



Proposal

January 11, 2012

**Washington Parish Government:
Stand-by Debris Monitoring and
Recovery Services 2012-2015 –
CDM Smith – Louisiana Professional
Engineering License Number EF.0000144**



**CDM
Smith**



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January 11, 2012

Washington Parish Government
909 Pearl Street
Franklinton, Louisiana 70438

Subject: Washington Parish: Stand-by Debris Monitoring and Recovery Services 2012-2015

Dear Committee Member:

CDM Smith is pleased to submit this Proposal to Washington Parish Government. Having shared many of southeast Louisiana's struggles for recovery post-Katrina, we sincerely hope the need for our services for this project will be limited. However, we are committed to support the Parish with the resources to respond to future challenges. CDM Smith is uniquely qualified to provide the proposed services as follows:

- **Familiarity with FEMA** CDM Smith's resources give Washington Parish a thorough understanding of FEMA and successful approaches to public assistance gained through debris management, program management and infrastructure repairs throughout the Gulf Coast (City of Biloxi, City of Gulfport, Waveland, Hancock County, Ascension Parish, Jefferson Parish, St. Bernard Parish, St. Tammany Parish, Plaquemines Parish, City of Slidell, Terrebonne Parish, City of New Orleans).
- **Best Overall Cost** CDM Smith's unit rates should be comparable to our competitors. More importantly, CDM Smith is experienced in maximizing FEMA reimbursement, which will have the biggest impact on the Parish's overall costs.
- **Ability to Provide Required Services** The enclosed Section 2 demonstrates CDM Smith's 15+ year history in providing debris management services. This has allowed CDM Smith to refine and improve our approach to debris management. The end result was a high degree of satisfaction from FEMA when CDM Smith executed the massive Private Property Debris Removal Program for St. Tammany Parish.
- **Personnel, Equipment and Financial Resources to Provide a Quick Response** With offices on the Northshore, in New Orleans, St. Bernard, Gulfport, Baton Rouge, and beyond, CDM Smith will have the office support and supplies necessary to respond to variety of storm events regardless of location and size. With almost 6,000 staff including over 100 local staff, CDM Smith has the ability to quickly respond to the Parish's needs. As a firm with \$1 billion in annual revenue, CDM Smith can respond to the Parish' short-term needs despite the need to wait for FEMA reimbursement.





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- **Direct Louisiana Experience** With an office in the City of New Orleans for 40 years, CDM Smith has provided services throughout south Louisiana. This has included over \$30 million in debris management services for a wide variety of clients in south Louisiana including Ascension Parish, Jefferson Parish, St. Bernard Parish (asbestos inspection and oversight), St. Tammany Parish, City of the Slidell and the current home demolition program for the Louisiana Land Trust.

Most importantly, as local residents, many of the CDM Smith team understands your desire and need to restore Washington Parish quickly and effectively in future storm events. We thank you for the opportunity to remain prepared to provide additional services to Washington Parish.

Sincerely,

A handwritten signature in black ink, appearing to read "Amer Tufail". The signature is stylized with a large, sweeping initial "A" and a long, vertical stroke extending downwards from the end of the name.

Amer Tufail
Associate
CDM Smith Inc.

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INTRODUCTION: COMPANY INFORMATION AND EXECUTIVE SUMMARY

Section 1

COMPANY INTRODUCTION

CDM Smith Inc. (CDM Smith) provides integrated solutions in water, environment, transportation, energy and facilities to public and private clients worldwide. As a full-service consulting, engineering, construction, and operations firm, we deliver exceptional client service, quality results and enduring value across the entire project life cycle.

In February 2011, Camp Dresser & McKee Inc. (CDM) and Wilbur Smith Associates (WSA) joined forces and WSA became a wholly-owned subsidiary of CDM. In December 2011, Camp Dresser & McKee Inc. officially changed the parent company legal name and registration to CDM Smith Inc. In January 2012, WSA merged into CDM Smith Inc., and officially registered the merger and name change in all applicable jurisdictions. Exceptions are noted below.

CDM Smith is comprised of nearly 6,000 employees whose unwavering focus remains on creating innovative and lasting solutions that improve environmental value, quality of life and economic prosperity. With more than \$1 billion in annual revenues, we maintain the size, stability and resources to successfully undertake a diverse range of projects, applying local knowledge through a network of more than 125 offices worldwide while leveraging the full resources and expertise of our global staff.

Please find our New Orleans office information below.

CDM Smith
1515 Poydras Street, Suite 1350
New Orleans, Louisiana 70112
(504) 799-1100 (telephone)
(504) 412-8260 (fax)
TufailA@cdmsmith.com (Firm's authorized negotiator's email)
www.cdmsmith.com
Louisiana Professional License Number EF.0000144

CDM Smith is a corporation. Listed below is our firm's Board of Directors.

- Richard D. Fox, Chairman and Chief Executive Officer
- Charlene P. Allen, Senior Vice President, Human Resources
- Paul R. Brown, Executive Vice President, Global Market Development
- Paul G. Camell, Executive Vice President, Mergers & Acquisitions and Chief Administrative Officer

- William S. Howard, Executive Vice President and Chief Technical Officer
- Alex H. Makled, Group President, Europe, Middle East and Africa
- John D. Manning, President and Chief Operating Officer
- William K. O'Brien, Retired Global Managing Partner, PricewaterhouseCoopers
- Paul R. Shea, Group President, CDM Constructors Inc.
- M. Stevenson Smith, Executive Vice President
- Howard H. Stevenson, Sarofim-Rock Baker Foundation Professor, Senior Associate Dean and Director of HBS Publishing
- Guillermo J. Vicens, Group President, Consulting & Engineering Divisions
- Timothy B. Wall, Group President, Federal Services Group
- Gae Walters, President, Millennium

CDM Smith Inc. was established in 2011 as the original partnership of CDM (established in 1947) and WSA (established in 1952).

Please find our firm's authorized negotiator's information below. Mr. Tufail is empowered to make binding commitments for CDM Smith and our subcontractors.

Amer Tufail, P.E.
Associate
1515 Poydras Street, Suite 1350
New Orleans, Louisiana 70112
(504) 799-1100

TECHNICAL APPROACH

The debris left after a major disaster can be massive and create a unique set of public health and safety problems. In addition to assisting local clients, CDM Smith has assisted communities across the United States with the assessment, clean up, and reconstruction of public infrastructure following major disasters. CDM Smith's strength comes from our breadth of experience. Our services include a range of engineering, program management, and project management services required to assist clients in their hurricane and debris clean-up efforts. CDM Smith has the necessary staff to implement disaster response activities, perform contract management duties, and coordinate with Federal Emergency Management Association (FEMA) reimbursement officials.

The response strategy is complex and requires close communication and coordination between the local jurisdiction, hauling contractors, and management team. CDM Smith can work side-by-side with the municipal staff and hauling contractors utilizing previous experience to develop an overall management plan. This capability was demonstrated effectively in St. Tammany

*Please find our
firm qualifications,
project experience and
references in Section 2.*

Parish, Jefferson Parish, and St. Bernard Parish recovery efforts associated with Hurricane Katrina.

CDM Smith Emergency Services

CDM Smith has had the opportunity to assist many communities in the southeast and across the United States with the assessment, clean up, and reconstruction of public infrastructure following major disasters. Our work in St. Tammany Parish on Private Property Debris Removal, Waterway Debris Removal, Blighted Homes processing and demolition, and Salt Water Tree Removal for Hurricane Katrina has been a model for this type of project. This model has also been effectively applied in Jefferson Parish, Ascension Parish, and the City of Slidell. If home demolition is required, CDM Smith can also apply the specialized expertise needed, such as asbestos inspection. This was demonstrated in our efforts in support of over 7,000 home demolitions in St. Bernard Parish. CDM Smith’s strength comes from our breadth of experience in engineering projects. Our services include all engineering, program management, and project management services required to assist clients in their hurricane and debris clean-up efforts. CDM Smith has the necessary personnel to implement disaster response activities, perform contract management duties and coordinate with FEMA reimbursement officials.

Proposed Plan for Providing Services and Execution of the Work

Many local governments have taken a proactive view of their role in responding to a disaster and has been working on and improving their Emergency Preparedness Plans and Disaster Debris Management Plans. Models for disaster debris management plans usually consist of two parts. The first part includes securing debris hauling contractors (“Stick Pick-up”) ready to respond should a disaster occur. The second part is the overall planning, implementation, and management of all activities associated with pre- and post- disaster activities. CDM Smith has the required personnel and experience to assist clients in the second task of the plan

The overall effort to accomplish these tasks is complex and requires close communications between the local government, hauling contractors, and the overall management team. CDM Smith can work side-by-side with Parish staff and hauling contractors utilizing previous experience to develop or modify an overall management plan.

CDM Smith’s management plans include several scenarios for different hurricane/disaster magnitudes (i.e., Category 1 to Category 5 hurricanes). In the plans, implementation of pre-identified Temporary Debris Storage Reduction Sites (TDSRSs) is activated based on the anticipated debris quantities and the centroid (location) of the generated debris. Site supervisor and personnel needs are assessed and implemented, based on the disaster’s order of magnitude. CDM Smith is responsible for coordinating and monitoring private-sector debris removal, reduction, and disposal operations. CDM Smith is also responsible

for coordinating with local, state, and FEMA personnel providing sufficient documentation to maximize recovery of disaster relief funds.

Debris Management Team Organization

The CDM Smith Project Manager reports directly to the Parish’s project manager, and coordinates all DMT actions and responsibilities. Reporting directly to the DMT manager is the field supervisor, a HAZMAT specialist, a contract compliance specialist, and a public relations specialist (if the Parish determines the need). The DMT manager is supported by an administrative assistant to assist with word-processing, document reproduction, filing, and other clerical duties.

CDM Smith Field Supervisors manage the inspection and oversight staff consisting of debris management site monitors and debris collection and hauling monitors. Each field supervisor is responsible for management of personnel within a specific area. The required number of field supervisors and debris collection and hauling monitors is identified during development of the overall management plan and based on the severity of the disaster event and associated debris quantities under each scenario. For Washington Parish, a large pool of trained local specialists has been developed through our Hurricane Katrina work. These specialists have also had recent experience associated with Hurricane Gustav and an ice storm event earlier this year in Arkansas, and home demolitions ongoing for the Louisiana Land Trust.

Work Plan

The following is a general Work Plan proposed to achieve your goals and objectives. Though the proposed Work Plan can be modified as necessary, the proposed Work Plan is based on recent successful emergency response operations conducted by CDM Smith. The Work Plan is updated annually to reflect issues identified during the annual training workshops and hurricane exercises.

The following general steps are followed throughout the proposed Work Plan:

1. Conduct a kick-off meeting with Parish personnel involved in emergency response and disaster debris management (EDM). The purpose of this meeting is to review the work performed to date by the Parish on EDM, learn about the experience gained over the past several years, establish lines of communications, and plan for execution of the project.
2. Develop a training program and conduct training of select Parish staff in essential debris management and collection functions to ensure appropriate and responsive interface with field debris collection contractors and Parish, state, and federal agencies. Training will be streamlined for those staff already experienced with recovery work in Washington Parish.
3. Conduct site visits to the identified TDSRS sites and designated check points to verify information and get familiar with the sites in terms of accessibility and obtaining baseline data. Utilize existing sites as appropriate.

4. Assist the Parish in developing an implementation plan including scheduling, dispatching, and logistical operations of the field inspectors assigned to work areas for storm debris cleanup. This includes:
 - a) Providing overall supervision of the field operations – experienced local field supervisors will exercise daily operational control of the field personnel.
 - b) Recommending assignment of disaster debris removal and disposal contractors based on the developed implementation plan and affected areas. Our local knowledge and experience will be helpful in selecting capable contractors.
 - c) Providing oversight of the disaster debris removal and disposal contractor's efforts. Specific actions will include the following:
 - Planning debris management sites inspection, quality control and other contract administration functions
 - Providing inspectors to monitor debris removal and to distribute load tickets on each load to invoice areas assigned
 - Receiving and reviewing all of the Parish disposal site inspector's verified debris load tickets
 - Making recommendations on haulers work assignments and priorities based on the developed implementation plan
 - Reporting on progress and preparing status briefings
 - Providing input to public relations personnel on debris removal and disposal activities
 - Coordinating with the Parish's purchasing agent on all contracting questions
 - Maintaining a qualified hazardous materials specialist available with extensive experience in post-disaster cleanup of hazardous household waste, and facilities with lead-based paint and/or asbestos, if required
 - Providing experienced local field inspection teams to ensure that requirements stated in the contracts are met
 - Providing on-site training for load site inspectors and disposal site inspectors to ensure that accurate load quantities are being properly recorded on pre-printed load tickets. Local experienced monitors will be used for the initial work.
 - Planning for ongoing environmental data collection on TDSRS, and maintaining proper access to the sites to quickly collect baseline data and permit activated TDSRS sites.
 - Working with local contractors as necessary to accomplish this.

5. Assist the Parish in conducting an annual tabletop exercise to determine the adequacy of the debris removal and debris management process. Training and planning will benefit from CDM Smith’s recent experience with the St. Tammany PPDR and WWDR programs. The training includes the following as a response to a theoretical event:
 - a) Review of the Debris Management Plan and Emergency Response Work plan
 - b) Roles and responsibilities (EDM Team, Parish employees)
 - c) Logistical support
 - d) Pre-storm mobilization procedures
 - e) Procedures for call-up of contractor’s personnel and equipment
 - f) Haul routing
 - g) Contractor vehicle identification and registration
 - h) Debris hauling load ticket administration
 - i) Load volume determination procedures
 - j) Mobilization and operation of the debris management sites
 - k) Contractor payment request submission, review and verification
 - l) Special procedures for household hazardous waste
 - m) Debris management site closure requirements
 - n) Disaster reimbursement eligibility and issues

Innovative Approaches through Lessons Learned

Through past emergency response efforts CDM Smith has identified several key issues and problems that are critical to the success of the response.

CDM Smith has implemented the Private Property Debris Removal Program and Waterway Debris Removal Program for St. Tammany Parish in response to Hurricane Katrina. Utilizing the Parish’s Debris Management Plan as well as our own systems, **CDM Smith successfully managed debris from over 5,000 Right of Entry sites as well as 500 voluntary demolition applications and over 700 abandoned homes** that needed to be demolished and removed. Through analysis of the Lessons Learned from previous projects, the following anticipated issues and problems were developed.

Communication

Clear and consistent communication between Washington Parish, CDM Smith, and hauling contractors; assisting government agencies; and assisting the public are perhaps the most important issues in any emergency response. The project coordinator will serve as the point-of-contact between Washington Parish, field personnel, and emergency response agencies such as FEMA. The single

point-of-contact method has proven reliable and effective on past disaster response projects.

From a logistics standpoint, field personnel must be able to maintain effective communications with each other and the management. Selecting communication equipment that will work following a disaster is a key element in sustaining communications between mobile field personnel scattered throughout the Parish.

Contract Compliance and Regulatory Reimbursement Issues

Outside of facilitating a safe, effective, and timely recovery, one of CDM Smith's major responsibilities should include helping Washington Parish realize the highest degree of federal and state reimbursement for all debris cleanup activities. CDM Smith is comprised of staff highly experienced in regulatory compliance issues. CDM Smith uniquely provides contract/regulatory compliance consulting throughout the states, helping municipalities and governments obtain quick and substantial reimbursement from federal and state funding mechanisms. CDM Smith has established contacts and lines of communication with State and Federal regulators as part of our work for past disaster recovery projects/programs for multiple municipalities.

Load and Volume Disputes

Disputes between contractors, subcontractors, and the debris contract monitors have been frequent in past recovery efforts when payment is based on volume of material collected, hauled, and/or disposed. CDM Smith has successfully handled this issue in St. Tammany Parish, Ascension Parish, Jefferson Parish, and the City of Slidell. By preparing a standardized measurement system ahead of time that is agreeable to all parties and by providing training to load site inspectors prior to the disaster, this problem can be alleviated.

One accepted method of standardizing load volume determination is by using a pictorial reference to determine the "percentage full" of a particular truck, or truck size. With this method, reference pictures are prepared before the response, or during the initial days of the response, and show various trucks and sizes with different load volumes. The load volume reference pictures are agreed to by both the contractor and oversight team. During the recovery, to determine a load volume, the site inspector will reference the picture that most closely matches the volume of debris in the truck undergoing inspection, and assign that percentage. The percentage is converted to an actual volume, based on the truck's total capacity.

CDM Smith annually reviews volume estimation techniques, including those used or approved by FEMA, and can make suggestions for the most appropriate load determination technique during the annual training workshop.

CDM Smith has recently had the opportunity while working with the City of Slidell to partner with a company, PMR, that created an excellent electronic ticket tracking software system. This system was introduced to the CDM Smith team on the City of Slidell demolition project. PMR trained CDM Smith's monitors to utilize this cost saving software in only a matter of hours. This software

allowed “real time” debris removal quantity updates as well as current location of debris crews. This system reduced the need for many “clerical” positions and associated FEMA funding required. This system also allowed the CDM Smith Team to work much more effectively and efficiently while still providing the most qualified debris monitoring resources available.

Logistics

The quick mobilization of staff and equipment from multiple locations is difficult under any scenario, but exacerbated following a disaster, when transportation and communication have been disrupted. CDM Smith understands that timely and effective mobilization is a key element in the success of a response operation, and has demonstrated this in recent years. To provide for an effective mobilization within the first few weeks of the response, annual training of key staff is crucial. Our recent experience in St. Tammany Parish will allow us to rapidly mobilize trained and experienced local staff for this project.

Additional measures, such as maintaining updated lists of local accommodations and equipment suppliers, can ease the logistical nightmare that a response effort sometimes brings. CDM Smith’s opportunity to work with PMR, a company that has created an excellent electronic ticket tracking software system, also allows the CDM Smith Team to work much more effectively and efficiently while still providing the most qualified debris monitoring resources available.

Quality Assurance and Quality Control

CDM Smith’s Quality Assurance and Quality Control (QA/QC) program applies to both prepared documents and field activities. CDM Smith will review the prepared documents for quality control. In addition, a Technical Review Committee (TRC) composed of highly experienced personnel is identified to provide quality assurance reviews. The TRC personnel will review the prepared documents at approximately 30, 60, and 90 percent completion.

Field QA/QC includes training debris removal sites and TDSRS inspectors to properly complete required forms based on local, state and FEMA guidelines. Site supervisors will review the completed form daily and provide input to the inspectors, as necessary, to ensure proper records keeping. Procedures will be established to easily identify load tickets from originating debris removal sites. CDM Smith’s Project Manager and Project Coordinator/Operations Managers will randomly check completed forms for QA.

PROJECT UNDERSTANDING

CDM Smith proposes to provide Washington Parish with professional services in the management and oversight of the Debris Removal Contractor. CDM Smith will handle program coordination, debris monitoring and supervision of debris monitoring and act as an extension of staff for Washington Parish in the daily operations of debris removal from designated areas that were heavily impacted by a disaster. CDM Smith understands that the debris will include vegetative material, construction debris, white goods, non-contaminated soils, marsh grass, wood, metal, plastic, glass, rubber vinyl, fiberglass, automobiles, boats, houses, trailers, mobile homes, and limited hazardous waste.

CDM Smith will implement this program according to the needs of Washington Parish and FEMA and will follow the general procedures outlined in the previous sections as applicable. CDM Smith understands that the work will be ongoing seven days per week, and weekly effort will likely exceed 40 hours per worker. CDM Smith will provide any field equipment necessary to access work sites, including boats. CDM Smith will implement a health and safety program for all our field staff.

Project Team

CDM Smith will provide management and staffing needed to organize and perform necessary debris removal work. Our goal will be to rapidly deploy and support the Parish's immediate and long term needs. CDM Smith has experienced, local personnel that are specialized in assessing potentially hazardous materials; supervising and regulating debris removal and monitoring activities; coordinating with citizen groups; and implementing federal, state and parish protocol. Given our regional presence CDM Smith is familiar with the Parish's local needs and sensitivities.

Staffing

CDM Smith is prepared to assign experienced and capable local staff to this project immediately using existing personnel whom have been working on other hurricane related projects in the area. CDM Smith will work closely with the Parish in the development of a debris management plan or adaptation of existing plans and in assigning appropriate staff. We have prepared an organizational chart which illustrates the individuals who will be assigned to the project. CDM Smith has a large pool of qualified staff from which to draw for this work (see Section 3 for resumes of key staff). The project will be managed by Robert "Bob" Batherson (Project Manager). He has a wide range of experience in solid waste management including hurricane debris management in the Greater New Orleans area. Mr. Batherson was the Project Manager for coordination of asbestos sampling and oversight for the St. Bernard Private Property Debris Removal Program and the Debris Removal program in St. Tammany Parish. Mr. Batherson shall be the designated contact person to the Parish and shall handle all correspondence and meetings with the Parish, FEMA, and the Push and Debris Removal contractors.

Assisting in the Program Management role as Project Coordinator and Operations Manager, respectively, will be Michael Enlow and/or Steve Ates. Mr. Enlow has been engaged in management of the Ascension Parish Debris removal program resulting from Hurricane Gustav and the Blytheville, Arkansas debris removal program resulting from an ice storm earlier this year. Mr. Enlow also played a key role in St. Tammany Parish for the Private property Debris Removal and the Waterway Debris Removal programs post-Hurricane Katrina. Mr. Ates has extensive experience in coordination of asbestos inspection and demolition activities for St. Bernard's PPDR program. He also coordinated similar activities for the properties that have been demolished by the Louisiana Land Trust thus far.

Larry Colgan (Supervisor) will lead Field Operations. Mr. Colgan has been a key disaster response leader for several Hurricane Katrina recovery projects including debris removal projects in St. Tammany and Jefferson Parishes and oversight of demolition for the Louisiana Land Trust. Mr. Colgan will play a critical role in identifying technical needs and assigning staff. Experienced Crew Leaders who also have recent FEMA project experience will assist Mr. Colgan.

Tom Parker will also be involved in project technical planning and oversight. Mr. Parker managed FEMA debris removal for Los Alamos, New Mexico several years ago after a devastating forest fire encroached on urban subdivisions.

Serving as FEMA Reimbursement Specialist will be Nancy Whitten. Previous to her employment at CDM Smith, Ms. Whitten served as Division Manager over Debris and Demolition Operations for FEMA. In her role she gained extensive experience in eligibility determinations and composition of Project Worksheets comprehensive over FEMA "A" through "G" categories of work.

At CDM Smith she has been responsible for providing support to St. Bernard Parish Government, the Public Works Department, and the Finance Director for the \$200 million infrastructure program. She assisted all parties with grant administration, PW management, and appeals and represented St. Bernard Parish in meetings with FEMA/State to discuss status of PW'S, versions needed, and PW funding constraints. Ms. Whitten implemented a program with the State of Louisiana that allowed St. Bernard to receive 10% advance funding for Architect and Engineering fees and 75% of construction fees on permanent work PWs that were obligated by FEMA.

Staffing for the site monitors and truck certifiers will be drawn from our pool of technicians who have been working on the various debris removal projects throughout the Greater New Orleans area as well as other hurricane recovery projects, including FEMA Trailer coordinators and dump site monitors. CDM Smith had a staff of over 120 field monitors and office support people working exclusively on the St. Tammany Parish Projects. **These experienced workers will be utilized as "First Responders" on any new debris management projects.** We have initially listed monitors for loading/staging sites, dump sites and truck certification on the organizational chart; however, more will be provided if needed and the mix of positions may change as required. All of our monitors and technicians have been screened by a thorough background check and have been approved by FEMA. CDM Smith will select the monitors for each position based on skills needed and experience. We have more than enough people to provide all the positions necessary to successfully implement and complete this work. Each category of worker has been or will be trained in the required duties and provided with sufficient equipment and supplies to perform the work required. Written instructions and procedures have been developed for each category of worker as well as for work flow and documentation.

Specifically, CDM Smith will provide personnel in addition to those described above as follows:

Loading/Staging Site Monitors

Loading/Staging Site Monitors will be provided as needed. Skilled and experienced monitors are available from the various debris removal projects throughout Greater New Orleans. The Loading/Staging Site Monitors will have their own transportation. The number of monitors will be adjusted according to work load at each site. These monitors will be responsible for oversight of each designated loading site. The Site Monitors will perform their duties under the direction of the Crew Leader and Supervisor. Duties of the Site Monitors include but are not limited to:

- Determining eligible debris
- Monitoring the loading of vehicles or vessel
- Load ticket oversight and approval
- Record keeping of loads, dates, drivers, truck/vessel capacities, truck/vessel number, debris type, and site location(s)
- Observation of vehicles/vessels

Dump Site Monitors

Sufficient Monitors will be provided to cover all designated dump sites as required. Skilled and experienced monitors are available from various debris removal projects throughout Greater New Orleans. The Dump Site Monitors will have their own transportation. The Dump Site Monitors will be responsible for oversight of each designated dump site. The Dump Site Monitors will perform their duties under the direction of the Crew Leader and Supervisor. Duties of the Site Monitors include but are not limited to:

- Determine percent full of truck/vessel
- Identify type of waste
- Check load ticket and approve if accurate
- Record keeping of loads, dates, drivers, truck/vessel capacities, truck/vessel number, debris type, and site location(s)
- Report any problems to supervisor

Truck Certification

Initially two Truck Certification Technicians will be assigned to the project. The number of Truck Certification Technicians assigned to the project may change if necessary. It is likely that they will be needed mostly at startup to certify trucks/vessels to be used by the Debris Removal Contractor. Truck Certification Technicians will provide their own vehicles. Each will be adequately trained and provided with oversight so that accurate measurement of truck/vessel volumes can be made and recorded according to FEMA requirements. In addition, CDM Smith will provide quality control checking of truck/vessel volumes on a random basis to assure accuracy. Truck Certification Technicians will perform the following:

- Measure and calculate truck/vessel volume

- Complete appropriate certification documentation
- Tag truck/vessel according to FEMA standards

Crew Leaders

CDM Smith will assign Crew Leaders as required to provide direct oversight and management of the Monitors and Technicians. CDM Smith has developed a pool of outstanding crew leaders from various debris removal projects throughout Greater New Orleans, and currently has many crew leaders and supervisors readily available from the ongoing Louisiana Land Trust project. Crew Leaders will provide their own vehicles. Each Crew Leader will be assigned specific sites and crews to oversee. The number of Crew Leaders will be minimized but initially two will be provided. Crew Leaders will report directly to the Supervisor.

Duties of the Crew Leaders include:

- Coordination of daily field operations of the monitors and technicians
- Distribute and collect load tickets
- Documentation of hours worked
- Report any problems to Supervisor

Supervisors

The Supervisors are responsible for the oversight and management of all field operations. Various debris removal projects throughout the Greater New Orleans area has provided CDM Smith with a group of highly skilled and experienced supervisors. The Supervisors will be located at a temporary office near the affected sites. Each site office will be equipped with desks, phone, fax, copy machine, computer, internet connection, and other necessary office supplies. The Supervisor will be supported by clerical help from the CDM Smith office in New Orleans. The Supervisor will be responsible for:

- Coordination of all field operations and management of all field personnel
- Distribution and collection of all load monitoring documentation
- Quality checking of forms and data
- Determining work assignments
- Coordination with Debris Removal Contractor
- Coordination with Parish personnel
- Report to Project Coordinator

Project Manager

Mr. Batherson will be the Project Manager for this project and will be responsible for all project activities and personnel. Mr. Batherson is the designated contact person for the Parish and will handle all correspondence and meetings with the Parish, FEMA, and the Push and Debris Removal contractors. Mr. Batherson is a senior CDM Smith Project Manager with extensive experience

working on municipal projects and hurricane debris removal. Duties of the Project Coordinator to include:

- Coordinate and attend meetings with Parish and/or Debris Removal Contractor(s)
- Establish data management - document control system
- Communicate regularly with the Parish and Debris Removal Contractor(s)
- Provide controls and systems for ensuring accuracy and compatibility with FEMA reimbursement rules and requirements

Safety Officer

CDM Smith can provide a hazardous materials specialist (Safety Officer) to oversee development of specifications and contractor removal of household hazardous waste, lead based paint, and/or asbestos materials. This specialist would provide oversight and coordination of certified asbestos inspectors and other specialized staff as required. Mr. Dan Buss will be assigned to address if needed, and already has extensive experience in St. Bernard's PPDR program providing oversight of asbestos inspection and demolition activities.

Other Staff

If additional technical staff are needed, CDM Smith will draw from our pool of nearly 6,000 professionals to meet any additional needs the Parish may encounter.

Reporting Requirement

1. CDM Smith will develop appropriate reporting forms and submit daily report to the Parish as required. Reports shall include: site operations, volumes, contractors working, locations worked, and problems/issues.
2. CDM Smith will develop and submit a weekly report each Friday. Weekly Report will summarize activities and volumes for the previous week and projected work for the following week.
3. From the document management system, CDM Smith will provide detailed reports including:
 - a) Listing of load tickets in spreadsheet format
 - b) Original load tickets (sorted)
 - c) Truck certification tickets
 - d) Supervisors daily log

QUALIFICATIONS OF THE FIRM

Section 2

FIRM QUALIFICATIONS

Local Presence

CDM Smith maintains a fully functional St. Tammany Parish office, which affords Washington Parish the benefit of a local presence, immediate access, and local execution. CDM Smith also maintains offices in New Orleans, St. Bernard Parish, Baton Rouge, and Gulfport, Mississippi that also offer the opportunity to respond immediately after a disaster. Additionally, CDM Smith has other offices within the gulf south region which presents Washington Parish the benefits of a locally based firm capable of mobilizing staff to several locations to begin the disaster recovery process immediately following a disaster.

A Reputation You Can Trust

CDM Smith has over 60 years of experience completing civil works, infrastructure, and facilities projects of all sizes throughout the world. CDM Smith's core team offers more than 60 combined years of FEMA Public Assistance and Individual Assistance experience ranging from documenting and estimating damages to facilities to Project Worksheet Development and project closeout.

Urgent, expert, compassionate, sustained—these are hallmarks of CDM Smith's response to natural and human-caused disasters. Because CDM Smith's core team is local and has been in the New Orleans Metropolitan area for extended periods, we have a unique understanding of the urgency and compassion required to successfully respond to disasters as well as the expertise and sustainable resources to be by your side as recovery is completed.

Fast Response

CDM Smith employs more than 750 professionals in 28 offices in the gulf coast area stretching from the Gulf Coast of Texas to the Atlantic Coast of Florida. Within hours following a disaster, CDM Smith can assemble its core team to assess the needs of the situation and within days of getting boots on the ground, the CDM Smith core team can be supplemented with the appropriate multi-disciplinary staffing of qualified personnel to provide short-term, quick-response disaster relief and emergency rehabilitation efforts as well as long-term program and project management services.

Comprehensive Service Offerings

CDM Smith's expertise encompasses all aspects of emergency response including FEMA Public Assistance, debris management, provision of emergency water and wastewater services, stormwater management, water resources management, solid waste removal, vector control, hazardous waste remediation, and

transportation services, including road and runway repairs, building construction, and infrastructure management. This wide range spectrum of expertise offers a big picture view to the recovery effort.

Emergency Response-Trained Resources

Since 2004, CDM Smith has maintained a segment of staff trained in emergency response including FEMA Public Assistance. In 2004, CDM Smith quickly mobilized staff to respond to emergency needs during the Atlantic Hurricane Season through performing damage assessments, writing project worksheets (PWs), and providing other Public Assistance services as required. This response continues, and has included assignments in the Gulf Coast in response to Hurricanes Katrina and Rita as well as Gustav and Ike. Under CDM Smith's current contracts for FEMA support we have deployed over 70 staff in the three gulf coast states hardest hit by hurricanes in public assistance and individual assistance roles. None of these assignments has included Washington Parish. If the CDM Smith team is activated in response to a disaster declaration, FEMA PA expertise will be drawn from these staff members and will be a part of the Washington Parish Response/Program Management Team.

Single Point of Responsibility

CDM Smith will assign a single point of contact whose responsibility is to focus on your needs and work with Washington Parish staff to determine the appropriate number and skill sets of the program management team. CDM Smith's Project Manager is the single point of responsibility for all aspects of a project, simplifying project administration and coordination.

Strength Under Pressure

CDM Smith's diversity of staff professionals coupled with our experience in handling emergency response provides the necessary expertise for this project. CDM Smith has assisted many communities across the United States and worldwide with the assessment, clean up and reconstruction of public infrastructure following major disasters. CDM Smith's strength comes from our breadth of experience. Our services include a range of engineering, program management, and project management services required to assist clients in their disaster debris clean-up efforts. CDM Smith has the necessary staff to implement disaster response activities, perform contract management duties, coordinate with FEMA reimbursement officials, coordinate with other international relief organizations, and coordinate with other government contractors.

FEMA Trained

The CDM Smith Team is FEMA trained in disaster recovery. We have mitigation specialists and FEMA project officers who can lend their review of documentation, and we have hazard mitigation specialists on hand to assist in this endeavor.

In short, we are qualified, and as a local team with national support, we provide the expertise required to assist you in working with FEMA and in obtaining the requisite FEMA approval for your recovery program.

CDM Smith, as part of a nationwide Indefinite Delivery/Indefinite Quantity contract between FEMA and Fluor, has provided services under the Technical Assistance Contract as disaster assessment specialists. We provided services to several communities in Florida and Alabama in response to the 2004 hurricanes. In response to Hurricanes Katrina and Rita in the gulf coast, CDM Smith has provided similar services.

EXPERIENCE

As indicated in the following projects, CDM Smith has provided over 15 years of assistance to municipal clients in debris removal and disaster recovery management, and CDM Smith has provided these services throughout Greater New Orleans before and after Hurricanes Katrina and Rita. Since Hurricanes Katrina and Rita CDM Smith has provided these services to Ascension Parish, Jefferson Parish, City of Slidell, St. Bernard Parish, and St. Tammany Parish. In addition, CDM Smith is currently providing oversight of home demolition for the Louisiana Land Trust involving over 9,000 properties state wide and over 5,000 properties in Greater New Orleans.

Corporate Experience

CDM Smith does not anticipate a need to expand if awarded this project. Due to numerous projects completed by CDM Smith we anticipate adequate experience staff available for project coordinators, assistance project coordinators, supervisors and crew leaders. In addition, CDM Smith already has over 100 staff in Greater New Orleans, including an office in St. Tammany Parish. As with all debris removal operations, field monitors and companies will be hired as required. CDM Smith, through past projects, has an extensive list of available monitors if needed. In addition, CDM Smith has available monitors from ongoing projects.

Project Experience

St. Tammany Parish Private Property Demolition and Debris Removal Program (March 2006-January 2009)

To meet impending deadlines for 100% FEMA reimbursement for house demolition and debris removal, CDM Smith provided quick response to St. Tammany Parish's needs to start and implement this program. CDM Smith met all the Parish's needs to implement this program for development and manning of a call in center, receipt processing and review of right of entries for property demolition and debris removal to development and oversight of



the debris removal program. Development and oversight of the debris removal program included comprehensive activities including development of debris removal and demolition plans, preparation of bidding documents for contract debris removal, GIS documentation and GPS tracking of affected properties, database management and oversight of all debris removal contractors.

CDM Smith met multiple stringent demands to staff the project within a short time frame. Within five days of receipt of notice to proceed CDM Smith mobilized a staff of over 20 people and organized, manned and staffed a call center. Within the first month of the Notice-to-Proceed CDM Smith provided dozens of inspectors to provide determinations on debris threatening existing structures and the need to demolish existing structures. Upon selection of a contractor CDM Smith provided a staff in excess of 70 to monitor contractors and provide oversight of the program. CDM Smith's fast response and close coordination with FEMA to assure their approval of all program actions provided St. Tammany Parish the maximum reimbursement amount under this program from FEMA.

St. Tammany Parish Waterway Debris Removal (March 2006 - December 2008)



Following Hurricane Katrina St. Tammany Parish experienced a wide variety of debris within the drainage canals and waterways within the Parish. Debris ranged from lumber, trees, white goods, boats and automobiles. During storm events this debris presented a potential flooding hazard until drainage structures could be cleared. To meet impending deadlines for 100 percent FEMA reimbursement for debris removal CDM Smith provided a quick response to St. Tammany Parish to implement this program. Within five days of Notice-

to-Proceed CDM Smith provided oversight of bid package to remove debris from the drainage structures. This oversight included review of provisions for all anticipated debris to be encountered and payment quantities for each type. CDM Smith also mobilized over 60 personnel to provide oversight of debris removal to maximize the crews utilized by the contractor to achieve debris removal prior to the deadline for 100% FEMA reimbursement. CDM Smith also provided close coordination with FEMA to assure all activities were reimbursable to St. Tammany Parish.

St. Bernard Parish Private Property Demolition Program (March 2006-June 2009)

To facilitate demolition requests for over 17,000 homes in St. Bernard Parish, CDM Smith provided inspections for the presence of asbestos. To assure inspection of all structures within a four month period, CDM Smith mobilized over 20 asbestos inspectors within two weeks to assess all suspect properties. CDM Smith developed the protocol for inspecting and obtaining samples for all suspect properties including all health and safety requirements for inspectors. CDM Smith also coordinated the activities of all laboratory analyses required for each sample obtained. Because over 20 samples could be obtained per house, coordination of this activity was monumental. CDM Smith ultimately provided the determination on how each home slated for demolition would be addressed including ultimate disposal site and the need for abatement prior to demolition and or monitoring during demolition.

Louisiana Land Trust Home Demolition Program (January 2009 - Present)

The purpose of the LLT Program is to facilitate the demolition of over 7,000 homes damaged by Hurricanes Katrina and Rita. These homes were acquired by LLT through a state and federally funded buyout program. The intent is to remove these devastated structures and return the properties to commerce. Work includes: program planning and management, contractor procurement, supervision of contractors, contract monitoring, field monitoring, coordination of environmental services, financial monitoring and reporting (CDBG reporting) and related management services.



Before



After

The LLT program includes comprehensive program management

City of Slidell, Louisiana (2009)

CDM Smith was selected by the City of Slidell to manage the completion of their Private Property Demolition and Debris Program. With approximately 50 homes remaining for demolition due to Hurricane Katrina damages, CDM Smith was requested to implement all aspects of their program. This included development and oversight of the debris removal program including GIS documentation and GPS tracking of affected properties, database management and oversight of all debris removal contractors. This program included the initiation of an automated database system to track debris by location and quantity and tracking of quantities by trucks at the loading and disposal sites. Although this program was implemented by the debris contractor, CDM Smith has assessed its effectiveness and intends to consider its utilization for future programs.

Blytheville Right-of-Way Debris Removal Monitoring, Blytheville, AR (2009)

Following the severe ice storm which hit Arkansas in early 2009, CDM Smith was retained by the City of Blytheville, Arkansas to provide project monitoring services for their storm debris pickup and disposal project. CDM Smith provided project management, training and supervision of over 80 local hires to monitor the storm debris pickup, removal and disposal efforts. CDM Smith provided guidance to the City of Blytheville on allowable debris and on monitoring the debris contractor according to their contract obligations following FEMA 325 Guidance. The project began on February 15, 2009 and ended in April 2009 with over 245,000 cubic yards of debris removed and disposed and over 3600 hazardous limbs removed from the City Right-of-Ways. CDM Smith quickly mobilized 80 field operations staff for this project.

CDM Smith certified the debris contractor's load trucks, maintained load tickets and records, recorded damaged trees with GPS and photographs for future documentation and reconciliation with FEMA, and verified all contract obligations were met. During the course of this project, over 12,500 man hours were logged with no reportable incidents.



Ascension Parish Right-of-Way Debris Removal Management and Monitoring (Gustav) (September 2008 – January 2009)

CDM Smith provided all aspects of management and mentoring for debris removal from Right-of-Ways generated by Hurricane Gustav. This included all database and records management required to implement the program. Another key component was review of eligibility requirements and QA/QC of field monitoring and contracting activities to assure reimbursement. CDM Smith's services grew to include identification and removal of "leaners and hangers" and other debris posing public health risks. The removal operations required ramping up over 45 monitors to assure quick implementation. All debris removal was eligible for FEMA reimbursement and Ascension Parish's satisfaction with CDM Smith's services resulted in CDM Smith's selection to provide oversight of debris removal in Ascension Parish waterways.

Tropical Storm Cindy Debris Monitoring – Jefferson Parish, Louisiana (2005)

During the summer of 2005, southeast Louisiana was impacted by Tropical Storm Cindy which generated large amounts of storm debris from near hurricane strength winds. In Jefferson Parish, the volume of tree debris required additional contract removal services that continued for approximately two months after the storm. CDM Smith provided assistance to the Parish in oversight and management of the debris removal contractors. Reacting on short notice, CDM Smith mobilized 10 debris monitors for truck loading and unloading oversight as well as route checking and truck certification. The work was nearly complete at the end of August when Hurricane Katrina hit the area.

Hurricanes Katrina and Rita, Debris Staging Facility – Site Selection Kenner, Louisiana (2005 – 2006)

In the days following the impact of Hurricane Katrina, the Louisiana Department of Environmental Quality issued an Emergency Declaration which provided for temporary storm debris staging and disposal facilities in southeast Louisiana. CDM Smith provided professional consulting services for several clients during this time – assisting the City of Kenner, Jefferson Parish and a private client with site selection and permitting. For Kenner, CDM Smith located and permitted the two main sites used for storm debris staging. Using regulatory screening criteria for Construction and Demolition Debris facilities, CDM Smith reviewed site conditions including: accessibility, compatibility with surrounding areas, buffer areas, soils, groundwater, wetlands, sensitive habitats and other screening criteria. CDM Smith coordinated with LDEQ and provided the

necessary forms and maps to gain regulatory approval for these sites. Assistance was provided to Jefferson Parish for several of their sites.

CDM Smith also evaluated a temporary disposal site for a private client. This proposed facility would provide safe disposal capacity for storm debris from the greater New Orleans area. Siting criteria were applied and a report written documenting findings.

Hurricanes Katrina and Rita, Storm Debris Staging Site – Operation – Jefferson Parish, Louisiana, (2005-2006)

CDM Smith had been retained by the Jefferson Parish Department of Environmental Affairs to operate a storm debris staging area on the West Bank in Marrero. This facility served as a citizens drop off location and was open six days a week for delivery of construction and demolition debris from Hurricane Katrina. Waste was segregated into categories and temporarily stored at this site prior to hauling to the landfill. CDM Smith provided five full time site operators and oversight for this facility. Our site monitors were responsible for checking incoming loads and record keeping. They also directed traffic and manage the unloading area. CDM Smith maintained close coordination with the Parish and the hauling contractors.

Hurricane Charley - Disaster Recovery Communications Services, City of Sanibel (2004)

CDM Smith provided communication assistance to the City of Sanibel in the wake of Hurricane Charley. This small island community lost thousands of trees, dealt with weeks without utilities, and suffered some level of damage to 90 percent of its structures. The City asked CDM Smith's Communication and Customer Service Coordinator, Ms. MerriBeth Farnham, for assistance approximately one week after the storm struck to help increase media attention, citizen communications, a heightened focus on getting utilities restored, and coordination with FEMA representatives in the community. CDM Smith provided assistance with media relations, correspondence to key stakeholders, web site updates.

Hurricane Irene - Emergency Response and Storm Debris Cleanup Assistance, Palm Beach County, Florida (1999 – 2000)

In October 1999, Hurricane Irene swept through south Florida with winds up to 95 miles per hour and rain up to 15 inches, leaving an extensive cleanup effort for Palm Beach County agencies. The Solid Waste Authority of Palm Beach County (SWA), responsible for the collection and disposal of vegetative debris, contracted with CDM Smith to assist with the cleanup effort. Overwhelmed with debris left in the wake of Hurricane Irene, SWA needed assistance with handling materials collected in the cleanup effort. After realizing that the effort would cost SWA both extra time and money, they contacted CDM Smith to assist in monitoring waste collection and obtaining reimbursement funds from FEMA.

Within 72 hours of receiving the call for help, CDM Smith mobilized personnel from around Florida to assist with the emergency response program. Employees were positioned at eight sites around Palm Beach County to monitor hauling

contractors and document the quantity, quality, and origin of the waste. CDM Smith performed the following activities:

- Designated collection and loading sites for each contract
- Field-monitored the contractor activities at the collection and loading sites
- Monitored the designated disposal sites, including checking all loads for content and maintaining accurate records of each load, its source, and content
- Performed record keeping
- Attended regular meetings with the contractors, SWA staff, and officials from various emergency response agencies
- Reviewed field inspection logs and photographs
- Prepared weekly activities reports for SWA
- Prepared daily tonnage totals for each contract by designated service area

Hurricane Ivan - Emergency Debris Management Assistance, Bay County, Florida 2004

Hurricane Ivan struck the panhandle of Florida on the morning of September 16, 2004, and caused significant damage upon the homes and businesses in Bay County. A state of emergency was declared due to the severity of the property damage within the County. Officials recognized that the storm debris clean-up would be a significant task and requested that CDM Smith supply professional assistance. The state of emergency demanded swift action, and a three-phase program was implemented. The initial phase of the project involved assisting the county with assessment of the problem, developing an emergency response bid package for debris removal, acquiring bids for debris removal, and coordinating efforts with the Federal Emergency Management Agency (FEMA), the contractor selected (Big Wheel Inc.), and county staff. The second phase of the project involved monitoring the collection, hauling and disposal of collected storm debris. The third phase of the project included project management and reporting activities for FEMA.

During project execution, CDM Smith completed the following tasks:

- Preparation of a bid package to assist the county with acquiring a contractor to complete the clean-up activities
- Field monitoring duties during clean-up activities, which included providing up to eight field monitors during project execution
- Compilation of daily and weekly reports for debris removal
- Reviewing pay requests and coordinating activities with FEMA representatives to ensure eligibility for FEMA funding
- General program management services as begun in Phase 2 of Hurricane Ivan Debris Management Assistance

- Conducting weekly review meetings to monitor contractor activities, address field problems, FEMA concerns, and adjust collection priorities as required

At the end of the project, CDM Smith prepared a summary report of the activities, including tabulation of amounts of debris removed and disposed of by site.

Cerro Grande Wildfire – Reconstruction and Engineering Consultation Services and Emergency Response Assistance, Los Alamos County, New Mexico (2000-2001)

In May 2000, Los Alamos County residents were devastated by the Cerro Grande wildfire, which burned more than 47,000 acres and destroyed more than 400 residences and other structures. As a result of the extensive destruction, Los Alamos County asked CDM Smith to assist in the important task of rebuilding the community.

In just 20 days after the disaster, CDM Smith personnel were on site to assess the County’s infrastructure, including water, wastewater and drainage systems. The County also retained CDM Smith to provide oversight services during debris removal. Because it was imperative that residents start rebuilding as soon as possible, CDM Smith team members worked 12-hour days, 7 days a week.

CDM Smith’s responsibilities included:

- **Resident Engineering Management.** CDM Smith provided overall management of all debris removal and reconstruction efforts. This entailed coordinating activities and attending meetings with the county, state, FEMA, U.S. National Park Service, U.S. National Forest Service, Natural Resources Conservation Service (NRCS), and the U.S. Army Corps of Engineers (USACE) to discuss funding issues.
- **Debris Management.** As a result of the fire’s destruction, more than 162,000 cubic yards of debris had to be removed. CDM Smith conducted onsite inspections and observations of the demolition work and assessed whether the work was proceeding in accordance with contract documents. Approximately 95 percent of the debris was either re-used or recycled. Foundations, stem walls and retaining walls were excavated and crushed to 1½-inch material. The crushed material was stockpiled for use on County road projects. Burned trees and other vegetation were chipped and delivered to a local golf course under construction, and metal was delivered to local scrap yards. The project team conducted inspections and observation of the Asbestos Containing Material (ACM) abatement work, observed sample collection and air monitoring, issued and tracked load tickets, and reviewed ACM manifest documentation. In addition, a



health and safety plan was prepared for CDM Smith staff, and asbestos training was conducted for both CDM Smith and FEMA personnel.

- **Sewer Utility, Water Utility, and Electrical Utility Oversight.** CDM Smith provided project management, administrative and construction inspection services for reconstruction of the County’s sewer system. Over 15,000 lf of 8-inch diameter sewer main was reconstructed using both conventional cut/cover and horizontal directional drilling techniques. The project also included reconstructing 80 manholes and 250 service connections. Project team members attended weekly progress meetings and conducted onsite inspections. They also reviewed and approved pay requests, attended public information meetings and County Commissioner meetings, reviewed and approved change order requests, maintained site diaries and logs, prepared status reports, and reviewed contractor claims.
- **Low Water Crossing Design.** Tasks included designing low water crossings in Guaje and Rendija canyons, preparing a technical memorandum, and preparing drawings and specifications.
- **Emergency Response Assistance.** In July of 2001, torrential rains across denuded mountains that were burned during the Cerro Grande wildfire caused significant flash flooding throughout Los Alamos. Streets were washed away, houses were flooded, and a sewer main that serves the WWTP ruptured. This sewer main runs 5 miles along a canyon from the town to the WWTP. CDM Smith crews arrived the next day and remained on hand to assist County staff with emergency repairs.

Because of CDM Smith’s quick response, the County granted CDM Smith an 18-month-long contract to provide additional reconstruction services. These services included onsite project management, design, bidding, and construction management services for various utilities and infrastructure damaged during the fire.

Emergency Response Services, Winter Storms, San Bernardino and San Diego Counties, California (2005)

Wildfires burned thousands of acres of timberland and forests on the California coast in 2004. The spring rains in 2005 saturated the ground and resulted in mudslides and mud flows of the hills surrounding the communities of San Bernardino and San Diego counties. At the request of FEMA, CDM Smith hydrogeologists, geotechnical engineers, and civil engineers mobilized to assess damages, develop a debris cleanup plan, and provide engineering design support for restoration of services affected.

Debris Management. As a result of the debris flows impacting facilities, counties were faced with debris clogging percolation basins, surface water diversion channels, drainage culverts, supply inlets to water treatment facilities, and huge boulders being carried into spillways. More than 3,000 tons of debris had to be removed. CDM Smith conducted onsite inspections and observations of the debris and associated damages.

Sewer Utility, Stormwater Conveyances, and Water Utility Oversight. CDM Smith provided project management, administrative and construction inspection services for reconstruction of the County’s utility systems. CDM Smith assessed the time and money needed to clean up the debris, restore the land and associated conveyances to normal operations. CDM Smith assisted with the demolition of the 300 tons of boulders that had been washed into the El Capitan Spillway which feeds the San Diego reservoir. Each large boulder needed to be resized to a manageable size through judicious application of blasting technology. CDM Smith oversaw the construction of a new “haul road” to the spill way that allowed work crews access to the spillway, a staging area for debris removal, and prevented further damage to the spillway structure itself.

Restoration was fast-tracked in many cases in order to provide customary services and protect natural habitat, residential areas, and municipal facilities, including water supply.

Emergency Response Services, Winter Floods, Licking County, Ohio (2005)

Heavy winter snows followed by sleet and freezing rain resulted in severe flooding in Ohio and Kentucky. CDM Smith provided Project Officers as part of FEMA’s public assistance program. Working with Licking County Officials in 16 Ohio Townships, CDM Smith civil and geotechnical engineers provided claims support, debris cleanup services, and emergency engineering design for the damages caused by the flooding.

Facilities affected by the massive snowmelt combined with torrential rains included roads, bridges, pavement, and foundation supports. For each inspected facility, CDM Smith provided project worksheets documenting the extent of the damage, the engineering estimate to repair, and the anticipated time to repair.

REFERENCES

Greg Gordon
 St. Tammany Parish Government
 Environmental Services
 21490 Koop Drive
 Mandeville, LA 70471
 gordo@stpgov.org
 (985) 898-2535

Date of Contracts: St. Tammany Parish Private Property Demolition and Debris Removal Program (2006-2009), St. Tammany Parish Waterway Debris Removal (2006-2008)

Amount of Contracts: St. Tammany Parish Private Property Demolition and Debris Removal Program (\$22 million), St. Tammany Parish Waterway Debris Removal (\$1.5 million)

Rick Buller
Jefferson Parish Government
Environmental Department
4901 Jefferson Highway, Suite E
Jefferson, LA 70121
JPEnvironmental@jeffparish.net
(504) 736-6440

Date of contract: Jefferson Parish Tropical Storm Cindy Debris Monitoring (2005), Jefferson Parish Hurricanes Katrina and Rita Storm Debris Staging Site (2005-2006)

Amount of contract: Jefferson Parish Tropical Storm Cindy Debris Monitoring (\$2 million), Jefferson Parish Hurricanes Katrina and Rita Storm Debris Staging Site (\$2 million)

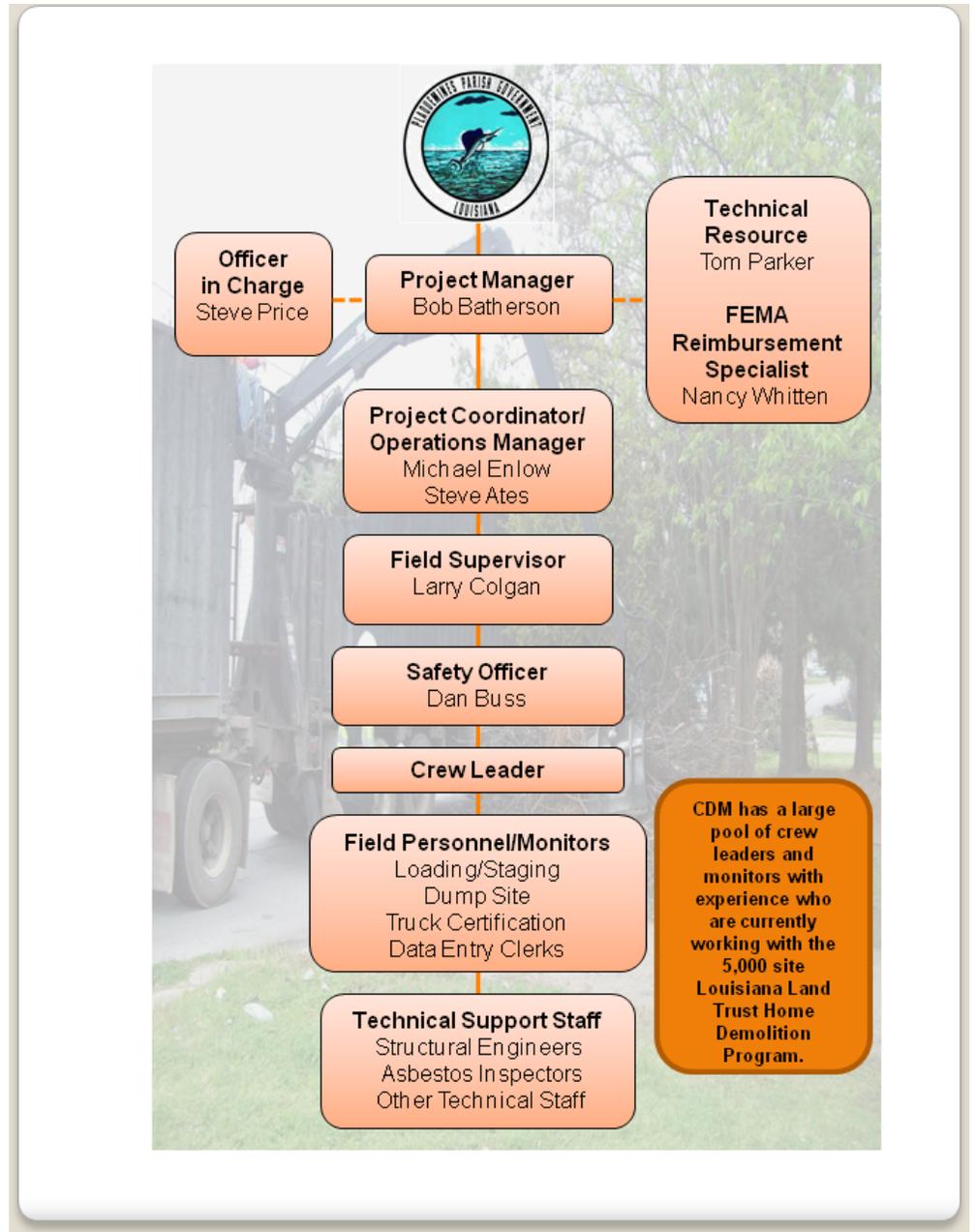
Cedric S. Grant
Former Chief Administrative Officer
Ascension Parish Government
208 E. Railroad Street
Gonzales, LA 70707-1659

Current contact information:
New Orleans Deputy Mayor of Facilities,
Infrastructure and Community Development
1300 Perdido Street
New Orleans, LA 70112
csgrant@cityofno.com
(504) 658-4000

Date of contract: Ascension Parish Right-of-Way Debris Removal Management and Monitoring (Gustav), (2008–2009)

Amount of contract: \$1.9 million

QUALIFICATIONS OF STAFF



Education

M.S. – Public Administration, Florida Atlantic University, 1993
 B.S. – Business Administration, University of New Orleans, 1983

Education

B.S. – Biology, University of Vermont, 1977

Steve Price, Officer in Charge

Mr. Price has more than 20 years of administrative experience in roles reflecting high levels of success. Most of his career has focused on projects involving personal oversight of administrative and field support staffs of more than 600 people, annual fiscal budgets exceeding \$55 million, and ultimate fiduciary responsibilities of major organizations. Mr. Price has had oversight of multi-faceted operations, including finance/accounting, construction, property maintenance, risk and insurance, records maintenance, building code enforcement, outside sales, marketing, and business development.

Mr. Price is currently Client Service Manager, Administrative/Program Management Assistance, for St. Bernard Parish, LA. CDM Smith is providing grant administration and PW management assistance to St. Bernard Parish for over \$200 million in FEMA funded repair work for damaged water systems, sewer systems, drainage systems, roadways, parks, and public buildings. Mr. Price is providing Client Services for this project.

Robert Batherson, Project Manager

As a senior project manager, Mr. Batherson has over 20 years experience overseeing a diverse range of environmental projects including solid waste management, debris removal efforts, stormwater management, environmental management, industrial permitting and compliance, and wetland management. Mr. Batherson has been responsible for major projects requiring expertise in state and federal regulations for both public and private sector clients.

Jefferson Parish Debris Program - Responsible for scope development, program implementation, project management, budget management, schedule and milestone compliance and other management functions.

Louisiana Land Trust Home Demolition Program - Responsible for scope development, program implementation, project management, budget management, schedule and milestone compliance and other management functions

Mr. Batherson led efforts to remove debris from St. Tammany Drainage Structures and Waterways and to facilitate private property debris removal and demolition. These efforts included comprehensive services to provide bid packages to remove debris and oversight of debris contractors. Private property demolition required coordination of right of entry information, inspection of structures requested for demolition, GIS documentation and GPS tracking of impacted areas. All efforts required extensive debris monitoring and contractor oversight to assure maximum FEMA reimbursement. These projects combined required mobilized of up to 140 personnel.

Mr. Batherson served as project manager for the private property demolition program in St. Bernard Parish. Under this program Mr. Batherson led CDM Smith's efforts to provide asbestos inspections of up to 7,000 homes requested for demolition. CDM Smith coordinated over 20 inspectors including sample collection and analysis for all of the structures and provided the ultimate determination for demolition procedures for each structure that was demolished.

Mr. Batherson completed a C&D facility and process evaluation for a private client involving barge transportation of hurricane debris. This project involved a site evaluation for a new C&D landfill and technical analysis and cost estimate for barge hauling of hurricane debris from the New Orleans area. He also managed the site selection and approval process for several storm debris staging sites in Jefferson Parish in conjunction with Hurricanes Katrina and Rita. Prior to that, Mr. Batherson was project manager in charge of debris cleanup for services provided to Jefferson Parish for removal and disposal of debris from Tropical Storm Cindy in the summer of 2005.

Michael J. Enlow, Project Coordinator/Operations Manager

Mr. Enlow has a degree in mechanical engineering and is well versed in many fields of operations. He is very knowledgeable in the management and operations of debris monitoring field personnel. Mr. Enlow understands all aspects of client based relationships and is very well versed in deciphering and upholding contractual obligations in regard to debris monitoring.

Education

B.S. Mechanical Engineering,
Louisiana State University,
2006

Project Manager, St. Tammany Parish PPDR and Home Demolition. Mr. Enlow fulfilled the field supervisor role for the St. Tammany Parish Private Property Debris Removal and Home Demolition program. Responsibilities included maintaining daily operations for the 75 field employees assigned to various positions. CDM Smith was responsible for the direct representation of the parish, which included maintaining and operating a fully functional field operations trailer to coordinate and process work with various government agencies. Such agencies included the State Military department, FEMA, EPA and LDEQ. Mr. Enlow directly supervised 6-8 crew leaders each responsible for the distribution and upkeep of work for each of their 12 monitors. Mr. Enlow also coordinated the staffing of monitors at four certified and pre-approved landfills as well as truck certification monitors. As the project grew Mr. Enlow took a more proactive role in the project management duties associated with the project.

Project Manager, Blytheville Right-of-Way Debris Removal Monitoring, Blytheville, AR. Mr. Enlow fulfilled the field supervisor role for this project, where CDM Smith was retained to provide monitoring services for their storm debris pickup and disposal project.

Assistant Project Manager, Louisiana Land Trust Road Home Demolition Program. Mr. Enlow is responsible for creating, distributing, and managing various and multiple bid packages for the assessment and demolition of 5,000 property sites. His duties include preparation and coordination of bid documents, management of field staff, coordination of area captains, and management of general office staff personnel.

Field Supervisor, Ascension Parish Right-of-Way Debris Removal Management and Monitoring (Gustav). Mr. Enlow fulfilled the field supervisor role for this project, where CDM Smith provided all aspects of management and monitoring for removal of debris from Right-of-Ways generated by Hurricane Gustav.

Customer Service Representative, Shaw Group/FEMA Trailers. Mr. Enlow worked with approximately 50 CDM Smith personnel who served as Customer Service Representatives under contract for the Shaw Group Inc. in New Orleans, LA. Initial assessments of property were done which included measuring the property, locating a water source and finding the sewer clean out on site. Mr. Enlow spearheaded a team of trouble shooters responsible for taking care of special cases. He was soon put into an assistant lead position, where he managed the daily operations of 25 field assessors. During the project Mr. Enlow also assisted in fulfilling human resources in the field for the CDM Smith staff.

Steve Ates, Project Coordinator/Operations Manager

Mr. Ates is a resident construction representative with over 16 years of experience in project scheduling, infrastructure rebuilding, program management, asbestos testing, writing standard operating procedures, regulatory compliance, safe work practices, job site safety and inspections, permitting, and construction management for water and sewer systems and public and private building projects.

Mr. Ates is currently Project Task Manager for the LLT Demolition Project for Assessments and Asbestos Testing and Abatement task. September 2008 through December 2008 Project Task Manager for the Jefferson Parish Debris Removal Project. November 2006 through Present. Project Task Manager for St. Bernard demolition (Asbestos and Abatement of Residential and Commercial structures. September 2006-November 2006 Task Manager for St. Tammany Parish Debris and Demolition Asbestos Project.

Project Manager for Quality Assurance Personnel, Hancock County, Mississippi. For the Hurricane Katrina recovery, Mr. Ates insured safe work practices and following of guidelines established by USACE, FEMA, and OSHA for job site safety and inspections. He was responsible for field training of personnel and field supervisors. He worked for the USACE Debris Mission Lead, John Martin, on special operations in Hancock County. In addition, he was responsible for all property locations (GPS) in Hancock County for demolitions.

Project Scheduler, Infrastructure Rebuilding Project, St. Bernard Parish, Louisiana. Mr. Ates is a project scheduler and part of the program management team for St. Bernard Parish providing FEMA-public assistance and infrastructure rebuilding. With a total of 240 projects to be completed, he works with FEMA officials and project officers on scope alignment and Project Work Sheets versions on all projects. For all of the projects, he communicates with Parish personnel, architectural/engineering firms, and construction firms. For project scheduling, he uses Microsoft Project 2003 and provides updates weekly to the Parish and FEMA schedule team.

Project Task Manager/Field Supervisor, Asbestos Testing and Abatement Program, St. Bernard Parish, St. Tammany and Jefferson Parish's, Louisiana. As manager for the field office and personnel, Mr. Ates is responsible for the hiring and termination of field personnel. He communicates with all labs and is

Training
 Asbestos Supervisor Training
 Contractor Management Planner Training
 Hazard Communications
 OSHA Work Site Safety Training

Certifications
 Asbestos Supervisor,
 Louisiana Department of Environmental Quality

responsible for reporting to the contractor the results of lab reports on structures in the Parish and project management for the Abatement Contractors.

Assistant Project Task Manager, Asbestos Testing Program, St. Bernard Parish, Louisiana. Mr. Ates wrote the standard operating procedures and helped write the management plan for asbestos testing program. He set up a database for the company and Parish to use in tracking samples taken and lab results. He communicated on a daily basis with field inspectors and contractors for demolition. Reporting directly to the project manager on a weekly basis, he worked under the guidelines of Louisiana Department of Environmental

Quality (LDEQ) and National Emission Standard for Hazardous Air Pollutants (NESHAP). In addition, he worked with and communicated with all labs certified by LDEQ for asbestos testing.

Nancy L. Whitten, FEMA Reimbursement Specialist

For the \$200 million infrastructure program, Ms. Whitten was responsible for providing support to St. Bernard Parish Government, The Public Works Department, and the Finance Director. She assisted all parties with grant administration, PW management, and appeals.

Represented St. Bernard Parish in meetings with FEMA/State to discuss status of PW'S, versions needed, and PW funding constraints.

Implemented program with the State of Louisiana that allowed St. Bernard to receive 10% advance funding for Architect and Engineering fees and 75% of construction fees on permanent work PW'S that were obligated by FEMA.

Worked closely with State Grant Administrators and the FEMA Expedited PW Team to provide all necessary and required documentation needed to ensure full and expeditious reimbursement of all eligible funds.

Worked in conjunction with FEMA Hazard Mitigation Team, Utilities Group, Justice Group, Environmental and Historic Preservation reviewed PW'S for mitigation opportunities and alignment of original scopes of work to reflect actual extent of damage.

FEDERAL EMERGENCY MANAGEMENT AGENCY: Division Manager Over Debris and Demolition Operations

Area Director, Area Field Office -

Responsible for the agency's comprehensive planning and execution of the Hurricane Katrina recovery mission covering five distinctive counties {parishes} together with corresponding financial obligations in excess of \$500 Million.

Extensive experience in eligibility determinations, composition of Project Worksheets comprehensive over FEMA "A" through "G" Categories of Work.

Proficient and demonstrated successful interfaces with local governments, state agencies and private non-profit organizations.

Determines mission priorities for the unit, determines staff and other resource requirements to meet various and varied demands of the task assignments.

Conceptualizes, formulates and implements the strategic and the tactical aspects to meet sensitive timelines for affected areas.

Trained in Public Assistance Operations, Level 1; Public Assistance Debris Operations.

Larry Colgan, Field Supervisor

Mr. Colgan has 40 years of experience in the construction industry as a field superintendent, project manager, general superintendent, owner and contract administrator.

Mr. Colgan has been employed with CDM Smith for 20 years as a field representative and contract administrator on many construction projects. Mr. Colgan also provides support to the technical design team on the constructability of design projects involving construction of new facilities and expansion of existing facilities.

Mr. Colgan's experience with Debris Management is as follows:

Supervisor. St. Tammany Parish PPDR and Waterway Debris Removal. Mr. Colgan fulfilled the field supervisor role for the St. Tammany Parish Private Property Debris Removal and Home Demolition program. His responsibilities included maintaining daily operations for over 100 field employees assigned to various positions. CDM Smith was responsible for the direct representation of the parish, which included maintaining and operating a fully functional field operations trailer to coordinate and process work with various government agencies. Such agencies included the State Military department, FEMA, EPA and LDEQ. Mr. Colgan directly supervised field supervisors and crew leaders and was responsible for all field personnel. Mr. Colgan also coordinated the staffing of monitors at 4 certified and pre-approved landfills as well as truck certification monitors.

FEMA Trailer Placement Project – Mr. Colgan led a crew of 46 client service representatives for accessing sites for FEMA trailers in the New Orleans area. As a subcontractor to the Shaw Group, Mr. Colgan coordinated the CDM Smith CSR's, handled time sheets, expense reports, and met daily with the Shaw Group Representative to schedule CSR's.

Mr. Colgan is **Construction Manager for the Louisiana Land Trust Home Demolition Project.** He is responsible for all Asbestos and Demolition crew supervisors, leaders, inspectors, monitors, and helpers. He ensures that all work assignments are distributed appropriately and procedures are carried out according to CDM Smith and governmental standards.

After Hurricane Katrina Mr. Colgan management several site assessment to investigate damage to the Parish's sewer lift station and WWTP's area the City of New Orleans. The assessment included the Parish's of Jefferson, St. Tammany and the City of Slidell. All site assessments were photographed and investigated to the

Education

Louisiana State University
– 2 year industrial
technology
Delgado Community
College – Level transit
survey

Certifications

Certified Louisiana
Department of
Environmental Quality for
Underground Storage Tank
Closures, 1995

Certified Louisiana
Department of Health and
Hospitals Office of Public
Health Engineering Class IV
Water Distribution 1995

AWWA Class IV Operator
Water Distribution

extents of the damage, all lift station were then reported back to each Parish with recommendations for repair or replacement.

Parson Aviation - Assistant Resident Engineer – Mr. Colgan was the Assistant Resident Engineer for the building of a new east and west runway at the New Orleans International Airport. The runway was approximately 102,00 linear feet, with 4 miles of new site drainage, including droplets, 4000 linear feet of double conspan arch pipe, over 2 miles of concrete incased electrical duct banks, 50,000 linear feet of direct burial PVC electrical conduits and wiring 6000 runway and taxi lights. Mr. Colgan oversaw the instillation and testing of two 5 ton HVAC units at electrical vaults. Mr. Colgan also assisted in over sight of runway paving.

Thomas D. Parker, P.E., DEE, Technical Support Staff

Mr. Parker’s 18 years of project management experience includes the design, construction, budgetary development and control, and planning and coordination of a variety of engineering projects. His experience includes the design, management, and technical review of over 100 solid waste projects nationwide. He routinely provides consulting services for all aspects of solid waste projects including: management plans, landfill design and closure, transfer station and recycling facility permitting and design, recycling and waste minimization programs, and landfill gas projects. His experience also includes construction engineering management and oversight and solid waste and utility infrastructure development.

Technical Support, St. Tammany Parish PPDR and Home Demolition. Mr. Parker was primarily responsible for the development of contract bidding documents. Mr. Parker oversaw bid document preparation for all debris removal required including white goods, hazardous waste, vegetative waste and other materials. Mr. Parker developed specifications and implemented field procedures and personnel training to assure proper sequencing and oversight of home demolitions including utility disconnection, freon removal, white good removal, household hazardous waste removal, asbestos inspections and home demolition and debris removal.

Project Manager, Los Alamos County Re-Construction Project, Los Alamos, New Mexico. Mr. Parker is serving as the project manager for the re-construction of areas within Los Alamos County that were impacted by the May 2000 Cerro Grande fire which destroyed more than 400 residences and other structures, consumed over 47,000 acres, and resulted in over \$500 million in damages. During the re-construction efforts, Mr. Parker has interfaced with the County, New Mexico Environment Department, Los Alamos National Laboratory, Federal Emergency Management Agency, U.S. National Park Service, U.S. National Forest Service, Natural Resources Conservation Service, the U.S. Army Corps of Engineers, and many other agencies. He has regularly presented re-construction information at local public meetings and has provided information to local and regional print, radio, and television news media.

Mr. Parker’s initial responsibilities included managing a staff of 20 field personnel during the 4 months of debris removal and overseeing the debris removal

Education
Civil/
Environmental
Engineering, Clarkson
College of Technology,
1983

Certifications
Professional Engineer:
New Mexico (1990),
Arizona, Texas, Colorado

contractor's performance in accordance with contract documents during the demolition and removal for over 162,000 cubic yards of material. Approximately 95 percent of the debris was either re-used or recycled.

Mr. Parker also managed the assessment and reconstruction of the county's infrastructure, including water, wastewater, electrical and drainage systems. He served as the project manager for construction oversight services during installation of approximately 4,000 lf of sewer main within the impacted neighborhoods and has managed a variety of other projects including stormwater structure evaluation and design.

Project Manager, Cerro Colorado Landfill Design Services and Permit Renewal, Albuquerque, New Mexico. Since its inception, Mr. Parker has managed or provided project engineering services for a majority of the projects at the Cerro Colorado Landfill. The facility encompasses more than 900 acres, including 180 acres of landfilling area, onsite access roads, liner and leachate collection system, stormwater drainage structures, 1,600 foot water well and distribution system, scale house, maintenance facility, and administration building. Mr. Parker prepared construction specifications, determined excavation cut-and-fill quantities using DCA computer software, and designed the liner and leachate collection system. Mr. Parker also provided engineering services for the Cerro Colorado Solid Waste Permit Renewal in 1999.

Project Manager, Design of 80-tpd Intermediate Processing Facility Expansion and the Design and Permitting of Transfer Stations, Albuquerque, New Mexico. Mr. Parker was project manager for the expansion of the City of Albuquerque's intermediate processing facility. The facility sorts and processes between 40 and 100-tpd aluminum cans, HDPE, PET, newspaper, corrugated cardboard, and steel cans from the city's curbside collection program. The expansion included upgrading the tipping and material receiving building, revising the sorting line to include automated cardboard and container separators, and providing improvements to the facility's administration areas. The facility expansion reduced labor costs and facility residuals and increased revenues. The facility earned a silver award from SWANA in the recycling facility excellence awards competition. Mr. Parker has also performed permitting and design services for three City transfer stations (Eagle Rock, Montessa Park, and Don Reservoir).

Dan Buss, Safety Officer

Mr. Buss has more than 35 years experience involving the management of hazardous materials and wastes for industrial, municipal and government clients. He has directly performed or managed more than 1000 environmental site assessments (ESAs), environmental audits (EAs) and regulatory compliance assessments (RCAs) involving the management of hazardous materials and hazardous wastes in buildings and associated land. These projects primarily involved industrial buildings and housing complexes.

Education

Engineering Professional Development, University of Wisconsin-Madison, 1985
M.S. - Environmental Engineering, University of Wisconsin-Milwaukee, 1978
M.S. - Botany/Zoology, University of Wisconsin-Milwaukee, 1973
B.S. - Biology, Geography; Carroll College, Wisconsin, 1965

Certifications

Professional Engineer: Wisconsin, 1981

He has developed the plans and specifications for removal of hazardous materials and asbestos from the abandoned Jewel Tea Corporation complex prior to demolition.

Mr. Buss has served as the asbestos inspection crew leader and developed the operations/quality assurance plan for the predemolition asbestos inspection project in St. Bernard Parish following Hurricane Katrina.

He has served as the supervisor of debris disposal site monitors in Ascension Parish following Hurricane Gustav.

Mr. Buss currently serves a quality assurance role in the Louisiana Land Trust (LLT) project involving asbestos abatement and demolition of homes in New Orleans and surrounding Parishes. He currently is preparing the operations and quality assurance plan for the LLT project.

Mr. Buss is also preparing the Hazard, Toxic and Radioactive Waste assessment report as part of the feasibility study for dredging Baptiste Collette channel in Plaquemines Parish.

OTHER REQUIREMENTS

Section 4

TIMELINE

CDM Smith can commit to have a monitoring team in place within 72 hours of a storm event. The management staff proposed for this project are already trained and experienced in debris monitoring operations. In the event of debris generated by tropical storms and hurricanes, CDM Smith staff are experienced in tracking and positioning to respond to these events in the time frame indicated above.

To assure an expedited response, CDM Smith typically assigns staff to the project from our pool of supervisors, crew leaders and monitors that have worked on similar projects for CDM Smith, thus eliminating pre-event training for these staff members. If additional staff is needed, CDM Smith will advertise locally to fill remaining positions. Local staff can be provided the necessary training in FEMA requirements and oriented in a short time frame to the specific needs of the ongoing operations. With the assistance of the CDM Smith program management team, local staff can transition to the monitoring and other field staff quickly, as available.

CURRENT VIOLATIONS OR LITIGATION

In the last five years CDM Smith has not been involved in any lawsuits relating to its failure to perform service.

Because of its size and volume of business, CDM Smith, over the years it has been in business, and especially in these litigious times, has occasionally been named in litigation. In the last five years there have never been any awards or judgments against CDM Smith.

Currently, no CDM Smith office in Louisiana, Mississippi, Arkansas or Alabama is in litigation. CDM Smith will provide responses to specific questions regarding its litigation history upon the execution of a confidentiality agreement by the party requesting the information.

FINANCIAL STABILITY

With more than \$1 billion in annual revenues, CDM Smith maintains the size, stability and resources to successfully undertake any debris management services Washington Parish may need.

CDM Smith's past three years of financial statements can be found in Appendix A.

REASONABLENESS OF PRICE

Section 5

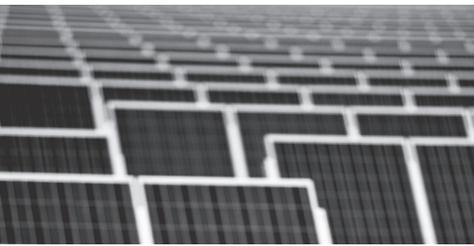
Please find CDM Smith's rates below.

Category	Billing Rate Per Hour
Project Manager	\$130.00
Operations Manager	\$110.00
Project Coordinator	\$110.00
Safety Officer	\$85.00
Field Supervisor	\$85.00
Dump Site/Tower Monitor	\$52.00
Truck Certification Monitor	\$52.00
Crew Leader	\$75.00
Supervisor - Data Management	\$85.00
Loading Site Monitor	\$52.00
Debris Surveyor/Scheduler/Monitor	\$52.00
Data Entry Clerks	\$45.00

FINANCIAL STATEMENTS

Appendix A

Please find CDM Smith's past three years of financial statements attached.



Financial Report 2010

Five-Year Financial Summary

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except per share amounts)

Operations	2010	2009	2008	2007	2006
Client Revenues	\$1,067,808	\$ 1,010,542	\$ 1,020,456	\$ 902,397	\$ 794,009
Total Direct and Operating Expenses	1,030,119	961,864	979,446	877,749	771,376
Operating Income	\$ 37,689	\$ 48,678	\$ 41,010	\$ 24,648	\$ 22,633
Net Income attributed to Camp Dresser & McKee Inc.	\$ 22,772	\$ 29,137	\$ 25,230	\$ 17,166	\$ 13,179
Financial Position					
Total Assets	\$ 512,727	\$ 474,536	\$ 429,701	\$ 395,663	\$ 329,174
Current Assets	\$ 439,099	\$ 409,749	\$ 367,966	\$ 331,695	\$ 275,511
Less: Deferred income taxes	13,035	20,192	20,191	20,091	21,539
Other current liabilities	250,343	244,219	228,495	214,659	169,280
Working Capital	\$ 175,721	\$ 145,338	\$ 119,280	\$ 96,945	\$ 84,692
Fixed Assets, Net	\$ 27,629	\$ 24,027	\$ 28,055	\$ 28,293	\$ 22,019
Long-Term Debt	\$ 370	\$ 442	\$ 475	\$ 538	\$ 894
Total Equity	\$ 224,374	\$ 189,061	\$ 165,443	\$ 141,727	\$ 120,864
Other Data					
Common Shares Outstanding at Year End	4,463,660	4,156,626	4,257,220	4,184,063	4,114,363
Book Value Per Share	\$50.21	\$45.44	\$38.61	\$32.71	\$28.43
Book Value Per Share Increase	10.5%	17.7%	18.0%	15.1%	13.0%
Transfer Price	\$60.25	\$49.98	—	—	—

Report of Independent Auditors

To the Board of Directors and Stockholders of Camp Dresser & McKee Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity, and cash flows present fairly, in all material respects, the financial position of Camp Dresser & McKee Inc. and its subsidiaries at January 1, 2011 and January 2, 2010, and the results of their operations and their cash flows for the years ended January 1, 2011, January 2, 2010, and January 3, 2009, in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America. 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PriceWaterhouseCoopers LLP

Boston, Massachusetts
March 25, 2011

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Consolidated Income Statements

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 1, 2011, January 2, 2010, and January 3, 2009

(Dollars in thousands)

	2010	2009	2008
Client Revenues	\$1,067,808	\$ 1,010,542	\$ 1,020,456
Direct Cost of Services	714,691	649,446	661,509
Other Operating Expenses	315,428	312,418	317,937
Income from Operations	37,689	48,678	41,010
Interest Expense	(439)	(617)	(757)
Other Income	674	1,062	3,218
Income before Income Taxes	37,924	49,123	43,471
Provision for Income Taxes	15,056	19,895	17,321
Net Income	22,868	29,228	26,150
Less: Net Income attributed to noncontrolling interests	96	91	920
Net Income attributable to Camp Dresser & McKee Inc.	\$ 22,772	\$ 29,137	\$ 25,230

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets

Camp Dresser & McKee Inc. and Subsidiaries

As of January 1, 2011, and January 2, 2010

(Dollars in thousands, except share and per share amounts)

Assets	2010	2009
Current Assets:		
Cash and cash equivalents	\$144,374	\$ 128,847
Accounts receivable, net of allowances of \$4,602 in 2010 and \$3,662 in 2009	187,808	177,262
Unbilled revenues on contracts, net of allowances	81,925	82,180
Work in process inventory	5,861	6,218
Other current assets	19,131	15,242
Total current assets	439,099	409,749
Fixed Assets, Net	27,629	24,027
Other Assets	45,999	40,760
	\$512,727	\$ 474,536
Liabilities and Stockholders' Equity		
Current Liabilities:		
Notes payable to banks	\$ —	\$ 2,057
Current portion of long-term debt	38	41
Accounts payable	81,883	87,156
Accrued compensation and related liabilities	61,099	64,265
Other current liabilities	18,507	20,086
Excess of advance payments over accrued revenues	88,816	70,614
Deferred income taxes	13,035	20,192
Total current liabilities	263,378	264,411
Long-Term Debt	370	442
Other Liabilities	24,605	20,622
Commitments and Contingencies (Note H)		
Equity:		
Common stock, par value \$.01; authorized 25,000,000 shares; issued and outstanding 4,463,660 shares in 2010 and 4,156,626 shares in 2009	45	41
Paid-in capital	80,490	56,969
Retained earnings	142,800	130,059
Accumulated other comprehensive income	766	1,815
Total Camp Dresser & McKee Inc. stockholders' equity	224,101	188,884
Noncontrolling interests	273	177
Total equity	224,374	189,061
	\$512,727	\$ 474,536

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 1, 2011, January 2, 2010, and January 3, 2009

(Dollars in thousands)

	2010	2009	2008
Operating Activities:			
Net income	\$ 22,868	\$ 29,228	\$26,150
Amounts that reconcile net income			
to net cash provided by operating activities:			
Depreciation and amortization	11,487	11,760	12,794
Deferred income taxes	(8,427)	1	100
Currency translations	(58)	(65)	(520)
Non-cash portion of 401(k) match	6,940	—	5,597
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(11,476)	(4,885)	5,041
Unbilled revenues on contracts	(30)	(2,691)	3,319
Excess of advance payments over accrued revenues	18,202	(1,045)	6,197
Work in process inventory	357	714	(1,174)
Other current assets	(4,313)	(999)	2,727
Other assets	(4,037)	(4,789)	3,085
Accounts payable	(5,116)	12,279	8,458
Accrued compensation and related liabilities	(3,166)	7,545	(172)
Other current liabilities	(700)	(1,341)	(18)
Other liabilities	3,983	5,525	(3,572)
Net cash provided by Operating Activities	<u>26,514</u>	<u>51,237</u>	<u>68,012</u>
Investing Activities:			
Capital expenditures	(15,354)	(7,731)	(12,545)
Investment in acquisitions	—	(1,200)	(6,281)
Net cash used for Investing Activities	<u>(15,354)</u>	<u>(8,931)</u>	<u>(18,826)</u>
Financing Activities:			
Notes payable to banks	—	2,624	3,516
Repayment of notes payable to banks	(1,969)	(3,609)	(5,571)
Proceeds from the issuance of common stock	19,738	6,091	3,107
Repurchase of common stock	(13,184)	(10,632)	(6,407)
Net cash provided by (used for) Financing Activities	<u>4,585</u>	<u>(5,526)</u>	<u>(5,355)</u>
Effect of exchange rates on cash	<u>(218)</u>	<u>141</u>	<u>(15)</u>
Net increase in cash and cash equivalents	15,527	36,921	43,816
Cash and cash equivalents at beginning of year	128,847	91,926	48,110
Cash and cash equivalents at end of year	<u>\$ 144,374</u>	<u>\$128,847</u>	<u>\$ 91,926</u>

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 1, 2011, January 2, 2010, and January 3, 2009

(Dollars in thousands, except share amounts)

	Common Stock		Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Camp Dresser & McKee Inc. Stockholders' Equity	Non- controlling Interests	Total Equity
	Shares	Amount						
Balance at December 29, 2007	4,184,063	\$42	\$47,755	\$ 87,149	\$ 1,928	\$136,874	\$4,853	\$141,727
Repurchase of common stock	(186,778)	(2)	(2,534)	(3,871)	—	(6,407)	—	(6,407)
Exercise of employee stock rights	88,831	1	3,106	—	—	3,107	—	3,107
Issuance of common stock to 401(k) match	171,104	2	5,595	—	—	5,597	—	5,597
Settlement of amounts due noncontrolling affiliates	—	—	—	—	—	—	(358)	(358)
Purchase of noncontrolling interest in German affiliate	—	—	—	—	—	—	(3,853)	(3,853)
Currency translations	—	—	—	—	(48)	(48)	(472)	(520)
Net Income	—	—	—	25,230	—	25,230	920	26,150
Balance at January 3, 2009	4,257,220	43	53,922	108,508	1,880	164,353	1,090	165,443
Repurchase of common stock	(252,009)	(3)	(3,043)	(7,586)	—	(10,632)	—	(10,632)
Exercise of employee stock rights	151,415	1	6,090	—	—	6,091	—	6,091
Settlement of amounts due noncontrolling affiliates	—	—	—	—	—	—	(1,004)	(1,004)
Currency translations	—	—	—	—	(65)	(65)	—	(65)
Net Income	—	—	—	29,137	—	29,137	91	29,228
Balance at January 2, 2010	4,156,626	41	56,969	130,059	1,815	188,884	177	189,061
Repurchase of common stock	(271,964)	(2)	(3,151)	(10,031)	—	(13,184)	—	(13,184)
Exercise of employee stock rights	426,275	4	19,734	—	—	19,738	—	19,738
Issuance of common stock to 401(k) match	152,723	2	6,938	—	—	6,940	—	6,940
Currency translations	—	—	—	—	(1,049)	(1,049)	—	(1,049)
Net Income	—	—	—	22,772	—	22,772	96	22,868
Balance at January 1, 2011	<u>4,463,660</u>	<u>\$45</u>	<u>\$80,490</u>	<u>\$142,800</u>	<u>\$ 766</u>	<u>\$224,101</u>	<u>\$ 273</u>	<u>\$224,374</u>

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

A. Summary of Significant Accounting Policies

Fiscal Year: The Company reports its operating results based upon a 52- or 53-week fiscal year ending on the Saturday nearest December 31.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of all significant intercompany accounts and transactions. The Company has also consolidated the financial position and results of operations of CDM Caribbean Engineers P.S.C., a non-CDM-owned related company, based on the principles of ASC Topic 810, which provides guidance on the consolidation of variable interest entities. All significant intercompany transactions have been eliminated. The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Recently Adopted Accounting Standards: In 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168, “The FASB Accounting Standards Codification (ASC) and the Hierarchy of Generally Accepted Accounting Principles,” which was primarily codified into ASC Topic 105, “Generally Accepted Accounting Standards.” The ASC will become the single source of authoritative non-governmental U.S. GAAP. This standard organizes the GAAP pronouncements into accounting topics and displays them using a consistent structure. This guidance affects the Company’s financial statements and related disclosures as all references to authoritative literature reflect the newly adopted codification.

In 2009, the Company adopted the provisions of FASB ASC Topic 810-10-65, which amends the accounting and reporting standards for the noncontrolling interest in a subsidiary (formerly referred to as “minority interest”), which is defined as the portion of equity (net assets) in a subsidiary not attributable, directly or indirectly, to a parent. ASC Topic 810 establishes accounting and reporting standards for noncontrolling interests, the amount of consolidated net income attributable to the parent and to the noncontrolling interests, changes in a parent’s ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. ASC Topic 810 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. The presentation and disclosure requirements of ASC Topic 810 were adopted on a retrospective basis, and resulted in a reclassification of minority interest to noncontrolling interests of \$1,090 at January 3, 2009.

In 2009, the FASB issued authoritative guidance on subsequent events, which was codified in ASC 855, “Subsequent Events.” ASC 855 establishes general standards of accounting for the disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted the provisions of ASC 855 in 2009. Adoption did not have a material impact on consolidated financial statements, but requires the Company to disclose the date to which the Company evaluated

subsequent events. For the year ending January 1, 2011, that date is through March 25, 2011.

Contracts: Revenues and costs of services on engineering and construction contracts are recognized on the percentage-of-completion or efforts expended method measured by costs incurred against total estimate of costs to complete the project. Changes in estimated contract costs or contract values may result in revisions to income and are recognized in the period in which a change in estimate becomes known.

Revenues on contracts without a fixed price are recognized as the work is performed in accordance with specific terms of each contract. Costs for work performed prior to final contract approval, as well as costs incurred on pending amendments and change orders, are included in work in process inventory or, for construction contracts, unbilled revenue to the extent that it is probable a final contract, amendment, or change order will be executed. Contracts and amendments to contracts are generally approved in scope and estimated price prior to the commencement of work.

Use of Estimates in the Preparation of Financial Statements: The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents: The Company considers all highly liquid investments purchased with an original maturity of 3 months or less at time of purchase to be cash equivalents. The carrying amount of these equivalents is a reasonable estimate of fair value. Due to the short-term nature of repurchase agreements, the Company does not take possession of these securities or related collateral, which are instead held in the Company’s safekeeping account by the bank. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments: The Company follows the provisions of FASB ASC 820-10, which defines fair value, establishes a uniform framework for measuring fair value where other accounting pronouncements require fair value measurements, and expands disclosure requirements for all financial and non-financial assets and liabilities. Financial assets and liabilities, which include money market instruments and investments related to the Company’s Deferred Compensation Plan, were measured using Level 1 inputs, which are quoted prices in active markets. The Company did not have any non-financial assets or liabilities that required remeasurement.

Goodwill: Goodwill at January 1, 2011, and January 2, 2010, totaled \$18,340 and \$18,858, respectively, and is included in Other Assets on the Company’s balance sheet. The change in the value of goodwill recorded in the current fiscal year is the result of a revaluation of foreign currency related to prior acquisitions. Goodwill is not amortized but is reviewed for impairment on an annual basis and

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

whenever events or changes in business circumstances indicate that the carrying value may not be recoverable. No impairments were identified in 2010, 2009, and 2008.

Income Taxes: Beginning with the fiscal year ending January 1, 2011, the Company adopted the accrual method of accounting for income tax purposes. The Company previously, for years prior to 2010, used the cash basis method of accounting for income tax purposes. For financial reporting purposes under either income tax method, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established for deferred taxes when it is more likely than not that all or a portion of the deferred tax assets will not be realized.

In 2009, the Company adopted guidance on the accounting for uncertainty in income taxes, which provides a comprehensive model for financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Under this guidance, the Company can recognize the benefit of an income tax position only if it is more likely than not (greater than 50%) that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position. The Company will accrue interest and related penalties, if applicable, on uncertain tax positions for which reserves have been established, consistent with jurisdictional tax laws.

Foreign Currency: Adjustments resulting from translating the accounts of non-U.S. subsidiaries with a functional currency different from the U.S. dollar are recorded as other comprehensive income, a component of stockholders’ equity. Adjustments relating to other foreign currency transactions are recorded in the income statement and are not material for any period.

Noncontrolling Interests: On October 25, 2008, the Company acquired the remaining 35% interest in the Company’s German affiliates. The Company also has consolidated the results of the operations and financial position of CDM Caribbean Engineers P.S.C. in its financial results and has recorded a noncontrolling interest on accumulated profits realized from that unit.

Other Comprehensive Income (Loss): ASC Topic 220, “Comprehensive Income,” establishes standards for reporting and displaying comprehensive income and its components in a full set of general-purpose financial statements. ASC Topic 220 requires that certain income items that appear in financial statements as direct adjustments to stockholders’ equity are added to net income to be reported as total comprehensive income. The Company’s total comprehensive income was \$21,723, \$29,072, and \$25,182 in 2010, 2009, and 2008, respectively.

B. Fixed Assets

Equipment and leasehold improvements are stated at cost. Equipment is depreciated over its estimated useful life of 3 to 7 years using the straight-line method. Leasehold improvements are depreciated using the shorter of the lease term or estimated useful life. Repairs and maintenance are expensed as incurred. When assets are retired or otherwise disposed of, the assets and related accumulated depreciation and amortization are eliminated from the accounts, and any resulting gain or loss is recognized. Capitalized software, net of amortization, at January 1, 2011, and January 2, 2010, totaled \$4,684 and \$4,492, respectively.

Equipment and leasehold improvements consisted of the following:

	<u>2010</u>	<u>2009</u>
Office equipment	\$ 57,736	\$ 51,003
Engineering equipment	52,031	48,700
Leasehold improvements	<u>13,319</u>	<u>9,328</u>
	123,086	109,031
Accumulated depreciation and amortization	<u>95,457</u>	<u>85,004</u>
	<u>\$ 27,629</u>	<u>\$ 24,027</u>

Depreciation and amortization expense amounted to \$11,487, \$11,760, and \$12,794 in 2010, 2009, and 2008, respectively.

C. Debt

Short-term borrowings consisted of the following:

	<u>2010</u>	<u>2009</u>
Foreign credit agreements	\$ —	\$2,057
Current portion of long-term debt	<u>38</u>	<u>41</u>
	<u>\$ 38</u>	<u>\$2,098</u>

On September 27, 2006, the Company and its two banks established a new domestic credit agreement in the amount of \$75,000, providing for loans on a revolving basis. The maturity date of the agreement is September 30, 2011. The Company is required to comply with certain financial covenants relating to outstanding indebtedness, net worth, and fixed charge coverage. At January 1, 2011, and January 2, 2010, the Company was in compliance with all of the financial covenants.

Interest on the domestic credit agreement is payable monthly at the prime rate of interest, 3.25% at January 1, 2011, and January 2, 2010. The agreement also provides the option of borrowing at the prime rate of interest or a fixed spread over the London Interbank Offered Rate (LIBOR).

No amounts were outstanding under this credit agreement as of January 1, 2011, and January 2, 2010.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

Interest payments on the domestic credit agreement were zero in 2010, 2009, and 2008.

A revolving commitment fee of 1/8% per annum, depending upon certain financial ratios, is payable on the unused balance of the facility. The commitment fee payments were \$95, \$95, and \$103 in 2010, 2009, and 2008, respectively.

The Company's German and Polish affiliates have credit agreements with a number of local banks. The credit agreements consist of working capital overdraft facilities and one remaining term loan with maturity dates through August 2, 2021. The credit agreements carry interest rates ranging from 2.44% to 9.75%.

Long-term debt consisted of the following:

	<u>2010</u>	<u>2009</u>
Term loans with varying interest rates due to 2021	\$ 408	\$ 483
Less current portion	<u>38</u>	<u>41</u>
	<u>\$ 370</u>	<u>\$ 442</u>

Interest payments relating to the Company's subsidiaries' debt obligations were \$9, \$418, and \$419 in 2010, 2009, and 2008, respectively.

During fiscal year 2010, the Company established formal borrowing procedures among its European affiliates and the Company's corporate headquarters that allows borrowing to take place utilizing existing internal funds rather than through independent lending institutions. This was instituted to maximize the use of the Company's cash and minimize borrowing costs.

D. Capital Accumulation Plan

The Company has a Capital Accumulation Plan that allows eligible employees to share in profits of the Company as determined by the Board of Directors. The Capital Accumulation Plan also provides for a contribution from the Company that matches the employees' contribution to a 401(k) plan.

The Company will contribute \$9,739 to the profit sharing plan for 2010. The Company has contributed \$12,262 and \$10,978 to the profit sharing plan for 2009 and 2008, respectively.

The Company will also contribute \$7,916 to the 401(k) portion of the Capital Accumulation Plan for 2010. The Company made contributions of \$7,603 and \$6,909 for 2009 and 2008, respectively. The Company match is made in the form of cash and/or company common stock.

E. Deferred Compensation Plan

The Company has a non-qualified deferred compensation plan that permits certain key employees to annually elect to defer a portion of their compensation for their retirement. The deferred amount and related investment earnings are placed in an irrevocable trust and included in Other Assets in the Company's consolidated balance

sheet because they will be available to the general creditors of the Company in the event of insolvency. Amounts due employees are included in Other Liabilities on the Company's consolidated balance sheet. The plan value at January 1, 2011, and January 2, 2010, totaled \$23,811 and \$19,721, respectively.

F. Stock Purchase Plan

The Company has three classes of Common Stock, Class A, B, and C shares. The number of shares authorized is 5,000,000, 15,000,000, and 5,000,000 for Class A, B and C, respectively. The number of shares issued and outstanding at January 1, 2011, is 1,445,124 Class A, 2,245,519 Class B, and 773,017 Class C.

The Company has a Stock Purchase Plan (Plan) under which officers, associates, and other key members of the Company are granted rights to purchase Common Stock within 5 years from the date of grant. Additionally, officers, associates, and other key members of the Company may purchase either Class B or Class C Common Stock as requested and approved by the Board of Directors. The Class B and C Common shareholders each elect one director to the Board, while Class A Common shareholders elect the remaining directors. The Class A and B Common Stock have certain preferences in regard to dividends and liquidation. The Company is obligated to repurchase any shares sold by shareholders.

Effective July 4, 2010, the Company amended its Common Stock Agreement to establish a transfer price for the purchase and sale of its Common Stock, and a 6-month minimum holding period for any stock purchased after that date. The transfer price is calculated from the book value of the preceding year end multiplied by an adjustment factor escalating over a 5-year period to a maximum of 1.5 times book value. The adjustment factor for 2010 is 1.1. The purchase and redemption price for all the Common Stock is the transfer price in effect for the fiscal year in which the transaction occurs.

Unexercised Class A stock rights were 242,975 at January 1, 2011, 111,220 at January 2, 2010, and 124,520 at January 3, 2009. Unexercised Class C stock rights were 40,590 at January 1, 2011, 63,975 at January 2, 2010, and 68,580 at January 3, 2009. There were no unexercised Class B rights. Shares were exercised at prices ranging from \$32.71 to \$37.29 in 2008, \$38.61 to \$44.17 in 2009, and \$45.44 to \$49.98 in 2010.

Additionally, the Plan provides for the purchase of stock through a payroll deduction program that allows for voluntary deductions to take place over a 12-month period culminating in a stock purchase. During 2010, the Company implemented a stock note program that allows shareholders to purchase stock at the then current transfer price, through a note with the Company, at the *Wall Street Journal* prime rate of interest, and repay the note through a payroll deduction for up to 5 years. The note is secured by the shares being purchased. The note may be repaid at any time without penalty or interest. The amount outstanding under these note agreements at January 1, 2011, was \$193 and is recorded as Other Current Assets and Other Assets on the Company's consolidated balance sheet.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

G. Income Taxes

The provision for income taxes of \$15,056 in 2010, \$19,895 in 2009, and \$17,321 in 2008 includes a net decrease in net deferred tax liabilities of \$8,427 in 2010, and a net increase of \$1 in 2009 and \$100 in 2008.

The following tabulation reconciles the federal statutory tax rate to the effective rate for the years:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	4.7%	4.9%	4.7%
Research & experimentation credit	(0.1%)	(0.1%)	(0.6%)
Other	<u>0.1%</u>	<u>0.7%</u>	<u>0.7%</u>
	<u>39.7%</u>	<u>40.5%</u>	<u>39.8%</u>

The principal components of the deferred tax assets and liabilities are as follows:

	<u>2010</u>	<u>2009</u>
Deferred Tax Assets:		
Accounts payable	\$13,339	\$17,785
Accrued expenses and reserves	14,173	15,432
Advanced payments	11,415	15,221
Deferred Compensation	2,955	—
Other	<u>599</u>	<u>1,525</u>
Total deferred tax assets	<u>42,481</u>	<u>49,963</u>
Deferred Tax Liabilities:		
Accounts receivable	34,164	46,633
Unbilled revenues	15,513	20,684
Depreciation and amortization	2,388	—
Capitalized project costs	1,841	2,455
Other	<u>340</u>	<u>383</u>
Total deferred tax liabilities	<u>54,246</u>	<u>70,155</u>
	<u>\$11,765</u>	<u>\$20,192</u>

Income tax payments were \$27,669, \$17,533, and \$18,238 in 2010, 2009, and 2008, respectively.

Effective January 4, 2009, the Company adopted the guidance on the accounting for uncertainty in income taxes. There was no cumulative effect to retained earnings as a result of adopting the guidance. The total amount of potential unrecognized tax benefits including interest as of January 1, 2011, and January 2, 2010, was \$788 and \$1,766, respectively. The decrease in unrecognized tax benefits relates mainly to the Internal Revenue Service's approval of the Company's accounting method change request from a cash to accrual basis taxpayer. The Company does not anticipate any material changes in the total amount of potential unrecognized tax benefits to occur over the next 12 months.

The Company recognizes interest expense and penalties related to uncertain tax positions as income tax expense. Gross interest expense recognized and classified as income tax expense was \$24 in 2010 and \$372 in 2009. The total amount of gross interest expense and penalties related to uncertain tax positions as of January 1, 2011, and January 2, 2010, was \$94 and \$1,231, respectively.

The Company conducts business operations through legal entities in the United States as well as multiple foreign jurisdictions. Undistributed earnings of non-U.S. subsidiaries are intended to be reinvested in those operations for an indefinite period of time. The Company is currently undergoing an examination with the Internal Revenue Service for the tax years 2004 through 2008 in conjunction with the R&E Credits that were available to the Company and taken in those years. With few exceptions, the Company is no longer subject to U. S. (including federal, state, and local) or non-U.S. income tax examinations by authorities for years before fiscal 2004.

H. Commitments and Contingencies

The Company is involved in various legal proceedings generally incidental to the conduct of its business. The Company has accrued for losses that were determined to be probable and can be reasonably estimated.

The Company's construction subsidiary provides warranties on its construction projects that typically are no longer than 1 year in duration and historically have not produced any material costs or exposure to the Company's results. The Company has provided a guarantee, to a client of CDM Caribbean Engineers P.S.C., to cause CDM Caribbean Engineers P.S.C. to perform service obligations with that client. The guarantee states that the Company will provide the financial commitment to complete any incomplete phase of the contract in the event CDM Caribbean fails to do so. As of January 1, 2011, and January 2, 2010, the Company has determined that a liability associated with the guarantee is remote based on CDM Caribbean's performance to date.

The Company obtains standby letters of credit from banks in connection with certain domestic and international contracts. The aggregate amount outstanding at January 1, 2011, was \$6,590.

The Company's total rental expense was \$48,305, \$46,235, and \$44,169 in 2010, 2009, and 2008, respectively. The Company is committed to minimum annual rentals (exclusive of tax and operating escalations tied to market indices) on its operating leases as follows:

2011	\$ 28,490
2012	22,866
2013	17,206
2014	12,196
2015	9,743
Thereafter	<u>32,556</u>
	<u>\$123,057</u>

I. Acquisitions

On February 25, 2011, the Company acquired 100% of the stock of Wilbur Smith Associates, Inc., a Columbia, S.C. transportation firm for approximately \$37,800 in cash.

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Camp Dresser & McKee Inc. and Subsidiaries

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2. Audit Committee
3. Executive Compensation Committee
4. Finance Committee

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East & Latin America

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FINANCIAL REPORT 2009



Five-Year Financial Summary

Camp Dresser & McKee Inc. and Subsidiaries
(Dollars in thousands, except per share amounts)

Operations	2009	2008	2007	2006	2005
Client Revenues	\$1,010,542	\$ 1,020,456	\$ 902,397	\$ 794,009	\$ 687,354
Total Direct and Operating Expenses	961,864	979,446	877,749	771,376	667,982
Operating Income	\$ 48,678	\$ 41,010	\$ 24,648	\$ 22,633	\$ 19,372
Net Income attributed to Camp Dresser & McKee Inc.	\$ 29,137	\$ 25,230	\$ 17,166	\$ 13,179	\$ 12,530
Financial Position					
Total Assets	\$ 474,536	\$ 429,701	\$ 395,663	\$ 329,174	\$ 283,290
Current Assets	\$ 409,749	\$ 367,966	\$ 331,695	\$ 275,511	\$ 232,459
Less: Deferred income taxes	20,192	20,191	20,091	21,539	21,508
Other current liabilities	244,219	228,495	214,659	169,280	139,100
Working Capital	\$ 145,338	\$ 119,280	\$ 96,945	\$ 84,692	\$ 71,851
Fixed Assets, Net	\$ 24,027	\$ 28,055	\$ 28,293	\$ 22,019	\$ 21,631
Long-Term Debt	\$ 442	\$ 475	\$ 538	\$ 894	\$ 744
Total Equity	\$ 189,061	\$ 165,443	\$ 141,727	\$ 120,864	\$ 107,536
Other Data					
Common Shares Outstanding at Year End	4,156,626	4,257,220	4,184,063	4,114,363	4,161,953
Book Value Per Share	\$45.44	\$38.61	\$32.71	\$28.43	\$25.15
Book Value Increase	\$6.83	\$5.90	\$4.28	\$3.28	\$2.98
Book Value Per Share Increase	17.7%	18.0%	15.1%	13.0%	13.4%

Report of Independent Auditors

To the Board of Directors and Stockholders of Camp Dresser & McKee Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity, and cash flows present fairly, in all material respects, the financial position of Camp Dresser & McKee Inc. and its subsidiaries at January 2, 2010 and January 3, 2009, and the results of their operations and their cash flows for the years ended January 2, 2010, January 3, 2009, and December 29, 2007, in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America. 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A to the consolidated financial statements, the Company changed the manner in which it accounts for noncontrolling interests in 2009.

PriceWaterhouseCoopers LLP

Boston, Massachusetts
March 26, 2010

Consolidated Income Statements

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 2, 2010, January 3, 2009, and December 29, 2007

(Dollars in thousands)

	2009	2008	2007
Client Revenues	\$1,010,542	\$ 1,020,456	\$ 902,397
Direct Cost of Services	649,446	661,509	594,137
Other Operating Expenses	312,418	317,937	283,612
Income from Operations	48,678	41,010	24,648
Interest Expense	(617)	(757)	(590)
Other Income	1,062	3,218	3,257
Income before Income Taxes	49,123	43,471	27,315
Provision for Income Taxes	19,895	17,321	9,186
Net Income	29,228	26,150	18,129
Less: Net Income attributed to noncontrolling interests	91	920	963
Net Income attributed to Camp Dresser & McKee Inc.	\$ 29,137	\$ 25,230	\$ 17,166

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets

Camp Dresser & McKee Inc. and Subsidiaries

As of January 2, 2010, and January 3, 2009

(Dollars in thousands, except share and per share amounts)

	2009	2008
Assets		
Current Assets:		
Cash and cash equivalents	\$128,847	\$ 91,926
Accounts receivable, net of allowances of \$3,662 in 2009 and \$3,819 in 2008	177,262	172,175
Unbilled revenues on contracts, net of allowances	82,180	79,404
Work in process inventory	6,218	6,932
Other current assets	15,242	17,529
Total current assets	409,749	367,966
Fixed Assets, Net	24,027	28,055
Other Assets	40,760	33,680
	\$474,536	\$429,701
Liabilities and Stockholders' Equity		
Current Liabilities:		
Notes payable to banks	\$ 2,057	\$ 2,954
Current portion of long-term debt	41	73
Accounts payable	87,156	74,839
Accrued compensation and related liabilities	64,265	57,825
Other current liabilities	20,086	21,145
Excess of advance payments over accrued revenues	70,614	71,659
Deferred income taxes	20,192	20,191
Total current liabilities	264,411	248,686
Long-Term Debt	442	475
Other Liabilities	20,622	15,097
Commitments and Contingencies (Note H)		
Equity:		
Common stock, par value \$.01; authorized 25,000,000 shares; issued and outstanding 4,156,626 shares in 2009 and 4,257,220 shares in 2008	41	43
Paid-in capital	56,969	53,922
Retained earnings	130,059	108,508
Accumulated other comprehensive income	1,815	1,880
Total Camp Dresser & McKee Inc. stockholders' equity	188,884	164,353
Noncontrolling interests	177	1,090
Total equity	189,061	165,443
	\$474,536	\$429,701

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 2, 2010, January 3, 2009, and December 29, 2007

(Dollars in thousands)

	2009	2008	2007
Operating Activities:			
Net income	\$ 29,228	\$26,150	\$18,129
Amounts that reconcile net income			
to net cash provided by operating activities:			
Depreciation and amortization	11,760	12,794	10,800
Deferred income taxes	1	100	(1,448)
Currency translations	(65)	(520)	1,026
Non-cash portion of 401(k) match	-	5,597	4,765
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(4,885)	5,041	(23,533)
Unbilled revenues on contracts	(2,691)	3,319	(15,238)
Excess of advance payments over accrued revenues	(1,045)	6,197	18,115
Work in process inventory	714	(1,174)	(1,798)
Other current assets	(999)	2,727	(3,371)
Other assets	(4,789)	3,085	(2,378)
Accounts payable	12,279	8,458	13,761
Accrued compensation and related liabilities	7,545	(172)	8,648
Other current liabilities	(1,341)	(18)	2,247
Other liabilities	5,525	(3,572)	2,051
Net cash provided by Operating Activities	51,237	68,012	31,776
Investing Activities:			
Capital expenditures	(7,731)	(12,545)	(16,627)
Investment in acquisitions	(1,200)	(6,281)	(1,140)
Net cash used for Investing Activities	(8,931)	(18,826)	(17,767)
Financing Activities:			
Notes payable to banks	2,624	3,516	1,996
Repayment of notes payable to banks	(3,609)	(5,571)	(2,756)
Proceeds from the issuance of common stock	6,091	3,107	5,217
Repurchase of common stock	(10,632)	(6,407)	(7,900)
Net cash used for Financing Activities	(5,526)	(5,355)	(3,443)
Effect of exchange rates on cash	141	(15)	55
Net increase in cash and cash equivalents	36,921	43,816	10,621
Cash and cash equivalents at beginning of year	91,926	48,110	37,489
Cash and cash equivalents at end of year	\$ 128,847	\$ 91,926	\$ 48,110

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 2, 2010, January 3, 2009, and December 29, 2007

(Dollars in thousands, except share amounts)

	Common Stock		Paid-In	Retained	Accumulated	Total Camp	Non-	Total
	Shares	Amount	Capital	Earnings	Other	Dresser &	controlling	Equity
					Income	McKee Inc.	Interests	
						Stockholders' Equity		
Balance at December 30, 2006	4,114,363	\$41	\$40,240	\$ 75,417	\$ 1,262	\$116,960	\$3,904	\$120,864
Repurchase of common stock at book value	(267,025)	(3)	(2,463)	(5,434)	—	(7,900)	—	(7,900)
Exercise of employee stock rights	169,135	2	5,215	—	—	5,217	—	5,217
Issuance of common stock to 401(k) match	167,590	2	4,763	—	—	4,765	—	4,765
Settlement of amounts due noncontrolling affiliates	—	—	—	—	—	—	(374)	(374)
Currency translations	—	—	—	—	666	666	360	1,026
Net Income	—	—	—	17,166	—	17,166	963	18,129
Balance at December 29, 2007	4,184,063	42	47,755	87,149	1,928	136,874	4,853	141,727
Repurchase of common stock at book value	(186,778)	(2)	(2,534)	(3,871)	—	(6,407)	—	(6,407)
Exercise of employee stock rights	88,831	1	3,106	—	—	3,107	—	3,107
Issuance of common stock to 401(k) match	171,104	2	5,595	—	—	5,597	—	5,597
Settlement of amounts due noncontrolling affiliates	—	—	—	—	—	—	(358)	(358)
Purchase of noncontrolling interest in German affiliate	—	—	—	—	—	—	(3,853)	(3,853)
Currency translations	—	—	—	—	(48)	(48)	(472)	(520)
Net Income	—	—	—	25,230	—	25,230	920	26,150
Balance at January 3, 2009	4,257,220	43	53,922	108,508	1,880	164,353	1,090	165,443
Repurchase of common stock at book value	(252,009)	(3)	(3,043)	(7,586)	—	(10,632)	—	(10,632)
Exercise of employee stock rights	151,415	1	6,090	—	—	6,091	—	6,091
Settlement of amounts due noncontrolling affiliates	—	—	—	—	—	—	(1,004)	(1,004)
Currency translations	—	—	—	—	(65)	(65)	—	(65)
Net Income	—	—	—	29,137	—	29,137	91	29,228
Balance at January 2, 2010	4,156,626	\$41	\$56,969	\$130,059	\$ 1,815	\$188,884	\$ 177	\$189,061

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

A. Summary of Significant Accounting Policies

Fiscal Year: The Company reports its operating results based upon a 52- or 53-week fiscal year ending on the Saturday nearest December 31.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of all significant intercompany accounts and transactions. The Company has also consolidated the financial position and results of operations of CDM Caribbean Engineers P.S.C., a non-CDM-owned related company, based on the principles of ASC Topic 810, which provides guidance on the consolidation of variable interest entities. All significant intercompany transactions have been eliminated. The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). Certain reclassifications have been made to prior years' consolidated financial statements to conform to the current year presentation.

Recently Adopted Accounting Standards: In 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168, "The FASB Accounting Standards Codification (ASC) and the Hierarchy of Generally Accepted Accounting Principles," which was primarily codified into ASC Topic 105, "Generally Accepted Accounting Standards." The ASC will become the single source of authoritative non-governmental U.S. GAAP. This standard organizes the GAAP pronouncements into accounting topics and displays them using a consistent structure. This guidance affects the Company's financial statements and related disclosures as all references to authoritative literature reflect the newly adopted codification.

In 2009, the Company adopted the provisions of FASB ASC Topic 810-10-65, which amends the accounting and reporting standards for the noncontrolling interest in a subsidiary (formerly referred to as "minority interest"), which is defined as the portion of equity (net assets) in a subsidiary not attributable, directly or indirectly, to a parent. ASC Topic 810 establishes accounting and reporting standards for noncontrolling interests, the amount of consolidated net income attributable to the parent and to the noncontrolling interests, changes in a parent's ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. ASC Topic 810 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. The presentation and disclosure requirements of ASC Topic 810 were adopted on a retrospective basis, and resulted in a reclassification of minority interest to noncontrolling interests of \$1,090 at January 3, 2009.

In 2009, the FASB issued authoritative guidance on subsequent events, which was codified in ASC 855, "Subsequent Events." ASC 855 establishes general standards of accounting for the disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted the provisions of ASC 855 in 2009. Adoption did not have

a material impact on consolidated financial statements, but requires the Company to disclose the date to which the Company evaluated subsequent events. For the year ending January 2, 2010, that date is through March 26, 2010.

Contracts: Revenues and costs of services on engineering and construction contracts are recognized on the percentage-of-completion or efforts-expended method measured by costs incurred against total estimate of costs to complete the project. Changes in estimated contract costs or contract values may result in revisions to income and are recognized in the period in which a change in estimate becomes known.

Revenues on contracts without a fixed price are recognized as the work is performed in accordance with specific terms of each contract. Costs for work performed prior to final contract approval, as well as costs incurred on pending amendments and change orders, are included in work in process inventory or, for construction contracts, unbilled revenue to the extent that it is probable a final contract, amendment, or change order will be executed. Contracts and amendments to contracts are generally approved in scope and estimated price prior to the commencement of work.

Use of Estimates in the Preparation of Financial Statements: The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents: The Company considers all highly liquid investments purchased with an original maturity of 3 months or less at time of purchase to be cash equivalents. The carrying amount of these equivalents is a reasonable estimate of fair value. Due to the short-term nature of repurchase agreements, the Company does not take possession of these securities or related collateral, which are instead held in the Company's safekeeping account by the bank. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments: In 2008 and 2009, the Company adopted FASB ASC 820-10, which defines fair value, establishes a uniform framework for measuring fair value where other accounting pronouncements require fair value measurements, and expands disclosure requirements for all financial and non-financial assets and liabilities, with no material impact to the consolidated financial statements but with additional required consolidated financial statement footnote disclosures. Financial assets and liabilities, which include money market instruments and investments related to the Company's Deferred Compensation Plan, were measured using Level 1 inputs, which are quoted prices in active markets. The Company did not have any non-financial assets or liabilities that required remeasurement.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

Goodwill: Goodwill at January 2, 2010, and January 3, 2009, totaled \$18,858 and \$17,658, respectively, and is included in Other Assets on the Company's balance sheet. The change in the value of goodwill recorded in the current fiscal year is the result of a revaluation of foreign currency related to prior acquisitions and subsequent contractual payments made to principals of acquired companies based upon achieving certain goals. Goodwill is not amortized but is reviewed for impairment on an annual basis and whenever events or changes in business circumstances indicate that the carrying value may not be recoverable. No impairments were identified in 2009, 2008, and 2007.

Income Taxes: The Company uses the cash basis of accounting for income tax purposes. For financial reporting purposes, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established for deferred taxes when it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company has elected to convert from the cash method to the accrual method beginning for the fiscal year ending January 1, 2011.

In 2009, the Company adopted guidance on the accounting for uncertainty in income taxes, which provides a comprehensive model for financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Under this guidance, the Company can recognize the benefit of an income tax position only if it is more likely than not (greater than 50%) that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position. The Company will accrue interest and related penalties, if applicable, on uncertain tax positions for which reserves have been established, consistent with jurisdictional tax laws.

Foreign Currency: Adjustments resulting from translating the accounts of non-U.S. subsidiaries with a functional currency different from the U.S. dollar are recorded as other comprehensive income, a component of stockholders' equity. Adjustments relating to other foreign currency transactions are recorded in the income statement and are not material for any period.

Noncontrolling Interests: The results of operations of the Company's German affiliates reflect a noncontrolling interest elimination of the 35% interest not owned by the Company. On October 25, 2008, the Company acquired the remaining 35% interest in the Company's German affiliates. The Company also has consolidated the results of the operations and financial position of CDM Caribbean Engineers P.S.C. in its financial results and has recorded a noncontrolling interest on accumulated profits realized from that unit.

Other Comprehensive Income (Loss): ASC Topic 220, "Comprehensive Income," establishes standards for reporting and displaying comprehensive income and its components in a full set of general-purpose

financial statements. ASC Topic 220 requires that certain income items that appear in financial statements as direct adjustments to stockholders' equity are added to net income to be reported as total comprehensive income. The Company's total comprehensive income was \$29,072, \$25,182, and \$17,832 in 2009, 2008, and 2007, respectively.

B. Fixed Assets

Equipment and leasehold improvements are stated at cost. Equipment is depreciated over its estimated useful life of 3 to 7 years using the straight-line method. Leasehold improvements are depreciated using the shorter of the lease term or estimated useful life. Repairs and maintenance are expensed as incurred. When assets are retired or otherwise disposed of, the assets and related accumulated depreciation and amortization are eliminated from the accounts, and any resulting gain or loss is recognized. Capitalized software, net of amortization, at January 2, 2010, and January 3, 2009, totaled \$4,492 and \$4,127, respectively.

Equipment and leasehold improvements consisted of the following:

	<u>2009</u>	<u>2008</u>
Office equipment	\$ 51,003	\$ 47,917
Engineering equipment	48,700	48,064
Leasehold improvements	<u>9,328</u>	<u>8,797</u>
	109,031	104,778
Accumulated depreciation and amortization	<u>85,004</u>	<u>76,723</u>
	<u>\$ 24,027</u>	<u>\$ 28,055</u>

Depreciation and amortization expense amounted to \$11,760, \$12,794, and \$10,800 in 2009, 2008, and 2007, respectively.

C. Debt

Short-term borrowings consisted of the following:

	<u>2009</u>	<u>2008</u>
Foreign credit agreements	\$ 2,057	\$ 2,954
Current portion of long-term debt	<u>41</u>	<u>73</u>
	<u>\$ 2,098</u>	<u>\$ 3,027</u>

On September 27, 2006, the Company and its two banks established a new domestic credit agreement in the amount of \$75,000, providing for loans on a revolving basis. The maturity date of the agreement is September 30, 2011. The Company is required to comply with certain financial covenants relating to outstanding indebtedness, net worth, and fixed charge coverage. At January 2, 2010, and January 3, 2009, the Company was in compliance with all of the financial covenants.

Interest on the domestic credit agreement is payable monthly at the prime rate of interest, 3.25% at January 2, 2010, and January 3, 2009. The agreement also provides the option of borrowing at the prime rate of interest or a fixed spread over the London Interbank Offered Rate (LIBOR).

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

No amounts were outstanding under this credit agreement as of January 2, 2010, and January 3, 2009.

Interest payments on the domestic credit agreement were zero in 2009, 2008, and 2007.

A revolving commitment fee of 1/8% per annum, depending upon certain financial ratios, is payable on the unused balance of the facility. The commitment fee payments were \$95, \$103, and \$95 in 2009, 2008, and 2007, respectively.

The Company's German and Polish affiliates have credit agreements with a number of local banks. The credit agreements consist of working capital overdraft facilities and term loans having varying maturity dates through August 2, 2021. The credit agreements carry interest rates ranging from 2.44% to 9.75%.

Long-term debt consisted of the following:

	<u>2009</u>	<u>2008</u>
Foreign term loans with varying interest rates due to 2021	\$483	\$548
Less current portion	<u>41</u>	<u>73</u>
	<u>\$442</u>	<u>\$475</u>

Interest payments relating to the Company's subsidiaries' debt obligations were \$418, \$419, and \$594 in 2009, 2008, and 2007, respectively.

D. Capital Accumulation Plan

The Company has a Capital Accumulation Plan that allows eligible employees to share in profits of the Company as determined by the Board of Directors. The Capital Accumulation Plan also provides for a contribution from the Company that matches the employees' contribution to a 401(k) plan.

The Company will contribute \$12,262 to the profit sharing plan for 2009. The Company has contributed \$10,978 and \$9,563 to the profit sharing plan for 2008 and 2007, respectively.

The Company will also contribute \$7,603 to the 401(k) portion of the Capital Accumulation Plan for 2009. The Company made contributions of \$6,909 and \$6,129 for 2008 and 2007, respectively, in matching funds in the form of cash and/or company common stock.

E. Deferred Compensation Plan

The Company has a non-qualified deferred compensation plan that permits certain key employees to annually elect to defer a portion of their compensation for their retirement. The deferred amount and related investment earnings are placed in an irrevocable trust and included in Other Assets in the Company's consolidated balance sheet because they will be available to the general creditors of the Company in the event of insolvency. Amounts due employees are included in Other Liabilities on the Company's consolidated balance sheet. The plan value at January 2, 2010, and January 3, 2009, totaled \$19,721 and \$15,092, respectively.

F. Stock Purchase Plan

The Company has three classes of Common Stock, Class A, B, and C shares. The number of shares authorized is 5,000,000, 15,000,000, and 5,000,000 for Class A, B and C, respectively. The number of shares issued and outstanding at January 2, 2010, is 1,392,251, 2,155,720, and 608,655 for Class A, B, and C, respectively.

The Company has a Stock Purchase Plan (Plan) under which officers, associates, and other key members of the Company are granted rights to purchase Common Stock within 3 years from the date of grant. Additionally, officers, associates, and other key members of the Company may purchase either Class B or Class C Common Stock as requested and approved by the Board of Directors. The Class B and C Common stockholders each elect one director to the Board, while Class A Common stockholders elect the remaining directors. The Class A and B Common Stock have certain preferences in regard to dividends and liquidation. The purchase price for all the Common Stock is the book value of the quarter preceding the date of purchase. The Company is obligated to purchase any shares sold by stockholders at the preceding month book value.

Unexercised Class A stock rights were 111,220 at January 2, 2010, 124,520 at January 3, 2009, and 63,105 at December 29, 2007. Unexercised Class C stock rights were 63,975 at January 2, 2010, 68,580 at January 3, 2009, and 41,855 at December 29, 2007. There were no unexercised Class B rights. Shares were exercised at prices ranging from \$28.43 to \$31.41 in 2007, \$32.71 to \$37.29 in 2008, and \$38.61 to \$44.17 in 2009.

Additionally, the Plan provides for the purchase of stock through a payroll deduction program that allows for voluntary deductions to take place over a 6-month period culminating in a stock purchase.

In 2009, SFAS No. 123R was recodified into FASB ASC Topic 718, "Stock Compensation," relating to employee purchases of company stock, and the required holding period and subsequent gains and losses on such stock. The Company accounts for the Plan as a book value plan, as defined by ASC Topic 718. The Company has not recorded stock compensation expense associated with this book value plan for any period as the amounts are considered immaterial.

G. Income Taxes

The provision for income taxes of \$19,895 in 2009, \$17,321 in 2008, and \$9,186 in 2007 includes a net increase in net deferred tax liabilities of \$1 in 2009, \$100 in 2008, and a net decrease of \$1,448 in 2007.

The following tabulation reconciles the federal statutory tax rate to the effective rate for the years:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	4.9%	4.7%	4.8%
Research & experimentation credit	(0.1%)	(0.6%)	(6.3%)
Other	<u>0.7%</u>	<u>0.7%</u>	<u>0.1%</u>
	<u>40.5%</u>	<u>39.8%</u>	<u>33.6%</u>

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

The Company recorded a tax benefit relating to Research & Experimentation Credits (R&E) tax credits of \$50, \$250, and \$1,716 in 2009, 2008, and 2007, respectively.

The principal components of the deferred tax assets and liabilities are as follows:

Deferred Tax Assets:	<u>2009</u>	<u>2008</u>
Accounts payable	\$17,785	\$17,149
Accrued expenses	15,432	16,044
Advanced payments	15,221	15,884
Other	<u>1,525</u>	<u>1,807</u>
Total deferred tax assets	<u>49,963</u>	<u>50,884</u>
Deferred Tax Liabilities:		
Accounts receivable	46,633	46,928
Unbilled revenues	20,684	21,212
Capitalized project costs	2,455	2,654
Other	<u>383</u>	<u>281</u>
Total deferred tax liabilities	<u>70,155</u>	<u>71,075</u>
	<u>\$20,192</u>	<u>\$20,191</u>

Income tax payments were \$17,533, \$18,238, and \$9,090 in 2009, 2008, and 2007, respectively.

Effective January 4, 2009, the Company adopted the guidance on the accounting for uncertainty in income taxes. There was no cumulative effect to retained earnings as a result of adopting the guidance. The total amount of potential unrecognized tax benefits including interest as of January 2, 2010, and January 4, 2009, was \$1,766 and \$1,520, respectively. The Company does not anticipate any material changes in the total amount of potential unrecognized tax benefits to occur over the next 12 months.

The Company recognizes interest expense and penalties related to uncertain tax positions as income tax expense. During 2009, gross interest expense of \$372 was recognized and classified as income tax expense. The total amount of gross interest expense and penalties related to uncertain tax positions as of January 2, 2010, and January 4, 2009, was \$1,231 and \$859, respectively.

The Company conducts business operations through legal entities in the United States as well as multiple foreign jurisdictions. Undistributed earnings of non-U.S. subsidiaries are intended to be reinvested in those operations for an indefinite period of time. The Company is currently undergoing an examination with the Internal Revenue Service for the tax years 2004 through 2007 in conjunction with the R&E Credits that were available to the Company and taken in those years. With few exceptions, the Company is no longer subject to U. S. (including federal, state, and local) or non-U.S. income tax examinations by authorities for years before fiscal 2004.

H. Commitments and Contingencies

The Company is involved in various legal proceedings generally incidental to the conduct of its business. The Company has accrued for losses that were determined to be probable and can be reasonably estimated.

The Company's construction subsidiary provides warranties on its construction projects that typically are no longer than 1 year in duration and historically have not produced any material costs or exposure to the Company's results. The Company has provided a guarantee, to a client of CDM Caribbean Engineers P.S.C., to cause CDM Caribbean Engineers P.S.C. to perform service obligations with that client. The guarantee states that the Company will provide the financial commitment to complete any incomplete phase of the contract in the event CDM Caribbean fails to do so. As of January 2, 2010, and January 3, 2009, the Company has determined that a liability associated with the guarantee is remote based on CDM Caribbean's performance to date.

The Company obtains standby letters of credit from banks in connection with certain domestic and international contracts. The aggregate amount outstanding at January 2, 2010, was \$5,320.

The Company's total rental expense was \$46,235, \$44,169, and \$40,899 in 2009, 2008, and 2007, respectively. The Company is committed to minimum annual rentals (exclusive of tax and operating escalations tied to market indices) on its operating leases as follows:

2010	\$ 29,133
2011	25,505
2012	19,516
2013	14,186
2014	10,001
Thereafter	<u>40,193</u>
	<u>\$138,534</u>

I. Acquisitions

On March 4, 2008, the Company acquired 100% of the stock of Centrum Techniki Budownictwa komunalgeo-Ekotechnika Sp. z o.o. and co-operation (CTBK), a Polish firm located in Warsaw for approximately \$1,273.

Certain former shareholders of acquired companies earned additional price consideration of \$1,200, based on the attainment of performance measurements. The payments were recorded as additional goodwill in 2009.

Board of Directors and Senior Officers

Camp Dresser & McKee Inc. and Subsidiaries

Board of Directors

Richard D. Fox ^{1,4}
Chairman of the Board

Paul R. Brown ¹
Executive Vice President

William K. O'Brien ^{2,3,4}
Retired Global Managing Partner,
PricewaterhouseCoopers

Guillermo J. Vicens ⁴
Senior Vice President

Paul G. Camell ^{1,4}
Executive Vice President

Paul R. Shea ⁴
Senior Vice President

Gae Walters ³
President, Millennium

William S. Howard ¹
Executive Vice President

Howard H. Stevenson ^{2,3,4}
Sarofim-Rock Baker Foundation Professor,
Senior Associate Dean, and Director of
HBS Publishing

Thomas D. Furman Jr.
Chairman Emeritus

1. Executive Committee
2. Audit Committee
3. Executive Compensation Committee
4. Finance Committee

John D. Manning ¹
President

Corporate Senior Officers

Richard D. Fox
Chief Executive Officer

Charlene P. Allen
Senior Vice President and
Director of Human Resources

James S. Lackman
Senior Vice President,
General Counsel and Clerk

Peter F. Palmisano
Senior Vice President and
Chief Information Officer

John D. Manning
President and Chief Operating Officer

Robert J. Anton
Senior Vice President and
Chief Financial Officer

Mary K. Leslie
Senior Vice President and
Director of CDM University

Peter W. Tunnicliffe
Senior Vice President and
Director of Project Development

Paul R. Brown
Executive Vice President, Global
Market Development and Chief
Marketing Officer

William S. Howard
Executive Vice President and
Chief Technical Officer

Kenneth T. Page
Senior Vice President and Corporate
Health and Safety Officer

Paul G. Camell
Executive Vice President, Mergers
and Acquisitions and Chief
Administrative Officer

Group Presidents

Stephen J. Hickox
Public Services, North America
East & Latin America

Donald G. Munksgaard
Public Services, North America
West/Central & Asia

Paul R. Shea
Construction Division

Timothy B. Wall
Federal Services

Alex H. Makled
Client Services, Europe,
Middle East & Africa

C. Hunter Nolen
Industrial Services

Guillermo J. Vicens
Consulting & Engineering Divisions

Senior Vice Presidents

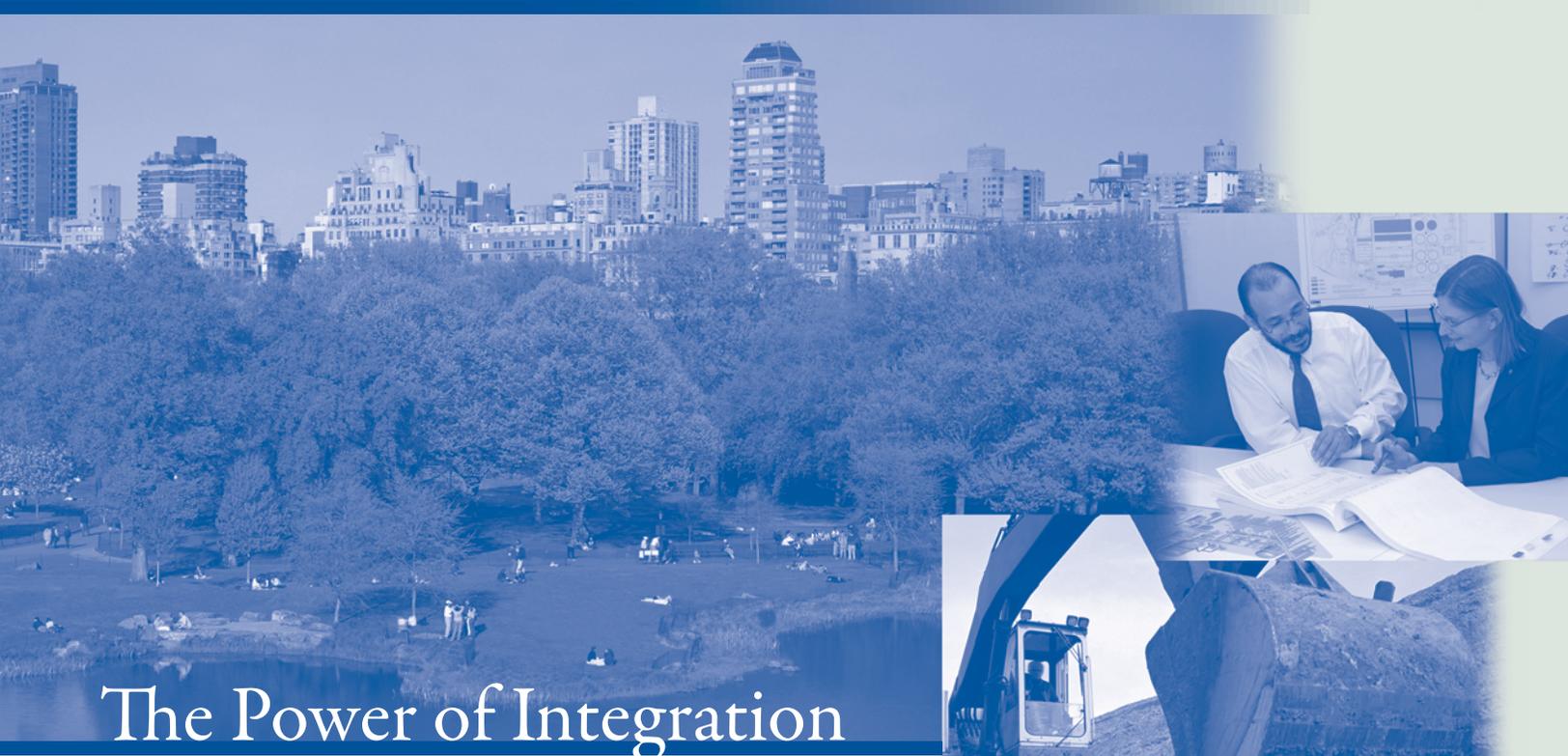
Khalil Z. Atasi
Peter T. Bailey
Daniel W. Boyd
Brandon G. Braley
Steven L. Brewer
Kellene M. Burn-Roy
David C. Chamberlin
Rodney W. Chapin
Richard A. Cloutier
Robert Cutone
Robert J. Gaudes
Daniel M. Gerrity
Robert D. Goltz
Paul J. Gorder
Brendan M. Harley
Frederick J. Holland

Patrick D. Hughes
Robert L. Hurdle
Carl R. Johnson
Richard C. Johnson
John W. Keating
Stephen R. Kellogg
Keith F. Kelly
Randi M. Kim
John S. Kontor
Gary R. Kroll
Jeanne Litwin
Michael C. Malloy
Mario J. Marcaccio Jr.
Robert L. Matthews
Thomas G. McNeice
Michael A. Memoli

Paul F. Meyerhofer
Susan C. Morea
Omar G. Naji
Darwin L. Nelson
William C. Nelson
John E. Newby
Roger L. Olsen
Christopher V. Oot
David L. Parry
Tom A. Pedersen
Eliu O. Perez
Albert B. Pincince
Robert P. Prata
John M. Price
John D. Rattray
Kevin J. Riley

Randy R. Rogers
Michael T. Savage
Michael S. Schultz
Christopher R. Schulz
P. Michael Schwan
Andrea E. Sewall
Richard A. Slovarp
James T. Smullen
Jyh-Wei Sun
Donald M. Thompson
Richard J. Thornton
Jon R. Toyoda
J. Ellis Turner
Kartik Vaith
Mario Vecchiarello
David T. Zimmer

2008
FINANCIAL REPORT



The Power of Integration



CDM

Five-Year Financial Summary

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

Operations	2008	2007	2006	2005	2004
Client Revenues	\$1,020,456	\$ 902,397	\$ 794,009	\$ 687,354	\$ 622,235
Total Direct and Operating Expenses	<u>979,446</u>	<u>877,749</u>	<u>771,376</u>	<u>667,982</u>	<u>603,823</u>
Operating Income	<u>\$ 41,010</u>	<u>\$ 24,648</u>	<u>\$ 22,633</u>	<u>\$ 19,372</u>	<u>\$ 18,412</u>
Net Income	<u>\$ 25,230</u>	<u>\$ 17,166</u>	<u>\$ 13,179</u>	<u>\$ 12,530</u>	<u>\$ 10,233</u>

Financial Position

Total Assets	<u>\$ 429,701</u>	<u>\$ 395,663</u>	<u>\$ 329,174</u>	<u>\$ 283,290</u>	<u>\$ 263,678</u>
Current Assets	<u>\$ 367,966</u>	<u>\$ 331,695</u>	<u>\$ 275,511</u>	<u>\$ 232,459</u>	<u>\$ 215,297</u>
Less: Deferred income taxes	20,191	20,091	21,539	21,508	20,368
Other current liabilities	<u>228,495</u>	<u>214,659</u>	<u>169,280</u>	<u>139,100</u>	<u>127,676</u>
Working Capital	<u>\$ 119,280</u>	<u>\$ 96,945</u>	<u>\$ 84,692</u>	<u>\$ 71,851</u>	<u>\$ 67,253</u>
Fixed Assets, Net	<u>\$ 28,055</u>	<u>\$ 28,293</u>	<u>\$ 22,019</u>	<u>\$ 21,631</u>	<u>\$ 18,775</u>
Long-Term Debt	<u>\$ 475</u>	<u>\$ 538</u>	<u>\$ 894</u>	<u>\$ 744</u>	<u>\$ 1,281</u>
Stockholders' Equity	<u>\$ 164,353</u>	<u>\$ 136,874</u>	<u>\$ 116,960</u>	<u>\$ 104,686</u>	<u>\$ 97,707</u>

Other Data

Common Shares Outstanding at Year End	4,257,220	4,184,063	4,114,363	4,161,953	4,407,702
Book Value Per Share	\$38.61	\$32.71	\$28.43	\$25.15	\$22.17
Book Value Increase	\$5.90	\$4.28	\$3.28	\$2.98	\$2.37
Book Value Per Share Increase	18.0%	15.1%	13.0%	13.4%	12.0%

Report of Independent Auditors

To the Board of Directors and Stockholders of Camp Dresser & McKee Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated income statements, changes in stockholders' equity, and cash flow present fairly, in all material respects, the financial position of Camp Dresser & McKee, Inc. and its subsidiaries at January 3, 2009, and December 29, 2007, and the results of their operations and their cash flows for the years ended January 3, 2009, December 29, 2007, and December 30, 2006, in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America. 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PriceWaterhouseCoopers LLP

Boston, Massachusetts

March 25, 2009

Consolidated Income Statements

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 3, 2009, December 29, 2007, and December 30, 2006

(Dollars in thousands)

	2008	2007	2006
Client Revenues	\$1,020,456	\$902,397	\$794,009
Direct Cost of Services	661,509	594,137	522,829
Other Operating Expenses	<u>317,937</u>	<u>283,612</u>	<u>248,547</u>
Income from Operations	41,010	24,648	22,633
Interest Expense	(757)	(590)	(745)
Other Income	<u>3,218</u>	<u>3,257</u>	<u>2,252</u>
Income before Income Taxes and Minority Interest	43,471	27,315	24,140
Provision for Income Taxes	17,321	9,186	9,998
Minority Interest in Net Income of Subsidiaries	<u>920</u>	<u>963</u>	<u>963</u>
Net Income	<u>\$ 25,230</u>	<u>\$ 17,166</u>	<u>\$ 13,179</u>

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets

Camp Dresser & McKee Inc. and Subsidiaries

As of January 3, 2009, and December 29, 2007

(Dollars in thousands, except share and per share amounts)

Assets	2008	2007
Current Assets:		
Cash and cash equivalents	\$ 91,926	\$ 48,110
Accounts receivable, net of allowances of \$3,819 in 2008 and \$4,139 in 2007	172,175	177,098
Unbilled revenues on contracts	79,404	82,795
Work in process inventory	6,932	6,933
Other current assets	<u>17,529</u>	<u>16,759</u>
Total current assets	367,966	331,695
Fixed Assets, Net	28,055	28,293
Other Assets	<u>33,680</u>	<u>35,675</u>
	<u>\$429,701</u>	<u>\$395,663</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Notes payable to banks	\$ 2,954	\$ 4,660
Current portion of long-term debt	73	473
Accounts payable	74,839	66,113
Accrued compensation and related liabilities	57,825	57,711
Other current liabilities	21,145	20,240
Excess of advance payments over accrued revenues	71,659	65,462
Deferred income taxes	<u>20,191</u>	<u>20,091</u>
Total current liabilities	248,686	234,750
Long-Term Debt	475	538
Other Liabilities	15,097	18,648
Commitments and Contingencies (Note H)		
Minority Interest in a Subsidiary	1,090	4,853
Stockholders' Equity:		
Common stock, par value \$.01; authorized 25,000,000 shares; issued and outstanding 4,257,220 shares in 2008 and 4,184,063 shares in 2007	43	42
Paid-in capital	53,922	47,755
Retained earnings	108,508	87,149
Accumulated other comprehensive income	<u>1,880</u>	<u>1,928</u>
Total stockholders' equity	<u>164,353</u>	<u>136,874</u>
	<u>\$429,701</u>	<u>\$395,663</u>

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flow

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 3, 2009, December 29, 2007, and December 30, 2006

(Dollars in thousands)

	2008	2007	2006
Operating Activities:			
Net income	\$25,230	\$17,166	\$13,179
Amounts that reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,794	10,800	10,804
Deferred income taxes	100	(1,448)	31
Equity investment	—	—	(264)
Minority interest in subsidiaries	560	949	1,054
Currency translations	697	(390)	(288)
Non cash portion of 401(k) match	5,597	4,765	—
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	5,041	(23,533)	(25,070)
Unbilled revenues on contracts	3,319	(15,238)	(7,456)
Excess of advance payments over accrued revenues	6,197	18,115	13,967
Work in process inventory	(1,174)	(1,798)	948
Other current assets	2,727	(3,371)	(741)
Other assets	3,085	(2,378)	(1,919)
Accounts payable	8,458	13,761	7,402
Accrued compensation and related liabilities	(172)	8,648	6,881
Other current liabilities	(875)	3,677	1,619
Other liabilities	(3,572)	2,051	2,195
Net cash provided by Operating Activities	<u>68,012</u>	<u>31,776</u>	<u>22,342</u>
Investing Activities:			
Capital expenditures	(12,545)	(16,627)	(11,063)
Investment in acquisitions	(6,281)	(1,140)	(105)
Net cash used for Investing Activities	<u>(18,826)</u>	<u>(17,767)</u>	<u>(11,168)</u>
Financing Activities:			
Notes payable to banks	3,516	1,996	7,329
Repayment of notes payable to banks	(5,571)	(2,756)	(7,668)
Proceeds from the issuance of common stock	3,107	5,217	4,671
Repurchase of common stock	(6,407)	(7,900)	(5,743)
Net cash used for Financing Activities	<u>(5,355)</u>	<u>(3,443)</u>	<u>(1,411)</u>
Effect of exchange rates on cash	(15)	55	55
Net increase in cash and cash equivalents	43,816	10,621	9,818
Cash and cash equivalents at beginning of year	48,110	37,489	27,671
Cash and cash equivalents at end of year	<u>\$91,926</u>	<u>\$48,110</u>	<u>\$37,489</u>

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

Camp Dresser & McKee Inc. and Subsidiaries

For the Fiscal Years Ended January 3, 2009, December 29, 2007, and December 30, 2006

(Dollars in thousands, except share amounts)

	Common Stock		Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance at December 31, 2005	4,161,953	\$42	\$37,908	\$ 65,641	\$1,095	\$104,686
Repurchase of common stock at book value	(220,410)	(2)	(2,338)	(3,403)	—	(5,743)
Exercise of employee stock rights	172,820	1	4,670	—	—	4,671
Currency translations	—	—	—	—	167	167
Net Income	—	—	—	13,179	—	13,179
Balance at December 30, 2006	4,114,363	41	40,240	75,417	1,262	116,960
Repurchase of common stock at book value	(267,025)	(3)	(2,463)	(5,434)	—	(7,900)
Exercise of employee stock rights	169,135	2	5,215	—	—	5,217
Issuance of common stock to 401(k) match	167,590	2	4,763	—	—	4,765
Currency translations	—	—	—	—	666	666
Net Income	—	—	—	17,166	—	17,166
Balance at December 29, 2007	4,184,063	42	47,755	87,149	1,928	136,874
Repurchase of common stock at book value	(186,778)	(2)	(2,534)	(3,871)	—	(6,407)
Exercise of employee stock rights	88,831	1	3,106	—	—	3,107
Issuance of common stock to 401(k) match	171,104	2	5,595	—	—	5,597
Currency translations	—	—	—	—	(48)	(48)
Net Income	—	—	—	25,230	—	25,230
Balance at January 3, 2009	<u>4,257,220</u>	<u>\$43</u>	<u>\$53,922</u>	<u>\$108,508</u>	<u>\$1,880</u>	<u>\$164,353</u>

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

A. Summary of Significant Accounting Policies

Fiscal Year: The Company reports its operating results based upon a 52- or 53-week fiscal year ending on the Saturday nearest December 31.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries. The Company has also consolidated the financial position and results of operations of CDM Caribbean Engineers P.S.C., a non-CDM-owned related company, based on the principles of the Financial Accounting Standards Board (FASB) Interpretation No. 46 "Consolidation of Variable Interest Entities." All significant intercompany transactions have been eliminated.

Certain reclassifications have been made to prior years' consolidated financial statements to conform to the 2008 presentation.

Contracts: Revenues and costs of services on engineering and construction contracts are recognized on the percentage-of-completion or efforts-expended method measured by costs incurred against total estimate of costs to complete the project. Changes in estimated contract costs or contract values may result in revisions to income and are recognized in the period in which a change in estimate becomes known.

Revenues on contracts without a fixed price are recognized as the work is performed in accordance with specific terms of each contract. Costs for work performed prior to final contract approval, as well as costs incurred on pending amendments and change orders, are included in work in process inventory or, for construction contracts, unbilled revenue to the extent that it is probable a final contract, amendment, or change order will be executed. Contracts and amendments to contracts are generally approved in scope and estimated price prior to the commencement of work.

Use of Estimates in the Preparation of Financial Statements: The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents: The Company considers all highly liquid investments purchased with an original maturity of 3 months or less at time of purchase to be cash equivalents. The carrying amount of these equivalents is a reasonable estimate of fair value. Due to the short-term nature of repurchase agreements, the Company does not take possession of these securities or related collateral, which are instead held in the Company's safekeeping account by the bank. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments: In September 2006, FASB released Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS 157), which defines fair value, establishes

a uniform framework for measuring fair value where other accounting pronouncements require fair value measurements, and expands disclosure requirements. In 2008, the Company adopted SFAS 157 for all financial assets and liabilities, which include money market instruments and investments related to the Company's Deferred Compensation Plan, as measured using Level 1 inputs, which are quoted prices in active markets, as defined by SFAS 157 with no material impact to the consolidated financial statements.

Goodwill: Goodwill at January 3, 2009, and December 29, 2007, totaled \$17,658 and \$16,324, respectively, and is included in Other Assets on the Company's balance sheet. The change in the value of goodwill recorded in the current fiscal year is the result of a revaluation of foreign currency related to prior acquisitions, subsequent contractual payments made to principals of acquired companies based upon achieving certain goals, and an acquisition completed in March 2008. Goodwill is not amortized but is reviewed for impairment on an annual basis and whenever events or changes in business circumstances indicate that the carrying value may not be recoverable. No impairments were identified in 2008, 2007, and 2006.

Income Taxes: The Company uses the cash basis of accounting for income tax purposes. For financial reporting purposes, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established for deferred taxes when it is more likely than not that all or a portion of the deferred tax assets will not be realized.

In June 2006, FASB issued Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes." FIN 48 prescribes a comprehensive model for financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. In December 2008, FASB provided private companies an option to defer adoption of FIN 48 until January 2009, which was elected by the Company. The Company continues to assess the impact that FIN 48 will have on the results of its operations, financial position, and cash flow, and will account for uncertain tax positions under the provisions of SFAS No. 5 "Accounting for Contingencies."

Foreign Currency: Adjustments resulting from translating the accounts of non-U.S. subsidiaries with a functional currency different from the U.S. dollar are recorded as other comprehensive income, a component of stockholders' equity. Adjustments relating to other foreign currency transactions are recorded in the income statement and are not material for any period.

Minority Interest: The results of operations of the Company's German affiliates reflect a minority interest elimination of the 35% interest not owned by the Company. On October 25, 2008, the Company acquired the remaining 35% interest in the Company's German affiliates. The Company also has consolidated the results of operations and financial position of CDM Caribbean Engineers

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

P.S.C. in its financial results and has begun recording a minority interest on accumulated profits realized from that unit.

Other Comprehensive Income (Loss): SFAS No. 130, "Reporting Comprehensive Income," establishes standards for reporting and displaying comprehensive income and its components in a full set of general-purpose financial statements. SFAS 130 requires that certain income items which appear in financial statements as direct adjustments to shareholders' equity are added to net income to be reported as total comprehensive income. The Company considers net income and currency translations as comprehensive income. The Company's total comprehensive income was \$25,182, \$17,832, and \$13,346 in 2008, 2007, and 2006, respectively.

B. Fixed Assets

Equipment and leasehold improvements are stated at cost. Equipment is depreciated over its estimated useful life of 3 to 7 years using the straight-line method. Leasehold improvements are depreciated using the shorter of the lease term or estimated useful life. Repairs and maintenance are expensed as incurred. When assets are retired or otherwise disposed of, the assets and related accumulated depreciation and amortization are eliminated from the accounts, and any resulting gain or loss is recognized. Capitalized software, net of amortization, at January 3, 2009, and December 29, 2007, totaled \$4,127 and \$4,408, respectively.

Equipment and leasehold improvements consisted of the following:

	<u>2008</u>	<u>2007</u>
Office equipment	\$ 47,917	\$42,826
Engineering equipment	48,064	43,113
Leasehold improvements	<u>8,797</u>	<u>7,901</u>
	104,778	93,840
Accumulated depreciation and amortization	<u>76,723</u>	<u>65,547</u>
	<u>\$ 28,055</u>	<u>\$28,293</u>

Depreciation and amortization expense amounted to \$12,794, \$10,800, and \$10,804 in 2008, 2007, and 2006, respectively.

C. Debt

Short-term borrowings consisted of the following:

	<u>2008</u>	<u>2007</u>
Foreign credit agreements	\$2,954	\$4,660
Current portion of long-term debt	<u>73</u>	<u>473</u>
	<u>\$3,027</u>	<u>\$5,133</u>

On September 27, 2006, the Company and its two banks established a new domestic credit agreement in the amount of \$75,000, providing for loans on a revolving basis. The maturity date of the

agreement is September 30, 2011. The Company is required to comply with certain financial covenants relating to outstanding indebtedness, net worth, and fixed charge coverage. At January 3, 2009, and December 29, 2007, the Company was in compliance with all of the financial covenants.

Interest on the domestic credit agreement is payable monthly at the prime rate of interest, 3.25% at January 3, 2009, and 7.25% at December 29, 2007. The agreement also provides the option of borrowing at the prime rate of interest or a fixed spread over the London Interbank Offered Rate (LIBOR).

No amounts were outstanding under this credit agreement as of January 3, 2009, and December 29, 2007.

Interest payments on the domestic credit agreement were zero in 2008 and 2007, and \$19 in 2006.

A revolving commitment fee of 1/8% per annum, depending upon certain financial ratios, is payable on the unused balance of the facility. The commitment fee payments were \$103, \$95, and \$100 in 2008, 2007, and 2006, respectively.

The Company's German and Polish affiliates have credit agreements with a number of local banks. The credit agreements consist of working capital overdraft facilities and term loans having varying maturity dates through August 2, 2021. The credit agreements carry interest rates ranging from 4.75% to 12.64%.

Long-term debt consisted of the following:

	<u>2008</u>	<u>2007</u>
Foreign term loans with varying interest rates due to 2021	\$548	\$1,011
Less current portion	<u>73</u>	<u>473</u>
	<u>\$475</u>	<u>\$ 538</u>

Interest payments relating to the Company's subsidiaries' debt obligations were \$419, \$594, and \$419 in 2008, 2007, and 2006, respectively.

D. Capital Accumulation Plan

The Company has a Capital Accumulation Plan that allows eligible employees to share in profits of the Company as determined by the Board of Directors. The Capital Accumulation Plan also provides for a contribution from the Company that matches the employees' contribution to a 401(k) plan.

The Company will contribute \$10,978 to the profit sharing plan for 2008. The Company has contributed \$9,563 and \$7,910 to the profit sharing plan for 2007 and 2006, respectively.

The Company will also contribute \$6,909 to the 401(k) portion of the Capital Accumulation Plan for 2008. The Company made contributions of \$6,129 and \$5,182 for 2007 and 2006, respectively, in matching funds in the form of cash and/or company common stock.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

E. Deferred Compensation Plan

The Company has a non-qualified deferred compensation plan that permits certain key employees to annually elect to defer a portion of their compensation for their retirement. The deferred amount and related investment earnings are placed in an irrevocable trust and included in Other Assets in the Company's consolidated balance sheet because they will be available to the general creditors of the Company in the event of insolvency. Amounts due employees are included in Other Liabilities on the Company's consolidated balance sheet. The plan value at January 3, 2009, and December 29, 2007, totaled \$15,092 and \$18,390, respectively.

F. Stock Purchase Plan

The Company has three classes of Common Stock, Class A, B, and C shares. The number of shares authorized is 5,000,000, 15,000,000, and 5,000,000 for Class A, B and C, respectively. The number of shares issued and outstanding at January 3, 2009, is 1,358,162, 2,365,859, and 533,199 for Class A, B, and C, respectively.

The Company has a Stock Purchase Plan (Plan) under which officers, associates, and other key members of the Company are granted rights to purchase Common Stock within 3 years from the date of grant. Additionally, officers, associates, and other key members of the Company may purchase either Class B or Class C Common Stock as requested and approved by the Board of Directors. The Class B and C Common stockholders each elect one director to the Board, while Class A Common stockholders elect the remaining directors. The Class A and B Common Stock have certain preferences in regard to dividends and liquidation. The purchase price for all the Common Stock is the book value of the quarter preceding the date of purchase.

Unexercised Class A stock rights were 124,520 at January 3, 2009, 63,105 at December 29, 2007, and 63,120 at December 30, 2006. Unexercised Class C stock rights were 68,580 at January 3, 2009, 41,855 at December 29, 2007, and 32,260 at December 30, 2006. There were no unexercised Class B rights. Shares were exercised at prices ranging from \$25.15 to \$27.59 in 2006, \$28.43 to \$31.41 in 2007, and \$32.71 to \$37.29 in 2008.

Additionally, the Plan provides for the purchase of stock through a payroll deduction program that allows for voluntary deductions to take place over a 6-month period culminating in a stock purchase.

The Company is obligated to purchase any shares sold by stockholders at the preceding month book value. The Plan also requires the Company to purchase biannually, in five installments, at the then-current book value, 20% of the Common Stock of major stockholders, defined as those stockholders who, at age 57, hold shares having a

book value in excess of 3% of the aggregate book value of all outstanding stock. Currently, there are no individual shareholders exceeding 3%.

In December 2004, FASB issued SFAS No. 123R, relating to employee purchases of company stock, and the required holding period and subsequent gains and losses on such stock. The Company accounts for the Plan as a book value plan, as defined by SFAS 123R. The Company has not recorded stock compensation expense associated with this book value plan for any period as the amounts are considered immaterial.

G. Income Taxes

The provision for income taxes of \$17,321 in 2008, \$9,186 in 2007, and \$9,998 in 2006 includes a net increase in net deferred tax liabilities of \$100 in 2008, a decrease of \$1,448 in 2007, and an increase of \$31 in 2006.

The following tabulation reconciles the federal statutory tax rate to the effective rate for the years:

	2008	2007	2006
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	4.7%	4.8%	5.5%
Research & experimentation credit	(0.6%)	(6.3%)	(0.4%)
Other	0.7%	0.1%	1.3%
	<u>39.8%</u>	<u>33.6%</u>	<u>41.4%</u>

The Company recorded a tax benefit relating to Research & Experimentation Credits (R&E) tax credits of \$250, \$1,716, and \$100 in 2008, 2007, and 2006, respectively.

The principal components of the deferred tax assets and liabilities are as follows:

Deferred Tax Assets:	2008	2007
Accounts payable	\$17,149	\$13,541
Accrued expenses	16,044	18,041
Advanced payments	15,884	15,607
Other	1,807	2,187
Total deferred tax assets	<u>50,884</u>	<u>49,376</u>
Deferred Tax Liabilities:		
Accounts receivable	46,928	46,727
Unbilled revenues	21,212	19,858
Capitalized project costs	2,654	2,783
Other	281	99
Total deferred tax liabilities	<u>71,075</u>	<u>69,467</u>
	<u>\$20,191</u>	<u>\$20,091</u>

Income tax payments were \$18,238, \$9,090, and \$11,840 in 2008, 2007, and 2006, respectively.

Notes to Consolidated Financial Statements

Camp Dresser & McKee Inc. and Subsidiaries

(Dollars in thousands, except share and per share amounts)

H. Commitments and Contingencies

The Company is involved in various legal proceedings generally incidental to the conduct of its business. The Company has accrued for losses that were determined to be probable and can be reasonably estimated.

The Company's construction subsidiary provides warranties on its construction projects that typically are no longer than 1 year in duration and historically have not produced any material costs or exposure to the Company's results. The Company has provided a guarantee, to a client of CDM Caribbean Engineers P.S.C., to cause CDM Caribbean Engineers P.S.C. to perform service obligations with that client. The guarantee states that the Company will provide the financial commitment to complete any incomplete phase of the contract in the event CDM Caribbean fails to do so. As of January 3, 2009, and December 29, 2007, the Company has determined that a liability associated with the guarantee is remote based on CDM Caribbean's performance to date.

The Company obtains standby letters of credit from banks in connection with certain domestic and international contracts. The aggregate amount outstanding at January 3, 2009, was \$8,517.

The Company's total rental expense was \$44,169, \$40,899, and \$38,215 in 2008, 2007, and 2006, respectively. The Company is committed to minimum annual rentals (exclusive of tax and operating escalations tied to market indices) on its operating leases as follows:

2009	\$ 33,974
2010	29,314
2011	23,992
2012	18,333
2013	13,427
Thereafter	<u>62,536</u>
	<u>\$181,576</u>

I. Acquisitions

On May 17, 2007, the Company purchased 100% of the stock of PROEKO Sp. z o.o., a Polish firm located in Warsaw, Poland, for approximately \$880. On March 4, 2008, the Company, subsequent to finalizing its results from operations for 2007, also acquired 100% of the stock of Centrum Techniki Budownictwa komunalgeo-Ekotechnika Sp. z o.o. and co-operation (CTBK), another Polish firm also located in Warsaw for approximately \$1,273.

Certain former shareholders of acquired companies may earn additional price consideration up to \$1,196, based on the attainment of performance measurements, for a period of up to 3 years from the date of acquisition. The payments will be recorded as additional goodwill if earned.

Board of Directors and Senior Officers

Camp Dresser & McKee Inc. and Subsidiaries

Board of Directors

Richard D. Fox ^{1,4}
Chairman of the Board

Paul R. Brown ¹
Executive Vice President

John D. Manning ¹
President

Guillermo J. Vicens
Senior Vice President

Kellene M. Burn-Roy ⁴
Senior Vice President

William K. O'Brien ^{2,3,4}
Retired Global Managing Partner,
PricewaterhouseCoopers

Gae Walters ³
President, Millennium

Paul G. Camell ^{1,4}
Executive Vice President

Paul R. Shea ⁴
Senior Vice President

Thomas D. Furman Jr. ¹
Chairman Emeritus

1. Executive Committee
2. Audit Committee
3. Executive Compensation Committee
4. Finance Committee

Jonathan G. Curtis ¹
Senior Vice President

Howard H. Stevenson ^{2,3,4}
Sarafim-Rock Baker Foundation Professor, Senior
Associate Dean, and Director of HBS Publishing

William S. Howard ¹
Executive Vice President

Corporate Senior Officers

Richard D. Fox
Chief Executive Officer

Charlene P. Allen
Senior Vice President and
Director of Human Resources

James S. Lackman
Senior Vice President,
General Counsel and Clerk

Peter F. Palmisano
Senior Vice President and
Chief Information Officer

John D. Manning
President and Chief Operating
Officer

Robert J. Anton
Senior Vice President and
Chief Financial Officer

Mary K. Leslie
Senior Vice President and
Director of CDM University

Peter W. Tunncliffe
Senior Vice President and
Director of Project Development

Paul R. Brown
Executive Vice President,
Global Market Development

William S. Howard
Executive Vice President and
Chief Technical Officer

Kenneth T. Page
Senior Vice President and
Corporate Health and Safety Officer

Paul G. Camell
Executive Vice President,
Mergers and Acquisitions and
Chief Administrative Officer

Group Presidents

Jonathan G. Curtis
Federal Services

Alex H. Makled
Client Services, Europe,
Middle East & Africa

C. Hunter Nolen
Industrial Services

Guillermo J. Vicens
Consulting & Engineering Divisions

Stephen J. Hickox
Public Services, North America
East & Latin America

Donald G. Munksgaard
Public Services, North America
West/Central & Asia

Paul R. Shea
Construction Division

Senior Vice Presidents

Khalil Z. Atasi
Peter T. Bailey
Daniel W. Boyd
Brandon G. Braley
Steven L. Brewer
Kellene M. Burn-Roy
David C. Chamberlin
Richard A. Cloutier
Robert Cutone
Alvin C. Firmin
Douglas W. Fredericks
Robert J. Gaudes
Daniel M. Gerrity
Robert D. Goltz
Paul J. Gorder
Brendan M. Harley

Frederick J. Holland
Patrick D. Hughes
Robert L. Hurdle
Carl R. Johnson
Richard C. Johnson
John W. Keating
Stephen R. Kellogg
Keith F. Kelly
Randi M. Kim
John S. Kontor
Gary R. Kroll
Michael C. Malloy
Mario J. Marcaccio Jr.
Robert L. Matthews
Thomas G. McNeice
Michael A. Memoli

Paul F. Meyerhofer
Susan C. Morea
Omar G. Naji
Darwin L. Nelson
John E. Newby
Roger L. Olsen
Christopher V. Oot
Tom A. Pedersen
Eliu O. Perez
Albert B. Pincince
Robert P. Prata
John M. Price
John D. Rattray
Kevin J. Riley
Randy R. Rogers
Michael T. Savage

Michael S. Schultz
Christopher R. Schulz
P. Michael Schwan
Richard A. Slovarp
James T. Smullen
Jyh-Wei Sun
Donald M. Thompson
Richard J. Thornton
J. Ellis Turner
Kartik Vaith
Timothy B. Wall
David T. Zimmer

REQUIRED FORMS

Appendix B

Please find CDM Smith's required forms (Non-Collusion Affidavit and RFP Certification Form) attached.

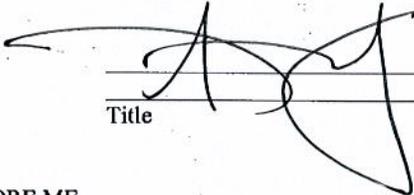
NON-COLLUSION AFFIDAVIT

State of Louisiana
Washington parish

"Washington Parish: Stand-by Debris Monitoring and Recovery Services 2012 – 2015"

I, Amer Tufail, P.E., being first duly sworn, depose and says that:

1. He/She is the Associate of CDM Smith Inc., the proposer that has submitted the attached proposal;
2. He/She is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;
3. Such proposal is genuine and is not a collusive or sham proposal;
4. Neither the said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other proposer firm or Person to submit a collusive or sham proposal in connection with the contract for which the attached proposal has been submitted or to refrain from proposing in connection with such contract, or has in any manner, directly or indirectly sought by agreement or collusion of communication or conference with any other proposer, firm or person to fix the price or prices in the attached proposal or of any other proposers, or to fix any overhead, profit or cost element of the proposal price of the proposal of any other proposer or to secure through collusion, conspiracy, connivance or unlawful agreement any advantage against the Washington Parish Government or any person interested in the proposed contract; and
5. The price or prices quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or parties in interest including this affiant.

 (Seal)

Title

SUBSCRIBED AND SWORN TO BEFORE ME,

This 14th Day of January, 2012

NOTARY PUBLIC

My Commission Expires: 4/1/16

Mathieu Daigle

PROPOSER'S RFP CERTIFICATION FORM

To Whom It May Concern:

I have carefully examined the Request for Proposal and any other documents accompanying or made a part of this Request for Proposal.

I hereby propose the hourly rates to be a "not to exceed" amount. Hourly rates shall include all applicable overhead and profit. I agree that my proposal will remain firm for a period of up to 90 days in order to allow the Washington Parish Government adequate time to evaluate the proposals.

I certify that all information contained in this proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the firm as its act and deed and that the firm is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a proposal for the same product or service; no officer employee or agent of the Washington Parish Government or any other proposer is interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

It is distinctly understood that the Washington Parish Government reserves the right to reject any or all proposals.

Federal Tax ID: 04-2473650

NAME OF FIRM CDM Smith Inc.

State of Louisiana License No. EF.0000144

Phone: (504) 799-1100

Fax: (504) 412-8260

Email: TufailA@cdmsmith.com

NAME & TITLE, TYPED OR PRINTED

Amer Tufail, P.E.
Associate

MAILING ADDRESS

1515 Poydras Street, Suite 1350
New Orleans, LA 70112

CITY, STATE, ZIP CODE

AUTHORIZED SIGNATURE 

Subscribed and sworn to before me this 1st day of January, 2012

Notary Public


Mathieu Daigle

My Commission expires:

with life

Seal