and cables as not necessarily incurred in the performance of services hereunder by the Firm and their sub-consultants.

(4) Final models, photographs and renderings as requested by the County.

(5) Reproduction of design development and construction document drawings, specification, reports and other documents furnished to, or on behalf of, the County in excess of five (5) copies each. Any items prepared on behalf of the Firm or their sub-consultants shall not be paid for by the County.

(6) Other comparable expenses as approved by the County.

3. Payment.

(a) Amount of Consideration. The amount to be paid to the Firm as full consideration for the Firm's services under this Agreement, including any extra services that may be so authorized, shall be payable as itemized in the "Payment Schedule," attached hereto and made a hereby part hereof as Exhibit "B". Notwithstanding the foregoing, the maximum amount to be paid the Firm's services under this Agreement, including any Extra Services that may so be authorized, shall not exceed Four Million Five Hundred Fifty Thousand ($4,550,000) dollars.

(b) Vouchers; Voucher Review, Approval and Audit. Payments shall be made to the Firm in arrears and shall be contingent upon (i) the Firm submitting a claim voucher (the "Voucher") in a form satisfactory to the County, that (a) states with reasonable specificity the services provided and the payment requested as consideration for such services, (b) certifies that the services rendered and the payment requested are in accordance with this Agreement, and (c) is accompanied by documentation satisfactory to the County supporting the amount claimed, and (ii) review, approval and audit of the Voucher by the Department and/or the County Comptroller or his or her duly designated representative (the "Comptroller").

(c) Timing of Claims for Payment. The Firm shall submit claims no later than three (3) months following the County's receipt of the services that are the subject of the claim and no more frequently than once a month.

(d) No Duplication of Payments. Payments under this Agreement shall not duplicate payments for any work performed or to be performed under other agreements between the Firm and any funding source including the County.

(e) Payments in Connection with Termination or Notice of Termination. Unless a provision of this Agreement expressly states otherwise, payments to the Firm following the termination of this Agreement shall not exceed payments made as consideration for services that were (i) performed prior to termination, (ii) authorized by this Agreement to be performed, and (iii) not performed after the Firm received notice that the County did not desire to receive such services.

(f) Payments Relating to Services Rendered by Subcontractors. The County retains the right, but not the obligation, prior to making any payment to the Firm, to demand that the Firm furnish to the County, proof acceptable to the County, in its sole and absolute discretion, that all due and payable claims made by subcontractors in connection with this Agreement have been paid to date or are included in the amount being requested by the Firm.

4. Ownership and Control of Work Product

(a) Copyrights.

(i) Upon execution of this Agreement, any reports, documents, data, photographs and/or other materials produced pursuant to this Agreement, and any and all drafts and/or other preliminary materials in any format related to such items, shall become the exclusive property of the County.

(ii) Any reports, documents, data, photographs and/or other materials produced pursuant to this Agreement ("Copyrightable Materials") shall be considered "work-made-for-hire" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. §101, and the County shall be the copyright owner thereof and of all aspects, elements and components thereof in which copyright protection might exist. To the extent that the Copyrightable Materials do not qualify as "work-made-for-hire," the Firm hereby irrevocably transfers, assigns and conveys exclusive copyright ownership in and to the Copyrightable Materials to the County, free and clear of any liens, claims, or other encumbrances. The Firm shall retain no copyright or intellectual property interest in the Copyrightable Materials, and they shall be used by the Firm for no other purpose without the prior written permission of the County.

(iii) The Firm acknowledges that the County may, in its sole discretion, register copyright in the Copyrightable Materials with the U.S. Copyright Office or any other government agency authorized to grant copyright registrations. The Firm shall cooperate in this effort, and agrees to provide any further documentation necessary to accomplish this.

(iv) The Firm represents and warrants that the Copyrightable Materials: (1) are wholly original material not published elsewhere (except for material that is in the public domain); (2) do not violate any copyright law; (3) do not constitute defamation or invasion of the right of privacy or publicity, and (4) are not an infringement of any kind, of the rights of any third party. To the extent that the Copyrightable Materials incorporate any non-original material, the Firm has obtained all necessary permissions and clearances, in writing, for the use of such non-original material under this Agreement, copies of which shall be provided to the County upon execution of this Agreement.

(b) Patents and Inventions. Any discovery or invention arising out of or developed in the course of performance of this Agreement shall be promptly and fully reported to the Department, and if this work is supported by a federal grant of funds, shall be promptly and fully reported to the Federal Government for determination as to whether patent protection on such invention shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered in order to protect the public interest.

(c) Pre-existing Rights. In no case shall 4(a) or 4(b) above apply to, or prevent the Firm from asserting or protecting its rights in any report, document or other data, or any invention which existed prior to or was developed or discovered independently from the activities directly related to this Agreement.

(d) Infringements of Patents, Trademarks, and Copyrights. The Firm shall indemnify and hold the County harmless against any claim for any infringement by the Firm of any copyright, trade secrets, trademark or patent rights of design, systems, drawings, graphs, charts, specifications or printed matter furnished or used by the Firm in the performance of this Agreement. The Firm shall indemnify and hold the County harmless regardless of whether or not the infringement arises out of compliance with the scope of services/scope of work.

(e) Antitrust. The Firm hereby assigns, sells, and transfers to the County all right, title and interest in and to any claims and causes of action arising under the antitrust laws of the State of New York or of the United States relating to the particular goods or services procured by the County under this Agreement.

5. Independent Contractor. The Firm is an independent contractor of the County. The Firm shall not, nor shall any officer, director, employee, servant, agent or independent contractor of the Firm (a "Contractor Agent"), be (i) deemed a County employee, (ii) commit the County to any obligation, or (iii) hold itself, himself, or herself out as a County employee or Person with the authority to commit the County to any obligation. As used in this Agreement the word "Person" means any individual person, entity (including partnerships, corporations and limited liability companies), and government or political subdivision thereof (including agencies, bureaus, offices and departments thereof).

6. No Arrears or Default. The Firm is not in arrears to the County upon any debt or contract and it is not in default as surety, Firm, or otherwise upon any obligation to the County, including any obligation to pay taxes to, or perform services for or on behalf of, the County.

7. Compliance with Law.

(a) Generally. The Firm shall comply with any and all applicable Federal, State and local Laws, including, but not limited to those relating to conflicts of interest, human rights, a living wage, and disclosure of information, in connection with its performance under this Agreement. In furtherance of the foregoing, the Firm is bound by and shall comply with the terms of Appendices "EE"" attached hereto and hereby made a part hereof. As used in this Agreement the word "Law" includes any and all statutes, local laws, ordinances, rules, regulations, applicable orders, and/or decrees, as the same may be amended from time to time, enacted, or adopted.

(b) Nassau County Living Wage Law. Pursuant to LL 1-2006, as amended, and to the extent that a waiver has not been obtained in accordance with such law or any rules of the

County Executive, the Firm agrees as follows:

(i) Firm shall comply with the applicable requirements of the Living Wage Law, as amended;

(ii) Failure to comply with the Living Wage Law, as amended, may constitute a material breach of this Agreement, such breach being determined solely by the County. Firm has the right to cure such breach within thirty days of receipt of notice of breach from the County. In the event that such breach is not timely cured, the County may terminate this Agreement as well as exercise any other rights available to the County under applicable law.

(iii) On a yearly basis, Firm shall provide the County with any material changes to its Certificate of Compliance, attached hereto and hereby made a part hereof as Appendix "L."

(c) Records Access. The parties acknowledge and agree that all records, information, and data ("Information") acquired in connection with performance or administration of this Agreement shall be used and disclosed solely for the purpose of performance and administration of the contract or as required by law. The Firm acknowledges that Firm Information in the County's possession may be subject to disclosure under Article 6 of the New York State Public Officer's Law ("Freedom of Information Law" or "FOIL"). In the event that such a request for disclosure is made, the County shall make reasonable efforts to notify the Firm of such request prior to disclosure of the Information so that the Firm may take such action as it deems appropriate.

(d) Protection of Client Information. The firm acknowledges and agrees that all information that the Firm acquires in connection with the performance under this Agreement shall be strictly confidential, used solely for the purpose of performing services to or on behalf of the County, and shall not be disclosed to third parties except (i) as permitted under this Agreement, (ii) with the written consent of the County (and then only to the extent of the consent), or (iii) upon legal compulsion.

8. Minimum Service Standards. Regardless of whether required by Law:
(a) The Firm shall, and shall cause Firm Agents to, conduct its, his or her activities in connection with this Agreement so as not to endanger or harm any Person or property.

(b) The Firm shall deliver services under this Agreement in a professional manner consistent with the best practices of the industry in which the Firm operates. The Firm shall take all actions necessary or appropriate to meet the obligation described in the immediately preceding sentence, including obtaining and maintaining, and causing all Firm Agents to obtain and maintain, all approvals, licenses, and certifications ("Approvals") necessary or appropriate in connection with this Agreement.

9. Indemnification; Defense; Cooperation.

(a) The Firm shall be solely responsible for and shall indemnify and hold harmless the County, the Department and its officers, employees, and agents (the "Indemnified Parties") from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorneys' fees and disbursements) and damages ("Losses"), arising out of or in connection with any acts or omissions of the Firm or a Firm Agent, regardless of whether due to negligence, fault, or default, including Losses in connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same; provided, however, that the Firm shall not be responsible for that portion, if any, of a Loss that is caused by the negligence of the County.

(b) The Firm shall, upon the County's demand and at the County's direction, promptly and diligently defend, at the Firm's own risk and expense, any and all suits, actions, or proceedings which may be brought or instituted against one or more Indemnified Parties for which the Firm is responsible under this Section, and, further to the Firm's indemnification obligations, the Firm shall pay and satisfy any judgment, decree, loss or settlement in connection therewith.

(c) The Firm shall, and shall cause Firm Agents to, cooperate with the County and the Department in connection with the investigation, defense or prosecution of any action, suit or proceeding in connection with this Agreement, including the acts or omissions of the Firm and/or a Firm Agent in connection with this Agreement.

(d) The provisions of this Section shall survive the termination of this Agreement.

10. Insurance.

(a) Types and Amounts. The Firm shall obtain and maintain throughout the term of this Agreement, at its own expense: (i) one or more policies for commercial general liability insurance, which policy(ies) shall name "Nassau County" as an additional insured and have a minimum single combined limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate coverage, (ii) if contracting in whole or part to provide professional services, one or more policies for professional liability insurance, which policy(ies) shall have a minimum single combined limit liability of not less than two million dollars ($2,000,000) per occurrence and four million dollars ($4,000,000) aggregate coverage, (iii) compensation insurance for the benefit of the Firm's employees ("Workers' Compensation Insurance"), which insurance is in compliance with the New York State Workers' Compensation Law, and (iv) such additional insurance as the County may from time to time specify.

(b) Acceptability; Deductibles; Subcontractors. All insurance obtained and maintained by the Firm pursuant to this Agreement shall be (i) written by one or more commercial insurance carriers licensed to do business in New York State and acceptable to the County, and which is (ii) in form and substance acceptable to the County. The Firm shall be solely responsible for the payment of all deductibles to which such policies are subject. The Firm shall require any subcontractor hired in connection with this Agreement to carry insurance with the same limits and provisions required to be carried by the Firm under this Agreement.

(c) Delivery; Coverage Change; No Inconsistent Action. Prior to the execution of this Agreement, copies of current certificates of insurance evidencing the insurance coverage required by this Agreement shall be delivered to the Department. Not less than thirty (30) days prior to the date of any expiration or renewal of, or actual, proposed or threatened reduction or cancellation of coverage under, any insurance required hereunder, the Firm shall provide written notice to the Department of the same and deliver to the Department renewal or replacement certificates of insurance. The Firm shall cause all insurance to remain in full force and effect throughout the term of this Agreement and shall not take or omit to take any action that would suspend or invalidate any of the required coverages. The failure of the Firm to maintain Workers' Compensation Insurance shall render this contract void and of no effect. The failure of the Firm to maintain the other required coverages shall be deemed a material breach of this Agreement upon which the County reserves the right to consider this Agreement terminated as of the date of such failure.

11. Assignment; Amendment; Waiver; Subcontracting. This Agreement and the rights and obligations hereunder may not be in whole or part (i) assigned, transferred or disposed of, (ii) amended, (iii) waived, or (iv) subcontracted, without the prior written consent of the County Executive or his or her duly designated deputy (the "County Executive"), and any purported assignment, other disposal or modification without such prior written consent shall be null and void.. The failure of a party to assert any of its rights under this Agreement, including the right to demand strict performance, shall not constitute a waiver of such rights.

12. Termination.

(a) Generally. This Agreement may be terminated (i) for any reason by the County upon thirty (30) days' written notice to the Firm, (ii) for "Cause" by the County immediately upon the receipt by the Firm of written notice of termination, (iii) upon mutual written Agreement of the County and the Firm, and (iv) in accordance with any other provisions of this Agreement expressly addressing termination.

As used in this Agreement the word "Cause" includes: (i) a breach of this Agreement; (ii) the failure to obtain and maintain in full force and effect all Approvals required for the services described in this Agreement to be legally and professionally rendered; and (iii) the termination or impending termination of federal or state funding for the services to be provided under this Agreement.

(b) By the Firm. This Agreement may be terminated by the Firm if performance becomes impracticable through no fault of the Firm, where the impracticability relates to the Firm's ability to perform its obligations and not to a judgment as to convenience or the desirability of continued performance. Termination under this subsection shall be effected by the Firm delivering to the commissioner or other head of the Department (the "Commissioner"), at least sixty (60) days prior to the termination date (or a shorter period if sixty days' notice is impossible), a notice stating (i) that the Firm is terminating this Agreement in accordance with this subsection, (ii) the date as of which this Agreement will terminate, and (iii) the facts giving rise to the Firm's right to terminate under this subsection. A copy of the notice given to the Commissioner shall be given to the Deputy County Executive who oversees the administration of the Department (the "Applicable DCE") on the same day that notice is given to the Commissioner.

(c) Firm Assistance upon Termination. In connection with the termination or impending termination of this Agreement the Firm shall, regardless of the reason for termination, take all actions reasonably requested by the County (including those set forth in other provisions of this Agreement) to assist the County in transitioning the Firm's responsibilities under this Agreement. The provisions of this subsection shall survive the termination of this Agreement.

13. Accounting Procedures; Records. The Firm shall maintain and retain, for a period of six (6) years following the later of termination of or final payment under this Agreement, complete and accurate records, documents, accounts and other evidence, whether maintained electronically or manually ("Records"), pertinent to performance under this Agreement. Records shall be maintained in accordance with Generally Accepted Accounting Principles and, if the Firm is a non-profit entity, must comply with the accounting guidelines set forth in the federal Office of Management & Budget Circular A-122, "Cost Principles for Non-Profit Organizations." Such Records shall at all times be available for audit and inspection by the Comptroller, the Department, any other governmental authority with jurisdiction over the provision of services hereunder and/or the payment therefore, and any of their duly designated representatives. The provisions of this Section shall survive the termination of this Agreement.

14. Limitations on Actions and Special Proceedings against the County. No action or special proceeding shall lie or be prosecuted or maintained against the County upon any claims arising out of or in connection with this Agreement unless:

(a) Notice. At least thirty (30) days prior to seeking relief the Firm shall have presented the demand or claim(s) upon which such action or special proceeding is based in writing to the Applicable DCE for adjustment and the County shall have neglected or refused to make an adjustment or payment on the demand or claim for thirty (30) days after presentment. The Firm shall send or deliver copies of the documents presented to the Applicable DCE under this Section to each of (i) the Department and the (ii) the County Attorney (at the address specified above for the County) on the same day that documents are sent or delivered to the Applicable DCE. The complaint or necessary moving papers of the Firm shall allege that the above-described actions and inactions preceded the Firm's action or special proceeding against the County.

(b) Time Limitation. Such action or special proceeding is commenced within the earlier of (i) one (1) year of the first to occur of (A) final payment under or the termination of this Agreement, and (B) the accrual of the cause of action, and (ii) the time specified in any other provision of this Agreement.

15. Work Performance Liability. The Firm is and shall remain primarily liable for the successful completion of all work in accordance this Agreement irrespective of whether the Firm is using a Firm Agent to perform some or all of the work contemplated by this Agreement, and irrespective of whether the use of such Firm Agent has been approved by the County.

16. Consent to Jurisdiction and Venue; Governing Law. Unless otherwise specified in this Agreement or required by Law, exclusive original jurisdiction for all claims or actions with respect to this Agreement shall be in the Supreme Court in Nassau County in New York State and the parties expressly waive any objections to the same on any grounds, including venue and forum non conveniens. This Agreement is intended as a contract under, and shall be governed and construed in accordance with, the Laws of New York State, without regard to the conflict of laws provisions thereof.

17. Notices. Any notice, request, demand or other communication required to be given or made in connection with this Agreement shall be (a) in writing, (b) delivered or sent (i) by hand delivery, evidenced by a signed, dated receipt, (ii) postage prepaid via certified mail, return receipt requested, or (iii) overnight delivery via a nationally recognized courier service, (c)

deemed given or made on the date the delivery receipt was signed by a County employee, three (3) business days after it is mailed or one (1) business day after it is released to a courier service, as applicable, and (d)(i) if to the Department, to the attention of the Commissioner at the address specified above for the Department, (ii) if to an Applicable DCE, to the attention of the Applicable DCE (whose name the Firm shall obtain from the Department) at the address specified above for the County, (iii) if to the Comptroller, to the attention of the Comptroller at 240 Old Country Road, Mineola, NY 11501, and (iv) if to the Firm, to the attention of the person who executed this Agreement on behalf of the Firm at the address specified above for the Firm, or in each case to such other persons or addresses as shall be designated by written notice.

18. All Legal Provisions Deemed Included; Severability; Supremacy and Construction.

(a) Every provision required by Law to be inserted into or referenced by this Agreement is intended to be a part of this Agreement. If any such provision is not inserted or referenced or is not inserted or referenced in correct form then (i) such provision shall be deemed inserted into or referenced by this Agreement for purposes of interpretation and (ii) upon the application of either party this Agreement shall be formally amended to comply strictly with the Law, without prejudice to the rights of either party.

(b) In the event that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) Unless the application of this subsection will cause a provision required by Law to be excluded from this Agreement, in the event of an actual conflict between the terms and conditions set forth above the signature page to this Agreement and those contained in any schedule, exhibit, appendix, or attachment to this Agreement, the terms and conditions set forth above the signature page shall control. To the extent possible, all the terms of this Agreement should be read together as not conflicting.

(d) Each party has cooperated in the negotiation and preparation of this Agreement. Therefore, in the event that construction of this Agreement occurs, it shall not be construed against either party as drafter.

19. Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

20. Entire Agreement. This Agreement represents the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supersedes all prior agreements (whether written or oral) of the parties relating to the subject matter of this Agreement.

21. Administrative Service Charge. The Firm agrees to pay the County an administrative service charge of Five Hundred Thirty Three Dollars ($533.00) for the processing of this Agreement pursuant to Ordinance Number 74-1979, as amended by Ordinance Number 128-2006. The administrative service charge shall be due and payable to the County by the Firm upon signing this Agreement.

22. Joint Venture.

(a) If the Firm is comprised of more than one legal entity or any group of partners or joint venturers associated for the purpose of undertaking this Agreement, each such entity acknowledges and hereby affirmatively represents and agrees that each has the power to bind the Firm and each of the others hereunder; and as such, each acts both as principal and agent of the Firm and of each of the others hereunder. Each further acknowledges and agrees that all such entities, partners or joint venturers associated for the purposes of undertaking this Agreement shall be jointly and severally liable to third parties, including but not limited to the County, for the acts or omissions of the Firm or any other entity, partner or joint venturer hereunder.

(b) If the Contractor is comprised of more than one legal entity or any group of partners or joint venturers associated for the purposes of undertaking this agreement, each such entity acknowledges and hereby affirmatively represents and agrees that the respective rights, duties and liabilities of each hereunder shall be governed by the laws of the State of New York, including but not limited to the New York Partnership Law..

23. Executory Clause. Notwithstanding any other provision of this Agreement:

(a) Approval and Execution. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person unless (i) all County approvals have been obtained, including, if required, approval by the County Legislature, and (ii) this Agreement has been executed by the County Executive (as defined in this Agreement).

(b) Availability of Funds. The County shall have no liability under this Agreement (including any extension or other modification of this Agreement) to any Person beyond funds appropriated or otherwise lawfully available for this Agreement, and, if any portion of the funds for this Agreement are from the state and/or federal governments, then beyond funds available to the County from the state and/or federal governments.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Firm and the County have executed this Agreement as of the date first above written.

[NAME OF FIRM] Jacobs Project Management Co.

Name: Vincent A. Mangiere

Title: Vice President

Date: 6/26/14

NASSAU COUNTY

Name:

Title: Chief Deputy County Executive

Date: 8/29/14

PLEASE EXECUTE IN BLUE INK

STATE OF NEW YORK)
)ss.:
COUNTY OF NASSAU)

On the 26 day of June in the year 2014 before me personally came Vincent A. Mangiere to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Westchester ; that he or she is the Vice President of Jacobs Project Management Co the corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto by authority of the board of directors of said corporation.

NOTARY PUBLIC
William E. Gove

WILLIAM E. GOVE
NOTARY PUBLIC, STATE OF NEW YORK
No. 01GO6093479
QUALIFIED IN ROCKLAND COUNTY
MY COMMISSION EXPIRES JUNE 2, 2015

STATE OF NEW YORK)
)ss.:
COUNTY OF ~~NASSAU~~) NASSAU
New York

On the 27 day of August in the year 2014 before me personally came Richard R. Walker to me personally known, who, being by me duly sworn, did depose and say that he or she resides in the County of Nassau ; that he or she is County Executive of the County of Nassau, the municipal corporation described herein and which executed the above instrument; and that he or she signed his or her name thereto pursuant to Section 205 of the County Government Law of Nassau County.

Concetta A. Petrucci
NOTARY PUBLIC

CONCETTA A PETRUCCI
Notary Public, State of New York
No. 01PE6259029
Qualified in Nassau County
Commission Expires April 02, 2016

Exhibit "A"

DETAILED SCOPE OF SERVICES

The FIRM shall provide comprehensive construction and post-construction phase services. The scope of services to be performed in the respective phases (which may overlap) is summarized below.

Construction Phase Services

Commencement and Duration - The Construction Phase will commence with the award of a construction contract for the project and will terminate upon final acceptance of the Project in it's entirety by the County. The construction phase is scheduled for 44 months plus one (1) month of pre-construction duties and two (2) months of post-construction duties for a total duration of 47 months.

General Construction Administration - The FIRM shall provide administration of the Project and shall administer all construction contracts on the County's behalf. This project is being built under a Project Labor Agreement (PLA) using a single prime Construction Contractor ("CC"). Therefore, the FIRM is required to perform as the PLA administrator of Nassau County's Master Project Labor Agreement as amended for this project. The FIRM will be provided a copy of "the Procedure Manual for Project Management" prepared by the Nassau County Department of Public Works, as a guide to the County's standard administrative procedures. Administer the construction of the Project, including scheduling of the Work and coordination of the Construction Contractor (CC). The FIRM shall maintain competent full-time staff at the project site to administer the project, at all times Work is being performed by CC. The FIRM shall furnish his staff with personal equipment required for project administration, including, but not limited to personal protective equipment, digital cameras, cellular telephones, etc.

Site Conditions - As portions of the Work become accessible, FIRM shall promptly and diligently investigate existing conditions and report to the County and the Design Engineer, those conditions which differ substantially from the information contained in the Construction Documents. Collaborate with the County and the Design Engineer to devise appropriate modifications to the Contract Documents.

Quality Assurance - The FIRM shall create and implement a Quality Assurance Program consisting, at the minimum, of testing, controlled inspection, and the FIRM's routine observation of the Work of the CC with respect to conformance to the Construction Documents. The FIRM shall endeavor to guard the Owner against defects and deficiencies in the Work, and shall coordinate testing and controlled inspection by third parties with the Work of the CC. The FIRM shall promptly notify the County, Design Engineer, and CC, as applicable, of defective, deficient, and/or non-conforming Work, and shall make recommendations for correction/resolution. Track all defective and non-conforming Work through correction until final acceptance by the County.

Scheduling - The CC shall prepare the Master Construction Schedule (baseline) and monthly updates. This Schedule shall be prepared using the critical path method and Primavera P3 (or later version) software, and shall be broken down in sufficient detail to be useful for monitoring progress, delay analysis, and administering the CC's contract provisions. The schedule shall be cost and resource loaded by the CC. The FIRM is responsible for monitoring accuracy and completeness of the CPM Schedule, to review Baseline and updates, analysis of delay, preparation of reports as required by the County, negotiation of delay claims and recommendation for recovery or necessary changes to complete the project within budget and schedule, The FIRM shall evaluate

CC's requests for extension of the Contract time, and advise the County confidentially on the quantum and merits of such requests. The CC shall update the Master Schedule monthly to show progress,compile 2-week look-ahead schedules from the Master Schedule and augment same.. The FIRM shall follow up with the CC who will prepare Schedule updates as necessary to reflect changes and show the impact of changes to the critical path and completion milestones. The FIRM shall review in a timely manner as per contract specifications.

Cash Flow Forecast - With the cooperation of the CC, FIRM shall prepare a cash flow forecast for the entire project, based on the project schedule, and shall revise same, whenever there is a significant change in the schedule that would warrant a revision to the cash flow forecast.

Monitor Progress - Monitor the progress of the CC's work and prepare written daily reports documenting the type and location of work performed, the CC's trade labor and equipment, and all pertinent details relative to the progress of the Work. Augment the written reports with photographic documentation of the work in progress. Photographs are required when unforeseen conditions, disputed work, or deficiencies in the Work are encountered. Pro-actively monitor the progress of the Work, taking such steps (on behalf of the County) as are authorized under the CC's contract, to ensure that the CC's workforce is sufficient and the work is being diligently prosecuted. Where progress is impeded by actions/inactions of the Design Engineer, or others, bring such matters promptly to the attention of the County for resolution. The FIRM shall monitor the progress in such a manner as to complete the project within the schedule and budget, on behalf of Nassau County.

Information Management System - Implement an information management system to track and update the status of all pertinent project information, including FIRM's daily reports. Develop and maintain paper and electronic project files, including, but not limited to, project correspondence, contract drawings and documents, submittals, payment requisitions, standard forms (such as insurance certificates, bonds, lien waivers, releases, etc.) and reports. Documents and records will be maintained by the FIRM for a period of six (6) years after completion of services. The FIRM shall track all drawings, CC submittals, meeting minutes, requests for information, bulletins, changes orders, CC requisitions/payments, correspondence, reports, and all documents, which should be part of the project record. Project records, including the project directory and emergency contact information, will be kept well organized and the information maintained current at all times. The FIRM shall receive the CC's submittals such as shop drawings, product data, and samples, promptly review them for completeness and responsiveness, log and finally distribute them to the Design Engineer for review and approval; within 48 hours of receipt by FIRM of CC's submittals. The FIRM shall return submittals to the CC within 24 hours of receipt from the Design Engineer, and shall update the submittal log accordingly. FIRM shall collect and compile as-built drawings, operations and maintenance manuals, spare parts and attic stock provided by the CC and is responsible for documenting acceptability and the transfer of these items to Plant Operations..

CC Payments: - Receive, review, and recommend for processing by the County, all schedules of values, invoices, and requests for payments prepared by the CC. FIRM shall correlate CC's payment requests with the progress of the work and take into account any deficiencies in the work for which payment is being requested, in making his recommendation. The FIRM's recommendation for payment shall constitute a representation to the County, that, to the best of the FIRM's knowledge, information and belief; the Work has progressed to the point indicated, and the quality of the Work is in accordance with the Contract Documents. All payments shall be based on the cost loaded CPM schedule.

Meetings – Schedule and conduct regular weekly meetings with the CC, the Design Engineer, the County, and others, where necessary to plan and coordinate the Work, discuss progress, and solve problems related the Project. The FIRM shall also attend weekly meetings with the County and/or the Design Engineer. Prepare and timely distribute meeting minutes and agenda. Special meetings will be scheduled as the need arises and participation by the FIRM at these meetings shall be at no additional cost to the County.

Reporting – The FIRM shall prepare monthly written progress reports and deliver 5 copies of same to the County, no later than the 10th day of the following month. Such reports shall include the following information at a minimum:

A. Executive Summary
B. Progress Narrative - supported by photographs and the project schedule updated to show progress
C. Issues Report - Report on all critical and important issues, which require the attention of the County
D. Change Orders - log the status of change orders (e.g., potential, proposed, pending, processed)
E. CC Payment Summary - include a discussion of variances between amounts paid to date and the cash flow forecast
F. Budget Report
G. Log of Non-conforming or deficient work
H. Attachments - attach photographs, logs, reports, etc. which are germane to the Issues Report.

Safety - The FIRM shall require the CC to submit its safety program and shall serve a central role in dissemination of safety-related information between the CC and the Nassau County Plant and Construction personnel. The FIRM shall not have control over or charge of the Work and the FIRM shall not be responsible for CC's means, methods, techniques, sequences or procedures, and/or for safety precautions and programs in connection with the work of the CC, since these are solely the CCs' responsibility. The FIRM shall not be responsible for the CC's failure to carry out the Work in accordance with the CC's Safety Programs, and/or applicable safety rules and regulations. Nevertheless, the FIRM shall promote safety and endeavor to guard against the creation of unsafe conditions by the CC. The Firm must review the CC safety program and inform the Department of its adequacy.

Changes - The FIRM shall review all Supplementary Bulletins prepared by the Design Engineer prior to their issuance; prepare cost estimates; review CC's proposals; and submit formal written recommendations, including confidential memoranda to the County, clearly delineating the scope and reason for the changed work. Evaluate the CC's proposed adjustment to contract price and time; and assist the County in negotiating Change Orders. Where changes are, or may be, the result of the Design Engineer's error or omission, the FIRM shall confidentially inform the County of such, and shall track all such changes separately on the County's behalf. Keep a log of all Requests for Information, Bulletins, Proposals and Change Orders.

Partial Occupancy and Beneficial Use - The FIRM shall assist the County in determining dates of Partial Occupancy of the Work, or portions thereof, designated by the County; and shall assist in obtaining any necessary temporary occupancy certificates. Review any lists prepared by the Design Engineer of incomplete or unsatisfactory work, prepare schedules for completing and correcting the Work, and monitor the completion/correction.

Field Office - The FIRM will be provided space within the Construction House and/or field trailer for use as temporary offices, during the construction phase. All FIRM's office equipment and supplies, including, but not limited to computers (with software and high speed internet access), printers, copiers, scanners, facsimile machines, etc. shall be provided, maintained, and subsequently removed by the FIRM, and the cost of same is included in the FIRM's Fee. Telephone service and up to 2 lines and telephones will be provided to the FIRM for exclusive use on this project, by the County.

New York State Revolving Loan Project – The County anticipates funding for this project under the New York State Revolving Fund program. Accordingly, the CM will be responsible to see that the Contractor(s) comply with the New York State Environmental Facilities Corporation (NYSEFC) bid package and guidance documents and forms which are part of the contract documents and are included herein. The CM will be responsible to administer this program on behalf of the County and provide the NYSEFC with the required compliance information.

Construction and Post-Construction Phase Services

Contract Closeout - Conduct final inspections with Design Engineer and the County, at the completion of each phase of the project, and prepare detailed punch lists (observed discrepancies, deficiencies and incomplete items of work), as required. It is understood that the project will be completed in phases and that multiple final inspections are needed. Compile project record documents collected during the construction phase and supplement with any information collected following occupancy. Review the as-built drawings provided by the CC and verify that the as-built drawings, to the best of the FIRM's knowledge, based upon the FIRM's observations during the progress of the project, document the actual construction of the project. The FIRM shall then transmit the verified as-built drawings to the Design Engineer for the preparation of record drawings. Schedule and record/document the training of County personnel with respect to the operation and maintenance of components and systems.

CC Claims and Disputed Work - The FIRM shall promptly review the CC's claims for additional compensation and/or extension of time, whether these claims are received during or after construction. Where the Work is disputed, promptly refer the matter(s) under dispute to the Design Engineer for interpretation. Confer with the Design Engineer, and advise the County on the quantum and merits of each claim, and/or recommended resolution of each dispute. At the County's request, and at no additional cost to the County, schedule and attend dispute resolution meetings related to each claim/dispute, whether or not such meetings are held during the construction or post-construction phase. With the County's concurrence, prepare written response to CC's claims, incorporating the Design Engineer's determination, where applicable.

Limitation of Services - Nothing contained in this Agreement shall be deemed to require or authorize the FIRM to perform any act or render any services other than those of a professional Construction Manager, as defined herein. The services, recommendations, and advice furnished by the FIRM shall not be deemed to be warranties, or guarantees, or constitute the practice of any profession other than that of a professional Construction Manager. Notwithstanding any language to the contrary, this Agreement shall neither require, nor authorize, the Construction Manager to assume any duty, role, responsibility, or obligation; or perform any task, function, or activity, which is properly that of the Design Engineer.

Exhibit "B"

PAYMENT SCHEDULE

Payment to the FIRM for all services under this Agreement that may be authorized under this Agreement, shall be made as follows:

The amount to be paid to the FIRM as full consideration for the FIRM's services under this Agreement, including any Extra Services that may be so authorized, shall not exceed Four Million Five Hundred Fifty Thousand ($4,550,000) dollars.

Compensation for services provided under the terms of this Agreement shall be on a monthly basis, the actual salaries paid to the technical personnel engaged in performing the service, exclusive of payroll taxes, insurance, and any and all fringe benefits, times a multiplier of two and ten hundredths (2.10).

Subcontractors engaged by the FIRM shall be compensated on the same basis as provided herein for employees of the FIRM. The FIRM shall be reimbursed the actual cost of the fees of the subcontractor as approved by the County.

The FIRM shall be reimbursed for the actual cost of "out-of-Pocket" expenses that have been approved in writing by the Commissioner of Public Works.

The FIRM shall prepare and attach to this Agreement a Maximum Hourly Wage Rate Schedule listing the job classifications and the maximum hourly wage rate for each classification. The salaries of all employees rendering services under this Agreement must be within the limits of the approved Maximum Hourly Wage Rate Schedule. The Maximum Hourly Wage Rate Schedule will be adjusted annually in accordance with any wage increases granted to County employees in the Civil Service Employees Association. The FIRM may grant an employee a salary increase within a classification or a change of classification upon written notification to the Department one month prior to the effective date of such increase or change and with written approval of the Department. Premium pay for overtime work, over and above the straight hourly rate, performed for any services rendered under this Agreement shall not be subject to any multiplier. In computing the cost to the County for overtime work performed, the overtime period shall be paid at the agreed multiplier times the straight hourly rate plus the actual premium cost incurred. Notwithstanding the foregoing, the maximum billable rate, after application of the multiplier for any services provided under the terms of this Agreement shall not exceed one hundred and seventy five dollars ($175.00)

Appendix EE

Equal Employment Opportunities for Minorities and Women

The provisions of this Appendix EE are hereby made a part of the document to which it is attached.

The Contractor shall comply with all federal, State and local statutory and constitutional anti-discrimination provisions. In addition, Local Law No. 14-2002, entitled "Participation by Minority Group Members and Women in Nassau County Contracts," governs all County Contracts as defined by such title and solicitations for bids or proposals for County Contracts. In accordance with Local Law 14-2002:

(a) The Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status in recruitment, employment, job assignments, promotions, upgrading, demotions, transfers, layoffs, terminations, and rates of pay or other forms of compensation. The Contractor will undertake or continue existing programs related to recruitment, employment, job assignments, promotions, upgrading, transfers, and rates of pay or other forms of compensation to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) At the request of the County contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, or marital status and that such employment agency, labor union, or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

(c) The Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the County Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(d) The Contractor shall make Best Efforts to solicit active participation by certified minority or women-owned business enterprises ("Certified M/WBEs") as defined in Section 101 of Local Law No. 14-2002, including the granting of Subcontracts.

(e) The Contractor shall, in its advertisements and solicitations for Subcontractors, indicate its interest in receiving bids from Certified M/WBEs and the requirement that Subcontractors must be equal opportunity employers.

(f) Contractors must notify and receive approval from the respective Department Head prior to issuing any Subcontracts and, at the time of requesting such authorization, must submit a signed Best Efforts Checklist.

(g) Contractors for projects under the supervision of the County's Department of Public Works shall also submit a utilization plan listing all proposed Subcontractors so that, to the greatest extent feasible, all Subcontractors will be approved prior to commencement of work. Any additions or changes to the list of subcontractors under the utilization plan shall be approved by the Commissioner of the Department of Public Works when made. A copy of the utilization plan any additions or changes thereto shall be submitted by the Contractor to the Office of Minority Affairs simultaneously with the submission to the Department of Public Works.

(h) At any time after Subcontractor approval has been requested and prior to being granted, the contracting agency may require the Contractor to submit Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises. In addition, the contracting agency may require the Contractor to submit such documentation at any time after Subcontractor approval when the contracting agency has reasonable cause to believe that the existing Best Efforts Checklist may be inaccurate. Within ten working days (10) of any such request by the contracting agency, the Contractor must submit Documentation.

(i) In the case where a request is made by the contracting agency or a Deputy County Executive acting on behalf of the contracting agency, the Contractor must, within two (2) working days of such request, submit evidence to demonstrate that it employed Best Efforts to obtain Certified M/WBE participation through proper documentation.

(j) Reward of a County Contract alone shall not be deemed or interpreted as approval of all Contractors' Subcontracts and Contractor's fulfillment of Best Efforts to obtain participation by Certified M/WBEs.

(k) A Contractor shall maintain Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises for a period of six (6) years. Failure to maintain such records shall be deemed failure to make Best Efforts to comply with this Appendix EE, evidence of false certification as M/WBE compliant or considered breach of the County Contract.

(l) The Contractor shall be bound by the provisions of Section 109 of Local Law No. 14-2002 providing for enforcement of violations as follows:

a. Upon receipt by the Executive Director of a complaint from a contracting agency that a County Contractor has failed to comply with the provisions of Local Law No. 14-2002, this Appendix EE or any other contractual provisions included in furtherance of Local Law No. 14-2002, the Executive Director will try to resolve the matter.

b. If efforts to resolve such matter to the satisfaction of all parties are unsuccessful, the Executive Director shall refer the matter, within thirty days (30) of receipt of the complaint, to the American Arbitration Association for proceeding thereon.

c. Upon conclusion of the arbitration proceedings, the arbitrator shall submit to the Executive Director his recommendations regarding the imposition of sanctions, fines or penalties. The Executive Director shall either (i) adopt the recommendation of the arbitrator (ii) determine that no sanctions, fines or penalties should be imposed or (iii) modify the recommendation of the arbitrator, provided that such modification shall not expand upon any sanction recommended or impose any new sanction, or increase the amount of any recommended fine or penalty. The Executive Director, within ten days (10) of receipt of the arbitrators' award and recommendations, shall file a determination of such matter and shall cause a copy of such determination to be served upon the respondent by personal service or by certified mail return receipt requested. The award of the arbitrator, and the fines and penalties imposed by the Executive Director, shall be final determinations and may only be vacated or modified as provided in the civil practice law and rules ("CPLR").

(m) The contractor shall provide contracting agency with information regarding all subcontracts awarded under any County Contract, including the amount of compensation paid to each Subcontractor and shall complete all forms provided by the Executive Director or the Department Head relating to subcontractor utilization and efforts to obtain M/WBE participation.

Failure to comply with provisions (a) through (m) above, as ultimately determined by the Executive Director, shall be a material breach of the contract constituting grounds for immediate termination. Once a final determination of failure to comply has been reached by the Executive Director, the determination of whether to terminate a contract shall rest with the Deputy County Executive with oversight responsibility for the contracting agency.

As used in this Appendix EE the term "Best Efforts Checklist" shall mean a list signed by the Contractor, listing the procedures it has undertaken to procure Subcontractors in accordance with this Appendix EE.

As used in this Appendix EE the term "County Contract" shall mean (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of twenty-five thousand dollars ($25,000), whereby a County contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the County; or (ii) a written agreement in excess of one hundred thousand dollars ($100,000), whereby a County contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon. However, the term "County Contract" does not include agreements or orders for the following services: banking services, insurance policies or contracts, or contracts with a County contracting agency for the sale of bonds, notes or other securities.

As used in this Appendix EE the term "County Contractor" means an individual, business enterprise, including sole proprietorship, partnership, corporation, not-for-profit corporation, or any other person or entity other than the County, whether a contractor, licensor, licensee or any other party, that is (i) a party to a County Contract, (ii) a bidder in connection with the award of a County Contract, or (iii) a proposed party to a County Contract, but shall not include any Subcontractor.

As used in this Appendix EE the term "County Contractor" shall mean a person or firm who will manage and be responsible for an entire contracted project.

As used in this Appendix EE "Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises" shall include, but is not limited to the following:

a. Proof of having advertised for bids, where appropriate, in minority publications, trade newspapers/notices and magazines, trade and union publications, and publications of general circulation in Nassau County and surrounding areas or having verbally solicited M/WBEs whom the County Contractor reasonably believed might have the qualifications to do the work. A copy of the advertisement, if used, shall be included to demonstrate that it contained language indicating that the County Contractor welcomed bids and quotes from M/WBE Subcontractors. In addition, proof of the date(s) any such advertisements appeared must be included in the Best Effort Documentation. If verbal solicitation is used, a County Contractor's affidavit with a notary's signature and stamp shall be required as part of the documentation.

b. Proof of having provided reasonable time for M/WBE Subcontractors to respond to bid opportunities according to industry norms and standards. A chart outlining the schedule/time frame used to obtain bids from M/WBEs is suggested to be included with the Best Effort Documentation.

c. Proof or affidavit of follow-up of telephone calls with potential M/WBE subcontractors encouraging their participation. Telephone logs indicating such action can be included with the Best Effort Documentation

d. Proof or affidavit that M/WBE Subcontractors were allowed to review bid specifications, blue prints and all other bid/RFP related items at no charge to the M/WBEs, other than reasonable documentation costs incurred by the County Contractor that are passed onto the M/WBE.

e. Proof or affidavit that sufficient time prior to making award was allowed for M/WBEs to participate effectively, to the extent practicable given the timeframe of the County Contract.

f. Proof or affidavit that negotiations were held in Best Efforts with interested M/WBEs, and that M/WBEs were not rejected as unqualified or unacceptable without sound business reasons based on (1) a thorough investigation of M/WBE qualifications and capabilities reviewed against industry custom and standards and (2) cost of performance. The basis for rejecting any M/WBE deemed unqualified by the County Contractor shall be included in the Best Effort Documentation.

g. If an M/WBE is rejected based on cost, the County Contractor must submit a list of all sub-bidders for each item of work solicited and their bid prices for the work.

h. The conditions of performance expected of Subcontractors by the County Contractor must also be included with the Best Effort Documentation

i. County Contractors may include any other type of documentation they feel necessary to further demonstrate their Best Efforts regarding their bid documents.

As used in this Appendix EE the term "Executive Director" shall mean the Executive Director of the Nassau County Office of Minority Affairs; provided, however, that Executive Director shall include a designee of the Executive Director except in the case of final determinations issued pursuant to Section (a) through (l) of these rules.

As used in this Appendix EE the term "Subcontract" shall mean an agreement consisting of part or parts of the contracted work of the County Contractor.

As used in this Appendix EE the term "Subcontractor" shall mean a person or firm who performs part or parts of the contracted work of the County Contractor. The work shall include, but not be limited to, labor, materials and/or supplies, and professional services necessary for a County Contractor to fulfill the obligations of a County Contract.

Appendix L

Certificate of Compliance

In compliance with Local Law 1-2006, as amended, the Proposer/Bidder hereby certifies the following:

1. The chief executive officer of the Proposer/Bidder is:

   Vincent A. Mangiere, Vice President (Name)

   Two Penn Plaza, Suite 0603, New York, NY 10121 (Address)

   212-268-1500 (Telephone Number)

2. The Proposer/Bidder agrees to comply with the requirements of the Nassau County Living Wage Law, and with all applicable federal, state and local laws.

3. In the past five years, Proposer/Bidder _____ has __X__ has not been found by a court or a government agency to have violated federal, state, or local laws regulating payment of wages or benefits, labor relations, or occupational safety and health. If a violation has been assessed by the Proposer/Bidder, describe below:

4. In the past five years, an administrative proceeding, investigation, or government body-initiated judicial action _____ has __X__ has not been commenced against or relating to the Proposer/Bidder. If such a proceeding, action, or investigation has been commenced, describe below:

____

____

____

____

5. Proposer/Bidder agrees to permit access to work sites and relevant payroll records by authorized County representatives for the purpose of monitoring compliance with the Living Wage Law and investigating employee complaints of noncompliance.

I hereby certify that I have read the foregoing statement and, to the best of my knowledge and belief, it is true, correct and complete. Any statement or representation made herein shall be accurate and true as of the date stated below.

June 26, 2014
Dated

Signature of Vice President

Vincent A. Mangiere
Name of Vice President

Sworn to before me this

26th day of June, 2014.

Notary Public

WILLIAM E. GOVE
NOTARY PUBLIC, STATE OF NEW YORK
No. 01GO6093479
QUALIFIED IN ROCKLAND COUNTY
MY COMMISSION EXPIRES JUNE 2, 2015