AECOM

TECHNICAL PROPOSAL

John Humphrey Drive at 143rd Street Intersection, Phase II Design Engineering Services, RFQ #21-045

Village of Orland Park

August 24, 2021

Delivering a better world

AECOM
303 East Wacker Drive
Suite 1400
Chicago, IL 60601

tel 312.373.7700
www.aecom.com

August 24, 2021

Patrick O'Sullivan, Village Clerk
Village of Orland Park, Office of the Village Clerk
2nd Floor
14700 S. Ravinia Ave.
Orland Park, IL 60462

RE: Request for Qualifications #21-045 for John Humphrey Drive at 143rd Street Intersection, Phase Ii Design Engineering Services

Dear Mr. O'Sullivan,

Thank you for this opportunity to submit our qualifications in Phase II design engineering for your John Humphrey Drive at 143rd Street Intersection Project. AECOM is the leading transportation engineering firm in the industry (#1 ranked by Engineering News Record) and we bring all the required technical specializations needed to make this project a success. As documented in this proposal, we have thoroughly studied the challenges of this project and have assembled the right team to efficiently address them.

We have enjoyed working with your Director of Engineering Programs and Services, Khurshid Hoda, in providing Phase I Engineering Services on the Wolf Road, 167th Street to 143rd Street Project, which we look forward to wrapping up to a successful conclusion this year. We are ready and eager for our next opportunity to serve the Village. Please feel free to contact me at 312.373.6736 or Timothy.Whalen@aecom.com with any questions regarding our submission.

Yours sincerely,

AECOM Technical Services, Inc.

Tim Whalen, PE
Vice President,
Principal-in-Charge

Matt Lehan, PE
Project Manager

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Company Experience & Operating History

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Company Experience & Operating History

At AECOM, we're delivering a better world.

As the world's most trusted infrastructure consulting firm, we're committed to managing our business with the upmost responsibility and to always strive for better – reducing emissions, creating social value or diversifying our senior leadership and workforce.

We understand both the urgency of the challenges facing our society and our responsibility to respond in an impactful and enduring way. Armed with this consciousness, we're leading the change toward a more sustainable and equitable future, partnering with those who want to make a positive difference in the world.

We're listening to clients and the communities we serve to improve lives and livelihoods, and to create sustainable legacies for generations to come.

Thinking without limits is what keeps us at the vanguard. Ideas have no borders, and this ethos is embedded in our culture. The full scope of our global expertise is available to anyone who needs it, wherever they are based.

We're trusted advisors — planners, designers, engineers, consultants and program and construction managers — delivering professional services spanning cities, transportation, buildings, water, new energy, and the environment. Working throughout the project lifecycle, we're one team driven by a common purpose to deliver a better world.

AECOM

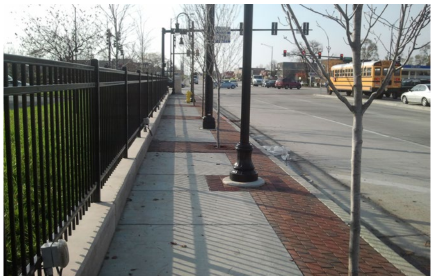
2021 ENR RANKINGS

AECOM is an industry leader, consistently earning top rankings in the following categories.

#1	**Transportation**
#2	**Top 500 Design Firm**
#1	**General Building**
#1	**International Markets**
#2	**Hazardous Waste**
#2	**Water**
#3	**Sewer & Waste**

Engineering News-Record

Experience of the company and involvement in projects of similar size and scope.



US Route 45 (LaGrange Road), 179th to 131st Street, Illinois Department of Transportation (IDOT)

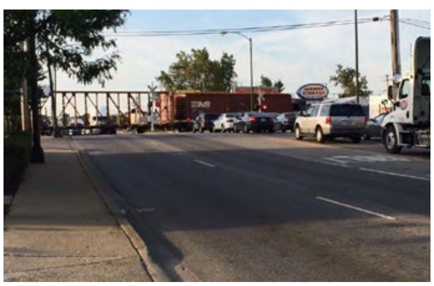
AECOM designed the widening and streetscaping of six miles of suburban arterial, which included construction of a landscaped median, 17 traffic signals, 41 retaining walls, ornamental roadway lighting and streetscape improvements coordinated with the Village of Orland Park, bridge reconstruction, and a multi-use trail.

IL Route 64, Kautz/Smith Road to IL Route 59, DuPage County Division of Transportation (DuDOT)

AECOM led Phase I and II for this 2.7-mile improvement widening North Avenue from four to six lanes and replacing the bridge over the UPRR for the DuDOT. We later performed Phase II design for improvements to the intersection of IL 64 and Powis Road that included roadway widening, drainage improvements and traffic signal modernization and interconnect.

Deerpass Road Bridge Replacement, McHenry County Division of Transportation

AECOM conducted Phase I and II engineering services for the replacement of two separate structures carrying Deerpass Road over north and south channels of the Kishwaukee River. Detailed structural inspection and subsequent abbreviated BCR's were prepared recommending replacement of both structures.



Geometrics Program Management, IDOT

For the past decade, AECOM has been stationed at IDOT District 1 providing in-house engineering support to the Bureau of Programming's Geometrics Unit in roadway geometric design, roadside safety, ADA compliance, and traffic engineering. Having assisted IDOT in the review, evaluation, concept design, and troubleshooting of intersections throughout District 1, AECOM brings broad experience on solving the problems of challenging intersections throughout northeast Illinois.

Roberts Road and 87th Street Intersection Reconstruction, Cook County Department of Transportation and Highways (CCDOTH)

AECOM completed Phase I preliminary engineering and Phase II final design for reconstruction of the CCDOTH intersection of Roberts Road and 87th Street. The intersection design includes the addition of right turn lanes, widened lanes, improved traffic signalization, increased vertical clearance, removal of a right turn frontage road, new sidewalks, improved drainage, and improved Pace bus stops. The design project was completed on an accelerated timeline to align with the construction schedule of an adjacent Tollway bridge.

Kishwaukee Valley Road Bridge Replacement, McHenry County Division of Transportation

AECOM provided Phase I and II engineering for the replacement of a two-lane, two-span bridge crossing the Kishwaukee River and associated roadway approach work. The project required substantial interagency coordination for the instream work required, and, as the bridge condition deteriorated, AECOM was tasked with executing an accelerated Phase II schedule, getting the TSL approved and permits obtained within a matter of months.

References

Provide three (3) references for which your organization has performed similar work.

Proposer's Name: **AECOM Technical Services, Inc.**
(Enter Name of Business Organization)

1.	ORGANIZATION	Illinois Department of Transportation (IDOT)
	ADDRESS	201 W. Center Court, Schaumburg, IL 60196
	PHONE NUMBER	847.705.4085
	CONTACT PERSON	Jason Salley
	YEAR OF PROJECT	IDOT Geometrics Completed 2018
2.	ORGANIZATION	McHenry County Division of Transportation
	ADDRESS	16111 Nelson Road, Woodstock, IL 60098
	PHONE NUMBER	815.334.4980
	CONTACT PERSON	Ben Redding
	YEAR OF PROJECT	Deerpass Road over the Kishwaukee River, Phase I & II Completed 2019
3.	ORGANIZATION	Chicago Department of Transportation (CDOT)
	ADDRESS	2 N. LaSalle Street, Suite 1110, Chicago, IL 60602
	PHONE NUMBER	312.744.5807
	CONTACT PERSON	Luis Benitez, PE, SE
	YEAR OF PROJECT	Western Avenue Viaduct over Belmont Avenue, Phase I & II Completed 2017

Company Background/Age of Business

AECOM Technical Services, Inc. was previously known as Earth Tech, Inc. The first predecessor company for Earth Tech, Inc. was Fugro U.S., Inc. which was incorporated in California on 9/21/70. On 1/22/81, there was a name change to Ertec Western, Inc. Fugro National, Inc. and Ertec (Iran), Inc. then merged into Ertec Western, Inc. on 7/13/81. There was then another name change to The Earth Technology Corporation (Western) on 10/20/83, and another on 8/26/91 to The Earth Technology Corporation. On 8/3/95, there was a final name change to Earth Tech, Inc. Aqua Resources, Inc. and Summit Environmental Group, Inc. were merged into Earth Tech, Inc. on 8/25/95. Whitman & Howard, Inc., Environmental Technology of North America, WW Engineering & Science, Inc., and Barrett Consulting Group, Inc. were merged into Earth Tech, Inc. on 6/30/96. Team Engineering, Inc. was merged into Earth Tech, Inc. on 12/31/97. Lastly, Reid Crowther Consulting, Inc. was merged into Earth Tech, Inc. on 5/30/01. Earth Tech, Inc. was acquired by AECOM Technology Corporation (now known as "AECOM") in 2008 and the name was subsequently changed to AECOM Technical Services, Inc. Its current ultimate parent company, AECOM (formerly, AECOM Technology Corporation), is a Delaware corporation whose stock is publicly traded as "ACM" on the New York Stock Exchange (NYSE).

Number of Employees

AECOM currently has 47,000 employees worldwide.

Financial Data

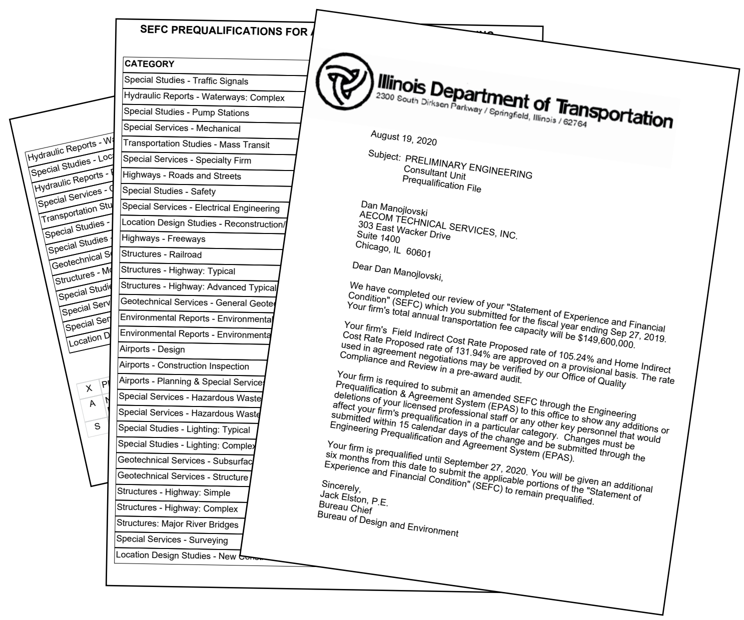
AECOM is a Fortune 500 firm and its Professional Services business had revenue of $13.2 billion in fiscal year 2020. AECOM's common stock trades on the NYSE under the symbol ACM. AECOM's audited financial statements for the last three years are included in the Appendix at the end of this document. AECOM's Investor Relations website contains additional background on our company and our services, financial information, including copies of our annual report/10-K, 10-Qs or other financial literature. Please visit our website at investors.aecom.com for details.

AECOM IDOT PREQUALIFICATIONS		
Special Studies – Traffic Signals	Environmental Reports – Environmental Impact Statement	Location Design Studies – New Construction/Major Reconstruction
Hydraulic Reports – Waterways: Complex	Environmental Reports – Environmental Assessment	Hydraulic Reports – Waterways: Typical
Special Studies – Pump Stations	Airports – Design	Special Studies – Location Drainage
Special Services – Mechanical	Airports – Construction Inspection	Hydraulic Reports – Pump Stations
Transportation Studies – Mass Transit	Airports – Planning & Special Services	Special Services – Construction Inspection
Special Services – Specialty Firm	Special Services – Hazardous Waste: Simple	Transportation Studies – Railway Engineering
Highways – Roads and Streets	Special Services – Hazardous Waste: Advance	Special Studies – Signal Coordination & Timing (SCAT)
Special Studies – Safety	Special Studies – Lighting: Typical	Special Studies – Traffic Studies
Special Services – Electrical Engineering	Special Studies – Lighting: Complex	Geotechnical Services – Complex Geotech/ Major Foundation
Location Design Studies – Reconstruction/Major Rehabilitation	Geotechnical Services – Subsurface Explorations	Structures – Moveable
Highways – Freeways	Geotechnical Services – Structure Geotechnical Reports (SGRs)	Special Studies – Feasibility
Structures – Railroad	Structures – Highway: Simple	Special Services – Sanitary
Structures – Highway: Typical	Structures – Highway: Complex	Special Services – Landscape Architecture
Structures – Highway: Advanced Typical	Structures – Major River Bridges	Location Design Studies – Rehabilitation
Geotechnical Services – General Geotechnical Services	Special Services – Surveying	

IDOT Prequalifications

AECOM Technical Services, Inc. (AECOM) holds numerous IDOT Prequalifications, see full list above, including the highlighted prequalifications that are applicable to the John Humphrey Drive at 143rd Street Intersection project.

AECOM submitted the required portions of the IDOT "Statement of Experience and Financial Condition" (SEFC) and is waiting for an updated SEFC letter from IDOT. AECOM continues to be prequalified in all the areas listed above. See below for a screenshot documenting our current status in the IDOT EPAS system and a copy of our current IDOT SEFC letter to the right.



Illinois Department of Transportation
2300 South Dirksen Parkway / Springfield, Illinois / 62764

August 19, 2020

Subject: PRELIMINARY ENGINEERING
Consultant Unit
Prequalification File

Dan Manojlovski
AECOM TECHNICAL SERVICES, INC.
303 East Wacker Drive
Suite 1400
Chicago, IL 60601

Dear Dan Manojlovski,

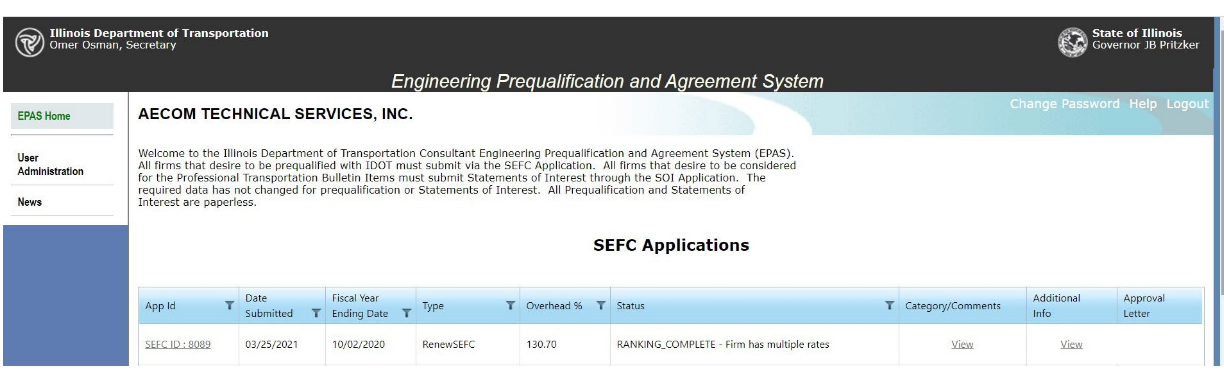
We have completed our review of your "Statement of Experience and Financial Condition" (SEFC) which you submitted for the fiscal year ending Sep 27, 2019. Your firm's total annual transportation fee capacity will be $149,600,000.

Your firm's Field Indirect Cost Rate Proposed rate of 105.24% and Home Indirect Cost Rate Proposed rate of 131.94% are approved on a provisional basis. The rate used in agreement negotiations may be verified by our Office of Quality Compliance and Review in a pre-award audit.

Your firm is required to submit an amended SEFC through the Engineering Prequalification & Agreement System (EPAS) to this office to show any additions or deletions of your licensed professional staff or any other key personnel that would affect your firm's prequalification in a particular category. Changes must be submitted within 15 calendar days of the change and be submitted through the Engineering Prequalification and Agreement System (EPAS).

Your firm is prequalified until September 27, 2020. You will be given an additional six months from this date to submit the applicable portions of the "Statement of Experience and Financial Condition" (SEFC) to remain prequalified.

Sincerely,
Jack Elston, P.E.
Bureau Chief
Bureau of Design and Environment



Illinois Department of Transportation
Omer Osman, Secretary

State of Illinois
Governor JB Pritzker

Engineering Prequalification and Agreement System

EPAS Home | User Administration | News

Change Password Help Logout

AECOM TECHNICAL SERVICES, INC.

Welcome to the Illinois Department of Transportation Consultant Engineering Prequalification and Agreement System (EPAS). All firms that desire to be prequalified with IDOT must submit via the SEFC Application. All firms that desire to be considered for the Professional Transportation Bulletin Items must submit Statements of Interest through the SOI Application. The required data has not changed for prequalification or Statements of Interest. All Prequalification and Statements of Interest are paperless.

SEFC Applications

App Id	Date Submitted	Fiscal Year Ending Date	Type	Overhead %	Status	Category/Comments	Additional Info	Approval Letter
SEFC ID : 8089	03/25/2021	10/02/2020	RenewSEFC	130.70	RANKING_COMPLETE - Firm has multiple rates	View	View	

Staff Qualifications

02

Staff Qualifications

AECOM Team

AECOM has assembled a team with the requisite experience, knowledge, ability, equipment, staffing, and sufficient capital and facilities to perform the Phase II Engineering Services required to complete the John Humphrey Drive at 143rd Street Intersection project successfully and within the specified time.

We are proud to feature **Matt Lehan, PE,** as our Project Manager for this project. With over 25 years of broad experience in Phase II roadway and bridge design, Matt has the comprehensive technical background to lead our team of exceptional engineers, which include:

- Project Engineer, **Monica Crinion, PE**
- Structural Engineering Lead, **Matt Pregmon, SE, PE**
- Traffic Engineering Lead, **Jenna Brose, PE**
- Roadway Geometrics Design Lead, **Brent Sears, PE**

An organizational chart is provided to the right, outlining the anticipated team, including subconsultants. Descriptions of the role and responsibilities of Key Personnel follow the organizational chart and resumes containing additional qualifications for the Key Personnel are included in Section 06 of this document.

Organizational Chart

ORLAND PARK

PRINCIPAL-IN-CHARGE
Tim Whalen, PE

QA/QC STRUCTURES
Amish Bhatt, SE, PE

QA/QC ROADWAY
Mike Eichten, PE

PROJECT MANAGER
Matt Lehan, PE

PROJECT ENGINEER
Monica Crinion, PE

STRUCTURAL
Matt Pregmon, SE, PE (Lead)
Sanket Dhatkar, SE

TRAFFIC
Jenna Brose, PE, PTOE (Lead)

ROADWAY GEOMETRICS
Brent Sears, PE (Lead)
Anna Chiu, PE

SUPPORTING ROLES

GEOTECHNICAL
Ted Bushell, PE (Lead)
Mirela Keserovic, PE
WEI

ENVIRONMENTAL
Brian Smith, PWS, CWB (Lead)
WEI

CONSTRUCTABILITY
Naveed Sarwar, PE

SURVEY
ASE

LAND ACQUISITION
MROWCO

All staff is **AECOM** unless otherwise noted

ASE American Surveying & Engineering, P.C. (DBE/MBE)

Key Personnel

MROWCO Mathewson Right of Way Company

WEI Wang Engineering, Inc. (DBE/MBE)

Key Personnel

Matt Lehan, PE – Project Manager

With over 25 years of experience covering a wide range of roadway and intersection improvements, traffic modifications/modernizations, and Phase II Design Engineering on similar projects with IDOT Bureau of Local Roads and Streets projects, Matt is a strong leader who understands all of the components that go into delivering a project like the John Humphrey Drive at 143rd Street Intersection project for Orland Park.

City of North Chicago, MLK Jr. Drive Reconstruction, North Chicago, IL

Matt served as the Project Manager for the engineering services to prepare a Phase I Project Development Report (PDR) and Phase II design plans for the reconstruction of Martin Luther King, Jr. Drive from Green Bay Road to Sheridan Road/Amstutz Highway, a distance of 1.2 miles. All services were provided in accordance with IDOT, the Federal Highway Administration (FHA), and Lake County DOT (LCDOT) requirements.

Geometric studies completed in Phase I showed that the existing four-lane cross-section, with auxiliary lanes at intersections, had adequate capacity to serve the area; therefore, the pavement was reconstructed to match the existing lane configuration. However, the existing sanitary sewer and water main were in poor condition and undersized to serve future development. Environmental documentation (PESA) for special and hazardous waste was required due to the high potential of contaminated soil being found within the project limits.

The new roadway consisted of a full depth bituminous pavement. A new storm sewer system was designed that provided in-line detention with restricted outlets. The plans also included the installation of new traffic signals on MLK Drive at Commonwealth Avenue and at Lewis Avenue. These signals were interconnected into the LCDOT's PASSAGE, the County-wide traffic signal system. A new decorative street and pedestrian lighting system was also installed the length of the improvement. [Prior to AECOM]

City of Rolling Meadows and Village of Arlington Heights, Commuter Drive Reconstruction, Rolling Meadows, IL

Matt served as the Project Manager for the engineering services to prepare the Phase II design plans and specifications for the reconstruction of Commuter Drive. The roadway connects the Arlington Park Metra Train Station parking lot to Rohlwing Road, a distance of 3,100 feet. The existing pavement was badly deteriorated with a poorly maintained drainage system. The roadway also partially fell outside the existing right-of-way and encroached on UP Railroad right-of-way, resulting in a need for roadway re-alignment and the right of way acquisition. A new 10-foot wide bicycle path extension was designed to connect the station to Rolling Meadows' bicycle path system on nearby Rohlwing Road. Construction was funded through the federal STP and CMAQ programs, therefore the plans and specifications were reviewed and approved by the IDOT and the FHA.

The proposed improvement consisted of complete pavement removal and replacement with a new full depth bituminous pavement and curb and gutter. A new enclosed drainage system was installed, along with curb outlets. Two existing 48" corrugated metal pipe culverts and an existing 10'x12' box culvert were extended. A preliminary site investigation (PSI) was performed due to the potential for contaminated soils from a previous train accident within the project limits. Contaminated soil areas were identified and improvements were designed to avoid these locations. [Prior to AECOM]

Will County Division of Transportation, Black Road over the DuPage River, Will County, IL

Matt served as the Project Engineer for the final design engineering services for the rehabilitation of the four span steel wide-flange beam bridge carrying Black Road (County Highway 56) over the DuPage River in the proximity of I-55 in Will County. A bridge inspection was performed to confirm the findings of the preliminary engineering study. Extensive corrosion was detected at the beam ends at the abutments.

The existing bridge is 262-foot long and carries two lanes of traffic in each direction plus four foot shoulders with concrete parapets. The scope of work included the removal and replacement of the existing deck with a new deck; removal and replacement of the approach slabs; removal of existing slope-wall gutters; extension of the slope-walls at the abutments; reconfiguration of existing concrete abutments and wingwalls with a semi-integral configuration; replacement of bearings at the west abutment pier 1, pier 3, and east abutment with elastomeric bearings; cleaning and painting of structural steel beams and fixed bearings at pier 2. The scope of work also included structural repairs at beams and diaphragms.

The approach roadway to the west will be reconstructed with hot-mix asphalt with type B-6.24 concrete curb and gutter. The approach roadway to the east will be reconstructed with hot-mix asphalt with aggregate shoulders. The existing guardrail at each end of the structure will be replaced. The proposed horizontal and vertical alignments will match the existing alignments. [Prior to AECOM]

Key Personnel

Monica Crinion, PE – Project Engineer

Monica has 13 years of experience in transportation engineering including Phase II engineering services for municipal, county, CDOT, IDOT, and Illinois Tollway projects. Her background in both State and Local Road projects as well as her experience in structural design, geometrics, safety analysis and coordination on environmental elements will provide a comprehensive and integrated approach to the Village's John Humphrey Drive at 143rd Street Intersection project.

Village of Elk Grove Village, Clearmont Drive Pedestrian Bridge Reconstruction, Elk Grove Village, IL

Monica served as the Project Manager for the Phase I preliminary engineering for the multi-use path reconstruction and replacement of the Clearmont Drive Pedestrian bridge over Salt Creek. The existing bridge is located within the limits of the Salt Creek Floodplain and the structure and adjacent pathway flood and are impassible during high water events. Monica led the Phase I team in their efforts to develop proposed improvements that included replacing the existing structure with a new 14-foot-wide, 350-foot-long, steel truss bridge. At nearly twice the length of the existing bridge, the proposed long-span structure touches down outside the existing floodplain limits. In conjunction with the structure replacement, the pathway profile will be raised and the Clearmont path reconstructed and widened up to the touchdown at adjacent side streets. As an added project challenge, the widening and path profile raise required additional compensatory storage grading improvements at a nearby, but off-site, Village owned property.

The preliminary engineering was funded locally, but Monica and her project team worked with the Village to pursue Federal/State funding options for future design engineering and construction stages. Monica prepared funding application for the Illinois Transportation Enhancement Program (ITEP) and CMAQ/TAP funding sources. To be eligible for these funding sources, the Phase I scope of services involved a comprehensive preliminary engineering study meeting all Illinois Department of Transportation (IDOT) and Federal Highway Administration (FHWA) requirements. [Prior to AECOM]

Aurora Township Highway Department, Rural Street Bridge Replacement, Aurora, IL

Monica served as the Phase I and Phase II Project Manager for the reconstruction of the three-span bridge carrying Rural Street over Indian Creek in unincorporated Kane County. The area surrounding the project site is both residential and commercial, with homes and business located immediately adjacent to the bridge crossing. The existing bridge was severely deteriorated and structurally deficient. Phase I determined the structure should be fully replaced with a three-span, precast, prestressed concrete deck beam bridge measuring 83-feet, 6-inches long and 36-feet wide. The slightly longer bridge allowed for construction of the new piers and abutments beyond the existing substructure elements. The roadway profile was kept the same to minimize impacts to surrounding properties. All Phase I deliverables for the structure replacement and design approval for the Federally Funded project were secured in just 13 months.

A prolonged contract review at IDOT delayed the Phase II Notice to Proceed (NTP), however Monica continued to coordinate with the Township and IDOT to progress the project. When Phase II NTP was finally secured, Monica and her team prepared the plans, specifications, and cost estimate for the project to be advertised for letting in just seven short months. Other project challenges included specialized detour coordination with IDOT and the City of Aurora as well as extensive utility relocation coordination with Nicor, ComEd, Comcast and AT&T. At all stages of the project, Monica's proactive communication with Township and stakeholders helped keep the planning and design on schedule. [Prior to AECOM]

McHenry County Division of Transportation, Union Road Bridge Reconstruction, McHenry County, IL

Monica served as the Phase I Project Engineer and the Phase II Project Manager for the reconstruction of the two-span bridge carrying Union Road over the Kishwaukee River in unincorporated McHenry County. Due to serious deterioration of the superstructure, the bridge was load posted at 40% below the legal limits. The structure was structurally deficient and had a sufficiency rating of only 36.5 out of 100 and it was determined that the structure should be fully replaced.

Phase II project improvements included plans, specifications, and cost estimates to replace the two-span structure with a single span bridge using the new IDOT PPC IL-Beams. The single span bridge reduced future maintenance costs with jointless, integral abutments and eliminated the scour potential of an in-stream pier but required deeper, 36-inch PPC IL Beams to support the longer span. To accommodate the deeper proposed superstructure and provide adequate clearance from the bridge low chord, the proposed roadway profile was raised approximately 2.5-feet. Monica helped McHenry County navigate the environmental and land acquisition challenges associated with this large roadway profile raise. A special report documenting compensatory storage analysis alternatives was prepared to help with right-of-way negotiations and ultimately avoided property condemnation for the project. In addition, the roadway reconstruction required replacement of 75 trees. As part of the right-of-way negotiations, Monica and the environmental team, designed a customized tree replacement plan in accordance with the landowner request. [Prior to AECOM]

Key Personnel

Tim Whalen, PE

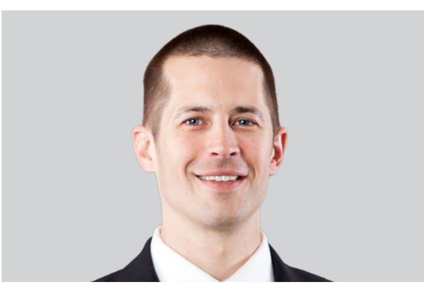
Principal-in-Charge – Tim brings a broad perspective on the Phase II design of roadway and bridge infrastructure improvements and will see that our team has the resources it needs to succeed.

Amish Bhatt, SE, PE

QA/QC Structures – The manager of AECOM's Illinois Transportation Bridge Group, Amish has broad expertise in the design of Phase II improvements for a variety of highway structures throughout Illinois, from river bridges to retaining walls, land bridges, and typical highway bridges to complex flyover structures.

Mike Eichten, PE

QA/QC Roadway – With a staggering portfolio of successfully completed signature projects and a multitude of national awards to his name, Mike is the preeminent project manager for the design engineering of major highway and bridge infrastructure in Illinois. Mike will lend his experience to oversee the design team in producing quality deliverables.



Matt Pregmon, SE, PE

Structural Engineering Lead – Matt has 23 years of experience serving as a structural engineer on major projects administered by municipalities, CDOT, IDOT, and the Illinois Tollway.

Jenna Brose, PE, PTOE

Traffic Engineering Lead – A trusted advisor to IDOT D1, Jenna has performed traffic analyses for hundreds of intersections throughout the Chicago area and has coordinated numerous detours for construction projects.

Brent Sears, PE

Roadway & Geometrics Lead – Brent is a talented roadway geometrics engineer with specialized skills in OpenRoads 3D Design and extensive experience designing roadways in coordination with IDOT.

Key Personnel

Ted Bushell, PE

Geotechnical Lead – Ted is a project leader for numerous complex geotechnical engineering projects. With over 45 years of experience, he has been responsible for major geotechnical evaluations involving analysis and design of dams, reservoirs, landfills, excavations, deep and shallow foundations, slope stabilization, pavements, ground improvement, retaining structures, shoreline stabilization, and levees.

Brian Smith, PWS, CWB

Environmental Lead – Brian is an environmental scientist specializing in planning and engineering studies for major highway improvements. Over the past 30 years he has built a strong reputation with transportation and regulatory agencies in Illinois. He is prequalified by IDOT as an EIS and EA Environmental Lead and holds EIS/EA pre-qualifications for the environmental disciplines of Ecology, Public Involvement, and Technical Writing.

Naveed Sarwar, PE

Constructability – Naveed is a Professional Engineer with 17 years of experience in construction engineering and management of various sizes of civil infrastructure projects. He will lend his knowledge in roadway and bridge construction and contractor means and methods to guide our design team in developing practical solutions.

Subconsultants

AECOM has identified the following subconsultants to support our team in providing the unique services they specialize in. We have enjoyed a successful working relationship with these partners over many years and consider them an integral extension of our staff:

- **American Surveying & Engineering, P.C**. for topographic/right-of-way survey and preparation of plats and legal descriptions.
- **Wang Engineering, Inc.** to support geotechnical and soils investigation.
- **Mathewson Right of Way Company** to provide land acquisition services.

American Surveying & Engineering, P.C. (ASE) is a DBE firm with a history spanning over four decades offering a variety of engineering services. As the preeminent survey firm in the Midwest, ASE brings cutting edge technology and the delivery of high quality data that satisfy the survey challenges of transportation projects and its clients. ASE has evolved as a broader service engineering firm that offers hydraulic analysis and design, roadway engineering, land acquisition services, civil site design, environmental documentation, studies and regulatory permitting, construction inspection, and utility location and investigations.

Established in 1982, **Wang Engineering, Inc. (WEI)** specializes in geotechnical engineering, construction inspection, and materials testing services. Over the past 37 years, WEI has provided these services to a wide range of private, public, and government clients. WEI is prequalified by the Illinois Department of Transportation to provide geotechnical engineering, construction inspection and Quality Assurance Material Testing. WEI is a certified as a Minority Business Enterprise by the City of Chicago and as a Disadvantaged Business Enterprise

Mathewson Right of Way Company (MROWCO) provides land acquisition services required under the Uniform Relocation Assistance and Real Property Acquisition Act (URA). Members of MROWCO have acquired thousands of parcels throughout the State of Illinois over the last 30 years. MROWCO approaches each project with the objectives of their clients in mind. They focus on following the best practices of the URA to find agreement with property owners whenever possible. Much of MROWCO's success is due to the cooperation and professionalism of their clients. MROWCO believes that land acquisition is truly a team effort. They have represented the City of Chicago; IDOT; ISTHA; MWRD; and Cook, DuPage, Will, Kane, Lake, McHenry, Boone, and Kendall Counties.

Assessment of Project Challenges

03

Assessment of Project Challenges

Project Understanding

AECOM thoroughly reviewed the Scope of Services provided with RFQ 21-045 and visited the 143rd Street and John Humphrey Drive intersection prior to developing our project approach to gain a complete understanding of the project. The exhibit below presents some of the unique elements we see for this project. Key challenges and our plan for addressing them are presented in this section.

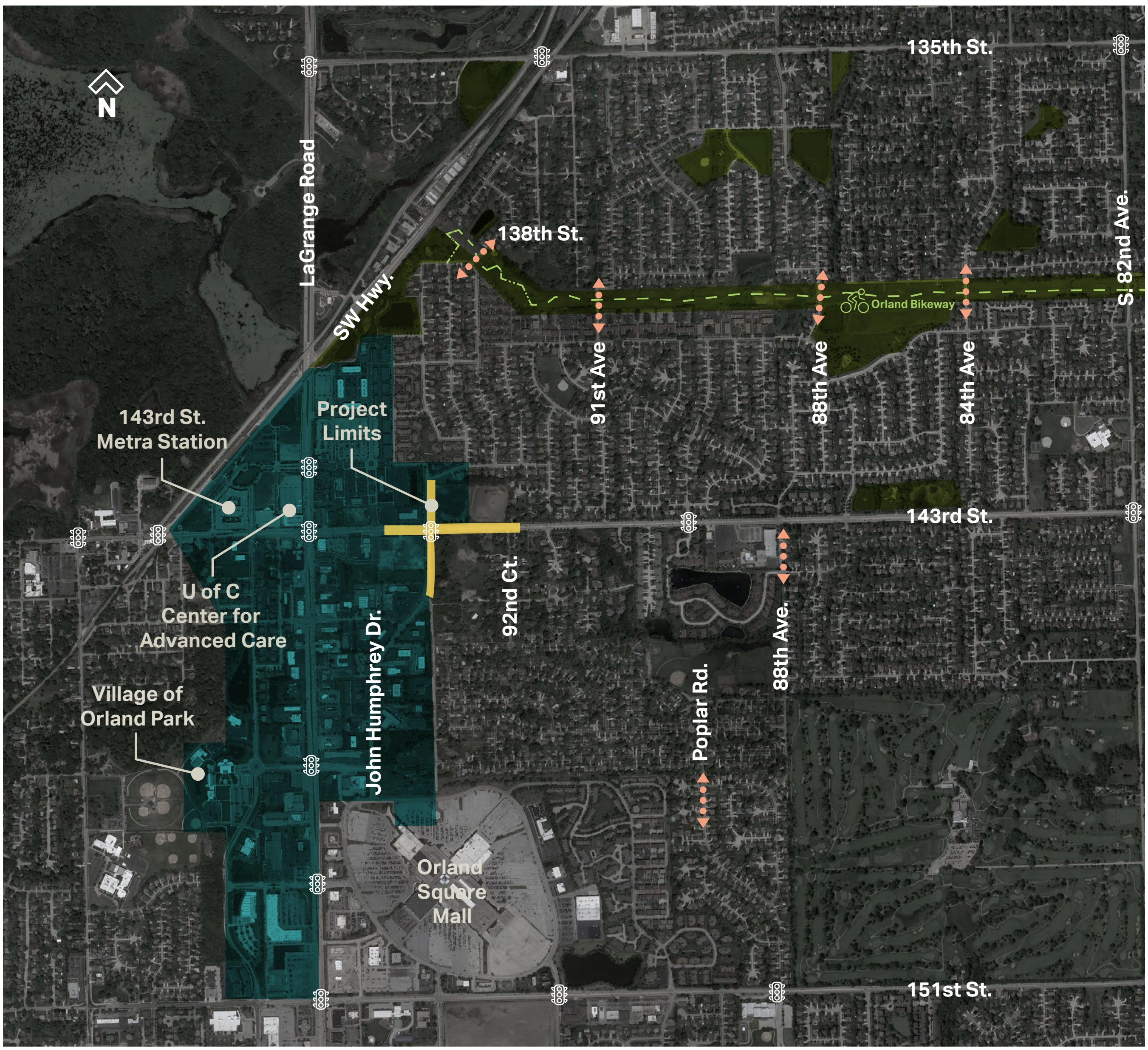
Key Challenges

Most Important Challenges

1) Maintenance of Traffic (MOT)

143rd Street is a key route for the Village of Orland Park, both from a local circulation perspective as well as for regional accessibility. It is one of the few continuous east-west routes that provides direct connectivity across the band of Cook County forest preserves to the east all the way to I-355 to the west, and is the most direct route for residents of northeast subdivisions to reach the Village's commercial district and the 143rd Street Metra Station.

John Humphrey Drive links numerous businesses and the Orland Square Mall to 143rd Street, serving as the boundary between the primary commercial district of Orland Park and residential subdivisions. A closure of the John Humphrey Drive intersection could cut off residents of northeast subdivisions from reaching key destinations and would likely force them to seek more circuitous routes through residential neighborhoods in order to reach 135th and 151st Streets, each one mile north or south of 143rd Street. With the configuration of the subdivisions north and south of 143rd Street, there are limited access points connecting separate subdivisions. To the north, only four streets cross the Orland Bikeway between the Northfolk Southern rail



line and 82nd Avenue, so a closure at John Humphrey Drive could send subdivision traffic south of the bikeway north to 135th Street along these roads. To the south, a closure would be similarly problematic in sending additional traffic through the neighborhood to reach 151st Street.

The intersection with John Humphrey Drive must remain open to traffic throughout construction. Still, lane reductions will generate significant traffic congestion and may encourage vehicles to look for alternative routes. 131st and 151st Streets will likely assume the majority of the regional burden, but additional traffic winding through residential subdivisions would be a problem for these neighborhoods and could also create congestion for turning movements to and from these major routes.

Beyond providing a maintenance of traffic plan that allows passage of one lane in each direction at all times for the 143rd Street/John Humphrey Drive intersection, the Phase II designer needs to carefully consider potential impacts to access for adjacent businesses and residents, and provide the signing and traffic control needed to direct traffic to the routes the Village deems acceptable and away from those that should be avoided. A strong plan to delineate alternative routes can be a useful asset for public outreach and stakeholder communication. While the scope may be on a different scale from the John Humphrey Drive at 143rd Street Intersection Project, AECOM's work coordinating maintenance of traffic for the I-90/94 and I-290 Jane Byrne "Circle" Interchange demonstrates our ability to balance traffic throughput with neighborhood needs and coordinating construction detours. On this project we coordinated over 50 distinct detours for interchange ramp movements and City of Chicago street closures, carefully considering the detailed erection sequence of the interchange work while performing over 450 traffic capacity analyses.

2) Staged Construction of Dryland Bridge

The rehabilitation of existing and the widened construction of the new dryland bridge provides yet another maintenance of traffic challenge. Due to the proximity of the 143rd Street and John Humphreys Drive intersection, reconstruction and widening of the dryland bridge will require extra consideration for staged construction. Following the staging sequence outlined in the Phase I Design Report, traffic would be reduced to one lane in each direction. In Stage I, all traffic will be shifted north (into existing westbound lanes) while the existing dryland bridge on the south half of the roadway is rehabilitated and extended west. Traffic will then be shifted south (into existing eastbound lanes) for the construction of the new dryland bridge carrying the widened proposed roadway section on the north half of the road. This Phase I proposed phasing sequence will work if the dryland bridge and intersection are reconstructed at the same time, but staging becomes more complicated if the contracts are separated.

The western limits of the structure improvements extend up against the intersection of 143rd Street and John Humphrey Drive. If the dryland bridge and roadway intersection are constructed separately, shifting all traffic to the north or south side of 143rd Street to rehabilitate and extend the dryland bridge would impose a weaving traffic pattern through the intersection. The weaving traffic pattern creates safety concerns and is unlikely to be approved by IDOT. Therefore, breaking up the intersection and bridge construction contracts would likely require two or more stages for the bridge construction. Traffic within the dryland bridge limits would need to be shifted to inner lanes to construct or rehabilitate the outer lanes of the bridge. Then traffic would shift to the outer lanes of the structure to reconstruct the inner lanes of the dryland bridge. Additional stages may be required if minimum lane widths, structural slab edge distances, or underground utility conflicts require additional stages of construction, which could increase project duration and cost.

Peat or Peatlands were originally lakes formed by the action of glaciers. Over time the lakes began to fill in with dead plant material. Because the acidic water will kill many bacterial species, few bacteria live here and decomposition is very slow. As plants die and sink to the bottom they provide more substrate in which other plants can grow. As a result, partially decomposed plant remains accumulate and become compacted, forming peat that changes the substrate chemical and physical properties leading to a succession of plant communities.

3) Soils

The AECOM team has studied the available subsurface geotechnical information provided by the Village of Orland Park. The project site consists of unique wetland geology, which poses challenges maintaining the stability of the roadway embankment along westbound 143rd Street and is causing settlement along the eastbound 143rd Street dryland bridge.

The upper layers of underlying native soil show the presence of organic peat. This highly compressible peat layer, with very low bearing capacity, is approximately 11 feet deep. Below the peat layer, a soft clay to stiff clayey silt layer extends approximately 10 feet. Similar to the peat layer, the soft clay layer is also highly compressible with low to moderate bearing capacity. Below the clay layer, very stiff clay to stiff clayey silt exist for approximately 36 feet.

The upper peat and soft clay layer (approximately 21 feet deep) is structurally inadequate to support additional load/the roadway embankment and is the main cause of the roadway settlement and maintenance headache for the 143rd Street roadway east of the John Humphrey Drive intersection. Available boring data suggests high moisture content (greater than 400%) in the peat layer, so conventional ground improvement techniques, such as rammed aggregate stone columns, are not adequate to support the roadway embankment.

4) Environmental Considerations

There are two main environmental concerns for this project: Wetlands and Special Waste.

Wetlands have been identified at the project site and the associated soils are a main contributor to the need for this project. The wetland resources will be avoided to the most practical extent during the intersection and land bridge design. AECOM can provide Section 404 permitting and regulatory agency coordination services as part of the Phase II Scope of Work as necessary.

It is important to note that should the design and/or construction time-line get extended, the environmental clearances, including the cultural and biological review as well as the wetland delineations, may need to be updated.

Special Waste within the project limits have also been identified. An underground petroleum pipeline, a dry cleaner, propane tanks and pumps, and potentially leaking underground storage tanks were identified in the Phase I PESA. Therefore, a Preliminary Site Investigation (PSI) will be necessary to confirm and identify the location and extent of these concerns. In addition, any underground petroleum leaks or spills may have damaged the existing expanded polystyrene (EPS) foam blocks currently supporting a 700 foot section of westbound 143rd Street, just east of the John Humphreys Drive intersection. The widened dryland bridge is proposed to extend over this area of existing EPS blocks and deterioration may require more extensive excavation of the contaminated material.

AECOM, with the support of Wang Engineering, will provide the PSI which will document the environmental concerns, categorize the material and potential need for disposal, and identify excavation limits within the construction area.

5) Utility Relocations

A site visit by AECOM confirmed the presence of an existing Village water main along the north side of 143rd street east of the John Humphrey Drive intersection. The water main is in conflict with the future dryland bridge widening under the westbound traffic lanes. Though Phase I coordination with the Village indicated that the watermain should be left in place under the new pavement, the existing piles supporting the watermain may be in conflict with the proposed foundations of the widened dryland bridge. Utilizing existing water main plans to be provided by the Village, AECOM will assess the feasibility of designing the bridge substructure around the existing watermain or if the water main should be relocated outside the structure limits.

A number of potentially impacted utilities exist along the west side of John Humphrey Drive and on the northeast quadrant of the intersection that may need to be relocated. Also, intersection and roadway drainage will need to be redesigned to accommodate the proposed widening.

6) Right-of-Way (ROW) Acquisition

ROW acquisitions always bring the risk of impacting the project schedule if not adequately accounted for in advance planning. With temporary easements needed from four parcels and fee simple ROW acquisition planned for eight parcels to accommodate the widening of 143rd Street, the appraisal and negotiation process can define the critical path. Contract plans cannot be let until the land acquisition has been negotiated and approved through IDOT. It is therefore essential that ROW be confirmed, plats developed, and negotiations started early in the Phase II design process. In reviewing the Phase I Project Development Report, it appears only half the property owners responded to the preliminary notice letter outlining the proposed improvements and potential impacts. The AECOM team features Mathewson Land Services, Inc. who has managed the acquisition of thousands of parcels throughout the State of Illinois over the past 30 years. With Mathewson leading the negotiation process, the AECOM team will facilitate early development of plans and typical sections that comprehensively identify the project improvements and property impacts.

Challenges with the removal and replacement of existing Dryland Bridge and settlement from poor soils within the project limits.

In 1998, rehabilitation efforts were made to improve extensive settlement in a 700-foot section of 143rd Street through the excavation of the native soil and replacement with expanded polystyrene (EPS) blocks beneath the full width of the existing roadway. Despite these improvements, the roadway settlement continued so, in 2003, a 211-foot-long dryland bridge was constructed just east of John Humphrey Drive for the eastbound 143rd Street. Although EPS blocks reduced the applied loads on the native highly compressible peat and soft clay layers, these soil layers have inherent characteristics of secondary compression and settlement due to the loss of water content from within under the sustained applied load of the roadway pavement.

Mitigation efforts such as adding more asphalt thickness to take care of uneven roadway surface due to settlement exerts more weight on the highly compressible peat and soft clay layer. The additional weight further settles the roadway embankment creating a cycle of ongoing deterioration. The primary and secondary settlement will continue over the long duration and will further disturb any roadway pavement with uneven settlement issues unless more measured engineering solutions are implemented.

AECOM is uniquely capable of applying such measured engineering solutions. Our team is comprised of industry expert geotechnical engineers who have dealt with such unique challenges successfully. Our team will work closely with the Village, the IDOT Bridge Office, and IDOT's Geotechnical group to devise a solution that meets project goals with minimal maintenance requirements for the long run.

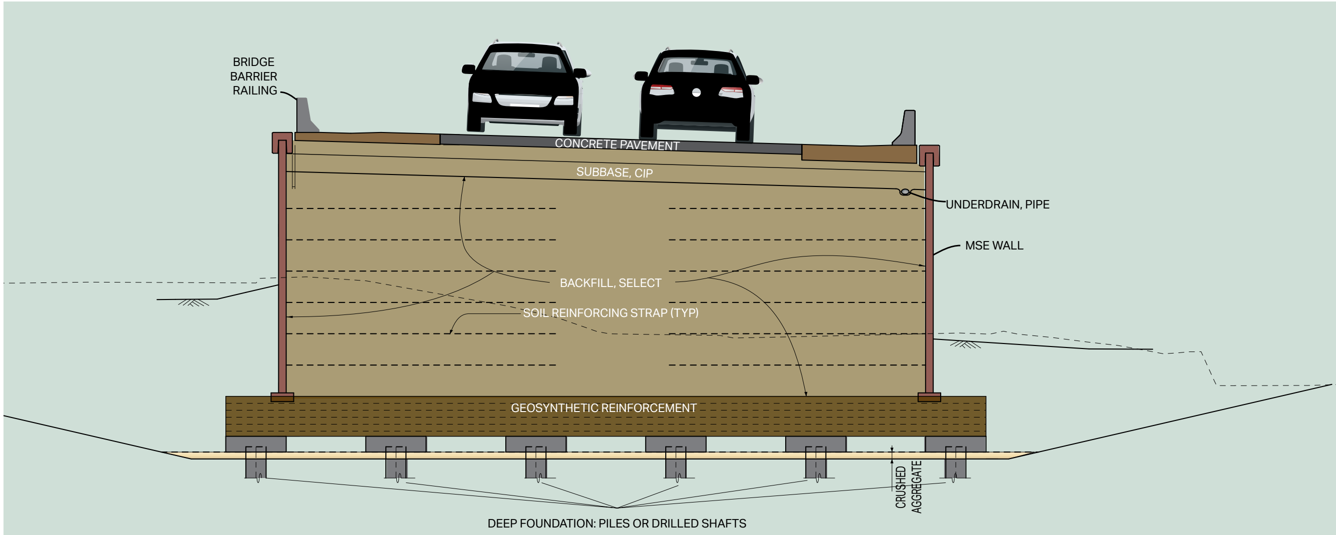
Other feasible and economical options that may work for the bridge.

For the construction of the new land bridge supporting the westbound travel lanes and the extension of the existing dryland bridge to the west, the approved Bridge Condition Report recommends cast-in-place concrete slab deck carried on pile bents supported on belled drilled shafts. Although extending the dryland bridge in-kind seems logical, conventional cast-in-place slab construction can be labor intensive and relatively expensive. With the slab poured on grade, it is difficult to inspect and verify proper concrete consolidation of the slab and may leave void areas subject to further deterioration, additional maintenance (higher life-cycle cost), and inconvenience to the traveling public during future repairs.

To reduce the overall life-cycle cost of the dryland bridge, AECOM will explore the use of precast prestressed concrete (PPC) deck beams for the dryland bridge superstructure. Preliminary sizing suggests that the new or lengthened bridge spans could utilize 17-inch deep PPC deck beams with a bituminous or concrete wearing surface. PPC deck beams are often the most economical option for new structures and have the added advantage of reduced construction time. Economical pricing is achieved as there are several fabrication plants in the Chicagoland area that produce the IDOT standardized beams. In addition, PPC deck beams of this depth can span up to 42 feet and may reduce the number of pile bents and costly substructure elements. After constructing the new pile bent supports, the PPC deck beams are efficiently set side by side and then tied together to create the new bridge deck. PPC deck beam assembly could reduce the construction timeline by 4-8 weeks as compared to conventional cast-in-place concrete deck slab construction.

To properly verify the scope of rehabilitation for the existing Eastbound 143rd Street dryland bridge, AECOM would propose performing non-destructive infrared thermal imaging of the existing concrete deck slab. Our in-house team has the capability to complete infrared thermal imaging that will accurately document existing concrete deck delamination and cracked concrete areas located below the existing bituminous bridge deck overlay. Results of the thermal imaging can be directly translated into Phase II repair plans. The accuracy of the scans early in design can mitigate the surprise of costly concrete rehab during construction when the existing overlay is removed.

The existing eastbound 143rd Street dryland bridge is supported on a deep belled, drilled shaft foundation. This type of bell-shaped drilled shaft construction technique is relatively expensive. Our structural team, working closely with our geotechnical experts, will investigate foundation alternatives to reduce overall cost and construction duration. Our team will explore conventional drilled or driven piles that can bear on the stiff clay layer and can potentially provide better bearing resistance than conventional belled drilled shafts. This alternative foundation type along with the use of longer span precast deck beams, could greatly reduce the overall upfront construction cost, expedite construction, and reduce the long-term life-cycle maintenance cost.



Potential Dryland Bridge Alternative – Load Transfer Platform

Alternative to Dryland Bridge

In conjunction with the evaluation of expanded polystyrene (EPS) fill for the roadway embankment, our team will also evaluate other feasible, cost-effective alternatives to dryland bridge for the widening of the Westbound 143rd Street. Our team's geotechnical experts will use state-of-the-art 3-D finite element software, such as PLAXIS, to assess the behavior of underlying soil with proposed improvements, to calculate anticipated ground settlement, and to devise a solution that is unique to the site conditions. Based on our analysis, our team will employ a multi-prong geotechnical mitigation approach to support the proposed roadway pavement over the poor soils. One such alternative could be the use of Load Transfer Platforms (LTPs). LTPs would not rely on the peat layer for the roadway embankment support. LTP consists of granular base grading reinforced with geosynthetic reinforcement supported on conventional deep foundations. Granular base thickness varies based on site specific conditions, but it is typically two-feet- to four-feet-thick layers of select aggregate material. The deep foundations consist of timber, precast concrete, steel piles, or other suitable types of deep foundations extending up to the sound soil layer for load transfer. Piles are typically spaced at eight feet to 10 feet on centers in both directions to create a grid. Roadway embankment and pavement can then be constructed on top of LTPs. Depending upon site availability of right-of-way and/or site conditions, a retaining wall such as Mechanically Stabilized Earth (MSE) or similar prefabricated wall types may be needed to retain roadway embankment.

Our team has successfully designed LTPs to mitigate poor soil condition and construct roadway embankment in Detroit, Michigan as part of the Gordie Howe International Bridge project. LTPs were selected and preferred by the Contractor over the typical concrete or steel bridges, as LTPs are an economical option and require minimal maintenance to support the roadway over the poor soils. Also, the construction of LTP is straightforward and flexible, which allows them to be constructed spanning over utilities and other buried features that may be present at the project site.

Design and coordination challenges with the three different deliverables for intersection improvements and bridge removal and replacement.

With construction pricing fluctuating wildly as of late, and the timing and availability of funding often in question, design plans need to be flexible to react to a host of outside influences. Construction contracts can benefit from "unbundling" the work into multiple separate packages. Separate, smaller packages can attract a wider range of eligible contractors for greater competition (and lower pricing) or consolidate specialty work to those best equipped to handle it. Separate packages can sequence the work into logical components of construction that could offer the benefits of shorter duration of activity or more compact staging areas. And when funding is limited, separate packages can allow work to be built in stages to capitalize on funds as they become available.

AECOM is adept at unbundling the work of roadway and bridge reconstruction projects into separate construction packages. On the Dan Ryan Reconstruction project, AECOM managed the unbundling of the improvement to 120 separate construction contracts. On the Jane Byrne

"Circle" Interchange, we split the work into 35 packages. On the Illinois Tollway's I-294 Central Tri-State Reconstruction Project, AECOM is coordinating the work of 21 separate Design Engineer teams as Design Corridor Manager for the largest highway project in Illinois.

While these examples are on a different scale from the John Humphrey Drive at 143rd Street Intersection Project, the techniques applied to efficiently separate and package the work remain the same. AECOM uses ProjectWise as a centralized platform to allow real-time access to all design files and references for all technical disciplines as the work is being developed. We would proceed with the complete design as a whole, with the separation of distinct contract packages primarily an exercise in plan detailing and organizing quantities.

The primary challenges in producing three distinct contract deliverables will be to see that the two individual intersection and bridge contract packages each constitute a complete improvement and that all construction elements are accounted for and not unnecessarily duplicated. Also, these individual packages will need to avoid issues where elements from one contract are dependent on the completion of work for the other. They will each need to be able to separately reach a level of completion that provides village residents and businesses with an acceptable long-term interim improvement should one project not move forward.

- For a separated bridge contract, the rehabilitation and widening of the dryland bridge could be completed without the intersection improvement, with the widened bridge striped to match the existing lane configuration and cross section of 143rd Street and John Humphrey Drive until that work can be pursued. As previously discussed, the stand-alone construction of the dryland bridge will likely require multiple stages of construction and additional structural detailing as part of the plans. The independent construction of the dryland bridge requires thoughtful planning and coordination across disciplines to rebuild the structure for interim and long-term use.
- For the intersection contract, the widening and reconstruction of 143rd Street could be constructed without completion of the dryland bridge widening and repair work. In the interim condition, the majority of the widened roadway pavement, sidewalk, and drainage improvements could be constructed with a gap in improvements at the dryland bridge. Until the dryland bridge can be rehabilitated, pavement markings and traffic signal locations would need to be placed back in the original locations.
- In either case, due to the location of the dryland bridge directly on the east approach, the Village would not be able to finalize pavement markings or traffic signals until both individual packages are completed. This work would then be included within whichever package is constructed last.

AECOM's commitment to the thorough interdisciplinary review of project deliverables is expressed in our ISO-9001 certified Quality Management System applied company-wide to all of our work. Our internal review process will help see that these challenges are overcome as we execute the work.

Challenges with the availability of funds for bridge replacement and how AECOM can assist the Village in securing funding.

Rapidly rising construction costs and delays in the coordination of State approvals can greatly impact the amount of funding available for any municipal infrastructure project. AECOM has experience helping agencies secure their funding through various Federal and State programs and can offer its assistance to the Village of Orland Park. We helped the Chicago Department of Transportation (CDOT) secure its TIGER Grant for the 41st Street Pedestrian Bridge. We have also supported the Illinois Department of Transportation (IDOT) in applying for CMAQ funding on several projects, helping important improvements such as the Cumberland Circle in Des Plaines get constructed. And we are currently working with the Village of Oak Park, the West Central Municipal Conference, and the IDOT Bureau of Local Roads to access federal earmarks on the "Cap the Ike" Study to investigate expanded bridge decking above the I-290 Eisenhower Expressway.

While the poor soils and construction sequencing may pose challenges to the rehabilitation and widening of the dryland bridge, it may also provide opportunities to implement creative solutions that are eligible for federal funding grants. In July 2021, the U.S. Department of Transportation's Federal Highway Administration (FHWA) announced that up to $10 million in grants is now available through FHWA's Accelerated Innovation Deployment (AID) Demonstration program. Since its creation in 2014, the AID Demonstration Program has awarded more than $86 million for 117 grants to accelerate the use of innovative practices and improve safety throughout the nation. Prefabricated bridge elements or LTPs to mitigate poor soils or expedite the dryland bridge construction may not just provide a more comprehensive final project but may also help the Village gain access to a unique funding source.

Related Bridge Design and Cost Estimate Experience

04

Related Bridge Design and Cost Estimate Experience

Experienced Team

The AECOM project team has extensive experience in roadway infrastructure and structural design projects for clients across the Chicagoland area. Spanning from mega reconstruction projects with regional impacts like the Circle Interchange to more focused community improvements like the Ballard Road culvert and roadway reconstruction, the AECOM team can deliver comprehensive Phase II plans and specifications. Our team has developed an in-house tool that tracks the last five years of IDOT bid price data for each pay item. Using historical IDOT bid price data, the design team prepares Engineer's Cost Estimates that consider regional and county costs in conjunction with the project specifics to prepare accurate construction estimates.

Project	Client	Project Overview	Letting Date	Phase II Engineer's Estimate of Cost	Phase III Contractor's Bid Amount	Cost Comparison*
FAI Route 90/94/290 at I-290/Congress Parkway (Circle Interchange) Flyover Bridge Construction	IDOT District 1	Construction of a new flyover ramp from NB I-90/94 (Dan Ryan Expressway) to I-290 WB in the city of Chicago. Project included removal of three existing structures, construction of new flyover bridge with structure mounted noise abatement wall, construction of five concrete retaining walls, lighting, watermain, and associated roadway work.	September 2014	$51,759,919.00	$55,827,814.00	7.3%
43rd Street Pedestrian Bridge over South Lake Shore Drive	Chicago Department of Transportation	Removal and reconstruction of the pedestrian bridge over Metra and Illinois Central railroads and South Lake Shore Drive (US 41). Includes removal and reconstruction of pedestrian paths, bike trail, and sidewalks; construction of retaining walls and relocation of Metra power and communication lines.	February 2020	$29,890,907.00	$31,530,824.00	5.2%
Ballard Road Culvert Replacement and Drainage Improvements	IDOT District 1	Staged reconstruction of two concrete box culverts, drainage improvements, roadway removal and replacement, earth excavation, landscaping, and erosion control at Farmers Creek over and at unnamed ditch. Located in the City of Des Plaines and Village of Niles in Cook County.	March 2021	$1,883,003.33	$1,925,499.93	2.2%
Veterans Memorial Trail (I-355) Spring Creek to 159th Street New Construction	Forest Preserve District of Will County	Construction of a 3.5 miles of new, 10-foot-wide HMA trail that includes two pedestrian tunnels, two MSE retaining walls, two precast box culverts, storm sewers, sidewalks, curb and gutter, fencing and pavement markings. Project begins at Spring Creek Greenway Trail in Lockport and concludes at the intersection of Gougar Road and 159th Street.	July 2021	$6,691,994.55	$6,860,486.22	2.5%

**Showing percentage difference between AECOM Engineer's Estimate of Cost and the proposed bid cost of the awarded Contractor.*

Deerpass Road over the Kishwaukee River, Phase I & II

McHenry County, IL

AECOM performed Phase I and II engineering studies for the replacement of two structures (S.N. 056-3029 and S.N. 056-3030) along Deerpass Road as it passes over the Kishwaukee River.

A detailed inspection and abbreviated BCRs were prepared recommending replacement of both structures due to structural deficiency and poor sufficiency ratings. AECOM also performed hydrology and hydraulic analysis, and conducted a wetland investigation and delineation within a half-mile-long corridor of Deerpass Road.

Replacement of two bridges would impact Kishwaukee River and floodplain and adjacent advance identification of disposal areas (ADID) wetlands. The project team identified and delineated wetlands using US Army Corps of Engineers methodology, conducted a Natural Resources Conservation Service-farmed wetland slide review, and compiled a floristic quality inventory and then evaluated the findings for the report. The Kishwaukee River is considered a high quality wetland resource and the adjacent wetlands are considered ADID.

During the Engineering Design Phase, the Illinois Department of Natural Resources listed the American Brook Lamprey as a Threatened Species. Therefore, an Incidental Take Authorization (ITA) was required. AECOM developed the ITA application, coordinated the ITA with the IDNR, and successfully received the Authorization allowing the permitting and eventual bridge construction to proceed.

The bridge was opened to traffic in June of 2019. All floodway, ecological (including tree clearing restrictions) and ADID wetland, and high quality waterway concerns were coordinated with the USFWS, USACE, IDNR, and local County agencies.

Client Name
McHenry County Division of Transportation

Client Contact
Ben Redding | 815.334.4980

Date Completed
2019

Project Budget
$5M

Key Personnel
- Amish Bhatt, PE, SE
- Brian Smith, PWS, CWB

Relevance to Orland Park
- Bridge replacement
- IDOT coordination

Western Avenue Viaduct over Belmont Avenue, Phase I & II

Chicago, IL

Client Name
Chicago Department of Transportation (CDOT)

Client Contact
Charlene Howell, PE, LEED AP | 312.742.3244

Date Completed
2017

Project Budget
$25.7M

Key Personnel
- Tim Whalen, PE
- Mike Eichten, PE

AECOM led Phase I Preliminary Engineering and Phase II Final Design for this project centered around a rapidly deteriorating 11-span viaduct structure for Western Avenue to bypass the intersection of Belmont and Clybourn Avenues.

AECOM performed Phase I and II design engineering consulting services for reconstruction of the Western Avenue corridor, a highly congested strategic regional artery carrying over 40,000 vehicles per day.

The existing 11-span Western Avenue Viaduct over Belmont Avenue had reached the end of its useful life, and the Phase I study evaluated numerous alternates as long-term solutions including bridge replacement and removal of the existing viaduct.

Through the development of an in-depth alternatives analysis valuation planning study and an extensive public involvement process, the proposed corridor improvements involved the removal of the existing viaduct and construction of a five-leg at-grade intersection at Belmont/Western/Clybourn with overall project limits extending from Logan Boulevard to the south to Addison Street on the north. The Phase I design engineering consisted of:

- Inspection and evaluation of the existing structure
- Traffic study of the surrounding street network including five Intersection Design Studies (IDS) for Traffic Signal Modernizations (TSM)
- Alternatives analysis to evaluate rehabilitation of the existing structure
- Bridge type study for replacement of the structure
- Feasibility of removing the structure and constructing an at-grade intersection
- Development of a project development report (CE II)

Relevance to Orland Park
- Roadway widening
- Intersection improvements
- Drainage improvements
- Pedestrian and bicycle accommodations
- Traffic signals
- Complex maintenance of traffic
- Bridge rehabilitation
- IDOT coordination

Additional Phase I activities included environmental documentation, development of a location drainage study, architectural renderings of proposed improvements, inspection of the existing Western Avenue overpass and development of the bridge condition report, bridge type study, TS&L plans, and public involvement.

The proposed improvements designed as part of Phase II included the installation of a landscaped median and the widening of the outside parking lane with rush hour parking restrictions to provide a third lane of traffic during the peak hour travel times. The addition of the third traffic lane, intersection and signal improvements and the installation of a traffic signal interconnect system for the six-leg intersection of Diversey Parkway/Elston Avenue and the five-leg intersection of Belmont Avenue/Clybourn Avenue improves traffic flow along the corridor, which also featured upgraded roadway lighting. The installation of the landscaped median helps control access improving the overall safety along the corridor and discourages the use of local streets by through traffic.

Improvements also included the deck removal and rehabilitation for the bridge over the Chicago River, a memorial for a Chicago Police officer killed in the line of duty at the site and design of lightpole banners celebrating the history of the neighborhood.

A robust public involvement program was implemented as part of this project which included coordination with aldermen, local businesses along the commercial corridor, residents and various community organizations. Work required right-of-way acquisition and coordination/permitting with the US Army Corps of Engineers and the Illinois Department of Transportation.

Proactive utility coordination, construction staging and coordination with local businesses along this commercial corridor has been essential in the success of the project.

IL Route 64 (North Avenue) Reconstruction (FAP Route 307)

DuPage County, IL

AECOM provided Phase I services and Phase II design services for improvements to a section of Illinois Route 64 (North Avenue) from Kautz/Smith Road to Illinois Route 59 in DuPage County, Illinois.

The improvement of the 2.7 mile long project consisted of the geometric layout for adding lanes to an existing four-lane road to provide a six-lane facility with a median and an adequate drainage system, replacing an existing structure over the Union Pacific railroad tracks, rehabilitating two roadways crossing Illinois Route 64, and providing improved roadway access to the DuPage County Airport.

The work included data collection, supplemental ground survey, preparation of base maps and mosaics, geometric studies, traffic accident analysis, traffic management analysis, construction cost estimates, hydraulic reports, location drainage study, existing and proposed drainage plans, public meetings and hearing exhibits, preparation of legal notices, preparation of public meeting / hearing advertisements, bridge inspections and bridge condition reports, and soil borings and report.

Noteworthy issues included land use impacts and accessibility to adjacent resident and commercial properties, pedestrian safety, railroad grade separation, DuPage County Airport access, Section 4(f) properties, high quality wetland concerns, and traffic congestion and travel delays.

Client Name
DuPage County Division of Transportation

Client Contact
Christopher C. Snyder, PE
Director of Transportation/County Engineer | 630.407.6900

Date Completed
2012

Project Budget
$37.5M

Key Personnel
- Amish Bhatt, SE, PE
- Matt Pregmon, SE, PE
- Brent Sears, PE
- Brian Smith, PWS, CWB
- Anna Chiu, PE

Relevance to Orland Park
- Roadway widening
- Intersection improvements
- Drainage improvements
- Pedestrian and bicycle accommodations
- Traffic signals
- Bridge replacement
- IDOT coordination

Specific elements of the improvement included:

- Widening Illinois Route 64 (North Avenue) from 38th Avenue to Kautz/Smith Road by one additional lane in each direction.
- Reconstructing Illinois Route 64 from Kautz/Smith Road to approximately 650 feet west of Illinois Route 59.
- Constructing minor intersection and driveways up to the adjacent right-of-way line of Illinois Route 64.
- Constructing major cross streets up to a minimum of three hundred feet beyond the adjacent right-of-way line of Illinois Route 64.
- Constructing new railroad access road on the south side of Illinois Route 64 adjacent to the MSE retaining walls.
- Constructing new access road on the south side of Illinois Route 64 from the EJ&E railroad tracks to Reque Road.
- Constructing MSE retaining walls on the north and south side of Illinois Route 64 from Powis Road to approximately 800 feet west of Reque Road.
- Reconstructing Illinois Route 64 Bridge over the EJ&E and Union Pacific railroads.
- Designing roadway lighting for the entire length of improvement.
- Designing temporary and permanent traffic signals and design of approximately three miles of fiber optic traffic signal interconnect system connecting the for the five traffic signals at the intersections of 38th Avenue, Kautz/Smith Road, Pheasant Run access drive, Powis Road, and Atlantic Avenue.

IL Route 64 (North Avenue) at Powis Road

West Chicago, IL

AECOM completed the Phase II design plan, specification and estimate (PS&E) for the intersection of IL Route 64 (North Avenue) and County Highway 18 (Powis Road).

The work included widening the roadway to accommodate an additional through and turn lane on Powis Road, as well as traffic signal design. The final PS&E included both a traffic signal plan for the Illinois Route 64 and Powis Road intersection and a traffic signal interconnect plan along IL Route 64 from Pheasant Run to Powis Road. These signals were interconnected in order to provide continuation of the previously constructed interconnect system along IL Route 64 built as part of the larger North Avenue reconstruction project.

Client Name
DuPage County Division of Transportation (DuDOT)

Client Contact
Christopher C. Snyder, PE
Director of Transportation/County Engineer | 630.407.6900

Date Completed
2017

Project Budget
$78,275

Key Personnel
- Brent Sears, PE
- Anna Chiu, PE

Relevance to Orland Park
- Roadway widening
- Intersection improvements
- Traffic signals
- IDOT coordination

US 45/La Grange Road

Orland Park, Orland Hills, Palos Park, and Tinley Park, IL

AECOM provided final design services for the widening of US Route 45 (LaGrange Road) on the southwest side of the Chicago metropolitan area.

The project focused on widening and reconstructing 6.6 miles of arterial roadway to create additional lanes to US 45 to accommodate projected 2030 traffic. The structural work included five major retaining walls with retained heights of approximately 20 feet, and 53 minor retaining walls. Retaining wall types included cast-in-place concrete walls founded on piles and spread footings, soldier pile walls, and permanent sheet pile walls. The bridge carrying Metra over US 45 was also reconstructed.

The proposed US 45 roadway cross section consists of three through lanes in each direction with a continuous landscaped barrier median and curb and gutter on each side of US 45. The outside through lanes are 12 feet wide and the two inside lanes are 11 feet wide. The landscaped barrier median is 28 feet wide. 160 parcels of land were required in order to construct the improvement. A decorative continuous lighting system was provided along the section of US 45 that was located in the Village of Orland Park. The Village of Orland Park provided enhancements within their corporate limits which included median planter boxes, parkway trees with outlets for holiday lights, underground sprinkler system, brick side walk, brick cross walks, and monuments at corner radius. Signalized intersections, median openings, and U-turns were provided throughout the project. Signalized intersections were improved at 17 locations throughout the project site and U-Turn provisions accommodated at 25 intersections throughout the project area.

Client Name
Illinois Department of Transportation

Client Contact
Long Tran, Consultant Project Manager | 847.705.4232

Date Completed
2013 (design)
2017 (construction)

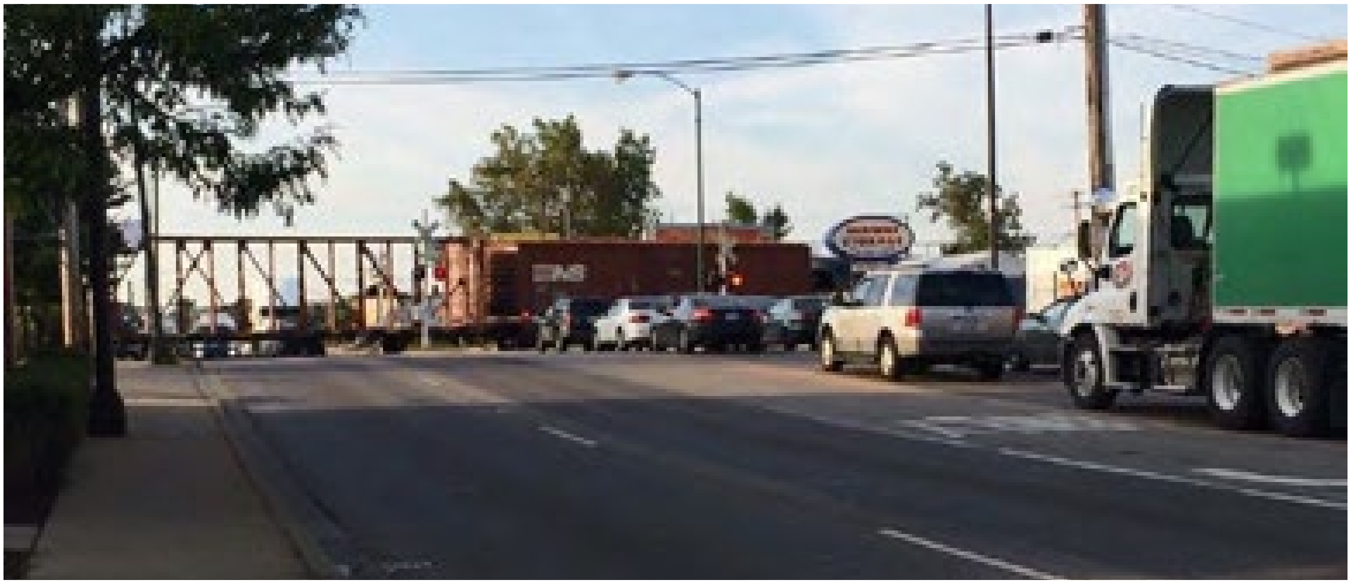
Project Budget
$90.3 million

Key Personnel
- Mike Eichten, PE

Relevance to Orland Park
- Roadway widening
- Intersection improvements
- Drainage improvements
- Pedestrian and bicycle accommodations
- Traffic signals
- Bridge reconstruction
- IDOT coordination

The project was separated into three main construction contracts:

- **Segment One, South Contract**: 179th Street to 159th Street: This segment has a length of approximately 14,900 feet along US 45 and approximately 4,400 feet of improvements along the side streets. It also includes four traffic signals, 15 retaining walls, and decorative lighting.
- **Segment Two, Middle Contract**: 159th Street to 143rd Street: This segment has a length of approximately 9,300 feet, along US 45 and approximately 4,000 feet of improvements along the side streets. It also includes seven traffic signals, 26 retaining walls, and decorative lighting.
- **Segment Three, North Contract**: 143rd Street to 131st Street: This segment has a length of approximately 9,000 feet along US 45 and approximately 2,500 feet of improvements along the side streets. It also includes five traffic signals, 12 retaining walls, and decorative lighting.



IDOT – Geometrics Program Management Consulting

Various Locations, IL

Client Name
Illinois Department of Transportation (IDOT)

Client Contact
Jason Salley | 847.705.4085

Date Completed
2018

Project Budget
$2.4M

Key Personnel
- Tim Whalen, PE
- Mike Eichten, PE
- Jenna Brose, PE, PTOE
- Brent Sears, PE

Relevance to Orland Park
- Roadway geometric design
- Intersection design
- Traffic engineering
- IDOT coordination

As Program Manager, AECOM provided in-house engineering and technical assistance to the IDOT District 1 Bureau of Programming's Geometrics Unit, supporting design review and executing special studies for feasibility, traffic engineering, Phase I preliminary engineering, and project scoping/programming.

AECOM's efforts centered on an in-house team providing direct support to the Geometrics Unit as an extension of staff for technical plan review, design support, and engineering expertise in traffic engineering, roadway geometric design, and roadway/roadside safety. Through this project the full capabilities of AECOM's local and national resources were frequently tapped to support the department on numerous studies involving unique engineering challenges requiring specialty expertise for the assessment of feasibility or programming/ scoping of future project development.

Geometrics and Traffic Engineering Support

AECOM's team stationed at District 1 offices provided geometric engineering services and support on various projects, including Phase I planning, final design, construction and maintenance. These projects were typically in-house designs, under contract with other consultant engineering firms, or entities other than IDOT such as private developments requesting traffic access permits onto IDOT state routes. The work consisted of conceptual plan development, final Phase II contract plan reviews, proposed traffic projections, and review traffic plans consisting of intersection or interchange design studies (IDS), traffic intersection studies (TIS),and right-of-way assessments, all requiring IDOT approval prior to construction. Other work included special geometric studies for specific intersections and interchanges requiring special designs such as roundabout intersections and single-point urban interchanges (SPUI), plus opinion of costs. Some of the specific projects supported include:

- Redesign of the I-294 at I-57 Interchange to provide added directional movements and save the project $10 million in construction
- Elgin O'Hare-West Bypass (I-390) including the I-390 at I-290 (IL 53) Semi-Directional Interchange and the I-90 at Elmhurst Road Diverging Diamond Interchange (DDI), Cook and DuPage Counties
- I-190 from US 12/20/45 (Mannheim Road) to IL 171 (Cumberland Avenue) Cook County
- IL 47 from US 14 to Charles Road with four roundabout intersections, McHenry County
- US 45 from IL 132 to IL 173, Lake County
- IL 83 from IL 60 to IL 176, Lake County
- I-55 at US 41 (Lake Shore Drive), Cook County
- Central Avenue from 79th Street to 63rd Street, Burbank and Bedford Park, Cook County
- Central Avenue Railroad Underpass, Bedford Park
- IL 83 at Rollins Road Railroad Underpass, Round Lake Beach, Lake County
- I-55 Bus-on-Shoulder and I-94 Bus-on-Shoulder, DuPage and Cook Counties
- I-290 (Eisenhower Expressway) from US 12/45 (Mannheim Road) to Kostner Avenue, Cook County
- CTA Red Line Extension
- Central Tri-State (I-294) Master Plan
- I-294 & I-290 Interchange
- I-294 & Archer Avenue Interchange
- I-80 from Ridge Road to US 30 Phase I review
- Intersection of Washington Street & Briggs Street
- IL 47 at I-88
- IL 45 at Deerpath Road
- I-90 at IL 23
- US 45 & Buffalo Grove Road
- Review of curb ramp and pedestrian crossing geometry at intersections along I-290, IL-47 and IL-60/83 for compliance with ADA and IDOT standards

Expressway and Highway Corridor Studies

Through this project, AECOM was tasked with a number of high-priority special studies to assess and investigate some of the major traffic engineering challenges throughout the region including the North Lake Shore Drive Phase I Study, the Kennedy Expressway Managed Lanes Feasibility Study and the Jane Byrne "Circle" Interchange Programming Study.

Interchange and Intersection Studies

The AECOM team performed multiple interchange and intersection feasibility studies which evaluated the potential benefits of reconstructing existing and new crossings for the IL 59 and I-88 Diverging Diamond Interchange Study, the I-55 and US 30 Diverging Diamond Interchange (DDI) Feasibility Study and the Houbolt Road Study.

Traffic Studies

Throughout the project, AECOM provided on-call services for traffic engineering to identify and address issues throughout the region. Some of this work included developing a technical guidance report for IDOT to compare methodologies, outputs, functions and cost between Highway Capacity Software 7 and SIDRA 7 for use in roundabout analyses. AECOM also developed and analyzed alternate solutions for the Northern Terminus of North Lake Shore Drive at Hollywood Avenue.

Project Approach

05

Project Approach

Project Approach

The purpose of this project is to improve the level of service and improve safety by adding turn lanes at every leg of the intersection at John Humphrey Drive and 143rd Street and reconstruct the existing dry land bridge located at the southeast portion of the intersection. Changes to the geometry will be made to accommodate the additional turn lanes. There will be complete pavement reconstruction, new traffic signal equipment, and proposed lighting. Right-of-way is needed to accommodate the widening and radius returns. The project will comply with the Phase II NPDES Storm Water requirements, requires a 404 permit, and requires a Preliminary Site Investigation.

AECOM's team will use their experience from similar projects to successfully complete the Phase II design services for the John Humphrey Drive at 143rd Street intersection improvement. Our established relationship working with IDOT's Bureau of Local Roads will also be fully utilized to complete the plans and specifications on-time and on-budget. In addition to AECOM's engineering experience, we believe that communication with the Village of Orland Park is critically important to the success of this project. Continuous communication allows the Village to keep up to date on the project status.

One of our first tasks will be to review the proposed right-of-way and temporary easements shown in the Phase I studies to verify the proposed improvements can be constructed within their limits. Following IDOT and Village requirements, preparing plats and legal descriptions, conducting appraisals, and negotiating for the easement acquisition will begin as soon as possible. All of this time consuming work must be approved by IDOT's Bureau of Land Acquisition prior to the project's letting. Therefore, to avoid any delay in starting construction, this work will begin early in the design phase.

AECOM will contact all private utility companies at the beginning of the plan preparation. Utility coordination will go beyond simply contacting the various companies to adjust or relocate their facilities that conflict with the street improvement. We will also coordinate with the utility companies for any of their planned improvements so that this work can be done prior to the street construction. Based on our initial field observations, there are existing utilities within the proposed right-of-way that may require relocation or an adjustment. This includes AT&T on the east side of John Humphrey Drive:

AT&T, Gas Pipeline, and Petroleum Pipeline on the west side of John Humphrey Drive:

And, AT&T and Watermain on the north side of 143rd Street:

We will also coordinate with the Village's Public Works for the adjustment or relocation of water and sewer lines. This work can be done prior to the street construction or it can be included in the proposed roadway plans. Any adjustments or relocation of the existing watermain along the north side of 143rd Street will be closely coordinated with the widening of the dryland bridge.

The Phase I PDR suggests widening and reconstructing John Humphrey Drive and 143rd Street by staged construction with one through-lane in each direction during construction. The pre-stage would construct temporary pavement on the west side of John Humphrey Drive and the north side of 143rd Street. The south side of 143rd Street and the east side of John Humphrey Drive would be constructed in Stage 1. The north side of 143rd Street and the west side of John Humphrey Drive would be constructed in Stage 2 and the medians and final striping would be completed in Stage 3.

To minimize disruption to the public and residents of Orland Park, AECOM will evaluate using a one-way detour for westbound 143rd Street traffic and northbound John Humphrey Drive traffic. With a residential subdivision to the north and east of the John Humphrey Drive and 143rd Street intersection, westbound traffic on 143rd Street can be detoured to 88th Avenue to 151st Street. Northbound traffic on John Humphrey Drive can be detoured to 144th Place to US Route 45. This will eliminate the pre-stage and accelerate the construction in Stages 1 and 2.

Client satisfaction, along with providing quality plans that are concise and detailed, are our main philosophies. When you make AECOM a part of your team, you can depend upon us to:

- Develop a distinctive, yet practical design that will meet your needs
- Maintain good public relations and effective communication
- Control project costs through a proven project management system
- Maintain the project schedule
- Provide early and consistent coordination with other affected agencies and utilities

Scope of Services

AECOM will complete the Phase II design plans, specifications and cost estimates within the time frame shown on the Project Schedule. After Notice to Proceed is received, the Project Team will complete the following services:

Meetings, Data Collection, and Coordination

Attend Kick-off meeting and Pre-Acquisition Meeting with IDOT and the Village. Final Project Design Schedule will be submitted to the Village at the Kick-off Meeting. Additional meetings will be as necessary to discuss review comments and design issues. Meeting with residents to address their concerns with the project. Key personnel will review Phase I Project Development Report prior to beginning design services. Any resubmittals of Phase I documents based on necessary changes made in the design plans will be prepared by AECOM. On behalf of the Village, AECOM will perform all coordination activities with IDOT and other affected agencies. AECOM will resubmit State and Sub-State Clearinghouse Project notifications.

Utility Coordination

Obtain atlases from all private utility companies and add locations to plans. Meet with the Village's Public Works Department to discuss any necessary repairs and relocations to existing public utilities (water and sewer). During design plan preparation, identify utility conflicts and coordinate the utility adjustments/relocations. Add repairs and relocations to plans and specifications as directed by the Village.

Land Acquisition

Obtain latest title reports for properties. Plats of Highways prepared by American Surveying & Engineering, P.C.. Mathewson Right of Way Company to provide negotiation services for the land acquisition.

Geotechnical Report and Pavement Design

Wang Engineering, Inc. will review available soil boring data and will obtain additional soil borings, if needed, as well as obtain and pavement cores to conduct a subsurface soil investigation. A soils report will be prepared per IDOT requirements, indicating areas of poor soils and the need for subgrade removal and replacement with granular material. Subgrade factors for the pavement design will be included in the report. AECOM will use this data to calculate proposed pavement composition and thickness.

Structural Design

As discussed in the previous sections of this RFQ, our team, working in close coordination with the Village of Orland Park, will investigate the feasibility of various options and implement the solutions that lessen inconvenience to the traveling public and fulfill the overarching project goals.

Supplemental Survey

A complete topographic survey was completed during Phase I. However, American Surveying & Engineering, P.C. may need to perform supplemental survey(s) to obtain additional information at critical locations or any identified changes since the Phase I survey was conducted.

Plans, Specifications, and Cost Estimates

Preliminary, pre-final and final plans, specifications, and cost estimates will be prepared and submitted to the Village and IDOT for review and comments. The plans will include but are not limited to: Cover Sheet, General Notes, Summary of Quantities, Typical Sections, Schedule of Quantities, Alignment and Ties, Existing Conditions and Removal Items, Proposed Roadway Plan and Profile, Maintenance of Traffic, Erosion and Sediment Control, Drainage and Utility Plan and Profile, Plats of Highways, Pavement Marking, Landscaping, Traffic Signal Plans, Lighting Plans, Structure Plans, and Cross-Sections. All plan sheets will be developed using Microstation and Geopak software. Information in the Project Development Report will be used as a guideline for plan preparation. Prepare Check Sheet of Supplemental Specifications and Recurring Special Provisions and BDE Check Sheet and provide copy of applicable BDE Special Provisions. Develop Special Provision for pay items not addressed by IDOT Standard Specifications for Road and Bridge Construction and include the Status of Utilities Description. Develop Estimate of Time (Form BDE-220A) and Estimate of Cost with Prices and without Prices (Form BDE-213 and BDE-213A)

Permits

Develop National Pollution Discharge Elimination System (NPDES) permit and Storm Water Pollution Prevention (SWPPP) with Notice of Intent (NOI), 404 permit, IDOT, and Cook County Highway Department.

Quantity Takeoff

Develop pay item list. Calculate and check quantities for entire project.

QC/QA

Perform Quality Control/Quality Assurance during the project and at each submittal in accordance with AECOM's ISO9001 certified Quality Management Systems.

Bid and Award Services

Prepare bidding documents for the three deliverables; prepare responses to questions posed by potential bidders, suppliers, and subcontractors; assist the Village in bid evaluation; and provide a letter of recommendation for construction contract award.

Project Management and Administration

Provide project oversight; track, coordinate, and submit all reimbursable expenses; submit and resolve expenses to IDOT Bureau of Local Roads and Streets; invoices; and prepare monthly progress reports.

Phase III RFQ Selection Process

Prepare Phase III Construction Observation Engineering Scope of Work to use in the Phase III RFQ selection process.

Funding

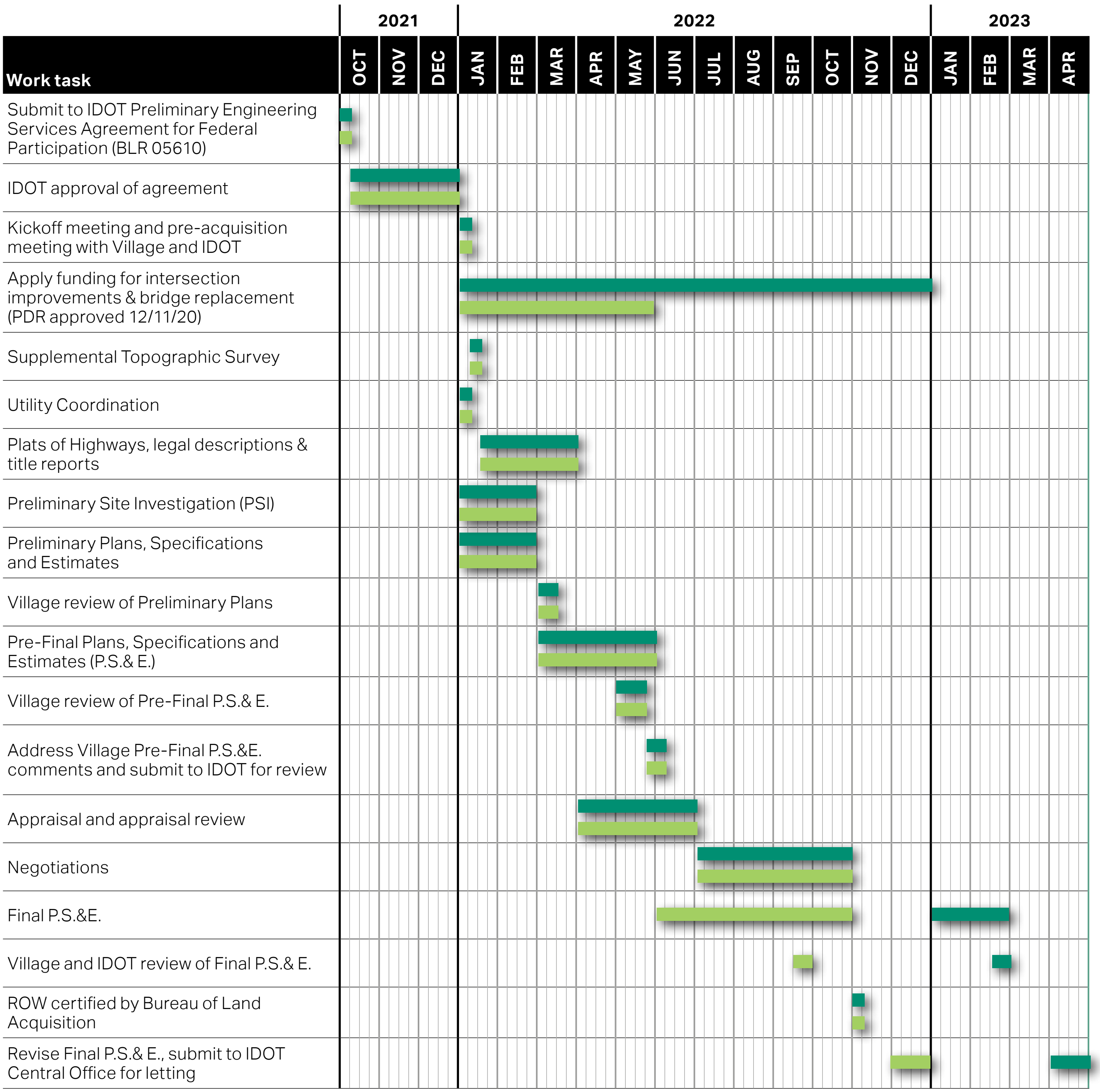
Lead and apply separate applications for intersection improvements and bridge replacement to secure Construction and Phase III Construction Observation/ Engineering funding from various Federal/State funding grants/programs the project is eligible for during the Phase II process.

Proposed Project Schedule and Milestones

Apply for funds

Secured Funding

Schedule



Completion of Design Documents if Construction Funds are not Available

AECOM recognizes that PS&E packages need to remain versatile enough to be able to adjust to changes in the timing of project lettings. We have prepared complete PS&E packages to be "shovel ready" in awaiting the availability of funding for numerous projects in Illinois for a variety of clients. We have also prepared several projects for easy retrieval when they are unexpectedly "shelved", and updated long dormant projects to current standards when they finally receive the funding they need to move forward.

Aside from the changes that could occur from adjacent construction or further deterioration of infrastructure over time, the typical risks involved with shelving a design project include updated design criteria and standard specifications.

- In our initial project planning process we will thoroughly document design criteria so that any changes over time can be easily identified.
- In our design process we look to avoid designing to extremes (maximum or minimum allowable) to provide contingency in case changes are needed, especially where it comes to determining proposed ROW needs.
- Our process organizing pay items/special provisions and for preparing detailed schedules of quantities allows us to make surgical changes to PS&E packages without propagating unrelated revisions.

AECOM understands the need for flexibility until the work is complete, and will be committed to the Village of Orland Park until it is, even if we need to set aside a portion of the design budget and be ready to temporarily demobilize for this potential scenario.

Resumes of Key Personnel

06

Matt Lehan, PE

Project Manager

Education
BS, Civil Engineering, University of Illinois – Urbana-Champaign, 1994

Years of Experience
27 years

Professional Registrations/ Certifications
Professional Engineer, IL, #062057159

Affiliations
American Society of Civil Engineers
American Public Works Association
National Society of Professional Engineers
Illinois Society of Professional Engineers

With over 25 years of experience covering a wide range of roadway and intersection improvements, traffic modifications/modernizations and drainage studies for counties and municipalities, Matt is a strong leader who understands all of the components that go into delivering Phase I and II Roadway projects. He is experienced in preparing preliminary studies and reports, as well as design plans and specifications for improvements to expressways, arterial routes, collector roads, local streets, and bicycle paths/lanes. Matt has worked with municipalities, counties, the Illinois Department of Transportation (IDOT), and the Illinois Toll Highway Authority (ISTHA). Early in his career, Matt served as a resident engineer on county highway improvements.

Project experience

City of North Chicago, Martin Luther King Jr. Drive Reconstruction. Project Manager responsible for supervising the plan preparation, specifications and estimates for the reconstruction of 1.2 miles of a four lane unmarked county highway. Work involved total pavement replacement, new storm sewers along with in-line detention, installing a street lighting system, modernizing two signalized intersections and interconnection with existing signal systems and replacing the sanitary sewer and water main. Design plans included the removal and disposal of substantial amounts of hazardous and special waste found within the project limits. STP funds were used for construction. [Prior to AECOM.]

City of Rolling Meadows and Village of Arlington Heights, Commuter Drive Reconstruction and Bicycle Path Extension. Project Manager overseeing the Phase II design engineering services for the reconstruction of Commuter Drive and the extension of an existing bicycle path. Commuter Drive connects the Arlington Park Metra Station to Rohlwing Road. The new roadway pavement will be full depth bituminous concrete constructed with both a curb and gutter and ditch sections. Other improvements include new storm sewer, cast in place box culvert extension, fencing and restoration. Federal STP is funding the improvements so all plans and specifications were prepared in accordance with the Illinois Department of Transportation requirements. [Prior to AECOM.]

Will County Department of Highways, Black Road over the DuPage River. Project Engineer for the design of roadway improvements associated with the rehabilitation of a four span steel wide-flange beam bridge carrying Black Road (County Highway 56) over the DuPage River. The scope of work involves the removal and replacement of the

Matt Lehan, PE

existing deck using stage construction as well as substructure repairs. In addition, the approach roadway to the west will be reconstructed with hot-mix asphalt and type B-6.24 concrete curb and gutter while to the east the roadway will be reconstructed with hot-mix asphalt and aggregate shoulders. The plans and specifications will be prepared in accordance with federal and IDOT standards. [Prior to AECOM.]

Village of Libertyville, Fourth Street Rehabilitation/Reconstruction. Project Engineer responsible for the preparation of design plans, specifications and cost estimates to rehabilitate/reconstruct 3,400 feet of Fourth Street. Rehabilitation work consisted of pavement patching, total curb and gutter replacement, bituminous resurfacing and storm sewer repairs. Work in the reconstructed areas included total replacement with full depth bituminous pavement and curb and gutter. Storm sewer repairs were made and new laterals were installed where needed. Federal STP funds were used for construction. [Prior to AECOM.]

Lake County Forest Preserve District, Rollins Road Millennium Trail Underpass, Lake County, IL. Project manager responsible for supervising the preparation of Phase II design plans, specifications, and estimates for the construction of an underpass at Rollins Road. Federal Illinois Transportation Enhancement Program funds were used to construct the improvement, therefore, all plans and specifications were completed in accordance with IDOT requirements. The underpass connects two sections of the existing Millennium Trail and consists of a cast in place, steel reinforced concrete structure measuring 18 feet wide by 10 feet high and 120 feet long. Other improvements include 1,200 feet of new multi-use path, 3,000 feet of pavement resurfacing, extensive grading to keep all excavated material on site, and an interior lighting system for the underpass. Construction was staged to maintain one lane of traffic in each direction at all times. Rollins Road is a county highway so coordination was required with the Lake County Division of Transportation.

McHenry County Division of Transportation, Allendale Road over Van Der Karr Creek. Project Engineer for the design of the roadway improvement associated with the replacement of a pony truss single span bridge. 800 feet of roadway was reconstructed for the bridge replacement. Also supervised preparation of all contract documents and developed a roadway profile to meet the freeboard requirements. The project was funded utilizing the federal Highway Bridge Program (HBP). All services were performed in accordance with FHWA and IDOT requirements. [Prior to AECOM.]

Will County Department of Highways, Peotone Beecher Road Bridge over the Exline Slough. Project Manager for Phases I and II for a single span bridge replacement. A hydrologic model will be completed to determine the required bridge opening. It is anticipated that the existing bridge will be closed and traffic detoured during construction. The roadway profile will be raised approximately 4 inches at the center of the bridge due to the thicker wearing surface. The project is funded with HBP dollars and has been coordinated with IDOT and FHWA. [Prior to AECOM.]

Will County Division of Transportation, Weber Road over the EJ&E Railroad, Will County, IL. Project engineer for the design of the roadway improvements associated with the rehabilitation of a 3-span PPC deck beam bridge carrying a county highway over the EJ&E Railroad. Supervised the preparation of all contract documents including specifications and a maintenance of traffic plan that allowed two-way traffic while the bridge was constructed in stages. A new roadway profile was developed to maintain the required minimum vertical clearance over the railroad tracks.

IDOT – District 1, Various Design Projects. Project Manager overseeing preliminary and design engineering services for various roadway, bridge and safety improvements located throughout District One. Services included preparing separate plans and contract documents for 14 roadway resurfacing projects. In addition, separate plans and contract documents were prepared for 12 bridge rehabilitation/deck replacement projects along with the associated roadway improvements. The bridge projects required temporary traffic signals and lighting to maintain one lane, two way traffic for staged construction. Safety improvements included correcting substandard superelevations, improving sight distance, adding signing, striping and raised reflective markers, barrier warrant analyses, constructing shoulders with rumble strips and installing impact attenuators. [Prior to AECOM.]

Monica Crinion, PE

Project Engineer

Education
MS, Civil Engineering, University of Illinois at Chicago, 2013
BS, Civil Engineering, University of Illinois at Urbana-Champaign, 2007

Years of Experience
13 years

Professional Registrations/ Certifications
Professional Engineer, IL, #062-064345
Professional Engineer, MI, #6201064725

Affiliations
American Society of Civil Engineers, Illinois Section "Young Civil Engineer of the Year, 2016"
American Society of Civil Engineers, Illinois Section Board of Directors (2018 – 2020)
American Society of Civil Engineers, Society Chair of the Committee for Pre-College Outreach (2018-Present)

Monica has 13 years of experience in transportation engineering including planning (Phase I) and design (Phase II) engineering services for municipal, county, the Illinois State Toll Highway Authority (ISTHA), and Illinois Department of Transportation (IDOT) Districts 1, 2, and 9 projects. Her background in both State and Local Road projects as well as her experience in structural design, geometrics, safety analysis and coordination on environmental elements provides a comprehensive and integrated approach to every project.

Project experience

Chicago Department of Transportation (CDOT), Grand Avenue Bascule Bridge and Viaduct Structural Repairs, Chicago, IL. Project Manager for the rehabilitation of the Grand Avenue bascule bridge over the Chicago River and the adjacent viaduct bridge superstructure. Monica reviewed all previous in-depth and routine inspections, previous repair plans, and existing as-built plans and shop drawings to assess the priority repair items necessary to improve vehicular and pedestrian safety on the structures. A cursory field inspection and bi-monthly meetings with CDOT were held to confirm and coordinate parameters of recommended repairs which included replacement of the steel deck grating on the movable span, replacement of concrete deck and stringers in fixed approach span, replacement of bascule stringers, and plating of truss gusset plates, truss chords and floorbeams. The recommended structural repairs were then documented in contract plans, specifications and cost estimates for the proposed rehabilitation of the bascule bridge and viaduct superstructure.

City of Decatur, Brush College Road at Norfolk Southern Railroad and Faries Parkway Grade Separation, Decatur, IL. Structural Design Engineer for a new, grade separation structure carrying Brush College Road over the Norfolk Southern Railroad and Faries Parkway in Decatur, IL. Monica led preliminary engineering (Phase I) updates that included an optimization study of the original Phase I approved four-span bridge, Accelerated Bridge Construction assessment, and revised Type, Size and Location (TS&L) plans for the optimized two-span structure and retaining walls supporting the approach roadway. Structural engineering (Phase II) design included the preparation of contract plans, specification and cost estimates for the two-span, 42 inch web steel plate girder bridge with flared framing. The bridge superstructure is carried by a central, spread footing pier supported on piles and semi-integral abutments with wrap-around precast modular retaining walls.

Monica Crinion, PE

McHenry County Division of Transportation, Johnson and Thayer Road Bridges over Nippersink Creek, Phase I, McHenry County, IL. Project engineer and structural designer for the preliminary engineering (Phase I) study of the rehabilitation or replacement of the structures carrying Johnson Road and Thayer Road over Nippersink Creek in unincorporated Seneca Township. Phase I Engineering includes route and hydraulic survey, subsurface investigation, utility coordination, Abbreviated Bridge Condition report, hydrology/hydraulic analysis, environmental surveys and wetland delineation and report, bridge alternatives analysis, Accelerated Bridge Construction assessment, preliminary bridge design and Project Development Report.

Forest Preserve District of Will County, Veterans Memorial Trail, Phase II, Will County, IL. Structural Design Engineer responsible for the design and preparation of contract plans, specifications and cost estimates for the new construction of two (2) double cell precast box culverts, two (2) three-sided precast concrete structures with 14ft clear opening, and two (2) mechanically stabilized earth (MSE) retaining walls with reinforced concrete moment slabs totaling 500ft in length. Project responsibilities also included the preparation and submittal of a Preliminary Bridge Design and Hydraulic Report (PBDHR) to IDOT for one of the double cell precast box culverts. The six structures are part of project improvements for the construction of 3.5 miles of new bike trail in Will County from Spring Creek to 159th street adjacent the I-355 Illinois Tollway.

McHenry County Division of Transportation, Union Road Bridge over Kishwaukee River Bridge Replacement, Phase I & II, McHenry County, IL. Project engineer for the preliminary engineering (Phase I) study of the rehabilitation or replacement of the structure carrying Union Road over the Kishwaukee River in unincorporated Seneca Township. Phase I Engineering included route & hydraulic survey, subsurface investigation, utility coordination, Abbreviated Bridge Condition report, hydrology/hydraulic analysis, environmental surveys and wetland delineation and report, preliminary bridge design and Project Development Report. Upon completion of the federally funded Phase I study, Monica served as Project Manager leading the design engineering (Phase II) for the full replacement of the two-span bridge and approaching roadway. Design engineering tasks included permitting, plans, specifications, cost estimates, and supplemental compensatory storage, drainage design and wetland coordination to assist McHenry County with right-of-way negotiations and acquisitions. [Prior to AECOM]

Village of Elk Grove Village, Clearmont Drive Pedestrian Bridge over Salt Creek, Phase I, Elk Grove, IL. Project Manager for the locally funded preliminary engineering (Phase I) study to the replace the steel truss pedestrian structure carrying Clearmont pathway over Salt Creek. Elk Grove Village identified the replacement of the existing Clearmont Pedestrian Bridge over Salt Creek as a part of their long-range capital plan. The existing bridge is located within the limits of the Salt Creek floodplain and the structure and adjacent pathway flood and are impassible during high water events. Though funded locally, the project followed IDOT process to ensure eligibility in future Phases for state and grant funding. The project scope included route and hydraulic survey, subsurface geotechnical investigation, utility coordination, bridge condition report, hydrology/hydraulic analysis, environmental survey, preliminary bridge design, ITEP Grant Application, and project development report. [Prior to AECOM]

Village of Hoffman Estates, Barrington Road Interchange At Jane Addams Memorial Tollway (I-90), Hoffman Estates. Project Engineer responsible for structural inspection and subsequent preparation of bridge condition report (BCR) for the Barrington Road Bridge over I-90. Performed life cycle assessment for rehabilitation vs. full replacement of existing bridge. Provided Phase I support for community involvement meetings and presentations resulting in the subsequent decision to replace existing structure and interchange with a Single Point Urban Interchange (SPUI). Phase II responsibilities included structural design and detailing of the bridge superstructure (deck reinforcement, bridge scupper layout, bridge approach layout and design) for the concrete deck supported on flared PPC Bulb-T beams. Project involved upgrading the existing partial interchange with access to and from the east to a full interchange with access also to and from the west. [Prior to AECOM]

Tim Whalen, PE

Principal-in-Charge

Education
BS, Civil Engineering, University of Dayton, 1999

Years of Experience
22 years

Professional Registrations/ Certifications
Professional Engineer, IL, #062058067

Professional Engineer, IN, #PE11200504

Affiliations
American Society of Civil Engineers

American Council of Engineering Companies

WTS Greater Chicago

HACIA

ACE Chicago Mentor Program – Executive Board7

Tim has extensive project management experience, including five years as a project director/principal, delivering on a range of projects and programs in Illinois. He experience is centered on leading multi-disciplinary teams and coordinating the diverse skills of project teams, specialty subconsultants, and additional AECOM resources and experts. Tim's key skill sets developed from his experience include conflict and issue management, risk management and coordination. He has maintained oversight for projects and programs for a diverse range of clients from local municipalities to counties to state agencies, including the City of Chicago, IDOT, CTA, ISTHA, NICTD, CDA/OMP, Metra, and Cook County.

Project experience

Chicago Department of Transportation (CDOT), Western Avenue Viaduct over Belmont, Chicago, IL. Project Manager for Phase II design for the viaduct project located on the northwest side of the city between Jones Street and Addison Street. The project involves corridor enhancements for approximately 1.2 miles of urban public way along Western Avenue. Improvements include roadway reconstruction and resurfacing, drainage improvements, street lighting, traffic signals, structure demolition and rehabilitation, right-of-way acquisition and streetscape. The project includes extensive coordination with IDOT, Cook County, city agencies, utilities, aldermanic offices, surrounding communities and other project stakeholders. A key challenge was to design the maintenance of traffic and construction staging to limit impacts to users of the public way and surrounding residential and commercial interests.

Village of Bridgeview, CREATE GS14, 71st Street at CSXT/IHB Railroad Grade Separation, Bridgeview, IL. Project Manager for the Phase II design of a grade separation project for 71st Street at the existing CSX/IHB tracks. Design elements include a new bridge structure, retaining walls, roadway and access improvements, drainage improvements, utility relocations, traffic control, lift station, street lighting and landscape. The project involves public involvement and outreach, land acquisition, full ADA compliance and extensive coordination with project stakeholders including IDOT, Federal Highway Administration, CSX, CREATE, utility agencies, local businesses and property owners as well as the management of outside subconsultants.

CDOT, CREATE GS9, Archer Avenue Grade Separation Phase I, Chicago, IL. Project Manager for the Phase I preliminary engineering study of a grade separation for Archer Avenue at the existing Belt Railway (BRC) tracks. The project, which is part of

Tim Whalen, PE

the CREATE program, is located in a densely populated area of the city in close proximity to Midway Airport. Key challenges for the project include constructibility, maintenance of traffic and public outreach. The project includes data collection, alternatives analysis, geometrics and preliminary ADA design, structural development and design, hydraulics and drainage, traffic and public involvement. Extensive coordination with the BRC, IDOT, Midway Airport, city agencies, utilities, aldermanic offices, and other project and community stakeholders was essential to the success of the project.

CDOT, Wabash Avenue Renovation, Chicago, IL. Project Manager for renovation and streetscape improvement of Wabash Avenue from Harrison Street to Wacker Drive. Design elements included filling and reconstructing sidewalk vaults, special foundation design, drainage improvements, special sidewalk paving and a custom street lighting system. Urban design elements included decorative lighting features, entry portals, gateway signage and landscape improvements. The project involved concept design and implementation, full ADA compliance and extensive coordination with city agencies, community groups, property owners and tenants as well as the management of outside architectural firms, other subconsultants and electrical, civil and structural disciplines in-house. The project was awarded the ISPE Chicago Chapter Chicagoland Excellence in Engineering Award.

Illinois Department of Transportation (IDOT) – District 1, Geometrics Program Management, Special Studies, Chicago, IL. Project Manager responsible for overall management and coordination of the program management contract. The scope of services includes providing geometric engineering services and support on various projects, including Phase I planning, final design, construction and maintenance. The projects are either in-house, under contract with other consultant engineering firms, or entities other than IDOT such as private developments requesting traffic access permits onto IDOT state routes. Other work includes special geometric studies, traffic studies, Phase I studies, feasibility studies and scoping evaluation studies. Other responsibilities include the implementation and monitoring of the mentor-protégé agreement with our subconsultant.

IDOT, Illiana Corridor Tiered Environmental Impact Statement, Schaumburg, IL and IN. Project Manager for the program management work for a 56-mile-long corridor between I-55 in Illinois on the west end and I-65 in Indiana on the east. Providing oversight and management of the various Phase I engineering services for the management of the EIS, which is under contract with another firm. The Tier 1 EIS involved identification of transportation needs, travel demand modeling, an initial financial analysis, a summary of the known environmental constraints within the corridor, development and evaluation of alternatives for all modes of transportation, and selection of a preferred alternative. Tier 1 will include a final EIS and an initial record of decision. The Tier 2 EIS will involve more detailed engineering and environmental studies, including development of the overall transportation system configuration and determination of the environmental impacts for the preferred alternative identified in Tier 1. Tier 2 will meet the NEPA requirements and will result in a final record of decision.

Amish Bhatt, SE, PE

QA/QC – Structures

Education
MS, Civil Engineering, Bradley University, 1999
BS, Civil Engineering, Gujarat University, 1996

Years of Experience
21 years

Professional Registrations/ Certifications
Professional Structural Engineer, IL, #081-006249
Professional Engineer, WI #39373-6
Professional Engineer, TX

Affiliations
American Council of Engineering Companies
American Society of Civil Engineers

Amish is experienced in structural analysis and design of complex highway structures. He has completed design calculations and plan preparation of curved flyover structures and is familiar with seismic design and analysis of bridges. He integrates his engineering and computer knowledge to complete bridge, retaining wall, culvert and sign structure analysis and design; bridge type, size and location studies; and detailed contract plans and specifications. His experience combines an equal mix of Phase I and Phase II projects for local and state agencies, often requiring coordination between agencies and benefiting from his strong technical and communication skills. Amish's computer software experience includes MDX, RCPier; CONSPAN; CONBOX; GeoMath; STAAD.Pro; SEISAB; SAP2000; Mathcad; CSiBridge; PCA Column; PYWall; LPile; AutoCAD; and MicroStation.

Project experience

McHenry County Division of Transportation, Deerpass Road Bridge over Kishwaukee River, McHenry County, IL. Lead structure engineer responsible for Phase I and Phase II design and plan preparation for reconstruction of Deerpass Road Bridge over the Kishwaukee River. Prepared bridge condition report for the existing structure. Prepared type, size, and location (TS&L) plans for the proposed structure. Analyzed and designed superstructure and substructure units of the proposed structure and prepared final plans, specifications, and estimates package.

McHenry County Division of Transportation, Kishwaukee Valley Road Bridge over North Branch of Kishwaukee River, McHenry County, IL. Lead Structural Engineer responsible for Phase I and Phase II design and plan preparation for reconstruction of Kishwaukee Valley Road Bridge over the north branch of Kishwaukee River. Prepared bridge condition report for the existing structure. Prepared type, size, and location (TS&L) plans for the proposed structure. Analyzed and designed superstructure and substructure units of the proposed structure and prepared final plans, specifications, and estimates package.

Chicago Department of Transportation (CDOT), Cicero Avenue Bascule Bridge over the Chicago Sanitary and Ship Canal Phase I Study, Chicago, IL. Phase I structural lead for improvements to the IL 50 (Cicero Avenue) bascule bridge. The project involves the structural inspection of the bridge, an evaluation to determine the appropriate repairs and replacement elements to improve the bridge's structural sufficiency. As a navigable waterway and historic bridge, coordination with the U.S.

Amish Bhatt, SE, PE

Coast Guard and IL SHPO are required in addition to working with IDOT BLRS.

CDOT, 31st Street Bridge Over Metra Electric and CN Railroad – Bridge Replacement Design, Chicago, IL. Project structural engineer responsible for checking final bridge design and plans for replacement of a historic 4-span, 300 foot long and 80 foot wide, steel structure carrying 31st Street vehicle and pedestrian traffic over four Metra and two Canadian National Railway (Illinois Central) railroad tracks.

Illinois Department of Transportation (IDOT), Jane Byrne "Circle" Interchange Reconstruction Phase I and II, Chicago, IL. Lead structural engineer responsible for coordination of structural tasks for Phase I and Phase II design efforts including inspection; bridge condition reports; type, size, and location plans; final design; and plan development for the northwest flyover ramp for the Circle interchange. The project is located at the intersection of Kennedy/Dan Ryan Expressways (I-90/94) and Eisenhower Expressway (I-290). The overall length of the 13-span NW flyover ramp is 1978 feet and it consists of very complex curved geometry. The superstructure consists of steel plate girders with varying depth to accommodate vertical clearance. The substructure consists of cast-in-place hammerhead piers and a straddle bent.

IDOT, I-55 and Lake Shore Drive Interchange Reconstruction, Chicago, IL. Structural engineer responsible for analysis, design, coordination, and final contract document preparation for I-55 and Lake Shore Drive interchange. The interchange flyyover ramp superstructures have complex curved geometry and varying width with convergence of two curve structures into one structure. The project requires maintaining traffic on existing ramps with stage construction and by shoring existing superstructure and substructure elements.

IDOT – District 1, I-90/I-94 Dan Ryan Expressway Reconstruction, Chicago, IL. Structural engineer on team for Dan Ryan Expressway reconstruction. Designed and checked superstructure and substructure components on bridges including eastbound I-90 over State Street, westbound I-90 over State Street (local lane and express lane), and southbound I-94/I-90 to eastbound I-90 over I-94.

Illinois State Toll Highway Authority (ISTHA), Jane Addams Memorial Tollway (I-90) over Fox River, Kane County, IL. Lead structural engineer responsible for structure rehabilitation plans for I-90 over Fox River. Prepared substructure repair details under live load and deck joint replacement details.

CDOT, Wells Street Drawbridge – Bridge Design Engineering Services, Chicago, IL. Structural engineer responsible for Phase II engineering services for the Wells Street bascule bridge over the Chicago River. The historic bridge, built in 1922 and listed on the Illinois Historic Bridge Survey, is a doubledeck, double leaf structure that carries the Chicago Transit Authority (CTA) elevated railway on the upper level, and vehicle, bicycle, and pedestrian traffic on its lower level. The main span is 345 feet long and 72 feet wide. Phase II services consist of major rehabilitation of the main trusses and entire replacement of the steel framing for the lower level roadway and upper level railway structures. Phase II also includes major rehabilitation of the mechanical and electrical components including bridge houses, architectural elements, and river walls. Bridge rehabilitation will be performed with minimal disruption to transit service and the traveling public.

IDOT – District 1, Illinois Route 47 from Reed Road to US Route 14, McHenry County, IL. Lead structural engineer responsible for condition evaluation of the existing IL Route 47 bridge over Kishwaukee River. Prepared bridge condition report for the existing structure.

Ferrovial Agroman US Corp, Indiana Toll Road Widening Design Services, Portage, Indiana. Structural engineer responsible for widening and rehabilitation two river crossing bridges over Grand Calumet River. Analyzed and designed superstructure and substructure units and rated existing structure.

CDOT, South Lake Shore Drive Reconstruction – Jackson Park Segment, Chicago, IL. Structural engineer on the team for Lake Shore Drive improvement at 57th Drive in Chicago. Work included construction of underpass at 57th Drive and under 57th Drive. Both the structures are single-span bridges. Designed bridge deck and barrier walls, checked design of abutments, and checked the design of beam sizes.

Mike Eichten, PE

QA/QC – Roadway

Education
BS, Civil Engineering, Marquette University, 1992

Years of Experience
30 years

Professional Registrations/ Certifications
Professional Engineer, IL, #62050948
AECOM Certified Project Manager

Affiliations
American Society of Civil Engineers

Mike is an experienced Transportation Engineer with emphasis on the planning and design of highways and bridges. Mike's projects range from the development of location studies to the preparation of final plans, specifications, and cost estimates, and his background includes bridge type studies, structures design, traffic engineering studies, geometric design, complex interchange design, drainage design, and the preparation of Phase I design reports. His strong technical and communication skills are useful in successfully completing complex projects where large amounts of inter-agency and public coordination is required.

Project experience

Chicago Department of Transportation (CDOT), 41st Street and 43rd Street Pedestrian Bridges, Chicago, IL. Project Manager for Phase I and Phase II final design engineering services for two new pedestrian bridges crossing Lake Shore Drive and the Metra Electric tracks at 41st Street and 43rd Street. Responsible for overseeing the structural inspection of the existing 43rd Street pedestrian bridge; preparation of the project development report; development of the bridge condition report, the type, size and location, environmental documentation, architectural concepts and renderings; programmatic Section 4(f) evaluation; and extensive public involvement and coordination with the Chicago Park District, Chicago Housing Authority, Metra, and Canadian National Railroad, and community outreach with various community organizations, such as the Friends of the Parks. The proposed signature bridges are comprised of two main span inclined arch structures on a reverse curve alignment crossing over Lake Shore Drive and the railroad tracks with steel tube ramp approach structures connecting the lakefront path on the east with the parks and residential neighborhoods to the west. Estimated construction cost: $38 million.

CDOT, Western Avenue Viaduct over Belmont Avenue Phase I Design, Chicago, IL. Project Manager for Phase I and II design for the removal of the existing 11-span Western Avenue viaduct and reconstruction of approximately 1.25 miles of Western Avenue from Logan Boulevard to Addison Street. Through the development of an in-depth alternatives analysis valuation planning study and an extensive public involvement process, the preferred alternate was selected which involves the removal of the existing viaduct, reconstruction of a five-leg at-grade intersection, and corridor improvements. The corridor improvement alternate satisfies each of the project's primary objectives by improving traffic flow, improving

Mike Eichten, PE

vehicular and pedestrian safety, and enhancing the overall environment along Western Avenue. Construction staging for the high volume corridor including the reconstruction of five and six-leg intersections and coordination with local businesses along this commercial corridor is essential in the success of the project. Estimated construction cost: $30 million.

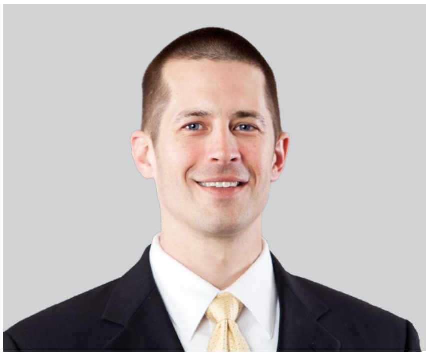
Illinois Department of Transportation (IDOT), Jane Byrne "Circle" Interchange Reconstruction, Chicago, IL. Deputy Project Manager and lead geometrics engineer for the Phase I study, and Project Manager for the Phase II design engineering of the proposed reconstruction of the Circle Interchange. The Circle Interchange is a system-to-system interchange carrying over 400,000 vehicles per day that connects I-90/94 with I-290/ Congress Parkway and is ranked as the worst bottleneck in the nation. Through an extensive public outreach process and a comprehensive alternatives analysis program which evaluated over 50 interchange concepts, the project team developed a solution that improves the mobility, operations, safety, and facility condition, and obtained design approval within an expedited 15-month schedule. This public outreach included project working group meetings, monthly FHWA coordination, dozens of meetings with local stakeholders and property owners, a public information meeting, and two public hearings. The improvements include the reconstruction and reconfiguration of the interchange geometry and ten adjacent local service interchanges, construction of 8 fly-over curved ramp bridges and 14 cross street bridges, the addition of a collector-distributor roadway system through the downtown area, roadway widening and reconstruction, lighting and ITS, retaining and noise walls, pump station improvements, the installation of an underground detention facility, abandoned water and freight tunnel bulkheading and installation of major water main including 48-inch and 54-inch feeder mains. The implementation of this major improvement in the heart of downtown Chicago required a comprehensive traffic management plan, construction sequencing, and breakdown of contract packaging to be implemented over the four-year construction schedule. Responsibilities include day-to-day management of the project, establishing design standards and criteria for geometric design, and significant coordination with multi-disciplinary design team members, client, and other stakeholders. Estimated construction cost: $550 million.

IDOT, I-55 and Lake Shore Drive Interchange Reconstruction, Chicago, IL. Project Manager for the Phase II design engineering for the reconstruction of the interchange of I-55 (Stevenson Expressway) and US 41 (Lake Shore Drive) in downtown Chicago. The improvements include the reconstruction and reconfiguration of the interchange geometry, removal and replacement of the four curved ramp interchange bridges and two mainline I-55 bridges over Martin Luther King Drive and the CN/Metra railroad tracks, the construction of MSE walls or retained earth structures on the approaches, traffic signal improvements at cross streets, new highway lighting system, drainage collector systems, expressway signing, roadway widening and reconstruction, development of a traffic management plan, right-of-way acquisition, and utility coordination. Intelligent Transportation system (ITS) work will include the replacement of in-pavement loop detectors, a new dynamic message sign, and new pole mounted closed-circuit television (CCTV) cameras. Estimated construction cost: $140 million.

City of Naperville, Main Street Bridge Reconstruction, Naperville, IL. Project Manager for the Phase I and Phase II engineering and preparation of final plans, specifications and estimate for removal of the historic three span T-beam structure and construction of a two span cast-in-place post-tensioned concrete slab structure over the West Branch of the DuPage River in downtown Naperville. Project engineer responsible for the Phase I engineering, the preparation of the project development report, the programmatic Section 4(f) evaluation, and the Section 106 documentation of adverse effect.

Matt Pregmon, SE, PE

Structural Engineering Lead



Education
MS, Structural Engineering, University of Illinois - Urbana-Champaign, 1998
BS, Civil Engineering (Structures/ Construction Management), University of Illinois - Urbana-Champaign, 1997

Training
30-hour OSHA Construction Safety and Health Training, 2017
Bridge Inspection Calibration, 2019
Element Inspection Training, 2013
NHI 130053A: Bridge Inspection Refresher Course, 2009
FHWA-NHI-130055: Safety Inspection of In-Service Bridges, 2000

Years of Experience
23 years

Professional Registrations/ Certifications
Professional Structural Engineer, IL, #081006009
Professional Engineer, IL, #062054986
Professional Engineer, WI

Matt is a program manager in the AECOM Chicago office with 23 years of experience serving as a structural engineer on major projects administered by municipalities, the Chicago Department of Transportation (CDOT), the Illinois Department of Transportation (IDOT), and the Illinois State Toll Highway Authority (ISTHA).

Project experience

CDOT, Cherry Avenue Bridge over North Branch Canal Superstructure Rehabilitation, Chicago, IL. Lead structural engineer and assistant project manager responsible for structural repairs of existing historic railroad truss bridge. Design of new decking materials to create a bicycle and pedestrian facility. Responsibilities included analysis of truss members during temporary jacking operations, coordination of engineering and architectural disciplines for plan preparation, and consultation with the client throughout the design and construction phases.

CDOT, Wells Street Bascule Bridge Rehabilitation, Chicago, IL. Deputy project manager and structural engineer for one of the most complex, double-leaf, trunnion style, double-deck bascule bridges in the city of Chicago. The project included the inspection of the bridge, preparation of a bridge condition report (BCR) and development of a Phase I engineering report. During inspection, it was discovered that some of the critical structural elements were in significant poor conditions. AECOM developed plans to repair these elements under an extremely tight schedule. The Wells Street bascule bridge carries highway at the lower deck level and CTA transit system on the upper deck. Responsibilities included project setup, construction observation, and steel detailing.

ISTHA, Illinois Tollway System –Tri-State Corridor Manager, Various Locations, IL. Structural Engineer responsible for developing structural standards and review of plans for the Central Tri-State Corridor – a 22 mile section of I-294 that consists of the most congested route on the entire Tollway system. The project consists of over 80 bridges, numerous retaining walls, noise abatement walls, culverts and sign structures.

ISTHA, Roadway and Bridge Widening and Reconstruction – Tri-State Tollway (I-294) Ogden Avenue to Cermak Road. Structural engineer of record responsible for developing plans and specifications for the reconstruction of I-294 over Salt Creek Bridge and several retaining walls. Responsibilities included coordination with subconsultants for retaining wall design, noise abatement wall design and geotechnical investigation.

ISTHA, Box Culvert Construction – Tri-State Tollway (I-294) mile post 27.80 to mile post 29.50, Ogden Avenue to Cermak Road. Structural engineer of record responsible for developing plans and specifications for construction of a soil nail wall at the 31st Street Bridge over I-294. Responsibilities included coordination with subconsultants for box culvert design, retaining wall removal and bicycle rail installation.

Matt Pregmon, SE, PE

ISTHA, Ogden Parclo and Bridge Work –Tri-State Tollway (I-294) M.P. 27.40 to M.P. 27.55. Structural engineer of record responsible for developing plans and specifications for the repair of Ogden Avenue over I-294. Responsibilities included preparation of plans for bridge deck overlay and coordination of construction staging.

ISTHA, Annual General Consultant Services, Downers Grove, IL. Structural engineer responsible for structural asset management program that included over 690 bridges, over 700 structural walls and over 600 overhead sign structures. Tasks included development of a multi-year system-wide repair plan, maintenance of a comprehensive database of all structure inventories on the system, preparation of the annual maintenance plan, and resolution of various technical issues. Creation of bridge deterioration models based on history of client assets. Comparison of repair strategies using Bridge Life Cycle Cost Analysis. Preparation of designer scopes of work. Review of design plans. Coordination and review of annual bridge, sign structure, retaining wall, and noise wall inspections. Wrote annual inspection report summaries. Maintained an emergency response manual to define specific roles and resources for AECOM staff in the event of an incident involving tollway structural assets.

CDOT, Lincoln/Ashland/Belmont Streetscape, Chicago, IL. Structural engineer of record responsible for vaulted sidewalk design, light pole foundation design, and retaining wall design. Responsibilities included site inspection and concrete design.

CDOT, 50/50 Sidewalk Program, Chicago, IL. Structural engineer of record for the design of ADA accessible sidewalk ramps at vaulted sidewalk locations throughout the city of Chicago. Resident engineer for construction of ADA ramps at vaulted locations. Responsibilities included inspection and condition assessment of existing vaulted sidewalks, owner coordination, concrete and steel design of vaulted sidewalk locations, and construction observation.

CDOT, Six Corners Streetscape, Chicago, IL. Structural engineer of record responsible for vaulted sidewalk design, light pole foundation design, and retaining wall design. Responsibilities included site inspection and concrete design.

CDOT, Wabash Avenue Renovation, Harrison Street to Wacker Drive, Chicago, IL. Structural engineer of record responsible for vaulted sidewalk design, light pole foundation design, retaining wall design, and architectural sign support design. Responsibilities included site inspection, concrete design, steel design, and owner coordination. Ongoing construction assistance is being provided to respond to actual field conditions.

CDOT, Central Loop TIF Vaulted ADA Ramp Program, Chicago, IL. Project manager and structural engineer of record for the design of ADA accessible sidewalk ramps at vaulted sidewalk locations throughout the city of Chicago. Management responsibilities included project setup, interaction with client and building representatives, and coordination of civil, electrical, and structural design tasks. Technical responsibilities included inspection and condition assessment of existing vaulted sidewalks, concrete and steel design of vaulted sidewalk locations, and technical assistance during construction.

CDOT, Skyway Inspection, Planning, and Analysis, Chicago, IL. Structural designer for the load rating and fatigue analysis of overpass, truss, and viaduct bridges along full length of the Chicago Skyway for both as-built and current structure conditions. Responsibilities included coordination of annual bridge, facility, and roadway inspections and the preparation of annual inspection reports and contracts. Coordinated the scanning and documentation of 7,000 historical record drawings for the Chicago Skyway. Prepared a database for in-house use to track the status of the drawings.

IDOT – District 1 and CDOT, Dan Ryan Expressway Reconstruction, Program Management, 47th Street to 69th Street, Chicago, IL. Structural engineer of record responsible for cantilever retaining wall design and MSE retaining wall design. Responsibilities included preparation of type, size, and location plans; design standards; and final plans. [FAI 90/94]

IDOT, Illinois Route 64 (North Avenue) Reconstruction (Kautz Road to IL Route 59), DuPage and Kane Counties, IL. Structural engineer of record responsible for steel bridge design and MSE retaining wall design. Responsibilities included preparation of the retaining wall feasibility study; type, size, and location plans; and final plans.

Jenna Brose, PE, PTOE

Traffic Engineering Lead

Education
BS, Civil and Environmental Engineering, University of Wisconsin, 2011
Certificate, Business, University of Wisconsin, 2010

Years of Experience
13 years

Professional Registrations/ Certifications
Professional Engineer, IL, #62067769
Professional Traffic Operations Engineer

Affiliations
Institute of Transportation Engineers
American Society of Civil Engineers
Women Transportation Seminar
Illinois Road and Transportation Builders Association

Jenna is a transportation engineer with experience in preliminary engineering and planning (Phase I) and detailed design (Phase II). She has a strong traffic engineering background; her expertise includes traffic simulation modeling, operational analyses, signal design, signal timing, and safety studies. Jenna is proficient in the use of Synchro, HCS, SIDRA, VISSIM, and MicroStation.

Project experience

Chicago Department of Transportation (CDOT), West Loop Traffic Framework Plan, Chicago, IL. Project Manager for the evaluation of existing and anticipated future needs of Chicago's West Loop and development of Complete Street solutions. The work consists of field studies, compilation of Planned Development plans and traffic impact studies with significant influence on the study area, parking evaluations, traffic analyses, conceptual level design exhibits and coordination with the CTA and Amtrak.

CDOT, Loop Link, Chicago, IL. Design Engineer and Traffic Engineer for the final design to reconfigure five corridors through the heart of the downtown Chicago central business district to incorporate BRT and protected bicycle facility infrastructure. Responsible for assessing parking impacts; roadway grading and geometric design; pavement marking and signing; material evaluation and selection for pavement colorization overlay, lane delineation systems, platform elements and development of project specific special provisions; and overseeing the development of Synchro models and signal modification and timing plans for 41 signalized intersections.

CDOT, Lincoln/Belmont/Ashland Streetscape – Section 2, Phase I and II, Chicago, IL. Project Engineer and Traffic Engineer involved in the design of streetscape and infrastructure improvements for the corridors of Lincoln, Ashland and Belmont Avenue. Efforts included screening various alternatives for the highly congested six-legged intersection of Lincoln, Ashland, and Belmont Avenues to reduce the barrier effect of the intersection, creating a more walkable livable community. Responsible for the development of Synchro models to assess operations on the eight traffic signals affected by the alternatives.

CDOT, Chicago Avenue-Halsted Street Viaduct Phase II, Chicago, IL. Traffic Engineer on the Chicago Avenue and Halsted Street intersection redesign. Responsibilities include restructuring the intersection layout to better serve all modes of transportation within the limited footprint and conducting operational evaluations of various design alternatives utilizing Synchro. This work also includes preparation of the Intersection Design Studies at Chicago Avenue and Halsted Street and Chicago Avenue and Larrabee Street. The rebuilding of this intersection will incorporate transit, bicyclist and pedestrian improvements increasing bicyclist and pedestrian safety.

Jenna Brose, PE, PTOE

CDOT, Burley Avenue Phase I Study, Chicago, IL. Traffic Engineer responsible for the development of the Intersection Design Study and supporting HCS traffic analyses.

CDOT, Fulton-Randolph Traffic and Curbside Use Study, Chicago, IL. Traffic Engineer for this study to evaluate traffic conditions and existing curbside use in the West Loop neighborhood. Responsibilities included HCS and traffic signal warrant analysis.

Illinois Department of Transportation (IDOT), Jane Byrne "Circle" Interchange Reconstruction, Phase II, Chicago, IL. Traffic Engineer responsible for coordinating the analysis and design of temporary detours for numerous individual construction contracts including the Morgan Street Bridge, the Harrison Street Bridge, the Northwest Flyover Bridge, the Van Buren Street Bridge, the Monroe Street bridge and I-290. Responsibilities include coordinating the collection of traffic data, identifying and evaluating viable detour options and temporary countermeasures for facilitating the flow of traffic on the expressway and along City of Chicago streets.

City of Chicago Department of Planning and Development, Kinzie Industrial Corridor (Fulton Market Innovation District) Infrastructure Plan, Chicago, IL. Provided transportation advisory to assist the City of Chicago, Department of Planning and Development, to determine potential infrastructure and street character impacts related to current plan proposals and future development scenarios. Provided the city with a menu of short term and long term improvements and associated costs.

Illinois Department of Transportation, Program Management, Cook County, IL. Traffic Engineer responsible for providing support to the District 1 geometrics engineer for special studies, traffic analysis, technical review, and general consultation. The work includes preparation of feasibility assessments, programming studies, traffic analyses (HCS, Synchro and SIDRA), and the development of traffic microsimulation models (VISSIM) for unique solutions to expressway and arterial challenges in District 1. Examples of these special studies include:

- Responsible for the development and analysis of 15 alternatives for the Northern Terminus of North Lake Shore Drive. Alternatives included one-way couples, road diets, continuous flow intersections and roundabouts. Task included modeling the study area including Bryn Mawr Avenue, Hollywood Avenue, Sheridan Road, Broadway and Ridge Avenue in Synchro and determining the optimal lane configurations to facilitate heavy traffic volumes.
- Evaluated the impacts of a new tolled river bridge at Houbolt Road connecting CenterPoint Intermodal Center to I-80. Tasks included analyzing traffic data, projecting traffic volumes, completing warrant analysis and creating Synchro models of Houbolt Road from IL 6 to Olympic Boulevard for four future year development phases and 2040 to determine an interchange design that would best facilitate projected traffic patterns. This feasibility study progressed to preliminary engineering and developing IDS's for the interchange and intersection.
- Led the evaluation of operational issues at the intersection of Central Avenue & Archer Avenue. Completed field visits and built Synchro models to determine geometric alterations and signal timing adjustments needed along the Central Avenue corridor to improve operations during peak hours and during train events as the intersection is located 250' north of BRC railway.

Lake County Department of Transportation, Butterfield Road-Adaptive Traffic Signals, Lake County, IL. Traffic Engineer assisting LCDOT in evaluating Butterfield Road as a candidate for Adaptive Signal Control Technology. Butterfield Road has been identified as a location for this technology due to the commuter rail line and surrounding schools and hospital. Responsible for preparing the necessary documentation as laid out in FHWA's system engineering process. These documents include Traffic Signal Control Evaluation, Concept of Operations and System Requirements.

Brent Sears, PE

Roadway/Geometrics Lead

Education
BS, Civil Engineering, University of Illinois at Chicago, 2010

Years of Experience
11 years

Professional Registrations/ Certifications
Professional Engineer, IL, #062-067068

Affiliations
American Society of Civil Engineers

Brent has 11 years of diverse experience in civil engineering and design for multiple roadway construction projects throughout Illinois. He is familiar with the protocols and requirements of local and state agencies including the Illinois Department of Transportation and Chicago Department of Transportation. He has design experience in roadway geometry, cross section and earthwork, construction staging, and signing. His design software experience includes the use of MicroStation, Geopak, Corridor Modeler, OpenRoads, AutoTurn, and Microsoft Office products. He also has experience working on design-build projects.

Project experience

DuPage County Division of Transportation, IL Route 64 at Powis Road, West Chicago, IL. Project civil engineer for Phase II final design PS&E services for roadway widening, drainage, and traffic signal redesign for the intersection of Powis Rd (County Highway 18) and North Ave (IL Route 64). This work included additional roadway widening by adding a through and turning lane on Powis Road, and also a redesign on the existing traffic signals. The existing traffic signal equipment was removed and replaced based on the new traffic signal modernization plan included with the final PS&E. An interconnect plan was also included for the stretch of IL Route 64 from Pheasant Run to Powis Rd, since this work is the continuation of the larger North Avenue reconstruction project that was completed previously. Mr. Sears was the project engineer and was responsible for the roadway design, permits, QA/QC, and client interaction and point-of-contact between the DuPage Division of Transportation and IDOT.

Illinois Department of Transportation (IDOT) – District 1, Geometrics Program Management, Schaumburg, IL. Under the program management role, work assignments include conceptual plan development, plan review, traffic planning and impact assessment, scope development/ scope evaluation, management, public coordination, administrative services, and other special studies as requested.

Chicago Department of Transportation (CDOT), CREATE GS9, Archer Avenue Grade Separation Phase I, Chicago, IL. Deputy project manager and project engineer for this Phase I effort under the Chicago Region Environmental and Transportation Efficiency Program (CREATE) to eliminate the at-grade crossing of Archer Avenue with two Belt Railway of Chicago (BRC) tracks in the communities of Archer Heights and Garfield Ridge.

City of Decatur, Brush College Road Grade Separation Phase II Design, Decatur, IL. Deputy Project Manager leading the preparation Phase II Engineering Services for a bridge overpass carrying Brush College

Brent Sears, PE

Road over the Norfolk Southern Railroad and Faries Parkway in Decatur, Illinois. The bridge is a 2-span flared structure and the project utilized a combination of MSE, modular block, and soldier pile retaining walls in order to effectively meet the project constraints. The design also includes a connector roadway between Faries Parkway and the Brush College Road overpass with two new signalized intersections forming a Jug-handle interchange configuration. The project involves advancing the phase II design, preparation of plans, specifications, and estimates, ROW survey and plat preparation. The project also conducted a design optimization study and Accelerated Bridge Construction (ABC) analysis. In addition, Brent was heavily involved in stakeholder, utility, railroad, and other ongoing coordination to ensure a successful project.

IDOT, Jane Byrne "Circle" Interchange Reconstruction, Chicago, IL. Civil engineer working on reconfiguration and reconstruction of the Circle interchange at the intersection of I-90/94 and I-290. The project includes a number of at-grade roadways as well as elevated bridges and flyover structures that will be widened, reconstructed, and relocated. Many of the local city street overpasses will also be affected. Tasks include project set up, obtaining and calculating existing geometric information, and brainstorming to develop multiple alternative solutions to the substandard capacity and geometrics of the intersection while working within the existing constraints. Horizontal alignments, profiles, vertical clearances, structural pier requirements, and MOT are all evaluated during the alternative selection process. All tasks are done according to IDOT standards.

IDOT – District 1, I-55 and Lake Shore Drive Interchange Reconstruction, Chicago, IL. Civil Engineer working on reconfiguration and reconstruction of the I-55/Lake Shore Drive interchange. The project includes bridge and flyover widening and reconstruction while tying in to existing I-55 and Lake Shore Drive and consists of two elevated 3-and 4-lane structures, as well as four flyover directional ramps. Tasks include using corridor modeler to create a three-dimensional model of the design developed in the phase 1 study. The vertical clearances, profiles, super-elevation, and resulting gore grading and existing tie-in points were all checked and redesigned as needed. An analysis of the MOT impacts on the constructibility of the structures is also being conducted. All tasks were done according to IDOT standards.

IDOT – District 8, I-55/I-64 Tri-Level Interchange, East St. Louis, IL. Civil Engineer working on reconfiguration and reconstruction of the I-55/I-64 interchange required for the Mississippi River Bridge project. The project included design of two interstates, 13 ramps, and 11 bridges at the interchange. Design of the bridges included four flyover structures and all structures required seismic design. The project involved 14 different construction contracts and staging to maintain expressway and local traffic during construction. The project also involved design of a dewatering system for the interchange. Tasks included using Geopak to cutcross sections showing existing and proposed conditions, as well as calculating necessary earthwork and special fill quantities; creating plan sheets in MicroStation to show the required removal and proposed conditions of the roadway; quantity calculation; drawing typical sections and roadway details; and developing traffic control and staging plans. All tasks were done according to IDOT standards.

CDOT, 41st and 43rd Street Pedestrian Bridges, Chicago, IL. Civil Engineer for Phase II final design engineering services for two new pedestrian bridges crossing Lake Shore Drive and the Metra Electric tracks at 41st Street and 43rd Street. Performed geometric design, 3D modeling, Cross Sections and Earthwork, and quantity calculations. The proposed signature bridges are comprised of two main span inclined arch structures on a reverse curve alignment crossing over Lake Shore Drive and the railroad tracks with steel tube ramp approach structures connecting the lakefront path on the east with the parks and residential neighborhoods to the west.

Will County and Cook County, Bell Road Reconstruction, Will County and Cook County, IL. Civil Engineer working on the Phase I preliminary engineering for reconstruction and operational improvement of Bell Road from 131st Street to IL-7 (159th Street), a 3.7-mile segment of roadway. Bell Road is a strategic regional arterial (SRA) route traversing both Will County and Cook County. Tasks included creating IDS sheets showing the existing and proposed conditions; modifying the initial design to account for vehicles with large turning radii; and addressing and revising the design according to comments from the involved county authorities.

Ted Bushell, PE

Geotechnical Lead

Education
MS, Civil Engineering, Northwestern University, 1978

BS, Civil Engineering, University of Illinois-Champaign-Urbana, 1975

Years of Experience
46 years

Professional Registrations/ Certifications
Professional Engineer, IL #62037889

Affiliations
American Society of Civil Engineers

International Society of Soil Mechanics and Geotechnical Engineering

Society of American Military Engineers

American Council of Engineering Companies

Ted is a project leader for numerous complex geotechnical engineering projects. He has been responsible for major geotechnical evaluations involving analysis and design of dams, reservoirs, landfills, excavations, deep and shallow foundations, slope stabilization, pavements, ground improvement, retaining structures, shoreline stabilization, and levees.

Project experience

Public Building Commission of Chicago, 31st Street Harbor, Chicago, IL. Served as Geotechnical Engineer for a new Chicago Park District harbor. The marina scope included a half mile-long open coast stone breakwater designed to shelter the new harbor marina, as well as 1,000 new boat slips, an accessible fishing pier, on-site covered winter boat storage, a fuel dock, a marina store, dedicated shower facilities, and a public access boat launch ramp. A new 3/4-acre green space, was created using on-site fill on a peninsula of land formed by the breakwater. The landside development included a harbor services building with a 63,000-SF accessible green roof, replete with sculptural shade structures and a great lawn. A new accessible play area that connects the green roof area to the existing beach replaces a smaller, outdated playground. A grade-separated trail underpass improved pedestrian and vehicular circulation, crucial to park accessibility. The development embraces environmental, social and economic sustainability, and received LEED Gold Certification.

Illinois Department of Transportation (IDOT), Heritage Street Bridge, East Peoria, IL. Principal Engineer for geotechnical engineering design services. The Heritage Street Bridge is part of the improvements to Camp Street. The new construction will require raising the existing grade approximately 5 to 10 feet at the bridge approaches and the adjacent Camp Street. Conventional earth fill will support the approaches. Site investigation revealed the presence of loose alluvial soils to a depth of 25 feet. Consolidation testing was performed to estimate the time-rate of consolidation of the alluvial soils. The analysis indicated that wick drains would be required to expedite the embankment settlement. Design drawings and specifications including instrumentation were developed for the wick drain installation and embankment construction.

IDOT –District 1, Roadway Improvements and Widening, IL. Soil surveys and foundation exploration for various roadway improvements and widening projects. Prepared geotechnical reports according to Illinois DOT guidelines.

IDOT, "Jane Byrne Circle" Interchange, Morgan Street Ramp-Retaining Wall 6, Chicago, IL. Geotechnical and structural design of permanent retaining wall as part of ramp widening along the Eisenhower

Ted Bushell, PE

Expressway. The 20-foot-high wall will retain 5 to 8 story historic structures supported on shallow foundations which have previously experienced excessive settlement. Detailed field and laboratory testing performed including pressuremeter and vane shear testing. Extensive Finite Element analysis performed using PLAXIS to evaluate movement of the new wall and the adjacent buildings. Numerous design schemes evaluated. Selected scheme consists of 4.5-foot-diameter drilled in-place soldier beams and two levels of tie-backs. Soldier piles to include full-length permanent steel casing.

City of Port Huron, Military Street Bridge over Black River, Port Huron, MI. Geotechnical evaluation of the Military Street Bridge over the Black River. This project involved replacing an existing bridge having unstable abutments. Subsurface exploration included obtaining undisturbed samples and performing field vane shear testing in soft clay. Special laboratory testing included triaxial, residual direct shear and consolidation testing. Slope stability analyses performed to evaluate foundation piling and other structural methods of stabilizing abutments. Designed cofferdam for new bridge pier construction. Village of Clarendon Hills, Route 83 beneath Chicago Avenue – Retaining Wall, Clarendon Hills, IL. Complete structural and geotechnical design including preparation of construction drawings and specifications for 4,000 lineal feet of permanent tied-back retaining wall to depress Route 83 beneath Chicago Avenue. The retaining wall, which extended up to 35 feet high, consisted of drilled-in soldier piles, one and two levels of walers, timber lagging, permanent soil anchors (tiebacks), and permanent concrete face wall.

City of Fox River Grove, US Route 14, Fox River Grove, IL. Design of 2,700 lineal feet of tied-back retaining wall for the road-widening project along US Route 14. Subsurface exploration and laboratory testing program was performed to provide design parameters. Analysis included earth pressure, bearing capacity, anchor capacity as well as tie-back length and slope stability calculations.

Canadian Pacific Railway, Railroad Bridges, IN. Geotechnical engineering services for seven new railroad bridges for Canadian Pacific Railway. The new bridges will include various foundation systems including culvert/earth fill support, driven piles, drilled piers and footing foundations. Services included subsurface exploration from the existing bridges, laboratory testing, and design analysis.

US Army Corps of Engineers (USACE), Lake Michigan Shoreline Reconstruction, Chicago, IL. Geotechnical engineering evaluations for major Lake Michigan shoreline reconstruction including I-55 to 30th Street, 33rd to 37th Street, 54th to 57th Street and Montrose Harbor. All work performed in accordance with the US Army Corps of Engineers and city of Chicago guidelines. Slope stability, pile capacity and seepage, settlement, and soil-structure interaction analysis were performed. Construction plans and specifications were prepared in coordination with civil, coastal, and structural engineering team members.

USACE, Chicago Shoreline Storm Damage Reduction, Chicago, IL. Lead Geotechnical Engineer for the design of seawall and shoreline protection structures along several miles of shoreline in the city of Chicago. Involved design analysis and plan and specification preparation for the complete replacement of shoreline structures comprised of severely deteriorated timber pile crib, rubble, and cap stones. New revetment structures at I-55 to 30th street, 33rd to 37th street, and Montrose Harbor comprise 9,700 feet of deep water Lake Michigan revetment structures and also included a boat ramp.

City of Chicago, Shoreline Protection Projects, Chicago, IL. Lead Geotechnical Engineer for the design of 4,200 feet of Lake Michigan shoreline structures at Promontory Point (54th to 57th Streets), and 1,800 feet of Lake Michigan shoreline revetments at Fullerton Avenue - Theatre on the Lake for the city of Chicago. These designs include geotechnical aspects of steel sheet pile retention structures tied back with batter piles, and an integral concrete promenade and steps supported in part by vertical H piles. Designs also include drainage gaps and a 9-acre confined disposal lakefill.

Brian Smith, PWS, CWB

Environmental Lead

Education
MS, Geography and Planning, South Dakota State University, 1988
BS, Wildlife and Fisheries Sciences, South Dakota State University, 1983

Training
IDOT Phase I Studies
Ecology and Highway Development
Phase I and Public Involvement
Environmental Impacts of Highway Projects
NEPA and the Transportation Decision Making Process NHI #142005
NEPA and the Indiana Transportation Decision-Making Process (including Refreshers)
The Cultural Resource Process in Illinois (Section 106)
Context Sensitive Design

Years of Experience
38 years

Professional Registrations/ Certifications
Professional Wetland Scientist, #952
Certified Wildlife Biologist

Affiliations
Society of Wetland Scientists
Wildlife Society
IL Association of Environmental Professionals
WTS

Brian has extensive involvement in Phase I planning/ NEPA studies, public involvement, agency coordination, incidental take authorizations, and impact statements. His major responsibilities have included preparation of several EAs and EISs, public involvement, technical reports, and mitigation plan preparation. He has managed projects for local, state, and federal agencies as well as for private industry.

Project experience

Illinois State Toll Highway Authority (ISTHA), I-294 Central Tri-State, Cook and DuPage Counties, IL. Environmental Lead in charge of delivering environmental commitments for the I-294 Phase I Master Plan. Successfully coordinated the Individual Section 404 and Coast Guard Permit applications. Primary concerns are traffic noise impacts, special waste and material characterization aesthetics, conservation measures, public involvement, and wetland mitigation approvals.

Illinois Department of Transportation (IDOT) – District 1, Various Phase I Projects, Program Management. Project Manager and Lead Scientist for as-needed Phase I environmental services for IDOT District 1. Project Manager and Environmental Lead reporting to the Environmental Unit, this project provided support in securing environmental clearances for in-house projects, Incidental Take Authorizations for threatened and endangered species, analysis or review of air, traffic noise, biological, cultural, wetland, Section 4(f) and 106 documentation (one-room schoolhouse), water quality, special waste coordination, and regulatory agency coordination.

IDOT – District 1, Illiana Expressway Tiered EIS Program Manager, Will County, IL and Lake County, IN. Lead Scientist for the Program Management Team overseeing the Tiered EIS for the 56-mile long corridor from I-55 in IL, to I-65 in IN. Provided oversight and reviews of technical reports including ecological, wetland, Section 106, traffic noise, habitat assessment, grassland bird responses to traffic noise, biological assessment, and Section 4(f). The NEPA/Section 404 merger process was used to document the three milestone points in the study with extensive resource and regulatory agency involvement throughout. The FEIS (Tier Two) was approved in September of 2014; the ROD was approved in December of 2014.

IDOT – District 1, Illinois 47 Phase I Study, McHenry County, IL. Environmental Lead for the preliminary engineering and Environmental Assessment for the improvements to eight miles of 2-lane roadway in a rapidly developing rural corridor between Huntley and Woodstock. The project was a pilot to IDOT's context sensitive solutions (CSS) process. As such, a comprehensive public and stakeholder involvement process was developed. The CSS process was used to drive the roadway alternative development process as well as gain local knowledge and desires for the improvement. Numerous potential environmental issues were involved

Brian Smith, PWS, CWB

including endangered species, water quality, high quality wetlands, floodplains, agriculture, land use changes, and public involvement. The NEPA/Section 404 merger process with the federal agencies was used to document and approve the purpose and need, alternatives considered, and the preferred alternative. The EA was approved in October of 2014; the FONSI was approved in August of 2016; Design Approval was approved in December of 2017.

ISTHA and IDOT, I-355/FAP 340 South Extension, Will County, IL. Environmental Lead in charge of delivering environmental commitments for the FAP 340 EIS. Prepared and coordinated the Individual Section 404 and Coast Guard Permit applications. Monthly coordination took place with the FHWA, USACE, USFWS, IDNR, IEPA, and other local agencies. Primary concerns were endangered species surveys, conservation measures to protect those species, successfully acquiring Incidental Take Authorizations, and wetland mitigation. Formal consultation under Section 7 of the Endangered Species Act was completed with a biological opinion, resulting in Section 404 permit issuance; species of concern were the Hines emerald dragonfly, the Blanding's turtle and the Indiana Bat. The roadway was opened for traffic in late 2007, and the continued coordination and guidance of Hines emerald dragonfly and Blanding's turtle conservation efforts, was required. Of note, Hine's emerald dragonfly breeding habitat has been constructed on an experimental basis. The groundbreaking effort was the first of its kind and results are promising. Adult dragonflies have been documented in these new areas and larval populations have increased; ongoing research will determine the breeding habitat capabilities of the created habitats. Studies continued through 2015, with over 100 agency meetings have been chaired, where adaptive habitat management and species surveys have been guided.

IDOT – District 1 and City of Woodale, Illinois 19/Wood Dale Road/Railroad Intersection Grade Separation and Realignment Phase I Study, Woodale, IL. Environmental Lead for the Environmental Assessment of a grade separation study of Wood Dale Road (County Highway 28) and/or Illinois Route 19 (Irving Park Road) with the METRA/Canadian Pacific (CPRR). Wood Dale Road and Illinois Route 19 each consist of four lanes, two through traffic lanes in each direction. The CPRR is a double track railroad for freight and commuter traffic. The purpose of the proposed action was to provide an improved and safe transportation system improvement to serve and enhance existing developed land uses in and around the downtown business area of Wood Dale. Study issues included a comprehensive public Involvement program including extensive stakeholder involvement, potential cultural resources, high potential displacements and community impacts. The EA was approved in May of 2010; the FONSI was approved in March of 2012.

McHenry County Division of Transportation, Deerpass Road Bridges Replacement, McHenry County, IL. Environmental Lead for the Phase I and Phase II studies and design for the replacement of two aging bridges over the Kishwaukee River and combining them into one larger structure. This project involved wetland delineations, Individual Take Authorizations for endangered species, ADID wetland concerns, coordination with resource agencies, permitting and IDOT Local Roads.

IDOT – District 9, Illinois Route 13, Location/Design and Environmental Impact Statement, Williamson County, IL. Environmental Scientist for the Illinois Route 13 environmental impact statement which consisted of the reconstruction of 10 miles of roadway. The reconstruction upgraded an existing 2-lane rural highway to a 4-lane divided highway with partial access control. Special concerns were wetland impacts, wetland mitigation concepts, environmental justice, strip mines, avoidance of endangered species habitat, and public hearings. Responsible for wetland studies and technical reports for the Illinois Route 13 EIS. Studies included wetland impact assessments, wetland quality assessments, avoidance methods, and mitigation. Also included in this EIS were agricultural studies including submittal of AD 1006 forms, farm severance, adverse travel, and coordinating with federal and state agricultural agencies.

IDOT – District 7, Illinois Route 161, Location Design and ECAD Report, Centralia, IL. Environmental Lead for the Environmental Class of Action Determination for the improvements to eight miles of an existing 2-lane roadway near Centralia, Illinois. The proposed action is to upgrade the existing facility to a four-lane highway. Concerns were a potential historic (Section 106) structure, displacements, wetland impacts, a centennial farm, public involvement, and coordination with local economic concerns. One public meeting and one public hearing was held.

Naveed Sarwar, PE

Constructability

Education
MS, Construction Engineering and Management, Illinois Institute of Technology, 2006
BS, Civil Engineering, University of Engineering and Technology – Lahore, Pakistan, 2002

Training
IDOT: Materials Management for Resident Engineers
IDOT: Illinois Construction Recording System (ICORS)
IDOT: Inspection of Erosion and Sediment Control
OSHA 10 Hour Construction Safety and Health

Year of experience
17 years

Registrations
Professional Engineer, IL #62069796
Professional Engineer, WI #41697-6

Naveed is a Professional Engineer with 17 years of experience in construction engineering and management of various sizes of civil infrastructure projects. He has worked on many municipal, Chicago Department of Transportation (CDOT) and Illinois Department of Transportation (IDOT) projects in different capacities from construction engineer, liaison engineer, to project manager.

Project experience

Village of Deerfield, Central Avenue Bridge Reconstruction, (IDOT Contract 63584), Deerfield, IL. Resident Engineer for the reconstruction of Central Avenue bridge over West fork North branch Chicago River in Deerfield. The project consists of the removal of the existing concrete deck slab, closed abutments, construction and widening of a new pre-stressed superstructures and wearing surface, open abutment bridge (metal shell pilings), storm sewer installation, approach slab pavement and HMA pavement installation. This project also consists of removal and installation curb and gutter, sidewalk and concrete bridge rail, sidewalk mounted.

Village of Deerfield, Juniper Court Bridge Rehabilitation, (IDOT Contract 63587), Deerfield, IL. Resident Engineer for the superstructure replacement of Juniper Court bridge over West fork North branch Chicago River in Deerfield. The project consists of the removal of the existing superstructure and replacement with a new precast prestressed superstructure and wearing surface, approach slab pavement and HMA pavement installation. This project also consists of removal and installation of curb and gutter, sidewalk and concrete bridge rail, sidewalk mounted.

City of Des Plaines, River Road Construction Section 3 Project (IDOT Contract 62267), Des Plaines, IL. Project Manager for the $21.5 Million, 1.19-mile roadway reconstruction of Des Plaines River Road from north of Algonquin Road to north of US 12/Rand Road. The project consists of phased roadway reconstruction of Portland cement concrete and hot-mix asphalt pavements. Major items of work include installation of 4 to16-inch diameter water main, installation of residential and commercial water services, installation of fire hydrants, installation of storm sewer ranging in size from 12 to 42-inch diameter with three separate outfalls into the Des Plaines River and multiple connections to the existing storm sewer system and installation of over 280 storm sewer structures. Additional improvements included rehabilitation of an existing retaining wall adjacent to the Des Plaines River, curb and gutter, sidewalk, six traffic signal installations, LED street lighting installation, non-special waste removal and guardrail installation.

Illinois State Toll Highway Authority (ISTHA), I-88 Reagan Tollway/M.P. 126.5 to M.P. 128.3 Reconstruction/ Widening at Naperville Road, (Contracts 5802R, 5804, and 5805), DuPage County, IL. Construction Engineer/Office Engineer for approximately $85 Million of roadway reconstruction, bridge widening and

Naveed Sarwar, PE

interchange ramp modifications. The improvements include reconstruction of the eastbound and westbound pavement and shoulders; reconstruction and widening of the bridge; construction of retaining walls, roadway lighting, signing, drainage, pavement marking, embankments, traffic and noise barriers; relocation of the Tollway's communication network; maintenance of traffic; and erosion control. Proficient in managing shop drawings, correspondence, Requests for Information and meeting minutes with the Proliance web-based computer system. Experienced in managing concrete, aggregate and asphalt test results with the Illinois Materials Inspection Reporting System (I-MIRS) web-based computer system.

City of Des Plaines, Des Plaines River Road Reconstruction (IDOT Contract 60X13), Des Plaines, IL. Resident Engineer for the $13.5 Million, 1.5 mile roadway reconstruction project. The project consisted of roadway reconstruction of PCC jointed pavement. The project also consisted of complete replacement of the water main within project limits and the construction of three retaining walls. Other improvements include temporary and permanent traffic signals and roadway lighting, storm sewers, guardrail and landscaping.

City of Des Plaines, Des Plaines River Road Reconstruction (IDOT Contract 60J04), Des Plaines, IL. Resident Engineer for the $11.4 Million, 1.6 mile roadway reconstruction project. The project consisted of roadway reconstruction of hot-mix asphalt and PCC pavements. The project also consisted of the replacement of two box culverts and the construction of three retaining walls. Other improvements included temporary and permanent traffic signals and roadway lighting, storm sewers, guardrail and landscaping.

ISTHA, Jane Addams Memorial Tollway (I-90) Widening and Reconstruction – IL 53 to Kennedy Expressway, IL. Corridor Construction Engineer. Naveed was part of the CCM joint venture team that reconstructed the eastern corridor of I-90 between IL 53 and Kennedy Expressway. Naveed oversaw the construction managers (CMs) in reconstruction/widening of I-90 from Lee Street to Kennedy Expressway, as well as the ITS construction contract as a part of the I-90 smart corridor from Elgin Toll Plaza to Kennedy Expressway. Naveed also coordinated with ComEd and Nicor for new services to the Tollway facilities including IPDCs for ITS devices and overall coordination with utility companies to resolve construction conflicts. As a part of the team, Naveed reviewed all issues related to cost, schedule and MOT impacts, and conducted corridor material coordination meetings as well.

CDOT, North Branch Riverwalk (Addison Underbridge), Chicago, IL. Project Manager for the $12 Million, multi-use trail and 1,010-foot-long pedestrian bridge construction crossing the North Branch of the Chicago River between Clark Park and California Park. Major items of work included construction of a cast-in-place, modified T-beam integrally poured superstructure and deck structure with 60-foot reinforced concrete spans on 15 cast-in-placed drilled shaft piers to bedrock, construction of about 1,160 feet of on-grade reinforced concrete and hot-mix asphalt path, installation of 670 feet of steel sheet pile walls with deadman walls connected together with tie-rods, construction of a 40-foot long single span Portland Cement Concrete (PCC) deck box beam structure and resurfacing of about 1,000 feet of existing trail. Additional improvements included weathered steel railing with cast-in-place anchor bolts, bridge and trail LED lighting, terraced concrete block wall, signing, grading, drainage improvements, landscaping and non-special waste removal.

Financial Statements

APPENDIX

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

FORM 10-K

(Mark one)

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

OR

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

For the transition period from to

Commission file number 0-52423

AECOM

(Exact name of Registrant as specified in its charter)

Delaware	**61-1088522**
State or Other Jurisdiction Of Incorporation or Organization	I.R.S. Employer Identification Number

300 South Grand Avenue, 9th Floor	
Los Angeles, California	**90071**
Address of Principal Executive Offices	Zip Code

(213) 593-8000

Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	ACM	New York Stock Exchange

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

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

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

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

The aggregate market value of registrant's common stock held by non-affiliates on March 27, 2020 (the last business day of the registrant's most recently completed second fiscal quarter), based upon the closing price of a share of the registrant's common stock on such date as reported on the New York Stock Exchange was approximately $4.5 billion.

Number of shares of the registrant's common stock outstanding as of November 12, 2020: 150,763,791

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information by reference from the registrant's definitive proxy statement for the 2021 Annual Meeting of Stockholders, to be filed within 120 days of the registrant's fiscal 2020 year end.

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PART I

ITEM 1. BUSINESS

In this report, we use the terms "the Company," "we," "us" and "our" to refer to AECOM and its consolidated subsidiaries. Unless otherwise noted, references to years are for fiscal years. Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. For clarity of presentation, we present all periods as if the year ended on September 30. We refer to the fiscal year ended September 30, 2019 as "fiscal 2019" and the fiscal year ended September 30, 2020 as "fiscal 2020."

Overview

We are a premier global infrastructure consulting firm, delivering professional services throughout the project lifecycle – from planning, architecture, design and engineering to program and construction management. We partner with our clients in the public and private sectors to solve some of their most complex infrastructure challenges on projects spanning transportation, buildings, water, governments, energy and the environment.

According to Engineering News-Record's (ENR's) 2020 Design Survey, we are the second largest general architectural and engineering design firm in the world, ranked by 2019 design revenue, and we are ranked as the largest environment firm in the world. In addition, we are ranked by ENR as the leading firm in a number of design end markets, including transportation, general building and certain water-related markets, as well as the number two green design firm and the number four green contractor in the world. We utilize our scale and the strength of our workforce to create innovative solutions for our clients. Increasingly, clients are turning to us to shape solutions to achieve their Environmental, Social, and Governance (ESG) objectives. With our market leading capabilities, we are uniquely well suited to address these challenges.

Our business focuses primarily on providing fee-based planning, consulting, architectural and engineering design services and, therefore, our business is primarily driven by knowledge-based services. We primarily derive income from our ability to generate revenue and collect cash from our clients through the billing of our employees' time spent on client projects and our ability to manage our costs. AECOM Capital primarily derives its income from real estate development sales and management fees.

On January 31, 2020, we completed the sale of our Management Services (MS) business to an affiliate of American Securities LLC and Lindsay Goldberg LLC. Starting in the first quarter of fiscal 2020, our self-perform at-risk construction business met the criteria for held for sale. Collectively, the Management Services business and the self-perform at-risk construction businesses met the criteria for discontinued operation classification.

During the first quarter of fiscal 2020, we reorganized our operating and reporting structure to better align with our ongoing professional services business. The businesses that comprised the Management Services reportable segment and the civil infrastructure, power and oil and gas construction businesses in the former Construction Services (CS) reportable segment were classified as discontinued operations.

We report our continuing business through three segments, each of which is described in further detail below: Americas, International, and AECOM Capital (ACAP). Such segments are organized by the differing specialized needs of the respective clients and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long-term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

- *Americas:* Planning, consulting, architectural and engineering design, and construction management services to commercial and government clients in the United States, Canada, and Latin America in major end markets such as transportation, water, government, facilities, environmental, and energy.

- *International:* Planning, consulting, architectural and engineering design services to commercial and government clients in Europe, the Middle East, Africa, and the Asia-Pacific regions in major end markets such as transportation, water, government, facilities, environmental, and energy.

- *AECOM Capital (ACAP):* Investments primarily in real estate projects.

Our Americas and International Segments

Our Americas and International segments comprise a broad array of services, generally provided on a fee-for-service basis. These services include planning, consulting, architectural and engineering design, program management and construction management for industrial, commercial, institutional and government clients worldwide. For each of these services, our technical expertise includes civil, structural, process, mechanical, geotechnical systems and electrical engineering, architectural, landscape and interior design, urban and regional planning, project economics, cost consulting and environmental, health and safety work. Our Americas segment provides services generally in the United States, Canada and Latin America. Our International segment provides similar services generally in Europe, the Middle East, Africa and Asia-Pacific regions.

With our technical and management expertise, we are able to provide our clients a broad spectrum of services. For example, within our environmental management service offerings, we provide remediation, regulatory compliance planning and management, environmental modeling, environmental and social impact assessment and environmental permitting for major capital/infrastructure projects.

Our services may be sequenced over multiple phases. For example, in the area of program management and construction management services, our work for a client may begin with a small consulting or planning contract, and may later develop into an overall management role for the project or a series of projects, which we refer to as a program. Program and construction management contracts may employ small or large project teams and, in many cases, operate as an outsourcing arrangement with our staff located at the project site.

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We provide the services in these segments both directly and through joint ventures or similar partner arrangements to the following end markets or business sectors:

Transportation.

- *Transit and Rail.* Light rail, heavy rail (including highspeed, commuter and freight) and multimodal transit projects.

- *Marine, Ports and Harbors.* Wharf facilities and container port facilities for private and public port operators.

- *Highways, Bridges and Tunnels.* Interstate, primary and secondary urban and rural highway systems and bridge projects.

- *Aviation.* Landside terminal and airside facilities, runways and taxiways.

Facilities.

- *Government.* Emergency response services for the U.S. Department of Homeland Security, including the Federal Emergency Management Agency and engineering and program management services for agencies of the Department of Defense and Department of Energy.

- *Industrial.* Industrial facilities for a variety of niche end markets such as manufacturing, distribution, aviation, aerospace, communications, media, pharmaceuticals, renewable energy, chemical, and food and beverage facilities.

- *Urban Master Planning/Design.* Strategic planning and master planning services for new cities and major mixed-use developments in locations such as India, China, Southeast Asia, the Middle East, North Africa, the United Kingdom and the United States.

- *Commercial and Leisure Facilities.* For example, corporate headquarters, high-rise office towers, historic buildings, hotels, leisure, sports and entertainment facilities and corporate campuses.

- *Educational.* For example, college and university campuses.

- *Health Care.* For example, private and public health facilities.

- *Correctional.* For example, detention and correctional facilities.

Environmental.

- *Water and Wastewater.* Treatment facilities as well as supply, distribution and collection systems, stormwater management, desalinization, and other water reuse technologies.

- *Environmental Management.* Remediation, waste handling, testing and monitoring of environmental conditions and environmental construction management.

- *Water Resources.* Regional-scale floodplain mapping and analysis for public agencies, along with the analysis and development of protected groundwater resources for companies in the bottled water industry.

Energy/Power.

- *Demand Side Management.* Public K12 schools and universities, health care facilities, and courthouses and other public buildings, as well as energy conservation systems for utilities.

- *Transmission and Distribution.* Power stations and electric transmissions and distribution and cogeneration systems.

- *Alternative/Renewable Energy.* Production facilities such as ethanol plants, wind farms and micro hydropower and geothermal subsections of regional power grids.

- *Hydropower/Dams.* Hydroelectric power stations, dams, spillways, and flood control systems.

- *Solar.* Solar photovoltaic projects and environmental permitting services.

Construction Management – We provide program and construction management services for large scale building facility construction projects primarily in the Americas including:

- Sports arenas;

- Modern office and residential towers;

- Hotel and gaming facilities;

- Meeting and exhibition spaces;

- Performance venues;

- Education facilities;

- Mass transit terminals; and

- Data centers.

Our AECOM Capital Segment

ACAP typically partners with investors and experienced developers as co-general partners. ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations and maintenance services for ACAP funded projects. ACAP development activity is conducted through joint ventures or subsidiaries that may be consolidated or unconsolidated for financial reporting purposes depending on the extent and nature of our ownership interest. In addition, in connection with the investment activities of ACAP, AECOM or an affiliate may provide guarantees of certain financial obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations, and other lender required guarantees. In October 2019, AECOM-Canyon Partners, a joint venture between ACAP and Canyon Partners, LLC, a global alternative asset management firm, announced the final closing of an investment fund with just over $500 million in total commitments. The platform focuses on investing in co-general partner equity opportunities with high quality partners, primarily targeting “build-to-core” investments in the top 25 U.S. markets across all property types.

Thinking and Acting Globally

AECOM is at its best when we think and act globally. Our strategy is focused on setting a new standard of excellence in the professional services industry. First, our recently simplified operating structure promotes greater connectivity and collaboration across our seven regions and five global business lines. We drive growth by prioritizing our core markets, leaning into our greatest strengths and ensuring our best talent and resources are focused on nurturing client relationships. We are transforming the way we deliver work through technology and digital platforms improving the client experience and increasing efficiency. Lastly, we are building upon our position as a leading ESG company, unified by our purpose to deliver a better world.

Environmental, Social and Governance Matters

We are committed to being a leader in environmental sustainability, social responsibility, and corporate governance.

We embrace sustainability by striving to make a positive, lasting impact on society and the environment. Sustainability is at the core of what we do and how we operate — focusing on the environmental, social and governance impact of our business. Through our projects and our operations, we have both a significant opportunity and a responsibility to protect, enhance and restore the world's natural and social systems.

We are committed to addressing the effects of climate change as a key priority for our sustainability program by improving resilience and working to advance ambitious greenhouse gas emissions reduction targets. Having achieved our previous emissions reduction targets ahead of schedule, we have set new science-based targets for 2025 that are in alignment with the Paris Agreement's goals to limit the worst effects of climate change: a 20% reduction in Scope 1 and 2 emissions and a 10% reduction in supply chain emissions from our 2018 baseline. Our new targets have been independently validated by the Science Based Targets initiative (SBTi) and, at the time of validation, AECOM was the first and only US-based company in the engineering and construction sector to have set SBTi targets.

In addition, we continue to invest in proprietary innovations and solutions to combat globally pervasive emerging contaminants, such as our patented DE-FLUORO™ water treatment solution to destroy per- and polyfluoroalkyl substances (PFAS) on-site.

We have established an internal Global ESG Council to coordinate and drive our ESG initiatives across AECOM worldwide, and our Board, including through its Committees, has oversight over ESG matters. Additional information regarding our ESG initiatives is located on the investor relations section of our website, at https://investors.aecom.com/.

Human Capital Management

The foundation of our continuing success as a premier professional services enterprise is the ability to attract and retain the industry's best, diverse talent by providing a culture of equity, diversity, inclusion, development, opportunity and empowerment. This understanding informs our approach to managing our human capital resources

Our principal asset is our employees, and large percentages of our employees have technical and professional backgrounds and undergraduate and/or advanced degrees. At the end of our fiscal 2020, we employed approximately 54,000 persons, of whom approximately 22,000 were employed in the United States. Over 4,000 of our domestic employees are covered by collective bargaining agreements or by specific labor agreements, which expire upon completion of the relevant project. We believe that the quality and level of service that our professionals deliver are among the highest in our industry.

We are committed to enhancing our position as a leading employer in our industry. Our culture and reputation as a leader in the engineering and construction sector enables us to recruit and retain some of the best available talent in the countries we operate in. We believe in a culture of equity, diversity and inclusion, and we are committed to advancing safe and respectful work environments where our employees are invited to bring their talents, backgrounds and expertise to bear on some of the world's most complex problems and where every person has the opportunity to thrive personally and professionally.

We are committed to engaging our employees globally to understand regional inclusion and diversity opportunities, building leadership accountability and expanding recruitment efforts to foster a workforce reflective of our communities. To continue attracting and retaining some of the most talented employees in our industry, we ensure employees have the tools and resources they need to hone their skills, develop strong leadership behaviors and advance their careers. Our human capital objectives and initiatives are overseen by our Board as per our Corporate Governance Guidelines.

Health and Safety. Core to our corporate values is safeguarding our people and fostering a culture of caring that promotes the wellbeing of our employees, contractors and business partners. We safeguard our people, projects and reputation by striving for zero employee injuries and illnesses, while operating and delivering our work responsibly and sustainably. We maintain our industry's best-in-class lost workday case and recordable incident rates, and our safety performance is consistently recognized by key clients across the regions where we work as well as by recognized safety organizations.

Equity, diversity and inclusion. While ED&I has always been a part of our culture, we continue to advance efforts globally to integrate our principles into all aspects of our work and measure results. We are focused on four key areas: 1) Building diverse talent through our recruitment efforts, as well as offering internships (including virtual internships during the Covid-19 pandemic) and partnering with nonprofit organizations and universities, 2) Enriching communities through pro-bono work, volunteerism, philanthropy and strategic partnerships, 3) Expanding understanding and empathy among employees through community-building, training and family-friendly benefit policies, and 4) Prioritizing the social impact and benefits of ED&I into every project we pursue and the innovative solutions we deliver.

Employee experience. We continue to enhance our employee programs, workplace culture and digital technologies to support employees and managers in more effective and efficient ways to execute their work and meaningfully engage with clients. These efforts include employee wellness and wellbeing programs to better support employees while working remotely during the Covid-19 pandemic and beyond, expanding access and technical training programs through our online education portal, AECOM University, delivering new digital tools to boost connectivity among employees, and advancing frontline leadership programs.

Workplace of the future. Drawing upon the experiences of our professionals, who have remained highly productive while working remotely during the Covid-19 pandemic, we have invited their input and ideas to begin to shape the future ways of working at AECOM. In particular, through a global competition, we challenged our professionals to consider how new workspaces can support health, collaboration and camaraderie, how technology and tools can be leveraged to ensure continuing productivity and client engagement, and what they need to be well and engaged. Many of the resulting ideas are being implemented regionally and globally.

Community responsibility. Through strategic nonprofit partnerships, pro-bono work, skills-based volunteering and philanthropy, *Blueprint for a Better World*, our corporate responsibility platform, is focused on delivering access to safe and secure infrastructure to those who need it most, creating opportunity for the leaders of tomorrow and protecting our planet so that our company can fulfill its purpose to deliver a better world. As part of the *Blueprint* pro-bono program, our technical experts partnered with nonprofit organizations in their local communities to provide critical design, engineering and infrastructure solutions. In fiscal 2020, we continued to further our employees' passion through the *Blueprint Travel Grant* program, which included building dormitories to further Peruvian girls' education, purifying drinking water on the Zinga Islands of Uganda, strengthening engineering ecosystems in Sub-Saharan Africa, and designing and fundraising for a women and children's center in Kosovo. In addition, we sustained our commitment to our enterprise strategic nonprofit partners – Engineers Without Borders and Water for People.

Our Clients

Our clients consist primarily of national, state, regional and local governments, public and private institutions and major corporations. The following table sets forth our total revenue attributable to these categories of clients for each of the periods indicated:

	Year Ended September 30, ($ in millions)					
	2020		2019		2018	
U.S. Federal Government	$ 1,027.8	8 %	$ 1,273.7	9 %	$ 1,141.3	8 %
U.S. State and Local Governments	2,709.7	20	2,696.6	20	3,144.2	23
Non-U.S. Governments	1,869.0	14	2,031.5	15	2,127.9	15
Subtotal Governments	5,606.5	42	6,001.8	44	6,413.4	46
Private Entities (worldwide)	7,633.5	58	7,640.7	56	7,464.9	54
Total	$ 13,240.0	100 %	$ 13,642.5	100 %	$ 13,878.3	100 %

No single client accounted for 10% or more of our revenue in any of the past five fiscal years. Approximately 8%, 9% and 8% of our revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2020, 2019 and 2018, respectively.

Contracts

The price provisions of the contracts we undertake can be grouped into several broad categories: cost-reimbursable contracts, guaranteed maximum price contracts, and fixed-price contracts.

Cost-Reimbursable Contracts

Cost-reimbursable contracts include cost-plus fixed fee, cost-plus fixed rate, and time-and-materials price contracts. Under cost-plus contracts, we charge clients for our costs, including both direct and indirect costs, plus a negotiated fee or rate. We recognize revenues based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Under time-and-materials price contracts, we negotiate hourly billing rates and charge clients based on the actual time we expend on the project. In addition, clients reimburse us for materials and other direct incidental expenditures incurred in connection with our performance under the contract. Time-and-material price contracts may also have a fixed-price element in the form of not-to-exceed or guaranteed maximum price provisions.

Some cost-plus contracts provide for award fees or a penalty based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, we may share award fees with subcontractors. We generally recognize revenue to the extent of costs actually incurred plus a proportionate amount of the fee expected to be earned. We take the award fee or penalty on contracts into consideration when estimating revenue and profit rates, and record revenue related to the award fees when there is sufficient information to assess anticipated contract performance and a significant reversal of the award fee is not probable. Once an award is received, the estimated or accrued fees are adjusted to the actual award amount.

Some cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether we achieve above, at, or below target results. We originally recognize revenue on these contracts based upon expected results. These estimates are revised when necessary based upon additional information that becomes available as the contract progresses.

Guaranteed Maximum Price Contracts

Guaranteed maximum price contracts (GMP) share many of the same contract provisions as cost-plus and fixed-price contracts. As with cost-plus contracts, clients are provided a disclosure of all project costs, and a lump sum percentage fee is separately identified. We provide clients with a guaranteed price for the overall project (adjusted for change orders issued by clients) and a schedule including the expected completion date. Cost overruns or costs associated with project delays in completion could generally be our responsibility. For many of our commercial or residential GMP contracts, the final price is generally not established until we have subcontracted a substantial percentage of the trade contracts with terms consistent with the master contract, and we have negotiated additional contract limitations, such as waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages. Revenue is recognized for GMP contracts as project costs are incurred relative to total estimated project costs.

Fixed-Price Contracts

Fixed-price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, we perform all the work under the contract for a specified price. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, we perform a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognized for fixed-price contracts using the input method measured on a cost-to-cost basis.

Some of our fixed-price contracts require us to provide surety bonds or parent company guarantees to assure our clients that their project will be completed in accordance with the terms of the contracts as further disclosed in Note 18—Commitments and Contingencies. In such cases, we may require our primary subcontractors to provide similar performance bonds and guarantees and to be adequately insured, and we may flow down the terms and conditions set forth in our agreement on to our subcontractors. There may be risks associated with completing these projects profitably if we are not able to perform our services within the fixed-price contract terms.

For the year ended September 30, 2020, our revenue was comprised of 43%, 30%, and 27% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively.

Joint Ventures

Some of our larger contracts may operate under joint ventures or other arrangements under which we team with other reputable companies, typically companies with which we have worked for many years. This is often done where the scale of the project dictates such an arrangement or when we want to strengthen either our market position or our technical skills.

Backlog

Backlog represents revenue we expect to realize for work completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Backlog is expressed in terms of gross revenue and therefore may include significant estimated amounts of third party or pass-through costs to subcontractors and other parties. Backlog for our consolidated subsidiaries is comprised of contracted backlog and awarded backlog. Our contracted backlog includes revenue we expect to record in the future from signed contracts, and in the case of a public client, where the project has been funded. We report transaction price allocated to remaining unsatisfied performance obligations (RUPO) of $18.9 billion, as described in Note 4, Revenue Recognition, in the notes to our consolidated financial statements. The most significant difference between our contracted backlog and RUPO is revenue related to service contracts that extend beyond the termination provision of those contracts. Our contracted backlog includes revenues for service contracts expected to be earned over the term of that contract. Guidance for the calculation of RUPO requires us to assume the contract will be terminated at its earliest convenience, resulting in RUPO to be $0.6 billion lower than contracted backlog. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. The net results of our unconsolidated joint ventures are recognized as equity earnings, and awarded and contracted backlog representing our proportionate share of work to be performed by unconsolidated joint ventures is not presented as revenue in our Consolidated Statements of Operations. For non-government contracts, our backlog includes future revenue at contract rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, we include revenue from such contracts in backlog to the extent of the remaining estimated amount. We calculate backlog without regard to possible project reductions or expansions or potential cancellations until such changes or cancellations occur. No assurance can be given that we will ultimately realize our full backlog. Backlog fluctuates due to the timing of when contracts are awarded and contracted and when contract revenue is recognized. Many of our contracts require us to provide services over more than one year. Our backlog for the year ended September 30, 2020 increased $4.7 billion, or 12.9%, to $41.2 billion as compared to $36.5 billion for the corresponding period last year, primarily due to an increase in our construction management business.

The following summarizes contracted and awarded backlog (in billions):

	September 30,	
	2020	2019
Contracted backlog:		
Americas segment	$ 15.8	$ 13.9
International segment	3.7	3.6
Total contracted backlog	$ 19.5	$ 17.5
Awarded backlog:		
Americas segment	$ 20.1	$ 17.2
International segment	1.0	0.8
Total awarded backlog	$ 21.1	$ 18.0
Unconsolidated joint venture backlog:		
Americas segment	$ 0.6	$ 1.0
International segment	—	—
Total unconsolidated joint venture backlog	$ 0.6	$ 1.0
Total backlog:		
Americas segment	$ 36.5	$ 32.1
International segment	4.7	4.4
Total backlog	$ 41.2	$ 36.5

Competition

The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. We have numerous competitors, ranging from small private firms to multi-billion dollar companies, some of which have greater financial resources or that are more specialized and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. The degree and type of competition we face is also influenced by the type and scope of a particular project. The technical and professional aspects of our services generally do not require large upfront capital expenditures and, therefore, provide limited barriers against new competitors.

We believe that we are well positioned to compete in our markets because of our reputation, our cost effectiveness, our long-term client relationships, our extensive network of offices, our employee expertise, and our broad range of services. In addition, as a result of our extensive national and international network, we are able to offer our clients localized knowledge and expertise, as well as the support of our worldwide professional staff. In addition, through investments in technology and innovation, we are able to bring advanced solutions to clients.

Seasonality

We experience seasonal trends in our business. Our revenue is typically higher in the last half of the fiscal year. The fourth quarter of our fiscal year (July 1 to September 30) is typically our strongest quarter. We find that the U.S. federal government tends to authorize more work during the period preceding the end of our fiscal year, September 30. In addition, many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during their first quarter, when new funding becomes available. Further, our construction management revenue typically increases during the high construction season of the summer months. Within the United States, as well as other parts of the world, our business generally benefits from milder weather conditions in our fiscal fourth quarter, which allows for more productivity from our on-site civil services. Our construction and project management services also typically expand during the high construction season of the summer months. The first quarter of our fiscal year (October 1 to December 31) is typically our lowest revenue quarter. The harsher weather conditions impact our ability to complete work in parts of North America and the holiday season schedule affects our productivity during this period. For these reasons, coupled with the number and significance of client contracts commenced and completed during a particular period, as well as the timing of expenses incurred for corporate initiatives, it is not unusual for us to experience seasonal changes or fluctuations in our quarterly operating results.

Risk Management and Insurance

Risk management is an integral part of our project management approach and our project execution process. We have an Office of Risk Management that reviews and oversees the risk profile of our operations. Also, pursuant to our internal delegations of authority, we have an internal process whereby a group of senior members of our risk management team evaluate risk through internal risk analyses of higher-risk projects, contracts or other business decisions. We maintain insurance covering professional liability and claims involving bodily injury and property damage. Wherever possible, we endeavor to eliminate or reduce the risk of loss on a project through the use of quality assurance/control, risk management, workplace safety and similar methods.

Regulations

Our business is impacted by environmental, health and safety, government procurement, anti-bribery and other government regulations and requirements. Below is a summary of some of the significant regulations that impact our business.

Environmental, Health and Safety. Our business involves the planning, design, program management, construction management, and operations and maintenance at various project sites, including, but not limited to, nuclear facilities, hazardous waste and Superfund sites, hydrocarbon production, distribution and transport sites, and other infrastructure-related facilities. We also regularly perform work in and around sensitive environmental areas, such as rivers, lakes and wetlands.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental and health and safety laws and regulations, and some laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable national and state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire clean-up upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act, and the Superfund Amendments and Reauthorization Act, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, comparable national and state laws or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury, or cessation of remediation activities.

Some of our business operations are covered by Public Law 85-804, which provides for indemnification by the U.S federal government against claims and damages arising out of unusually hazardous or nuclear activities performed at the request of the U.S. federal government. Should public policies and laws change, however, U.S. federal government indemnification may not be available in the case of any future claims or liabilities relating to hazardous activities that we undertake to perform.

Government Procurement. The services we provide to the U.S. federal government are subject to Federal Acquisition Regulation, the Truth in Negotiations Act, Cost Accounting Standards, the Services Contract Act, export controls rules and Department of Defense (DOD) security regulations, as well as many other laws and regulations. These laws and regulations affect how we transact business with our clients and, in some instances, impose additional costs on our business operations. A violation of specific laws and regulations could lead to fines, contract termination or suspension of future contracts. Our government clients can also terminate, renegotiate, or modify any of their contracts with us at their convenience; and many of our government contracts are subject to renewal or extension annually.

Anti-Bribery and other regulations. We are subject to the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. The U.K. Bribery Act of 2010 prohibits both domestic and international bribery, as well as bribery across both private and public sectors. In addition, an organization that "fails to prevent bribery" committed by anyone associated with the organization can be charged under the U.K. Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. To the extent we export technical services, data and products outside of the U.S., we are subject to U.S. and international laws and regulations governing international trade and exports, including, but not limited to, the International Traffic in Arms Regulations, the Export Administration Regulations, and trade sanctions against embargoed countries. We provide services to the DOD and other defense-related entities that often require specialized professional qualifications and security clearances. In addition, as engineering design services professionals, we are subject to a variety of local, state, federal, and foreign licensing and permit requirements and ethics rules.

Raw Materials

We purchase most of the raw materials and components necessary to operate our business from numerous sources. However, the price and availability of raw materials and components may vary from year to year due to customer demand, production capacity, market conditions, and material shortages. While we do not currently foresee the lack of availability of any particular raw materials in the near term, prolonged unavailability of raw materials necessary to our projects and services or significant price increases for those raw materials could have a material adverse effect on our business in the near term.

Government Contracts

Generally, our government contracts are subject to renegotiation or termination of contracts or subcontracts at the discretion of the U.S. federal, state or local governments, and national governments of other countries.

Trade Secrets and Other Intellectual Property

We rely principally on trade secrets, confidentiality policies and other contractual arrangements to protect much of our intellectual property.

Available Information

The reports we file with the Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy materials, including any amendments, are available free of charge on our website at *www.aecom.com* as soon as reasonably practicable after we electronically file such material with or furnish it to the SEC. The SEC also maintains a web site *(www.sec.gov)* containing reports, proxy and information statements, and other information that we file with the SEC. Our Corporate Governance Guidelines and our Code of Ethics are available on our website at *www.aecom.com* under the “Investors” section. Copies of the information identified above may be obtained without charge from us by writing to AECOM, 300 South Grand Avenue, 9th Floor, Los Angeles, California 90071, Attention: Corporate Secretary.

ITEM 1A. RISK FACTORS

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect our operations. Additional risks we do not yet know of or that we currently think are immaterial may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected.

Risks Related to Our Markets, Customers and Business

We face various risks related to health outbreaks such as the Covid-19 coronavirus that may have material adverse effects on our business, financial position, results of operations and/or cash flows.

We face various risks related to health epidemics, pandemics, and similar outbreaks, including the current global outbreak of the Covid-19 coronavirus pandemic. The coronavirus pandemic is expected to reduce demand for our services and impact client spending in certain circumstances. An extended health outbreak could adversely affect the world economy resulting in an economic downturn that could further affect demand for our services. If significant portions of our workforce are unable to work or travel effectively for a prolonged period because of government-mandated quarantines, closures, or other restrictions, then our business and financial operations will be significantly impacted. For example, work on some non-essential construction and other client projects has temporarily halted our services on these projects. Extended disruptions due to the coronavirus could further delay or limit our ability to perform services, make or receive timely payments, and impair our ability to win future contracts. The continued spread of coronavirus without any impact from any effective treatments may cause further financial instability increasing our costs and ability to access the capital markets. Any cost increases due to the coronavirus may not be fully recoverable or adequately covered by our insurance. We cannot at this time predict the duration of the coronavirus pandemic or the impact of government regulations that might be imposed in response of the pandemic; however, the coronavirus pandemic may have a material adverse effect on our business, financial position, results of operations and cash flows.

Our industry is highly competitive, and we may be unable to compete effectively, which could result in reduced revenue, profitability and market share.

We are engaged in a highly competitive business. The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. These competitors may have greater financial and other resources than we do. Others are smaller and more specialized, and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. In addition, the technical and professional aspects of some of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors.

The degree and type of competition we face is also influenced by the type and scope of a particular project. Our clients make competitive determinations based upon qualifications, experience, performance, reputation, technology, customer relationships, price and ability to provide the relevant services in a timely, safe and cost-efficient manner. Increased competition may result in our inability to win bids for future projects, increased margin pressure and loss of revenue, profitability and market share.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending. If economic conditions remain uncertain and/or weaken, our revenue and profitability could be adversely affected.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns, interest rate fluctuations and reductions in government and private industry spending that result in clients delaying, curtailing or canceling proposed and existing projects. For example, the Covid-19 coronavirus pandemic is expected to reduce demand for our services and impact client spending in certain circumstances. Where economies are weakening, our clients may demand more favorable pricing or other terms while their ability to pay our invoices or to pay them in a timely manner may be adversely affected. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects. If economic conditions remain uncertain and/or weaken and/or government spending is reduced, our revenue and profitability could be materially adversely affected.

We depend on long-term government contracts, some of which are only funded on an annual basis. If appropriations for funding are not made in subsequent years of a multiple-year contract, we may not be able to realize all of our anticipated revenue and profits from that project.

A substantial portion of our revenue is derived from contracts with agencies and departments of national, state, and local governments. During fiscal 2020 and 2019, approximately 42% and 44%, respectively, of our revenue was derived from contracts with government entities.

Most government contracts are subject to the government's budgetary approval process. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year. In addition, public-supported financing such as state and local municipal bonds may be only partially raised to support existing infrastructure projects. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each fiscal year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, a government shutdown, competing priorities for appropriation, changes in administration or control of legislatures, and the timing and amount of tax receipts and the overall level of government expenditures. Similarly, the impact of an economic downturn on governments, including as a result of the coronavirus, may make it more difficult for them to fund infrastructure projects. If appropriations are not made in subsequent years on our government contracts, then we will not realize all of our potential revenue and profit from that contract.

If we are unable to win or renew government contracts during regulated procurement processes, our operations and financial results would be harmed.

Government contracts are awarded through a regulated procurement process. The federal government has awarded multi-year contracts with pre-established terms and conditions, such as indefinite delivery contracts, that generally require those contractors that have previously been awarded the indefinite delivery contract to engage in an additional competitive bidding process before a task order is issued. In addition, the federal government has also awarded federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result of these competitive pricing pressures, our profit margins on future federal contracts may be reduced and may require us to make sustained efforts to reduce costs in order to realize profits under government contracts. If we are not successful in reducing the amount of costs we incur, our profitability on government contracts will be negatively impacted. In addition, we may not be awarded government contracts because of existing government policies designed to protect small businesses and under-represented minority contractors. Our inability to win or renew government contracts during regulated procurement processes could harm our operations and reduce our profits and revenues.

Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue.

Most government contracts may be modified, curtailed or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenue and profits from that contract. In addition, for some assignments, the U.S. government may attempt to "insource" the services to government employees rather than outsource to a contractor. If a government terminates a contract due to our default, we could be liable for excess costs incurred by the government in obtaining services from another source.

Our contracts with governmental agencies are subject to audit, which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs.

Our books and records are subject to audit by the various governmental agencies we serve and their representatives. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. If such matters are not resolved in our favor, they could have a material adverse effect on our business. In addition, if one of our subsidiaries is charged with wrongdoing as a result of an audit, that subsidiary, and possibly our company as a whole, could be temporarily suspended or could be prohibited from bidding on and receiving future government contracts for a period of time. Furthermore, as a government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud actions, whistleblower lawsuits, and other legal actions and liabilities to which purely private sector companies are not, the results of which could materially adversely impact our business. For example, from time to time we may be subject to qui tam lawsuits. Qui tam lawsuits typically allege that we have made false statements or certifications in connection with claims for payment, or improperly retained overpayments, from the government. These suits may remain under seal (and hence, be unknown to us) for some time while the government decides whether to intervene on behalf of the qui tam plaintiff.

An extended government shutdown, payment delays or reduced demand for our services may have a material impact on our results of operation and financial condition.

An extended government shutdown could significantly reduce demand for our services, delay payment and result in workforce reductions that may have a material adverse effect on our results of operation and financial condition. Moreover, a prolonged government shutdown could result in program cancellations, disruptions and/or stop work orders and could limit the government's ability to effectively process and our ability to perform government contracts and successfully compete for new work.

Risks Related to our Capital Structure

The agreements governing our debt contain a number of restrictive covenants which will limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest.

The Credit Agreement and the indentures governing our debt contain a number of significant covenants that impose operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect and, in many respects, limit or prohibit, among other things, our ability and the ability of some of our subsidiaries to:

- incur additional indebtedness;
- create liens;
- pay dividends and make other distributions in respect of our equity securities;
- redeem or repurchase our equity securities;
- distribute excess cash flow from foreign to domestic subsidiaries;
- make investments or other restricted payments;
- sell assets;
- enter into transactions with affiliates; and
- effect mergers or consolidations.

In addition, our Credit Agreement also requires us to comply with a consolidated interest coverage ratio and consolidated leverage ratio. Our ability to comply with these ratios may be affected by events beyond our control. These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans, and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest. A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under our debt instruments. If an event of default occurs, our creditors could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;
- require us to apply all of our available cash to repay the borrowings; or
- prevent us from making debt service payments on our borrowings.

If we were unable to repay or otherwise refinance these borrowings when due, the applicable creditors could sell the collateral securing some of our debt instruments, which constitutes substantially all of our domestic and foreign, wholly owned subsidiaries' assets.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Agreement are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. A 1.00% increase in such interest rates would increase total interest expense under our Credit Agreement for the year ended September 30, 2020 by $2.9 million, including the effect of our interest rate swaps. We may, from time to time, enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.

If we are unable to continue to access credit on acceptable terms, our business may be adversely affected.

The changing nature of the global credit markets could make it more difficult for us to access funds, refinance our existing indebtedness, enter into agreements for uncommitted debt bond facilities and new indebtedness, replace our existing revolving and term credit agreements or obtain funding through the issuance of our securities. We use credit facilities to support our working capital and other needs. There is no guarantee that we can continue to renew our credit facility on terms as favorable as those in our existing credit facility and, if we are unable to do so, our costs of borrowing and our business may be adversely affected.

Risks Related to our International Operations

The uncertainty surrounding the implementation of and effects of the United Kingdom's proposed withdrawal from the European Union could have an adverse effect on our business and financial results.

In March 2017, the United Kingdom government initiated a process to withdraw from the European Union (Brexit) and began negotiating the terms of its separation. The United Kingdom formally left the European Union on January 31, 2020, and is now in a transition period through December 31, 2020. Although the United Kingdom will remain in the European Union single market and customs union during the transition period, the long-term nature of the United Kingdom's relationship with the European Union is unclear and there is considerable uncertainty as to when any agreement will be reached and implemented. The uncertainty surrounding Brexit has created substantial economic and political uncertainty and volatility in currency exchange rates. Our United Kingdom business is a significant part of our European operations with approximately 6,000 employees and revenues representing approximately 6% of our total revenue for the fiscal year ended September 30, 2020. The uncertainty created by Brexit may cause our customers to closely monitor their costs and reduce demand for our services and may ultimately result in new regulatory and cost challenges for our United Kingdom and global operations. Any of these events could adversely affect our United Kingdom, European and overall business and financial results.

Our operations worldwide expose us to legal, political and economic risks in different countries as well as currency exchange rate fluctuations that could harm our business and financial results.

During fiscal 2020, revenue attributable to our services provided outside of the United States to non-U.S. clients was approximately 29% of our total revenue. There are risks inherent in doing business internationally, including:

- imposition of governmental controls and changes in laws, regulations or policies;

- political and economic instability, such as in the Middle East and South East Asia;
- civil unrest, acts of terrorism, force majeure, war, or other armed conflict;
- changes in U.S. and other national government trade policies affecting the markets for our services, such as retaliatory tariffs between the United States and China;
- political unrest in Hong Kong where we have a significant presence;
- impact of the coronavirus pandemic and its related economic impacts;
- changes in regulatory practices, tariffs and taxes, such as Brexit;
- potential non-compliance with a wide variety of laws and regulations, including anti-corruption, export control and anti-boycott laws and similar non-U.S. laws and regulations;
- changes in labor conditions;
- logistical and communication challenges; and
- currency exchange rate fluctuations, devaluations and other conversion restrictions.

Any of these factors could have a material adverse effect on our business, results of operations or financial condition.

We operate in many different jurisdictions and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act (FCPA) and similar worldwide anti-corruption laws, including the U.K. Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls which may fall within the purview of the FCPA, its books and records provisions or its anti-bribery provisions. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. In addition, from time to time, government investigations of corruption in construction-related industries affect us and our peers. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition.

We work in international locations where there are high security risks, which could result in harm to our employees and contractors or material costs to us.

Some of our services are performed in high-risk locations, such as the Middle East, Africa, and Southwest Asia, where the location is suffering from political, social or economic problems, or war or civil unrest. In those locations where we have employees or operations, we may incur material costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk. Acts of terrorism and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets.

Risks Related to Our Operations and Technology

Many of our project sites are inherently dangerous workplaces. Failure to maintain safe work sites and equipment could result in environmental disasters, employee deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation.

Our project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On some project sites, we may be responsible for safety and, accordingly, we have an obligation to implement effective safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. As a result, our failure to maintain adequate safety standards and equipment could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations.

Cybersecurity threats, information technology systems outages and data privacy incidents could adversely harm our business.

We may experience errors, outages, or delays of service in our information technology systems, which could significantly disrupt our operations, impact our clients and employees, damage our reputation, and result in litigation and regulatory fines or penalties. Various privacy and securities laws pertaining to client and employee data usage require us to manage and protect sensitive and proprietary information. For example, the European's Union General Data Protection Regulation extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of the company's location. In addition, the California Consumer Privacy Act increased the penalties for data privacy incidents.

We face threats to our information technology systems, including unauthorized access, computer hackers, computer viruses, malicious code, cyber-attacks, phishing and other cybersecurity problems and system disruptions, including possible unauthorized access to our and our clients' proprietary information. We rely on industry-accepted security measures and technology to securely maintain all proprietary information on our information technology systems. In the ordinary course of business, we have been targeted by malicious cyber-attacks. Anyone who circumvents our security measures could misappropriate proprietary information, including information regarding us, our employees and/or our clients, or cause interruptions in our operations. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and to prevent, detect and respond to cybersecurity incidents, there can be no assurance that our efforts will prevent these threats. As these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect and respond against system disruptions and security breaches.

We also rely in part on third-party software and information technology vendors to run our critical accounting, project management and financial information systems. We depend on our software and information technology vendors to provide long-term software and hardware support for our information systems. Our software and information technology vendors may decide to discontinue further development, integration or long-term software and hardware support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense, as well as disrupting the management of our business operations.

Any of these events could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, while we maintain insurance that specifically covers these attacks, our coverage may not sufficiently cover all types of losses or claims that may arise.

Risks Related to Contracts and Joint Ventures

Our business and operating results could be adversely affected by losses under fixed-price or guaranteed maximum price contracts.

Fixed-price contracts require us to either perform all work under the contract for a specified lump-sum or to perform an estimated number of units of work at an agreed price per unit, with the total payment determined by the actual number of units performed. In addition, we may enter guaranteed maximum price contracts where we guarantee a price or delivery date. For the year ended September 30, 2020, our revenue was comprised of 43%, 30%, and 27% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively. Fixed-price contracts expose us to a number of risks not inherent in cost-reimbursable contracts, including underestimation of costs, ambiguities in specifications, unforeseen increases in or failures in estimating the cost of raw materials, equipment or labor, problems with new technologies, delays beyond our control, fluctuations in profit margins, failures of subcontractors to perform and economic or other changes that may occur during the contract period. United States and foreign trade policy actions and tariffs such as the 2018 tariffs on steel and aluminum imports in the United States could affect the profitability of our fixed-price construction projects. Losses under fixed-price or guaranteed contracts could be substantial and adversely impact our results of operations.

Our failure to meet contractual schedule or performance requirements that we have guaranteed could adversely affect our operating results.

In some circumstances, we can incur liquidated or other damages if we do not achieve project completion by a scheduled date. If we or an entity for which we have provided a guarantee subsequently fails to complete the project as scheduled and the matter cannot be satisfactorily resolved with the client, we may be responsible for cost impacts to the client resulting from any delay or the cost to complete the project. Our costs generally increase from schedule delays and/or could exceed our projections for a particular project. In addition, project performance can be affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions, pandemics including the current coronavirus, and other factors. Material performance problems for existing and future contracts could cause actual results of operations to differ from those anticipated by us and also could cause us to suffer damage to our reputation within our industry and client base.

We may not be able to maintain adequate surety and financial capacity necessary for us to successfully bid on and win contracts.

In line with industry practice, we are often required to provide surety bonds, standby letters of credit or corporate guarantees to our clients that indemnify the customer should our affiliate fail to perform its obligations under the terms of a contract. As of September 30, 2020 and September 30, 2019, we were contingently liable for $6.2 billion and $4.8 billion, respectively, in issued surety bonds primarily to support project execution and we had outstanding letters of credit totaling $529.1 million and $493.7 million, respectively. A surety may issue a performance or payment bond to guarantee to the client that our affiliate will perform under the terms of a contract. If our affiliate fails to perform under the terms of the contract, then the client may demand that the surety or another corporate affiliate provide the contracted services. In addition, we would typically have obligations to indemnify the surety for any loss incurred in connection with the bond. If a surety bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate surety bond or letter of credit, we may not be able to pursue that project, which in turn could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

We conduct a portion of our operations through joint venture entities, over which we may have limited control.

Approximately 10% of our fiscal 2020 revenue was derived from our operations through joint ventures or similar partnership arrangements, where control may be shared with unaffiliated third parties. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners and we typically have joint and several liability with our joint venture partners under the applicable contracts for joint venture projects. These factors could potentially adversely impact the business and operations of a joint venture and, in turn, our business and operations.

Operating through joint ventures in which we are minority holders results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. Sales of our services provided to our unconsolidated joint ventures were approximately 4% of our fiscal 2020 revenue. We generally do not have control of these unconsolidated joint ventures. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to these joint ventures, which could have a material adverse effect on our financial condition and results of operations and could also affect our reputation.

We participate in joint ventures where we provide guarantees and may be adversely impacted by the failure of the joint venture or its participants to fulfill their obligations.

We have investments in and commitments to joint ventures with unrelated parties, including in connection with construction services, government services, and the investment activities of ACAP. For example, real estate and infrastructure joint ventures are inherently risky and may result in future losses since real estate markets are impacted by economic trends and government policies that we do not control. These joint ventures from time to time may borrow money to help finance their activities and in some circumstances, we are required to provide guarantees of obligations of our affiliated entities. In addition, in connection with the investment activities of ACAP, we provide guarantees of obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

AECOM Capital's real estate development and investment activities are inherently risky and may result in a future loss.

ACAP's real estate business involves managing, sponsoring, investing and developing commercial real estate projects (Real Estate Joint Ventures) that are inherently risky and may result in future losses since real estate markets are significantly impacted by economic trends and government policies that we do not control. Our registered investment adviser jointly manages and sponsors the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which the Company indirectly holds an equity interest and which also invests and develops Real Estate Joint Ventures on behalf of its investors. Real Estate Joint Ventures rely on substantial amounts of third party borrowing to finance their development activities including completion guarantees, repayment guarantees, environmental indemnities and other lender required credit support guarantees that may be provided by AECOM or an affiliate to secure the Real Estate Joint Venture financing. Although the Fund and the Real Estate Joint Ventures have reserves that will be used to share any cost overruns of the Real Estate Joint Ventures, if such reserves are depleted, then AECOM may be required to make support payments to fund non-budgeted cost overruns on behalf of the Fund (but not on behalf of the Fund's co-partner or any unaffiliated limited partners of the Real Estate Joint Ventures). Some of the Fund's limited partners may be permitted to make additional equity co-investments in certain Real Estate Joint Ventures for which AECOM will provide support payments on behalf of the limited partner co-investor in the event of a cost overrun of the Real Estate Joint Venture after additional specific reserves have been depleted. AECOM's provision of lender guarantees is contingent upon the Real Estate Joint Ventures meeting AECOM's underwriting criteria, including an affiliate of AECOM acting as either the construction manager at risk or the owner's representative for the project, no material adverse change in AECOM's financial condition, and the guarantee not violating a covenant under a material AECOM agreement.

Risks Related to Laws and Regulations

Misconduct by our employees, partners or consultants or our failure to comply with laws or regulations applicable to our business could cause us to lose customers or lose our ability to contract with government agencies.

As a government contractor, misconduct, fraud or other improper activities caused by our employees', partners' or consultants' failure to comply with laws or regulations could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with procurement regulations, environmental regulations, regulations regarding the protection of sensitive government information, legislation regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, and anti-corruption, anti-competition, export control and other applicable laws or regulations. Our failure to comply with applicable laws or regulations, misconduct by any of our employees or consultants or our failure to make timely and accurate certifications to government agencies regarding misconduct or potential misconduct could subject us to fines and penalties, loss of government granted eligibility, cancellation of contracts and suspension or debarment from contracting with government agencies, any of which may adversely affect our business.

We may be subject to substantial liabilities under environmental laws and regulations.

Our services are subject to numerous environmental protection laws and regulations that are complex and stringent. Our business involves in part the planning, design, program management, construction management, and operations and maintenance at various sites, including but not limited to, nuclear facilities, hazardous waste and Superfund sites, hydrocarbon production, distribution and transport sites, and other infrastructure-related facilities. We also regularly perform work in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts in support of U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. We also own and operate several properties in the U.S. and Canada that have been used for the storage and maintenance of construction equipment. In the conduct of operations on these properties, and despite precautions having been taken, it is possible that there have been accidental releases of individually relatively small amounts of fuel, oils, hydraulic fluids and other fluids while storing or servicing this equipment. Such accidental releases though individually relatively small may have accumulated over time. Past business practices at companies that we have acquired may also expose us to future unknown environmental liabilities.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire cleanup upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act and the Energy Reorganization Act of 1974, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability.

Risks Related to Acquisitions and Divestitures

AECOM is a smaller company after the sale of our Management Services business and may be more vulnerable to changing market conditions.

AECOM is a smaller company after the sale of our Management Services business and more reliant on our remaining business segments. Our results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and our ability to fund capital expenditures, investments and service debt may be diminished. Restructuring costs and other costs incurred in connection with the Management Services sale may exceed our estimates or diminish the benefits we expected to realize. In addition, any contingent purchase price adjustments could be unfavorable and result in lower aggregate cash proceeds. We are also obligated to incur ongoing costs and retain certain legal claims that were previously allocated to the Management Services business. As a result, we may be more vulnerable to changing market conditions, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be unable to successfully execute or effectively integrate acquisitions and divestitures may not occur as planned.

We regularly review our portfolio of businesses and pursue growth through acquisitions and seek to divest non-core businesses. We may not be able to complete transactions on favorable terms, on a timely basis, or at all, and during the integration of any acquisition, we may discover regulatory and compliance issues. In addition, our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns; (ii) the failure to integrate acquired businesses on schedule and/or to achieve expected synergies; (iii) the inability to dispose of non-core assets and businesses on satisfactory terms and conditions; (iv) diversion of attention and increased burdens on our employees; and (v) the discovery of unanticipated liabilities or other problems in acquired businesses for which we lack contractual protections, insurance or indemnities, or with regard to divested businesses, claims by purchasers to whom we have provided contractual indemnification. Additional difficulties we may encounter as part of the integration process include the following:

- the consequences of a change in tax treatment and the possibility that the full benefits anticipated from the acquisition or disposition will not be realized;
- any delay in the integration or disposition of management teams, strategies, operations, products and services;
- differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the ability to retain key employees;
- the ability to create and enforce uniform standards, controls, procedures, policies and information systems;
- the challenge of restructuring complex systems, technology, networks and other assets in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate beyond current estimates;
- the ability to deduct or claim tax attributes or benefits such as operating losses, business or foreign tax credits; and
- the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies.

Any of these factors could adversely affect our ability to maintain relationships with customers, suppliers, employees and other constituencies or could reduce our earnings or otherwise adversely affect our business and financial results.

Our plans to divest certain businesses are subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated time frame, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

Divesting businesses involve risks and uncertainties, such as the difficulty separating assets related to such businesses from the businesses we retain, employee distraction, the need to obtain regulatory approvals and other third-party consents, which potentially disrupts customer and vendor relationships, and the fact that we may be subject to additional tax obligations or loss of certain tax benefits. Because of these challenges, as well as market conditions or other factors, the anticipated divestitures may take longer or be costlier or generate fewer benefits than expected and may not be completed at all. If we are unable to complete the divestitures or to successfully transition divested businesses, our business and financial results could be negatively impacted. After we dispose of a business, we may retain exposure on financial or performance guarantees and other contractual, employment, pension and severance obligations, and potential liabilities that may arise under law because of the disposition or the subsequent failure of an acquirer. As a result, performance by the divested businesses or other conditions outside of our control could have a material adverse effect on our results of operations. In addition, the divestiture of any business could negatively impact our profitability because of losses that may result from such a sale, the loss of sales and operating income, or a decrease in cash flows.

Other Risks

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

Because we have grown in part through acquisitions, goodwill and intangible assets-net represent a substantial portion of our assets. Under generally accepted accounting principles in the United States (GAAP), we are required to test goodwill carried in our Consolidated Balance Sheets for possible impairment on an annual basis based upon a fair value approach and whenever events occur that indicate impairment could exist. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a reporting unit's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of our business, a significant sustained decline in our market capitalization and other factors. For example, in the year ended September 30, 2020, we recorded a noncash impairment of long-lived assets, including goodwill of $83.6 million primarily related to a decrease in the estimated recovery and fair value of reporting units with self-perform at-risk construction.

In addition, if we experience a decrease in our stock price and market capitalization over a sustained period, we would have to record an impairment charge in the future. The amount of any impairment could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the charge is taken.

We may be required to contribute additional cash to meet our significant underfunded benefit obligations associated with pension benefit plans we manage or multiemployer pension plans in which we participate.

We have defined benefit pension plans for employees in the United States, United Kingdom, Canada, Australia, and Ireland. At September 30, 2020, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $406.0 million. In the future, our pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors that may require us to make additional cash contributions to our pension plans and recognize further increases in our net pension cost to satisfy our funding requirements. If we are forced or elect to make up all or a portion of the deficit for unfunded benefit plans, our results of operations could be materially and adversely affected.

A multiemployer pension plan is typically established under a collective bargaining agreement with a union to cover the union-represented workers of various unrelated companies. Our collective bargaining agreements with unions will require us to contribute to various multiemployer pension plans; however, we do not control or manage these plans. For the year ended September 30, 2020, we contributed $4.0 million to multiemployer pension plans. Under the Employee Retirement Income Security Act, an employer who contributes to a multiemployer pension plan, absent an applicable exemption, may also be liable, upon termination or withdrawal from the plan, for its proportionate share of the multiemployer pension plan's unfunded vested benefit. If we terminate or withdraw from a multiemployer plan, absent an applicable exemption (such as for some plans in the building and construction industry), we could be required to contribute a significant amount of cash to fund the multiemployer plan's unfunded vested benefit, which could materially and adversely affect our financial results; however, since we do not control the multiemployer plans, we are unable to estimate any potential contributions that could be required.

We may experience disproportionately high levels of collection risk and nonpayment if certain clients in specific geographic areas or industries are adversely affected by factors particular to their geographic area or industry.

Our clients include public and private entities that have been, and may continue to be, negatively impacted by the changing landscape in the global economy. While no one client accounted for over 10% of our revenue for fiscal 2020, we face collection risk as a normal part of our business where we perform services and subsequently bill our clients for such services, or when we make equity investments in majority or minority controlled large-scale client projects and other long-term capital projects before the project completes operational status or completes its project financing. In the event that we have concentrated credit risk from clients in a specific geographic area or industry, continuing negative trends or a worsening in the financial condition of that specific geographic area or industry could make us susceptible to disproportionately high levels of default by those clients. Such defaults could materially adversely impact our revenues and our results of operations.

Our services expose us to significant risks of liability and our insurance policies may not provide adequate coverage.

Our services involve significant risks of professional and other liabilities that may substantially exceed the fees that we derive from our services. In addition, we sometimes contractually assume liability to clients on projects under indemnification or guarantee agreements. We cannot predict the magnitude of potential liabilities from the operation of our business. In addition, in the ordinary course of our business, we frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for our clients. We may be deemed to be responsible for these professional judgments and recommendations if they are later determined to be inaccurate. Any unfavorable legal ruling against us could result in substantial monetary damages or even criminal violations.

Our professional liability policies cover only claims made during the term of the policy. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse effect on our business.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits.

If we do not have adequate indemnification for our services related to nuclear materials, it could adversely affect our business and financial condition.

We provide services to the nuclear energy industry in the ongoing maintenance and modification, as well as the decontamination and decommissioning, of nuclear energy plants. Indemnification provisions under the Price-Anderson Act available to nuclear energy plant operators and contractors do not apply to all liabilities that we might incur while performing services as a radioactive materials cleanup contractor for the nuclear energy industry. If the Price-Anderson Act's indemnification protection does not apply to our services or if our exposure occurs outside the U.S., our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

Our backlog of uncompleted projects under contract is subject to unexpected adjustments and cancellations and, thus may not accurately reflect future revenue and profits.

At September 30, 2020, our contracted backlog was approximately $19.5 billion, our awarded backlog was approximately $21.1 billion and our unconsolidated joint venture backlog was approximately $0.6 billion for a total backlog of $41.2 billion. Our contracted backlog includes revenue we expect to record in the future from signed contracts and, in the case of a public sector client, where the project has been funded. We reported transaction price allocated to remaining unsatisfied performance obligations (RUPO) of $18.9 billion, as described in Note 4, Revenue Recognition, in the notes to our consolidated financial statements. The most significant difference between our contracted backlog and RUPO is revenue related to service contracts that extend beyond the termination provisions of those contracts. Our contracted backlog includes revenues for service contracts expected to be earned over the term of that contract. Guidance for the calculation of RUPO requires us to assume the contract will be terminated at its earliest convenience, resulting in RUPO to be $0.6 billion lower than contracted backlog. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. We cannot guarantee that future revenue will be realized from either category of backlog or, if realized, will result in profits. Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time, projects are delayed, scaled back or canceled. These types of backlog reductions adversely affect the revenue and profits that we ultimately receive from contracts reflected in our backlog.

We have submitted claims to clients for work we performed beyond the initial scope of some of our contracts. If these clients do not approve these claims, our results of operations could be adversely impacted.

We typically have pending claims submitted under some of our contracts for payment of work performed beyond the initial contractual requirements for which we have already recorded revenue. In general, we cannot guarantee that such claims will be approved in whole, in part, or at all. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we have used working capital in projects to cover cost overruns pending the resolution of the relevant claims. If these claims are not approved, our revenue may be reduced in future periods.

In conducting our business, we depend on other contractors, subcontractors and equipment and material providers. If these parties fail to satisfy their obligations to us or other parties or if we are unable to maintain these relationships, our revenue, profitability and growth prospects could be adversely affected.

We depend on contractors, subcontractors and equipment and material providers in conducting our business. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. Also, to the extent that we cannot acquire equipment and materials at reasonable costs, or if the amount we are required to pay exceeds our estimates, our ability to complete a project in a timely fashion or at a profit may be impaired. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized; we could be held responsible for such failures and/or we may be required to purchase the supplies or services from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the supplies or services are needed.

We also rely on relationships with other contractors when we act as their subcontractor or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract. In addition, due to "pay when paid" provisions that are common in subcontracts in many countries, including the U.S., we could experience delays in receiving payment if the prime contractor experiences payment delays.

If clients use our reports or other work product without appropriate disclaimers or in a misleading or incomplete manner, or if our reports or other work product are not in compliance with professional standards and other regulations, our business could be adversely affected.

The reports and other work product we produce for clients sometimes include projections, forecasts and other forward-looking statements. Such information by its nature is subject to numerous risks and uncertainties, any of which could cause the information produced by us to ultimately prove inaccurate. While we include appropriate disclaimers in the reports that we prepare for our clients, once we produce such written work product, we do not always have the ability to control the manner in which our clients use such information. As a result, if our clients reproduce such information to solicit funds from investors for projects without appropriate disclaimers and the information proves to be incorrect, or if our clients reproduce such information for potential investors in a misleading or incomplete manner, our clients or such investors may threaten to or file suit against us for, among other things, securities law violations. For example, in August 2016, an affiliate entered into a settlement related to, among other things, alleged deficiencies in a traffic forecast. If we were found to be liable for any claims related to our client work product, our business could be adversely affected.

In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties.

Failure to adequately protect, maintain, or enforce our rights in our intellectual property may adversely limit our competitive position.

Our success depends, in part, upon our ability to protect our intellectual property. We rely on a combination of intellectual property policies and other contractual arrangements to protect much of our intellectual property where we do not believe that trademark, patent or copyright protection is appropriate or obtainable. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information and/or the infringement of our patents and copyrights. Further, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to adequately protect, maintain, or enforce our intellectual property rights may adversely limit our competitive position.

Our ability to compete in our industry will be harmed if we do not retain the continued services of our senior management and key technical personnel.

We rely heavily upon the expertise and leadership of our people. There is strong competition for qualified technical and management personnel in the sectors in which we compete. We may not be able to continue to attract and retain qualified technical and management personnel, such as engineers, architects and project managers, who are necessary for the development of our business or to replace qualified personnel in the timeframe demanded by our clients. Also, some of our personnel hold government granted eligibility that may be required to obtain government projects. Loss of the services of, or failure to recruit senior management or key technical personnel could impact the long term performance of the Company and limit our ability to successfully complete existing projects and compete for new projects.

Our revenue and growth prospects may be harmed if we or our employees are unable to obtain government granted eligibility or other qualifications we and they need to perform services for our customers.

A number of government programs require contractors to have government granted eligibility, such as security clearance credentials. Depending on the project, eligibility can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain the necessary eligibility, we may not be able to win new business, and our existing customers could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue or profit anticipated from such contract.

Negotiations with labor unions and possible work actions could divert management attention and disrupt operations. In addition, new collective bargaining agreements or amendments to agreements could increase our labor costs and operating expenses.

We regularly negotiate with labor unions and enter into collective bargaining agreements. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to us. We may reach agreements in collective bargaining that increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions could divert management attention and disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union-initiated work actions, including strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could disrupt our operations and adversely affect our operating results.

Our charter documents contain provisions that may delay, defer or prevent a change of control.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following:

- ability of our Board of Directors to authorize the issuance of preferred stock in series without stockholder approval;
- vesting of exclusive authority in our Board of Directors to determine the size of the board (subject to limited exceptions) and to fill vacancies; and
- advance notice requirements for stockholder proposals and nominations for election to our Board of

Directors.

Changes in tax laws could increase our worldwide tax rate and materially affect our results of operations.

We are subject to tax laws in the U.S. and numerous foreign jurisdictions. Many international legislative and regulatory bodies have proposed and/or enacted legislation that could significantly impact how U.S. multinational corporations are taxed on foreign earnings. Due to the large scale of our U.S. and international business activities, many of these proposed and enacted changes to the taxation of our activities could increase our worldwide effective tax rate and harm results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate offices are located in approximately 31,000 square feet of space at 300 South Grand Avenue, Los Angeles, California. Our other offices, including smaller administrative or project offices, consist of an aggregate of approximately 9.2 million square feet worldwide. Virtually all of our offices are leased. See Note 11 in the notes to our consolidated financial statements for information regarding our lease obligations. We may add additional facilities from time to time in the future as the need arises.

ITEM 3. LEGAL PROCEEDINGS

As a government contractor, we are subject to various laws and regulations that are more restrictive than those applicable to non-government contractors. Intense government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting and, from time to time, we receive inquiries, subpoenas, and similar demands related to our ongoing business with government entities. Violations can result in civil or criminal liability as well as suspension or debarment from eligibility for awards of new government contracts or option renewals.

We are involved in various investigations, claims and lawsuits in the normal conduct of our business. We are not always aware if we or our affiliates are under investigation or the status of such matters. Although the outcome of our legal proceedings cannot be predicted with certainty and no assurances can be provided, in the opinion of our management, based upon current information and discussions with counsel, with the exception of the matters noted in Note 18, Commitments and Contingencies, to the financial statements contained in this report to the extent stated therein, none of the investigations, claims and lawsuits in which we are involved is expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or our ability to conduct business. See Note 18, Commitments and Contingencies, to the financial statements contained in this report for a discussion of certain matters to which we are a party. The information set forth in such note is incorporated by reference into this Item 3. From time to time, we establish reserves for litigation when we consider it probable that a loss will occur.

ITEM 4. MINE SAFETY DISCLOSURES

The Company does not act as the owner of any mines, but we may act as a mining operator as defined under the Federal Mine Safety and Health Act of 1977 where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or an independent contractor performing services or construction of such mine. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.

PART II

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

Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol "ACM." According to the records of our transfer agent, there were 1,826 stockholders of record as of November 12, 2020.

Unregistered Sales of Equity Securities

None.

Equity Compensation Plans

The following table presents certain information about shares of AECOM common stock that may be issued under our equity compensation plans as of September 30, 2020:

Plan Category	Column A Number of securities to be issued upon exercise of outstanding options, warrants, and rights[1]	Column B Weighted-average exercise price of Outstanding options, warrants, and Rights	Column C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column A)
Equity compensation plans not approved by stockholders:	N/A	N/A	N/A
Equity compensation plans approved by stockholders:			
AECOM Stock Incentive Plans	3,997,870 [1]	$ 36.41 [2]	12,045,145
AECOM Employee Stock Purchase Plan[3]	N/A	N/A	10,113,018
Total	3,997,870	$ 36.41	22,158,163

(1) Includes 393,201 shares issuable upon the exercise of stock options, 2,058,518 shares issuable upon the vesting of Restricted Stock Units and 1,546,151 shares issuable if specified performance targets are met under Performance Earnings Program Awards (PEP).

(2) Weighted-average exercise price of outstanding options only.

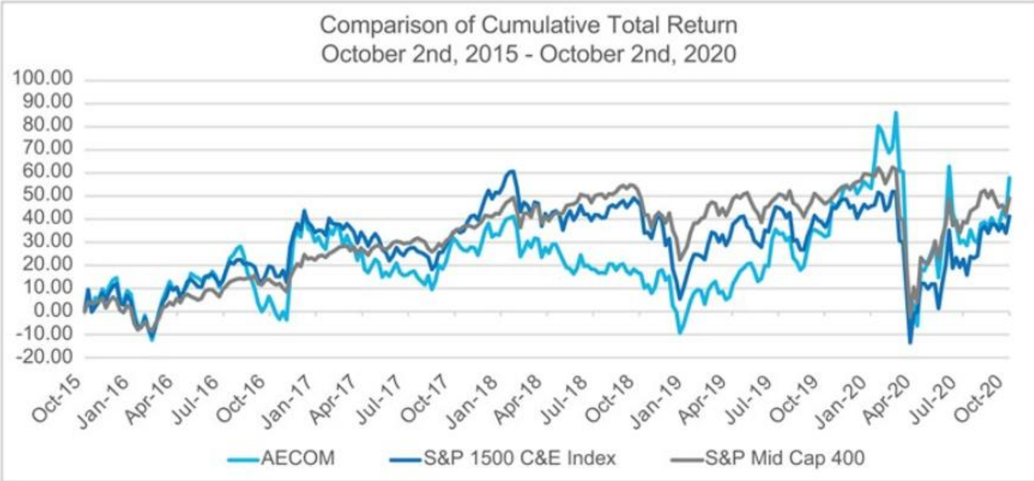
(3) Amounts only reflected in column (c) and include all shares available for future issuance and subject to outstanding rights.

Performance Measurement Comparison[1]

The following chart compares the cumulative total stockholder return of AECOM stock (ACM) with the cumulative total return of the S&P MidCap 400, and the S&P Composite 1500 Construction & Engineering, from October 2, 2015 to October 2, 2020.

We believe the S&P 400 MidCap is an appropriate independent broad market index, since it measures the performance of similar mid-sized companies in numerous sectors. In addition, we believe the S&P Composite 1500 Construction & Engineering index is an appropriate third party published industry index since it measures the performance of engineering and construction companies.

(1) This section is not "soliciting material," is not deemed "filed" with the SEC and is not incorporated by reference in any of our filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Stock Repurchase Program

On September 21, 2017, the Company's Board of Directors announced a new capital allocation policy that authorized the repurchase of up to $1.0 billion in AECOM common stock. Stock repurchases can be made through open market purchases or other methods, including pursuant to a Rule 10b5-1 plan. On November 13, 2020, the Board approved an increase in the Company's repurchase authorization to $1.0 billion, up from approximately $305 million authorization in place immediately prior to such date. A summary of the repurchase activity for the three months ended September 30, 2020 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs
July 1 – 31, 2020	—	$ —	—	$ 760,000,000
August 1 – 31, 2020	—	—	—	760,000,000
September 1 – 30, 2020	3,459,937	39.39	3,459,937	623,698,000
Total	3,459,937	$ 39.39	3,459,937	

ITEM 6. SELECTED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data along with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the accompanying notes, which are included in this Form 10-K. We derived the selected consolidated financial data from our audited consolidated financial statements. As discussed further in Note 3 to our consolidated financial statements, certain businesses were classified as discontinued operations in fiscal year 2020. The discontinued operations classification has been retrospectively applied to fiscal years 2019 and 2018, but not fiscal years 2017 and 2016, which may affect comparability.

	Year Ended September 30,				
	2020	2019	2018	2017	2016
	(in millions, except share data)				
Consolidated Statement of Operations Data:					
Revenue	$ 13,240	$ 13,642	$ 13,878	$ 18,203	$ 17,411
Cost of revenue	12,530	13,030	13,399	17,519	16,768
Gross profit	710	612	479	684	643
Equity in earnings of joint ventures	49	49	49	142	104
General and administrative expenses	(190)	(148)	(135)	(134)	(115)
Restructuring costs	(188)	(95)	—	—	—
Gain (loss) on disposal activities	—	3	—	1	(43)
Impairment of long-lived assets	—	(25)	—	—	—
Acquisition and integration expenses	—	—	—	(39)	(214)
Income from operations	381	396	393	654	375
Other income	12	14	20	7	8
Interest expense	(160)	(161)	(201)	(232)	(258)
Income from continuing operations before income tax expense (benefit)	233	249	212	429	125
Income tax expense (benefit) from continuing operations	46	13	(4)	8	(38)
Net income from continuing operations	187	236	216	421	163
Net loss from discontinued operations	(341)	(420)	(19)		
Net (loss) income	(154)	(184)	197		
Net income attributable to noncontrolling interests from continuing operations	(16)	(25)	(21)		
Net income attributable to noncontrolling interests from discontinued operations	(16)	(52)	(40)		
Net income attributable to noncontrolling interests	(32)	(77)	(61)		
Net income attributable to AECOM from continuing operations	171	211	195	421	163
Net loss attributable to AECOM from discontinued operations	(357)	(472)	(59)	—	—
Net (loss) income attributable to AECOM	$ (186)	$ (261)	$ 136	$ 421	$ 163
Net income attributable to AECOM per share:					
Basic continuing operations per share	1.07	1.34	1.23	2.18	0.62
Basic discontinued operations per share	(2.24)	(3.00)	(0.37)	—	—
Basic	$ (1.17)	$ (1.66)	$ 0.86	$ 2.18	$ 0.62
Diluted continuing operations per share	1.06	1.32	1.20	2.13	0.62
Diluted discontinued operations per share	(2.22)	(2.95)	(0.36)	—	—
Diluted	$ (1.16)	$ (1.63)	$ 0.84	$ 2.13	$ 0.62
Weighted average shares outstanding: (in millions)					
Basic	159	157	159	156	155
Diluted	161	160	162	159	156

	Year Ended September 30,				
	2020	2019	2018	2017	2016
	(in millions, except employee data)				
Other Data:					
Depreciation and amortization[1]	$ 237	$ 261	$ 268	$ 279	$ 399
Amortization expense of acquired intangible assets[2]	52	86	97	103	202
Capital expenditures, net of disposals[3]	111	83	87	78	137
Contracted backlog	$ 19,541	$ 17,469	$ 15,419	$ 24,234	$ 23,710
Number of full-time and part-time employees[3]	54,000	86,000	87,000	87,000	87,000

(1) Includes amortization of deferred debt issuance costs.
(2) Included in depreciation and amortization above.
(3) Includes discontinued operations.

	As of September 30,				
	2020	2019	2018	2017	2016
	(in millions)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 1,708	$ 886	$ 731	$ 802	$ 692
Working capital	1,440	1,073	998	1,104	696
Total assets	12,999	14,551	14,681	14,397	13,670
Long-term debt excluding current portion	2,041	3,218	3,420	3,702	3,702
AECOM Stockholders' equity	3,293	3,691	4,093	3,996	3,367

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

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect the Company's current beliefs, expectations or intentions regarding future events. These statements include forward-looking statements with respect to the Company, including the Company's business, operations and strategy, and the engineering and construction industry. Statements that are not historical facts, without limitation, including statements that use terms such as "anticipates," "believes," "expects," "estimates," "intends," "may," "plans," "potential," "projects," and "will" and that relate to future impacts caused by the Covid-19 coronavirus pandemic and the related economic instability and market volatility, including the reaction of governments to the coronavirus, including any prolonged period of travel, commercial or other similar restrictions, the delay in commencement, or temporary or permanent halting of construction, infrastructure or other projects, requirements that we remove our employees or personnel from the field for their protection, and delays or reductions in planned initiatives by our governmental or commercial clients or potential clients; future revenues, expenditures and business trends; future reduction of our self-perform at-risk construction exposure; future accounting estimates; future contractual performance obligations; future conversions of backlog; future capital allocation priorities, including common stock repurchases, future trade receivables, future debt pay downs; future post-retirement expenses; future tax benefits and expenses; future compliance with regulations; future legal claims and insurance coverage; future effectiveness of our disclosure and internal controls over financial reporting; future costs savings; and other future economic and industry conditions, are forward-looking statements. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this Annual Report should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Although management believes that the assumptions underlying the forward-looking statements are reasonable, these assumptions and the forward-looking statements are subject to various factors, risks and uncertainties, many of which are beyond our control, including, but not limited to, our business is cyclical and vulnerable to economic downturns and client spending reductions; government shutdowns; long-term government contracts and subject to uncertainties related to government contract appropriations; governmental agencies may modify, curtail or terminate our contracts; government contracts are subject to audits and adjustments of contractual terms; losses under fixed-price contracts; limited control over operations run through our joint venture entities; liability for misconduct by our employees or consultants; failure to comply with laws or regulations applicable to our business; maintaining adequate surety and financial capacity; high leverage and potential inability to service our debt and guarantees; exposure to Brexit and tariffs; exposure to political and economic risks in different countries; currency exchange rate fluctuations; retaining and recruiting key technical and management personnel; legal claims; inadequate insurance coverage; environmental law compliance and inadequate nuclear indemnification; unexpected adjustments and cancellations related to our backlog; partners and third parties who may fail to satisfy their legal obligations; managing pension costs; AECOM Capital's real estate development; cybersecurity issues, IT outages and data privacy; risks associated with the benefits and costs of the Management Services transaction, including the risk that the expected benefits of the Management Services transaction or any contingent purchase price will not be realized within the expected time frame, in full or at all; the risk that costs of restructuring transactions and other costs incurred in connection with the Management Services transaction will exceed our estimates or otherwise adversely affect our business or operations; as well as other additional risks and factors discussed in this Annual Report on Form 10-K and any subsequent reports we file with the SEC. Accordingly, actual results could differ materially from those contemplated by any forward-looking statement.

All subsequent written and oral forward-looking statements concerning the Company or other matters attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. You are cautioned not to place undue reliance on these forward-looking statements, which speak only to the date they are made. The Company is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise. Please review "Part I, Item 1A—Risk Factors" in this Annual Report for a discussion of the factors, risks and uncertainties that could affect our future results.

Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. For clarity of presentation, we present all periods as if the year ended on September 30. We refer to the fiscal year ended September 30, 2019 as "fiscal 2019" and the fiscal year ended September 30, 2020 as "fiscal 2020." Fiscal years 2020, 2019, and 2018 each contained 53, 52, and 52 weeks, respectively, and ended on October 2, September 27, and September 28, respectively.

Overview

We are a leading global provider of professional, technical and management support services for governments, businesses and organizations throughout the world. We provide planning, consulting, architectural and engineering design, construction management services, and investment and development services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets.

Our business focuses primarily on providing fee-based planning, consulting, architectural and engineering design services and, therefore, our business is labor intensive. We primarily derive income from our ability to generate revenue and collect cash from our clients through the billing of our employees' time spent on client projects and our ability to manage our costs. AECOM Capital primarily derives its income from real estate development sales and management fees.

During the first quarter of fiscal 2020, we reorganized our operating and reporting structure to better align with our ongoing professional services business. This reorganization better reflected our continuing operations after the sale of our Management Services segment and planned disposal of our self-perform at-risk construction businesses, including our civil infrastructure, power, and oil & gas construction businesses. Our Management Services and self-perform at-risk construction businesses were part of our former Management Services segment and a substantial portion of our former Construction Services segment, respectively. These businesses are classified as discontinued operations in all periods presented.

We report our continuing business through three segments: Americas, International, and AECOM Capital (ACAP). Such segments are organized by the differing specialized needs of the respective clients, and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long-term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

Our Americas segment delivers planning, consulting, architectural and engineering design, and construction management services to commercial and government clients in the United States, Canada, and Latin America in major end markets such as transportation, water, government, facilities, environmental, and energy. Our International segment delivers planning, consulting, and architectural and engineering design services to commercial and government clients in Europe, the Middle East, Africa, and the Asia-Pacific regions in major end markets such as transportation, water, government, facilities, environmental, and energy. Revenue for these two segments is primarily derived from fees for services we provide.

Our ACAP segment primarily invests in and develops real estate projects. ACAP typically partners with investors and experienced developers as co-general partners. ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations, and maintenance services for ACAP funded projects.

Our revenue is dependent on our ability to attract and retain qualified and productive employees, identify business opportunities, integrate and maximize the value of our recent acquisitions, allocate our labor resources to profitable and high growth markets, secure new contracts, and renew existing client agreements. Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending, which may result in clients delaying, curtailing or canceling proposed and existing projects. Moreover, as a professional services company, maintaining the high quality of the work generated by our employees is integral to our revenue generation and profitability.

Our costs consist primarily of the compensation we pay to our employees, including salaries, fringe benefits, the costs of hiring subcontractors, other project-related expenses and sales, general and administrative costs.

The U.S. federal government has proposed significant legislative and executive infrastructure initiatives that, if enacted, could have a positive impact to our infrastructure business.

Regarding our capital allocation policy, on November 13, 2020, the Board approved an increase in our repurchase authorization to $1.0 billion, up from the approximately $305 million authorization in place immediately prior to such date. We intend to deploy future available cash towards stock repurchases consistent with our capital allocation policy.

In July 2020, we drew $248.5 million on our secured delayed draw term loan facility for the purpose of redeeming all of the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes).

We expect to exit the self-perform at-risk construction and non-core oil and gas markets. We are in the process of exiting more than 30 countries, subject to applicable laws, as part of our ongoing plan to improve profitability and reduce our risk profile, and we continue to evaluate our geographic exposure as part of such plan.

We expect to incur restructuring costs of approximately $30 million to $50 million in fiscal 2021 primarily related to previously announced restructuring actions that are expected to deliver continued margin improvement and efficiencies. Total cash costs for these restructuring actions are expected to be approximately $30 million to $50 million.

Covid-19 Coronavirus Impacts

The impact of the coronavirus pandemic and measures to prevent its spread are affecting our businesses in a number of ways:

- The coronavirus and accompanying economic effects are expected to reduce demand for our services and impact client spending in certain circumstances; however, the uncertain nature of the coronavirus and its duration make it difficult for us to predict and quantify such impact.

- We have restricted non-essential business travel, required employees to work remotely where appropriate, reduced salaries or furloughed employees, reduced non-essential spending and limited physical interactions with our clients.

- Non-essential construction and work on other client projects has been temporarily halted in certain jurisdictions.

- Some contractual agreements are unable to be performed preventing us from making or receiving payments.

- The coronavirus has made accessing the capital markets and engaging in business and client development more difficult.

- The coronavirus has made estimating the future performance of our business and mitigating the adverse financial impact of these developments on our business operations more difficult.

- State and local budget shortfalls in the U.S. have negatively impacted our pipeline of pursuits and the pace of award activity.

- Certain markets, such as the U.K., Middle East, and Southeast Asia, are experiencing project delays that have impacted our performance and results.

- During the second half of fiscal 2020, we benefited from government subsidies of approximately $23.2 million, which were received under various programs related to retaining employees.

Acquisitions

The aggregate value of all consideration for our acquisitions consummated during the year ended September 30, 2018 was $5.6 million. There were no acquisitions consummated during the years ended September 30, 2020 and 2019.

All of our acquisitions have been accounted for as business combinations and the results of operations of the acquired companies have been included in our consolidated results since the dates of the acquisitions.

Components of Income and Expense

	Year Ended September 30,				
	2020	2019	2018 (in millions)	2017	2016
Other Financial Data:					
Revenue	$ 13,240	$ 13,642	$ 13,878	$ 18,203	$ 17,411
Cost of revenue	12,530	13,030	13,399	17,519	16,768
Gross profit	710	612	479	684	643
Equity in earnings of joint ventures	49	49	49	142	104
General and administrative expenses	(190)	(148)	(135)	(134)	(115)
Restructuring cost	(188)	(95)	—	—	—
Gain (loss) on disposal activities	—	3	—	1	(43)
Impairment of long-lived assets	—	(25)	—	—	—
Acquisition and integration expenses	—	—	—	(39)	(214)
Income from operations	$ 381	$ 396	$ 393	$ 654	$ 375

Revenue

We generate revenue primarily by providing planning, consulting, architectural and engineering design services to commercial and government clients around the world. Our revenue consists of both services provided by our employees and pass-through fees from subcontractors and other direct costs. We generally recognize revenue over time as performance obligations are satisfied and control over promised goods or services are transferred to our customers. We generally measure progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred.

Cost of Revenue

Cost of revenue reflects the cost of our own personnel (including fringe benefits and overhead expense) associated with revenue.

Amortization Expense of Acquired Intangible Assets

Included in our cost of revenue is amortization of acquired intangible assets. We have ascribed value to identifiable intangible assets other than goodwill in our purchase price allocations for companies we have acquired. These assets include, but are not limited to, backlog and customer relationships. To the extent we ascribe value to identifiable intangible assets that have finite lives, we amortize those values over the estimated useful lives of the assets. Such amortization expense, although non-cash in the period expensed, directly impacts our results of operations. It is difficult to predict with any precision the amount of expense we may record relating to acquired intangible assets.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures includes our portion of fees charged by our unconsolidated joint ventures to clients for services performed by us and other joint venture partners along with earnings we receive from our return on investments in unconsolidated joint ventures.

General and Administrative Expenses

General and administrative expenses include corporate expenses, including personnel, occupancy, and administrative expenses.

Acquisition and Integration Expenses

Acquisition and integration expenses are comprised of transaction costs, professional fees, and personnel costs, including due diligence and integration activities, primarily related to business acquisitions.

Goodwill Impairment

See Critical Accounting Policies and Consolidated Results below.

Income Tax Expense (Benefit)

As a global enterprise, income tax expense/(benefit) and our effective tax rates can be affected by many factors, including changes in our worldwide mix of pre-tax losses/earnings, the effect of non-controlling interest in income of consolidated subsidiaries, the extent to which the earnings are indefinitely reinvested outside of the United States, our acquisition strategy, tax incentives and credits available to us, changes in judgment regarding the realizability of our deferred tax assets, changes in existing tax laws and our assessment of uncertain tax positions. Our tax returns are routinely audited by the taxing authorities and settlements of issues raised in these audits can also sometimes affect our effective tax rate.

Geographic Information

For geographic financial information, please refer to Note 4 and Note 19 in the notes to our consolidated financial statements found elsewhere in the Form 10-K.

Critical Accounting Policies

Our financial statements are presented in accordance with accounting principles generally accepted in the United States (GAAP). Highlighted below are the accounting policies that management considers significant to understanding the operations of our business.

Revenue Recognition

Our accounting policies establish principles for recognizing revenue upon the transfer of control of promised goods or services to customers. We generally recognize revenues over time as performance obligations are satisfied. We generally measure our progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In the course of providing these services, we routinely subcontract for services and incur other direct cost on behalf of our clients. These costs are passed through to clients, and in accordance with accounting rules, are included in our revenue and cost of revenue.

Revenue recognition and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Additionally, we are required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties and liquidated damages. Variable consideration is included in the estimate of transaction price only to the extent that a significant reversal would not be probable. We continuously monitor factors that may affect the quality of our estimates, and material changes in estimates are disclosed accordingly.

Claims Recognition

Claims are amounts in excess of the agreed contract price (or amounts not included in the original contract price) that we seek to collect from customers or others for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved contracts as to both scope and price or other causes of unanticipated additional costs. We record contract revenue related to claims only if it is probable that the claim will result in additional contract revenue and only to the extent that a significant reversal would not be probable. The amounts recorded, if material, are disclosed in the notes to the financial statements. Costs attributable to claims are treated as costs of contract performance as incurred.

Government Contract Matters

Our federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subject us to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of our federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of our overhead rates, operating systems and cost proposals to ensure that we account for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines we have not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Allowance for Doubtful Accounts

We record accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of our clients. The factors we consider in our contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;
- Historical collection and delinquency trends;
- Client credit worthiness; and
- General economic conditions.

Contract Assets and Contract Liabilities

Contract assets represent the contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the period end.

Contract liabilities represent the billings to date, as allowed under the terms of a contract, but not yet recognized as contract revenue using our revenue recognition policy.

Investments in Unconsolidated Joint Ventures

We have noncontrolling interests in joint ventures accounted for under the equity method. Fees received for and the associated costs of services performed by us and billed to joint ventures with respect to work done by us for third-party customers are recorded as our revenues and costs in the period in which such services are rendered. In certain joint ventures, a fee is added to the respective billings from both us and the other joint venture partners on the amounts billed to the third-party customers. These fees result in earnings to the joint venture and are split with each of the joint venture partners and paid to the joint venture partners upon collection from the third-party customer. We record our allocated share of these fees as equity in earnings of joint ventures.

Additionally, our ACAP segment primarily invests in real estate projects.

Income Taxes

We provide for income taxes in accordance with principles contained in ASC Topic 740, Income Taxes. Under these principles, we recognize the amount of income tax payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in our financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the new rate is enacted. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance if it is more likely than not that a portion will not be realized.

We measure and recognize the amount of tax benefit that should be recorded for financial statement purposes for uncertain tax positions taken or expected to be taken in a tax return. With respect to uncertain tax positions, we evaluate the recognized tax benefits for recognition, measurement, derecognition, classification, interest and penalties, interim period accounting and disclosure requirements. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns.

Valuation Allowance. Deferred income taxes are provided on the liability method whereby deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities, as well as for tax attributes such as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and tax rates on the date of enactment of such changes to laws and tax rates.

Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some portion or all of the deferred tax assets may not be realized. The evaluation of the recoverability of the deferred tax asset requires the Company to weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax assets will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. Whether a deferred tax asset may be realized requires considerable judgment by us. In considering the need for a valuation allowance, we consider a number of factors including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Whether a deferred tax asset will ultimately be realized is also dependent on varying factors, including, but not limited to, changes in tax laws and audits by tax jurisdictions in which we operate.

If future changes in judgment regarding the realizability of our deferred tax assets lead us to determine that it is more likely than not that we will not realize all or part of our deferred tax asset in the future, we will record an additional valuation allowance. Conversely, if a valuation allowance exists and we determine that the ultimate realizability of all or part of the net deferred tax asset is more likely than not to be realized, then the amount of the valuation allowance will be reduced. This adjustment will increase or decrease income tax expense in the period of such determination.

Undistributed Non-U.S. Earnings. The results of our operations outside of the United States are consolidated for financial reporting; however, earnings from investments in non-U.S. operations are included in domestic U.S. taxable income only when actually or constructively received. No deferred taxes have been provided on the undistributed gross book-tax basis differences of our non-U.S. operations of approximately $1.5 billion because we have the ability to and intend to permanently reinvest these basis differences overseas. If we were to repatriate these basis differences, additional taxes could be due at that time.

We continually explore initiatives to better align our tax and legal entity structure with the footprint of our non-U.S. operations and we recognize the tax impact of these initiatives, including changes in assessment of its uncertain tax positions, indefinite reinvestment exception assertions and realizability of deferred tax assets, earliest in the period when management believes all necessary internal and external approvals associated with such initiatives have been obtained, or when the initiatives are materially complete.

Goodwill and Acquired Intangible Assets

Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, we perform an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In our assessment, we determine whether identifiable intangible assets exist, which typically include backlog and customer relationships.

We test goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. Our impairment tests are performed at the operating segment level as they represent our reporting units.

During the impairment test, we estimate the fair value of the reporting unit using income and market approaches, and compare that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit.

The impairment evaluation process includes, among other things, making assumptions about variables such as revenue growth rates, profitability, discount rates, and industry market multiples, which are subject to a high degree of judgment.

Material assumptions used in the impairment analysis included the weighted average cost of capital (WACC) percent and terminal growth rates. For example, as of September 30, 2020, a 1% increase in the WACC rate represents a $500 million decrease to the fair value of our reporting units. As of September 30, 2020, a 1% decrease in the terminal growth rate represents a $200 million decrease to the fair value of our reporting units.

Pension Benefit Obligations

A number of assumptions are necessary to determine our pension liabilities and net periodic costs. These liabilities and net periodic costs are sensitive to changes in those assumptions. The assumptions include discount rates, long-term rates of return on plan assets and inflation levels limited to the United Kingdom and are generally determined based on the current economic environment in each host country at the end of each respective annual reporting period. We evaluate the funded status of each of our retirement plans using these current assumptions and determine the appropriate funding level considering applicable regulatory requirements, tax deductibility, reporting considerations and other factors. Based upon current assumptions, we expect to contribute $28.4 million to our international plans in fiscal 2021. Our required minimum contributions for our U.S. qualified plans are not significant. In addition, we may make additional discretionary contributions. We currently expect to contribute $12.2 million to our U.S. plans (including benefit payments to nonqualified plans and postretirement medical plans) in fiscal 2021. If the discount rate was reduced by 25 basis points, plan liabilities would increase by approximately $75.2 million. If the discount rate and return on plan assets were reduced by 25 basis points, plan expense would decrease by approximately $0.1 million and increase by approximately $3.0 million, respectively. If inflation increased by 25 basis points, plan liabilities in the United Kingdom would increase by approximately $35.0 million and plan expense would increase by approximately $1.9 million.

At each measurement date, all assumptions are reviewed and adjusted as appropriate. With respect to establishing the return on assets assumption, we consider the long term capital market expectations for each asset class held as an investment by the various pension plans. In addition to expected returns for each asset class, we take into account standard deviation of returns and correlation between asset classes. This is necessary in order to generate a distribution of possible returns which reflects diversification of assets. Based on this information, a distribution of possible returns is generated based on the plan’s target asset allocation.

Capital market expectations for determining the long term rate of return on assets are based on forward-looking assumptions which reflect a 20-year view of the capital markets. In establishing those capital market assumptions and expectations, we rely on the assistance of our actuaries and our investment consultants. We and the plan trustees review whether changes to the various plans’ target asset allocations are appropriate. A change in the plans’ target asset allocations would likely result in a change in the expected return on asset assumptions. In assessing a plan’s asset allocation strategy, we and the plan trustees consider factors such as the structure of the plan’s liabilities, the plan’s funded status, and the impact of the asset allocation to the volatility of the plan’s funded status, so that the overall risk level resulting from our defined benefit plans is appropriate within our risk management strategy.

Between September 30, 2019 and September 30, 2020, the aggregate worldwide pension deficit increased from $366.1 million to $406.0 million due to decreased discount rates. If the various plans do not experience future investment gains to reduce this shortfall, the deficit will be reduced by additional contributions.

Accrued Professional Liability Costs

We carry professional liability insurance policies or self-insure for our initial layer of professional liability claims under our professional liability insurance policies and for a deductible for each claim even after exceeding the self-insured retention. We accrue for our portion of the estimated ultimate liability for the estimated potential incurred losses. We establish our estimate of loss for each potential claim in consultation with legal counsel handling the specific matters and based on historic trends taking into account recent events. We also use an outside actuarial firm to assist us in estimating our future claims exposure. It is possible that our estimate of loss may be revised based on the actual or revised estimate of liability of the claims.

Foreign Currency Translation

Our functional currency is the U.S. dollar. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders’ equity.

We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. However, we will use foreign exchange derivative financial instruments from time to time to mitigate foreign currency risk. The functional currency of all significant foreign operations is the respective local currency.

Fiscal year ended September 30, 2020 compared to the fiscal year ended September 30, 2019

Consolidated Results

	Fiscal Year Ended		Change	
	September 30, 2020	September 30, 2019	$	%
	($ in millions)			
Revenue	$ 13,240.0	$ 13,642.5	$ (402.5)	(3.0)%
Cost of revenue	12,530.4	13,030.8	(500.4)	(3.8)
Gross profit	709.6	611.7	97.9	16.0
Equity in earnings of joint ventures	48.8	49.3	(0.5)	(1.1)
General and administrative expenses	(188.6)	(148.2)	(40.4)	27.3
Restructuring cost	(188.3)	(95.4)	(92.9)	97.3
Gain on disposal activities	—	3.6	(3.6)	(100.0)
Impairment of long-lived assets	—	(24.9)	24.9	(100.0)
Income from operations	381.5	396.1	(14.6)	(3.7)
Other income	11.1	14.6	(3.5)	(24.0)
Interest expense	(160.0)	(161.5)	1.5	(1.0)
Income from continuing operations before income tax expense	232.6	249.2	(16.6)	(6.6)
Income tax expense from continuing operations	45.7	13.5	32.2	239.0
Net income from continuing operations	186.9	235.7	(48.8)	(20.7)
Net loss from discontinued operations	(340.6)	(419.7)	79.1	(18.8)
Net loss	(153.7)	(184.0)	30.3	(16.4)
Net income attributable to noncontrolling interests from continuing operations	(16.5)	(24.7)	8.2	(33.6)
Net income attributable to noncontrolling interests from discontinued operations	(16.2)	(52.4)	36.2	(69.0)
Net income attributable to noncontrolling interests	(32.7)	(77.1)	44.4	(57.7)
Net income attributable to AECOM from continuing operations	170.4	211.0	(40.6)	(19.2)
Net loss attributable to AECOM from discontinued operations	(356.8)	(472.1)	115.3	(24.4)
Net loss attributable to AECOM	$ (186.4)	$ (261.1)	$ 74.7	(28.6)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
Revenue	100.0 %	100.0 %
Cost of revenue	94.6	95.5
Gross profit	5.4	4.5
Equity in earnings of joint ventures	0.4	0.4
General and administrative expenses	(1.5)	(1.1)
Restructuring costs	(1.4)	(0.7)
Gain on disposal activities	0.0	0.0
Impairment of long-lived assets	0.0	(0.2)
Income from operations	2.9	2.9
Other income	0.1	0.1
Interest expense	(1.2)	(1.2)
Income from continuing operations before income tax expense	1.8	1.8
Income tax expense from continuing operations	0.4	0.1
Net income from continuing operations	1.4	1.7
Net loss from discontinued operations	(2.6)	(3.0)
Net loss	(1.2)	(1.3)
Net income attributable to noncontrolling interests from continuing operations	(0.1)	(0.2)
Net income attributable to noncontrolling interests from discontinued operations	(0.1)	(0.4)
Net income attributable to noncontrolling interests	(0.2)	(0.6)
Net income attributable to AECOM from continuing operations	1.3	1.5
Net loss attributable to AECOM from discontinued operations	(2.7)	(3.4)
Net loss attributable to AECOM	(1.4)%	(1.9)%

Revenue

Our revenue for the year ended September 30, 2020 decreased $402.5 million, or 3.0%, to $13,240.0 million as compared to $13,642.5 million for the corresponding period last year.

The decrease in revenue for the year ended September 30, 2020 was primarily attributable to decreases in our Americas segment of $251.1 million and in our International segment of $150.0 million, as discussed further below.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the years ended September 30, 2020 and 2019 were $7.1 billion and $7.4 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue was 54% during the year ended September 30, 2020 and the year ended September 30, 2019.

Gross Profit

Our gross profit for the year ended September 30, 2020 increased $97.9 million, or 16.0%, to $709.6 million as compared to $611.7 million for the corresponding period last year. For the year ended September 30, 2020, gross profit, as a percentage of revenue, increased to 5.4% from 4.5% in the year ended September 30, 2019.

Gross profit changes were due to the reasons noted in Americas and International reportable segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the year ended September 30, 2020 was $48.8 million as compared to $49.3 million in the corresponding period last year.

General and Administrative Expenses

Our general and administrative expenses for the year ended September 30, 2020 increased $40.4 million, or 27.3%, to $188.6 million as compared to $148.2 million for the corresponding period last year. For the year ended September 30, 2020, general and administrative expenses increased to 1.5% from 1.1% for the year ended September 30, 2019.

The increase in general and administrative expenses was primarily due to the accelerated depreciation of a project management tool.

Restructuring Costs

In the first quarter of fiscal 2019, we commenced a restructuring plan to improve profitability. We incurred additional restructuring costs in fiscal 2020 primarily related to optimizing our cost structure and eliminating overhead costs as a result of the sale of the Management Services business and the exit of our self-perform at-risk construction business. During the year ended September 30, 2020, we incurred restructuring expenses of $188.3 million, primarily related to personnel costs. During the year ended September 30, 2019, we incurred restructuring expenses of $95.4 million.

Gain on Disposal Activities

Gain on disposal activities in the accompanying statements of operations for the year ended September 30, 2019 was $3.6 million. The gain on disposal activities in the year ended September 30, 2019 primarily relates to the sale of certain non-core assets as part of our plan to improve profitability and reduce our risk profile.

Impairment of Long-Lived Assets

Impairment of long-lived assets was $24.9 million for the year ended September 30, 2019. The impairment of long lived assets was primarily related to leasehold improvements that were no longer recoverable. The impairment loss did not repeat in fiscal year 2020.

Other Income

Our other income for the year ended September 30, 2020 decreased $3.5 million to $11.1 million as compared to $14.6 million for the corresponding period last year.

Other income is primarily comprised of interest income.

Interest Expense

Our interest expense for the year ended September 30, 2020 was $160.0 million as compared to $161.5 million for the corresponding period last year.

The decrease in interest expense for the year ended September 30, 2020 was primarily due to lower average outstanding debt during the period.

Income Tax Expense

Our income tax expense for the year ended September 30, 2020 was $45.8 million compared to $13.5 million for the year ended September 30, 2019. The increase in tax expense for the year ended September 30, 2020, compared to the corresponding period last year, is due primarily to a decrease in benefit of $10.6 million related to changes in valuation allowances and an increase in tax expense of $8.2 million related to nondeductible costs, and an increase in tax expense related to foreign rate differential of $6.3 million.

During fiscal 2020, management approved a tax planning strategy and we restructured certain operations in Canada which resulted in the release of a valuation allowance related to net operating losses and other deferred tax assets in the amount of $31.7 million. We are now forecasting the utilization of the net operating losses within the foreseeable future. The new positive evidence was evaluated against any negative evidence to determine the valuation allowance was no longer needed.

During fiscal 2019, a valuation allowance in the amount of $38.1 million related to foreign tax credits was released due to sufficient positive evidence obtained during the fiscal year. The positive evidence included the issuance of regulations related to the Tax Act and forecasting the utilization of the foreign tax credits within the foreseeable future.

We are currently under tax audit in several jurisdictions including the U.S. and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in future adjustments, but will not result in a material change in the liability for uncertain tax positions.

We regularly integrate and consolidate our business operations and legal entity structure, and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net Loss From Discontinued Operations

During the first quarter of fiscal 2020, management approved a plan to dispose via sale our Management Services business and our self-perform at-risk construction businesses. As a result of these strategic actions, the Management Services and self-perform at-risk construction businesses were classified as discontinued operations. That classification was applied retrospectively for all periods presented.

Net loss from discontinued operations decreased $79.1 million to $340.6 million from $419.7 million for the years ended September 30, 2020 and 2019, respectively. The decrease in net loss from discontinued operations for the year ended September 30, 2020 was primarily due to a $161.9 million gain recorded on the disposal of our Management Services business. The gain was offset by impairment of goodwill of approximately $83.6 million related to the self-perform at-risk construction business, and a $247.2 million loss related to the remeasurement of the businesses within discontinued operations based on estimated fair values less costs to sell. Net loss from discontinued operations for the year ended September 30, 2019 included a goodwill impairment of $588.0 million related to a reduction in estimated fair value of our at-risk construction businesses and a reduction in our self-perform at-risk construction exposure.

Net Loss Attributable to AECOM

The factors described above resulted in the net loss attributable to AECOM of $186.4 million for the year ended September 30, 2020, as compared to the net loss attributable to AECOM of $261.1 million for the year ended September 30, 2019.

Results of Operations by Reportable Segment

Americas

	Fiscal Year Ended			
	September 30, 2020	September 30, 2019	Change $	Change %
	(in millions)			
Revenue	$ 10,131.5	$ 10,382.6	$ (251.1)	(2.4)%
Cost of revenue	9,551.0	9,871.1	(320.1)	(3.2)
Gross profit	$ 580.5	$ 511.5	$ 69.0	13.5 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
Revenue	100.0 %	100.0 %
Cost of revenue	94.3	95.1
Gross profit	5.7 %	4.9 %

Revenue

Revenue for our Americas segment for the year ended September 30, 2020 decreased $251.1 million, or 2.4%, to $10,131.5 million as compared to $10,382.6 million for the corresponding period last year.

The decrease in revenue for the year ended September 30, 2020 was primarily driven by near-term headwinds from the coronavirus pandemic and lower oil and gas prices.

Gross Profit

Gross profit for our Americas segment for the year ended September 30, 2020 increased $69.0 million, or 13.5%, to $580.5 million as compared to $511.5 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 5.7% of revenue for the year ended September 30, 2020 from 4.9% in the corresponding period last year.

The increase in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2020 were primarily due to reduced costs resulting from restructuring activities that commenced during the prior year.

International

	Fiscal Year Ended			
	September 30, 2020	September 30, 2019	Change $	Change %
	(in millions)			
Revenue	$ 3,101.7	$ 3,251.7	$ (150.0)	(4.6)%
Cost of revenue	2,979.5	3,159.8	(180.3)	(5.7)
Gross profit	$ 122.2	$ 91.9	$ 30.3	33.0 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
Revenue	100.0 %	100.0 %
Cost of revenue	96.1	97.2
Gross profit	3.9 %	2.8 %

Revenue

Revenue for our International segment for the year ended September 30, 2020 decreased $150.0 million, or 4.6%, to $3,101.7 million as compared to $3,251.7 million for the corresponding period last year.

The decrease in revenue for the year ended September 30, 2020 was primarily attributable to declines in the United Kingdom and Greater China regions due to downtime caused by the impact of the coronavirus pandemic in those regions and the Middle East was impacted by lower oil and gas prices.

Gross Profit

Gross profit for our International segment for the year ended September 30, 2020 increased $30.3 million, or 33.0%, to $122.2 million as compared to $91.9 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 3.9% of revenue for the year ended September 30, 2020 from 2.8% in the corresponding period last year.

The increase in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2020 was primarily due to reduced costs resulting from restructuring activities that commenced during the prior year.

AECOM Capital

	Fiscal Year Ended			
	September 30, 2020	September 30, 2019	Change $	Change %
	(in millions)			
Revenue	$ 6.8	$ 8.2	$ (1.4)	(17.1)%
Equity in earnings of joint ventures	$ 14.7	$ 17.7	$ (3.0)	(16.9)
General and administrative expenses	$ (8.6)	$ (5.0)	$ (3.6)	72.0 %

* *NM - Not Meaningful*

Fiscal year ended September 30, 2019 compared to the fiscal year ended September 30, 2018

Consolidated Results

	Fiscal Year Ended		Change	
	September 30, 2019	September 30, 2018	$	%
	($ in millions)			
Revenue	$ 13,642.5	$ 13,878.3	$ (235.8)	(1.7)%
Cost of revenue	13,030.8	13,399.3	(368.5)	(2.8)
Gross profit	611.7	479.0	132.7	27.7
Equity in earnings of joint ventures	49.3	49.4	(0.1)	(0.1)
General and administrative expenses	(148.2)	(135.8)	(12.4)	9.1
Restructuring cost	(95.4)	—	(95.4)	0.0
Gain on disposal activities	3.6	—	3.6	0.0
Impairment of long-lived assets	(24.9)	—	(24.9)	0.0
Income from operations	396.1	392.6	3.5	0.9
Other income	14.6	20.6	(6.0)	(29.4)
Interest expense	(161.5)	(201.0)	39.5	(19.7)
Income from continuing operations before income tax expense (benefit)	249.2	212.2	37.0	17.4
Income tax expense (benefit) from continuing operations	13.5	(3.5)	17.0	(486.3)
Net income from continuing operations	235.7	215.7	20.0	9.3
Net loss from discontinued operations	(419.7)	(18.6)	(401.1)	NM
Net (loss) income	(184.0)	197.1	(381.1)	(193.3)
Net income attributable to noncontrolling interests from continuing operations	(24.7)	(20.2)	(4.5)	22.3
Net income attributable to noncontrolling interests from discontinued operations	(52.4)	(40.4)	(12.0)	29.4
Net income attributable to noncontrolling interests	(77.1)	(60.6)	(16.5)	27.0
Net income attributable to AECOM from continuing operations	211.0	195.5	15.5	7.9
Net loss attributable to AECOM from discontinued operations	(472.1)	(59.0)	(413.1)	699.5
Net (loss) income attributable to AECOM	$ (261.1)	$ 136.5	$ (397.6)	(291.3)%

**NM - Not Meaningful*

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	95.5	96.5
Gross profit	4.5	3.5
Equity in earnings of joint ventures	0.4	0.4
General and administrative expenses	(1.1)	(1.1)
Restructuring costs	(0.7)	0.0
Gain on disposal activities	0.0	0.0
Impairment of long-lived assets	(0.2)	0.0
Income from operations	2.9	2.8
Other income	0.1	0.1
Interest expense	(1.2)	(1.4)
Income from continuing operations before income tax expense (benefit)	1.8	1.5
Income tax expense (benefit) from continuing operations	0.1	(0.1)
Net income from continuing operations	1.7	1.6
Net loss from discontinued operations	(3.0)	(0.2)
Net (loss) income	(1.3)	1.4
Net income attributable to noncontrolling interests from continuing operations	(0.2)	(0.1)
Net income attributable to noncontrolling interests from discontinued operations	(0.4)	(0.3)
Net income attributable to noncontrolling interests	(0.6)	(0.4)
Net income attributable to AECOM from continuing operations	1.5	1.5
Net loss attributable to AECOM from discontinued operations	(3.4)	(0.5)
Net (loss) income attributable to AECOM	(1.9)%	1.0 %

Revenue

Our revenue for the year ended September 30, 2019 decreased $235.8 million, or 1.7%, to $13,642.5 million as compared to $13,878.3 million for the year ended September 30, 2018.

The decrease in revenue for the year ended September 30, 2019 was primarily attributable to a decrease in our subcontractor activity for residential high-rise buildings in New York City compared to the prior year.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the years ended September 30, 2019 and 2018 were $7.4 billion and $7.7 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue decreased to 54% during the year ended September 30, 2019 compared with 56% during the year ended September 30, 2018.

Gross Profit

Our gross profit for the year ended September 30, 2019 increased $132.7 million, or 27.7%, to $611.7 million as compared to $479.0 million for the year ended September 30, 2018. For the year ended September 30, 2019, gross profit, as a percentage of revenue, increased to 4.5% from 3.5% in the year ended September 30, 2018.

Gross profit changes were due to the reasons noted in the Americas and International reportable segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the year ended September 30, 2019 was $49.3 million as compared to $49.4 million in the year ended September 30, 2018.

General and Administrative Expenses

Our general and administrative expenses for the year ended September 30, 2019 increased $12.4 million, or 9.1%, to $148.2 million as compared to $135.8 million for the year ended September 30, 2018. For the year ended September 30, 2019, general and administrative expenses remained at 1.1% for the years ended September 30, 2019 and 2018.

Restructuring Costs

In the first quarter of fiscal 2019, we commenced a restructuring plan to improve profitability. During the year ended September 30, 2019, we incurred restructuring expenses of $95.4 million. We expect to achieve approximately $225 million of annual cost savings, which is expected to contribute to $150 million of cost savings in fiscal 2020.

Gain on Disposal Activities

Gain on disposal activities in the accompanying statements of operations for the year ended September 30, 2019 was $3.6 million for the year ended September 30, 2018. The gain on disposal activities primarily relates to incremental gains on the sale of specific non-core oil and gas assets in North America from our CS segment previously classified as assets held for sale.

Impairment of Long-Lived Assets

Impairment of long-lived assets was $24.9 million for the year ended September 30, 2019. The impairment of long lived assets was primarily related to leasehold improvements that were no longer recoverable.

Other Income

Our other income for the year ended September 30, 2019 decreased $6.0 million to $14.6 million as compared to $20.6 million for the year ended September 30, 2018.

Other income is primarily comprised of interest income. The decrease in other income for the year ended September 30, 2019 was primarily due to a $9.1 million gain realized in the year ended September 30, 2018 from a foreign exchange forward contract entered into as part of the refinance of our Credit Agreement in March 2018, as discussed below in “Liquidity and Capital Resources – Debt – 2014 Credit Agreement.”

Interest Expense

Our interest expense for the year ended September 30, 2019 was $161.5 million as compared to $201.0 million for the year ended September 30, 2018.

The decrease in interest expense for the year ended September 30, 2019 was primarily due to a $34.5 million prepayment premium paid on our $800 million unsecured 5.750% Senior Notes due 2022 that was incurred during the year ended September 30, 2018 and did not repeat in 2019.

Income Tax Expense (Benefit)

Our income tax expense for the year ended September 30, 2019 was $13.5 million compared to a benefit of $3.5 million for the year ended September 30, 2018. The increase in tax expense for the year ended September 30, 2019, compared to the year ended September 30, 2018, is due primarily to one-time items that occurred during the fiscal year ended September 30, 2018, including valuation allowance increases of $37.8 million, a $12.5 million net tax expense related to one-time U.S. federal tax law changes, a tax benefit of $26.0 million related to changes in uncertain tax positions primarily in the U.S. and Canada, and a tax benefit of $27.7 million related to an audit settlement in the U.S. The tax impact of these items was partially offset by a tax benefit of $26.5 million that occurred in fiscal 2019 related to changes in valuation allowances including the release of a valuation allowance in the amount of $38.1 million due to sufficient positive evidence obtained during fiscal 2019.

During fiscal 2018, we recorded a $38.1 million valuation allowance related to foreign tax credits as a result of U.S. federal tax law changes. In fiscal 2019, we released this valuation allowance due to sufficient positive evidence obtained during the quarter. The positive evidence included the issuance of regulations related to the Tax Act during the quarter and forecasting the utilization of the foreign tax credits within the foreseeable future.

During fiscal 2018, we effectively settled a U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded a benefit of $27.7 million related to various adjustments, in addition to the favorable settlement of R&D credits of $19.9 million recorded in fiscal 2018.

During fiscal 2018, President Trump signed The Tax Cuts and Jobs Act (Tax Act) into law. The Tax Act reduced our U.S. federal corporate tax rate from 35% to 21%, required companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, created new taxes on certain foreign sourced earnings, and eliminated or reduced certain deductions.

In fiscal 2018, we remeasured certain deferred tax assets and liabilities based on the rates at which they were expected to reverse in the future, which is generally 21%. The amount recorded related to the remeasurement of our deferred tax balance was a $38.9 million tax expense. In addition, we released the deferred tax liability and recorded a tax benefit related to certain foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued $53.4 million of tax expense on these earnings as part of the one-time transition tax.

We are currently under tax audit in several jurisdictions including the U.S. and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in future adjustments, but will not result in a material change in the liability for uncertain tax positions.

We regularly integrate and consolidate our business operations and legal entity structure, and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net Loss From Discontinued Operations

Net loss from discontinued operations increased $401.1 million to $419.7 million compared to $18.6 million for the years ended September 30, 2019 and 2018, respectively. The increase in net loss from discontinued operations for the year ended September 30, 2019 was primarily related to goodwill impairment of $588.0 million recognized due to a reduction in the estimated fair value of our at-risk construction business and a reduction in our self-perform at-risk construction exposure.

Net (Loss) Income Attributable to AECOM

The factors described above resulted in the net loss attributable to AECOM of $261.1 million for the year ended September 30, 2019, as compared to the net income attributable to AECOM of $136.5 million for the year ended September 30, 2018.

Results of Operations by Reportable Segment

Americas

	Fiscal Year Ended			
	September 30, 2019	September 30, 2018	Change $	Change %
	(in millions)			
Revenue	$ 10,382.6	$ 10,512.3	$ (129.7)	(1.2)%
Cost of revenue	9,871.1	10,108.5	(237.4)	(2.3)
Gross profit	$ 511.5	$ 403.8	$ 107.7	26.7 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	95.1	96.2
Gross profit	4.9 %	3.8 %

Revenue

Revenue for our Americas segment for the year ended September 30, 2019 decreased $129.7 million, or 1.2%, to $10,382.6 million as compared to $10,512.3 million for the year ended September 30, 2018.

The decrease in revenue for the year ended September 30, 2019 was primarily attributable to decreased construction management of airports in the U.S. and residential high-rise buildings in New York City of approximately $340 million, partially offset by an increase in design consulting services, largely due to increased work performed on a residential housing storm disaster relief program.

Gross Profit

Gross profit for our Americas segment for the year ended September 30, 2019 increased $107.7 million, or 26.7%, to $511.5 million as compared to $403.8 million for the year ended September 30, 2018. As a percentage of revenue, gross profit increased to 4.9% of revenue for the year ended September 30, 2019 from 3.8% in the year ended September 30, 2018.

The increases in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2019 were primarily due to reduced costs resulting from restructuring activities taken earlier in fiscal 2019.

International

	Fiscal Year Ended			
	September 30, 2019	September 30, 2018	Change $	Change %
	(in millions)			
Revenue	$ 3,251.7	$ 3,366.0	$ (114.3)	(3.4)%
Cost of revenue	3,159.8	3,290.8	(131.0)	(4.0)
Gross profit	$ 91.9	$ 75.2	$ 16.7	22.2 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	97.2	97.8
Gross profit	2.8 %	2.2 %

Revenue

Revenue for our International segment for the year ended September 30, 2019 decreased $114.3 million, or 3.4%, to $3,251.7 million as compared to $3,366.0 million for the year ended September 30, 2018.

Gross Profit

Gross profit for our International segment for the year ended September 30, 2019 increased $16.7 million, or 22.2%, to $91.9 million as compared to $75.2 million for the year ended September 30, 2018. As a percentage of revenue, gross profit increased to 2.8% of revenue for the year ended September 30, 2019 from 2.2% in the year ended September 30, 2018.

AECOM Capital

	Fiscal Year Ended			
	September 30, 2019	September 30, 2018	Change	
			$	%
	(in millions)			
Revenue	$ 8.2	$ —	$ 8.2	NM %
Equity in earnings of joint ventures	$ 17.7	$ 15.3	$ 2.4	15.7
General and administrative expenses	$ (5.0)	$ (11.2)	$ 6.3	(55.4)%

* *NM — Not Meaningful*

Equity in earnings of joint ventures included a gain on the sale of a property.

Liquidity and Capital Resources

Cash Flows

Our principal sources of liquidity are cash flows from operations, borrowings under our credit facilities, and access to financial markets. Our principal uses of cash are operating expenses, capital expenditures, working capital requirements, acquisitions, repurchases of common stock, and repayment of debt. We believe our anticipated sources of liquidity including operating cash flows, existing cash and cash equivalents, borrowing capacity under our revolving credit facility and our ability to issue debt or equity, if required, will be sufficient to meet our projected cash requirements for at least the next twelve months. We expect to spend approximately $30 million to $50 million in restructuring costs in fiscal 2021 associated with previously announced restructuring actions that are expected to deliver continued margin improvement and efficiencies.

Generally, we do not provide for U.S. taxes or foreign withholding taxes on gross book-tax basis differences in our non-U.S. subsidiaries because such basis differences are able to and intended to be reinvested indefinitely. At September 30, 2020, we have determined that we will continue to indefinitely reinvest the earnings of some foreign subsidiaries and therefore we will continue to account for these undistributed earnings based on our existing accounting under ASC 740 and not accrue additional tax outside of the one-time transition tax required under the *Tax Cuts and Jobs Act* that was enacted on December 22, 2017. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation. Based on the available sources of cash flows discussed above, we anticipate we will continue to have the ability to permanently reinvest these remaining amounts.

At September 30, 2020, cash and cash equivalents were $1,708.3 million, an increase of $882.7 million, or 92.9%, from $885.6 million at September 30, 2019. The increase in cash and cash equivalents was primarily attributable to positive cash flows from operating activities and proceeds from the sale of our Management Services business, partially offset by repurchases of common stock and repayments of our credit agreement.

Net cash provided by operating activities was $329.6 million for the year ended September 30, 2020 as compared to $777.6 million for the year ended September 30, 2019. The change was primarily attributable to the timing of receipts and payments of working capital, which includes accounts receivable, contract assets, accounts payable, accrued expenses, and contract liabilities. The sale of trade receivables to financial institutions during the year ended September 30, 2020 provided a net unfavorable impact of $143.3 million as compared to a net benefit of $21.9 million during the year ended September 30, 2019. We expect to continue to sell trade receivables in the future as long as the terms continue to remain favorable to us.

Net cash provided by investing activities was $2,037.4 million for the year ended September 30, 2020, as compared to net cash used of $146.8 million for the year ended September 30, 2019. This increase in cash provided was primarily attributable to the sale of our Management Services business in fiscal 2020.

Net cash used in financing activities was $1,628.0 million for the year ended September 30, 2020, as compared to $433.3 million for the year ended September 30, 2019. This change was primarily attributable to repayments of our credit agreement and the redemption of our unsecured senior notes. Total borrowings outstanding varied during the period. For the year ended September 30, 2020, our weighted average floating rate borrowings were $292.4 million.

AECOM Caribe, a subsidiary of the Company, has incurred payment delays supporting the storm recovery work in the U.S. Virgin Islands. AECOM Caribe signed several contracts with Virgin Islands authorities to provide emergency design, construction and technical services after two Category Five hurricanes devastated the Virgin Islands in 2017, that were dependent on federal funding. AECOM Caribe and its subcontractors have performed over $750 million of work under the Virgin Islands contracts and payment delays have increased working capital by over $150 million from September 30, 2018 to September 30, 2019. We are currently negotiating with the Virgin Island authorities and U.S. Federal Emergency Management Agency to modify the contract and accelerate funding for current and future contractual payments; however, we can provide no certainty as to the timing or amount of future payments.

Working Capital

Working capital, or current assets less current liabilities, increased $367.0 million, or 34.2%, to $1,439.9 million at September 30, 2020 from $1,072.9 million at September 30, 2019. Net accounts receivable and contract assets, net of contract liabilities, decreased to $3,413.9 million at September 30, 2020 from $3,600.0 million at September 30, 2019.

Days Sales Outstanding (DSO), which includes net accounts receivable and contract assets, net of contract liabilities, was 90 days at September 30, 2020 compared to 94 days at September 30, 2019.

In Note 4, Revenue Recognition, in the notes to our consolidated financial statements, a comparative analysis of the various components of accounts receivable is provided. Except for claims, substantially all contract assets are expected to be billed and collected within twelve months.

Contract assets related to claims are recorded only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. In such cases, revenue is recorded only to the extent that contract costs relating to the claim have been incurred. Award fees in contract assets are accrued only when there is sufficient information to assess contract performance. On contracts that represent higher than normal risk or technical difficulty, award fees are generally deferred until an award fee letter is received.

Because our revenue depends to a great extent on billable labor hours, most of our charges are invoiced following the end of the month in which the hours were worked, the majority usually within 15 days. Other direct costs are normally billed along with labor hours. However, as opposed to salary costs, which are generally paid on either a bi-weekly or monthly basis, other direct costs are generally not paid until payment is received (in some cases in the form of advances) from the customers.

Debt

Debt consisted of the following:

	September 30, 2020	September 30, 2019
	(in millions)	
2014 Credit Agreement	$ 248.5	$ 1,182.2
2014 Senior Notes	797.3	800.0
2017 Senior Notes	997.3	1,000.0
URS Senior Notes	—	248.1
Other debt	41.9	122.2
Total debt	2,085.0	3,352.5
Less: Current portion of debt and short-term borrowings	(20.9)	(98.3)
Less: Unamortized debt issuance costs	(23.0)	(36.2)
Long-term debt	$ 2,041.1	$ 3,218.0

The following table presents, in millions, scheduled maturities of our debt as of September 30, 2020:

Fiscal Year	
2021	$ 20.9
2022	17.9
2023	244.8
2024	5.1
2025	799.0
Thereafter	997.3
Total	$ 2,085.0

2014 Credit Agreement

We entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (USD) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of our subsidiaries (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of our assets and the Guarantors' pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit our ability and the ability of some of our subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to our acquisition of URS.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of “Consolidated EBITDA” by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving our international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (i) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (ii) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (iii) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (iv) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (v) revise covenants, including the Maximum Consolidated Leverage Ratio, so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for our ACAP business.

On March 31, 2017, the Credit Agreement was amended to (i) expand the ability of restricted subsidiaries to borrow under “Incremental Term Loans;” (ii) revise the definition of “Working Capital” as used in “Excess Cash Flow;” (iii) revise the definitions for “Consolidated EBITDA” and “Consolidated Funded Indebtedness” to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (iv) amend provisions relating to our ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (i) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (ii) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (iii) increase the capacity of our revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (iv) reduce our interest rate borrowing costs as follows: (a) the term loan B facility, at our election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (USD) term loan A facility, at our election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at our election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of our fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); and (v) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio stepped down to 4.0.

On November 13, 2018, the Credit Agreement was amended to revise the definition of “Consolidated EBITDA” to increase corporate restructuring allowances and provide for additional flexibility under the covenants for non-core asset dispositions, among other changes.

On January 28, 2020, AECOM entered into Amendment No. 7 to the Credit Agreement which modifies the asset disposition covenant to permit the sale of our Management Services business and the mandatory prepayment provision so that only outstanding term loans were prepaid using the net proceeds from the sale.

On May 1, 2020, the Company entered into Amendment No. 8 to the Credit Agreement which allows for borrowings to be made, until three months after closing, up to an aggregate principal amount of $400,000,000 under a secured delayed draw term loan facility, the proceeds of which are permitted to be used to pay all or a portion of the amounts payable in connection with any tender for or redemption or repayment of the Company's or its subsidiaries' existing senior unsecured notes and any associated fees and expenses. The amendment also revised certain terms and covenants in the Credit Agreement, including by, among other things, revising the maximum leverage ratio covenant to 4.00:1.00, subject to increases to 4.50:1.00 for certain specified periods in connection with certain material acquisitions, increasing the potential size of incremental facilities under the Credit Agreement, revising the definition of "Consolidated EBITDA" to provide for additional flexibility in the calculation thereof and adding a Eurocurrency Rate floor of 0.75% to the interest rate under the revolving credit facility.

On July 30, 2020, we drew $248.5 million on our secured delayed draw term loan facility for the purpose of redeeming all of the 2022 URS Senior Notes.

Under the Credit Agreement, we are subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. Our Consolidated Leverage Ratio was 2.7 at September 30, 2020. Our Consolidated Interest Coverage Ratio was 5.0 at September 30, 2020. As of September 30, 2020, we were in compliance with the covenants of the Credit Agreement.

At September 30, 2020 and September 30, 2019, outstanding standby letters of credit totaled $19.0 million and $22.8 million, respectively, under our revolving credit facilities. As of September 30, 2020 and September 30, 2019, we had $1,331.0 million and $1,327.2 million, respectively, available under our revolving credit facility.

2014 Senior Notes

On October 6, 2014, we completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, we completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, we redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of September 30, 2020, the estimated fair value of the 2024 Notes was approximately $863.0 million. The fair value of the 2024 Notes as of September 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

On July 21, 2020, we completed a cash tender offer at par for up to $639 million in aggregate principal amount of the 2024 Notes and the 2017 Senior Notes. We accepted for purchase all of 2024 Notes validly tendered and not validly withdrawn pursuant to the cash tender offer, amounting to $2.7 million aggregate principal amount of the 2024 Notes at par. We made the cash tender offer at par to satisfy obligations under the indentures governing the 2024 Notes and the 2017 Senior Notes relating to the use of certain cash proceeds from our disposition of the Management Services business, which was completed on January 31, 2020.

At any time prior to July 15, 2024, we may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a “make-whole” premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2024 Notes as of September 30, 2020.

2017 Senior Notes

On February 21, 2017, we completed a private placement offering of $1,000,000,000 aggregate principal amount of our unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under our Credit Agreement. On June 30, 2017, we completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of September 30, 2020, the estimated fair value of the 2017 Senior Notes was approximately $1,069.6 million. The fair value of the 2017 Senior Notes as of September 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes is payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, we may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a “make whole” premium as of the redemption date, and accrued and unpaid interest to the redemption date.

At any time on or after December 15, 2026, we may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2017 Senior Notes as of September 30, 2020.

URS Senior Notes

In connection with the URS acquisition, we assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, we redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement.

The remaining $248.5 million principal amount of the 2022 URS Senior Notes were fully redeemed on August 31, 2020 using proceeds from a $248.5 million secured delayed draw term loan facility under the Credit Agreement, at a redemption price that was 106.835% of the principal amount outstanding plus accrued and unpaid interest. The August 31, 2020 redemption resulted in a $17.0 million prepayment premium, which was included in interest expense.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. Our unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At September 30, 2020 and September 30, 2019, these outstanding standby letters of credit totaled $510.1 million and $470.9 million, respectively. As of September 30, 2020, we had $435.3 million available under these unsecured credit facilities.

Effective Interest Rate

Our average effective interest rate on our total debt, including the effects of the interest rate swap agreements, during the years ended September 30, 2020, 2019 and 2018 was 5.3%, 5.1% and 5.1%, respectively.

Interest expense in the consolidated statement of operations included amortization of deferred debt issuance costs for the years ended September 30, 2020, 2019 and 2018 of $5.4 million, $5.0 million and $12.5 million, respectively.

Other Commitments

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings is recorded in equity in earnings of joint ventures. See Note 6, Joint Ventures and Variable Interest Entities, in the notes to our consolidated financial statements.

Other than normal property and equipment additions and replacements, expenditures to further the implementation of our various information technology systems, commitments under our incentive compensation programs, amounts we may expend to repurchase stock under our stock repurchase program and acquisitions from time to time and disposition costs, we currently do not have any significant capital expenditures or outlays planned except as described below. However, if we acquire additional businesses in the future or if we embark on other capital-intensive initiatives, additional working capital may be required.

Under our secured revolving credit facility and other facilities discussed in Other Debt and Other Items above, as of September 30, 2020, there was approximately $529.1 million outstanding under standby letters of credit primarily issued in connection with general and professional liability insurance programs and for contract performance guarantees. For those projects for which we have issued a performance guarantee, if the project subsequently fails to meet guaranteed performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

We recognized on our balance sheet the funded status of our pension benefit plans, measured as the difference between the fair value of plan assets and the projected benefit obligation. At September 30, 2020, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $406.0 million. The total amounts of employer contributions paid for the year ended September 30, 2020 were $7.0 million for U.S. plans and $27.7 million for non-U.S. plans. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In some countries, the funding requirements are mandatory while in other countries, they are discretionary. There is a required minimum contribution for one of our domestic plans; however, we may make additional discretionary contributions. In the future, such pension funding may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors. In addition, we have collective bargaining agreements with unions that require us to contribute to various third party multiemployer pension plans that we do not control or manage. In addition, we have collective bargaining agreements with unions that require us to contribute various third party multiemployer plans that we do not control or manage. For the year ended September 30, 2020, we contributed $4.0 million to multiemployer pension plans.

Condensed Combined Financial Information

In connection with the registration of the Company's 2014 Senior Notes that were declared effective by the SEC on September 29, 2015, AECOM became subject to the requirements of Rule 3-10 of Regulation S-X, as amended, regarding financial statements of guarantors and issuers of guaranteed securities. Both the 2014 Senior Notes and the 2017 Senior Notes are fully and unconditionally guaranteed on a joint and several basis by some of AECOM's directly and indirectly 100% owned subsidiaries (the Subsidiary Guarantors). Other than customary restrictions imposed by applicable statutes, there are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to AECOM in the form of cash dividends, loans or advances.

The following tables present condensed combined summarized financial information for AECOM and the Subsidiary Guarantors. All intercompany balances and transactions are eliminated in the presentation of the combined financial statements. Amounts provided do not represent our total consolidated amounts as of September 30, 2020 and for the twelve months then ended.

Condensed Combined Balance Sheets
Parent and Subsidiary Guarantors
(unaudited - in millions)

	September 30, 2020
Current assets	$ 3,801.9
Non-current assets	3,620.1
Total assets	$ 7,422.0
Current liabilities	$ 3,175.1
Non-current liabilities	2,806.8
Total liabilities	5,981.9
Total stockholders' equity	1,440.1
Total liabilities and stockholders' equity	$ 7,422.0

Condensed Combined Statement of Operations
Parent and Subsidiary Guarantors
(unaudited - in millions)

	For the twelve months ended September 30, 2020
Revenue	$ 7,437.8
Cost of revenue	7,128.2
Gross profit	309.6
Net loss from continuing operations	(94.2)
Net income from discontinued operations	130.2
Net income	$ 36.0
Net income attributable to AECOM	$ 36.0

Commitments and Contingencies

We record amounts representing our probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. We rely in part on qualified actuaries to assist us in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against us, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations. Our reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. We do not record gain contingencies until they are realized. In the ordinary course of business, we may not be aware that we or our affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, we may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of our affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in some circumstances such as for warranties. We may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, we may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At September 30, 2020 and 2019, we were contingently liable in the amount of approximately $529.1 million and $493.7 million, respectively, in issued standby letters of credit and $6.2 billion and $4.8 billion, respectively, in issued surety bonds primarily to support project execution.

In the ordinary course of business, we enter into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

Our registered investment adviser jointly manages and sponsors the AECOM-Canyon Equity Fund, L.P. (the “Fund”), in which we indirectly hold an equity interest and have an ongoing capital commitment to fund investments. At September 30, 2020, we have capital commitments of $22.1 million to the Fund over the next 8 years.

In addition, in connection with the investment activities of AECOM Capital, we provide guarantees of certain contractual obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

Department of Energy Deactivation, Demolition, and Removal Project

AECOM Energy and Construction, Inc., an Ohio corporation, a former affiliate of the Company (“Former Affiliate”) executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues. In February 2011, the Former Affiliate and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, required the DOE to pay all project costs up to $106 million, required the Former Affiliate and the DOE to equally share in all project costs incurred from $106 million to $146 million, and required the Former Affiliate to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, the Former Affiliate was required to perform work outside the scope of the Task Order Modification. In December 2014, the Former Affiliate submitted an initial set of claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope (the “2014 Claims”). On December 6, 2019, the Former Affiliate submitted a second set of claims against the DOE seeking recovery of an additional $60.4 million, including additional project costs and delays outside the scope of the contract as a result of differing site and ground conditions (the “2019 Claims”). The Former Affiliate also submitted three alternative breach of contract claims to the 2014 and 2019 Claims that may entitle the Former Affiliate to recovery of $148.5 million to $329.4 million. On December 30, 2019, the DOE denied the Former Affiliate’s 2014 Claims. On September 25, 2020, the DOE denied the Former Affiliate’s 2019 Claims. The Company intends to appeal these decisions by December 30, 2020. Deconstruction, decommissioning and site restoration activities are complete.

On January 31, 2020, the Company completed the sale of its Management Services business to the Purchaser including the Former Affiliate who worked on the DOE project. The Company and the Purchaser agreed that all future DOE project claim recoveries and costs will be split 10% to the Purchaser and 90% to the Company with the Company retaining control of all future strategic legal decisions.

The Company intends to vigorously pursue all claimed amounts but can provide no certainty that the Company will recover 2014 and 2019 Claims submitted against the DOE, or any additional incurred claims or costs, which could have a material adverse effect on the Company's results of operations.

New York Department of Environmental Conservation

In September 2017, AECOM USA, Inc. was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.'s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL's maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc. cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stages.

Refinery Turnaround Project

A Former Affiliate of the Company entered into an agreement to perform turnaround maintenance services during a planned shutdown at a refinery in Montana in December 2017. The turnaround project was completed in February 2019. Due to circumstances outside of the Company's Former Affiliate's control, including client directed changes and delays and the refinery's condition, the Company's Former Affiliate performed additional work outside of the original contract over $90 million and is entitled to payment from the refinery owner of approximately $144 million. In March 2019, the refinery owner sent a letter to the Company's Former Affiliate alleging it incurred approximately $79 million in damages due to the Company's Former Affiliate's project performance. In April 2019, the Company's Former Affiliate filed and perfected a $132 million construction lien against the refinery for unpaid labor and materials costs. In August 2019, following a subcontractor complaint filed in the Thirteen Judicial District Court of Montana asserting claims against the refinery owner and the Company's Former Affiliate, the refinery owner crossclaimed against the Company's Former Affiliate and the subcontractor. In October 2019, following the subcontractor's dismissal of its claims, the Company's Former Affiliate removed the matter to federal court and cross claimed against the refinery owner. In December 2019, the refinery owner claimed $93.0 million in damages and offsets against the Company's Former Affiliate.

On January 31, 2020, the Company completed the sale of its Management Services business to the Purchaser including the Former Affiliate, however, the Refinery Turnaround project, including related claims and liabilities, remained as part of the Company's self-perform at-risk construction business which is classified within discontinued operations.

The Company intends to vigorously prosecute and defend this matter; however, the Company cannot provide assurance that the Company will be successful in these efforts. The resolution of this matter and any potential range of loss cannot be reasonably determined or estimated at this time, primarily because the matter raises complex legal issues that Company is continuing to assess.

Contractual Obligations and Commitments

The following summarizes our contractual obligations and commercial commitments as of September 30, 2020:

Contractual Obligations and Commitments	Total	Less than One Year	One to Three Years (in millions)	Three to Five Years	More than Five Years
Debt	$ 2,085.0	$ 20.9	$ 262.7	$ 804.1	$ 997.3
Interest on debt	581.5	121.9	230.4	153.7	75.5
Operating leases	1,121.1	212.4	311.1	225.8	371.8
Pension funding obligations(1)	40.6	40.6	—	—	—
Total contractual obligations and commitments	$ 3,828.2	$ 395.8	$ 804.2	$ 1,183.6	$ 1,444.6

(1) Represents expected fiscal 2021 contributions to fund our defined benefit pension and other postretirement plans. Contributions beyond one year have not been included as amounts are not determinable.

New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. We adopted the new standard on October 1, 2018, using the modified retrospective method, which resulted in an adjustment to retained earnings of $7.0 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 4.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. We adopted the new guidance beginning October 1, 2019 using the modified retrospective adoption method, which resulted in a downward adjustment to retained earnings of $87.8 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 11.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the fiscal year starting October 1, 2020. We do not expect that the adoption of this standard will have a material impact on our consolidated financial statements.

In February 2018, the FASB issued new accounting guidance which provides entities the option to reclassify certain tax effects from other comprehensive income to retained earnings. The guidance addresses a narrow-scope financial reporting issue related to the tax effects that may become stranded in accumulated other comprehensive income as a result of the enactment of the Tax Cuts and Jobs Act (Tax Act). Under the guidance, an entity may elect to reclassify the income tax effects of the Tax Act on items within accumulated other comprehensive income to retained earnings. We have determined that we will not make this election.

In August 2018, the FASB issued new accounting guidance aligning the capitalization of certain implementation costs incurred in a hosting arrangement that is a service contract with previously existing guidance for capitalizing costs incurred to develop internal-use software. The new guidance will be effective for the fiscal year starting October 1, 2020. We do not expect that the adoption of this guidance will have a material impact on our consolidated financial statements.

In August 2018, the FASB issued new accounting guidance amending the disclosure requirements for fair value measurements. These improvements will require more disclosure for amounts measured at fair value, and specifically unobservable inputs used in fair value measurements. We expect to adopt the new guidance starting on October 1, 2020. We are currently evaluating the impact that the new guidance will have on our financial reporting process.

In March 2020, the Securities and Exchange Commission (SEC) adopted final rules that amend the financial disclosure requirement for guarantors of registered debt securities in Rule 3-10 of Regulation S-X. The new rules amend and streamline the disclosures required by guarantors and issuers of guaranteed securities. Among other things, the new disclosures may be located outside the financial statements. The new rule is effective January 4, 2021, and early adoption is permitted. We adopted the new rule on March 31, 2020. Accordingly, the revised condensed consolidating financial information is presented in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Off-Balance Sheet Arrangements

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest entities. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings are recorded in equity in earnings of joint ventures. See Note 6 in the notes to our consolidated financial statements. We do not believe that we have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Market Risks

We are exposed to market risk, primarily related to foreign currency exchange rates and interest rate exposure of our debt obligations that bear interest based on floating rates. We actively monitor these exposures. Our objective is to reduce, where we deem appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign exchange rates and interest rates. In order to accomplish this objective, we sometimes enter into derivative financial instruments, such as forward contracts and interest rate hedge contracts. It is our policy and practice to use derivative financial instruments only to the extent necessary to manage our exposures. We do not use derivative financial instruments for trading purposes.

Foreign Exchange Rates

We are exposed to foreign currency exchange rate risk resulting from our operations outside of the U.S. We use foreign currency forward contracts from time to time to mitigate foreign currency risk. We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. The functional currency of our significant foreign operations is the respective local currency.

Interest Rates

Our Credit Agreement and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of September 30, 2020 and 2019, we had $248.5 million and $1,182.2 million, respectively, in outstanding borrowings under our term credit agreements and our revolving credit facility. Interest on amounts borrowed under these agreements is subject to adjustment based on specified levels of financial performance. The applicable margin that is added to the borrowing’s base rate can range from 0.25% to 2.00%. For the year ended September 30, 2020, our weighted average floating rate borrowings were $292.4 million, or $192.4 million excluding borrowings with effective fixed interest rates due to interest rate swap agreements. If short term floating interest rates had increased by 1.00%, our interest expense for the year ended September 30, 2020 would have increased by $2.9 million. We invest our cash in a variety of financial instruments, consisting principally of money market securities or other highly liquid, short-term securities that are subject to minimal credit and market risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AECOM
Index to Consolidated Financial Statements
September 30, 2020

Audited Annual Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of AECOM

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AECOM (the "Company") as of September 30, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended September 30, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 30, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 18, 2020 expressed an unqualified opinion thereon.

Adoption of New Accounting Standard

As discussed in Notes 2 and 11 to the consolidated financial statements, the Company changed its method of accounting for leases in 2020 due to the adoption of ASU No. 2016-02, *Leases*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Contract cost and claim recovery estimates

Description of the Matter	For the year ended September 30, 2020, contract revenues recognized by the Company were $13.2 billion. Contract revenues include $3.6 billion which relate to fixed price contracts. As described in Note 4 of the consolidated financial statements, the Company generally recognizes revenues for these contracts over time as performance obligations are satisfied. The Company generally measures its progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In addition, the Company's estimate of transaction price includes variable consideration associated with claims only to the extent that a significant reversal would not be probable. Recognition of revenue and profit over time as performance obligations are satisfied for long-term fixed price contracts is highly judgmental as it requires the Company to prepare estimates of total contract revenue and total contract costs, including costs to complete in-process contracts. These estimates are dependent upon a number of factors, including the accuracy of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. As of September 30, 2020, significant claims included in contract assets and other non-current assets on the consolidated balance sheet were approximately $170 million. Revenue recognition relating to claims is highly judgmental as the amount has been disputed by the customer and it requires the Company to prepare estimates of amounts expected to be recovered. Changes in recovery estimates can have a material effect on the amount of revenue recognized. Auditing contract revenue recognition is complex and highly judgmental due to the variability and uncertainty associated with estimating the costs to complete and amounts expected to be recovered from claims. Changes in these estimates would have a significant effect on the amount of contract revenue recognized.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risk of material misstatement of contract revenue including those associated with cost to complete estimates for long-term fixed price contracts and estimates of amounts expected to be recovered from claims. For example, we tested controls over the Company's review of estimated direct and indirect costs to be incurred and estimates of claim recovery amounts. To evaluate the Company's determination of estimated costs to complete, we selected a sample of contracts and, among other things, inspected the executed contracts including any significant amendments; conducted interviews with and inspected questionnaires prepared by project personnel; tested key components of the cost to complete estimates, including materials, labor, and subcontractors costs; reviewed support for estimates of project contingencies; compared actual project margins to historical and expected results; and recalculated revenues recognized. To test revenue recognized relating to claims, we selected a sample of projects and evaluated the estimates made by management by reviewing documentation from management's specialists and external counsel to support the amount of the claim. We also tested management's estimation process by performing a lookback analysis to evaluate claims settled in the current year compared to management's prior year estimates.

	Valuation of goodwill
Description of the Matter	As of September 30, 2020, the Company's goodwill was $3.5 billion. As discussed in Note 1 of the consolidated financial statements, in the fourth quarter of each fiscal year the Company performs an annual goodwill impairment test for each reporting unit and between annual tests if events occur or circumstances change which suggest that goodwill should be evaluated. Auditing management's goodwill impairment tests is complex and highly judgmental due to the significant estimates required to determine the fair value of the reporting units. These fair value estimates are affected by significant assumptions including revenue growth rate, profitability, weighted average cost of capital, and terminal values, which reflect management's expectations about future market or economic conditions.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's goodwill impairment review process including management's review of the significant assumptions used to determine the fair value of the reporting units. To test the estimated fair value of its reporting units, with the support of a valuation specialist, we performed audit procedures that included, among others, assessing fair value methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to current industry and economic trends, historical operating results, contract backlog, changes to the Company's business operations and other relevant factors. We performed a lookback analysis to evaluate the accuracy of management's prior year revenue and profitability estimates. We performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting units that would result from changes in the assumptions. We also tested the reconciliation of the fair value of the reporting units to the market capitalization of the Company.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1990.

Los Angeles, CA
November 18, 2020

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of AECOM

Opinion on Internal Control over Financial Reporting

We have audited AECOM's (the "Company") internal control over financial reporting as of September 30, 2020, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, AECOM maintained, in all material respects, effective internal control over financial reporting as of September 30, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the 2020 consolidated financial statements of the Company and our report dated November 18, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California
November 18, 2020

AECOM

Consolidated Balance Sheets
(in thousands, except share data)

	September 30, 2020	September 30, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,599,688	$ 777,476
Cash in consolidated joint ventures	108,644	108,163
Total cash and cash equivalents	1,708,332	885,639
Accounts receivable—net	2,865,888	2,869,216
Contract assets	1,536,389	1,581,806
Prepaid expenses and other current assets	667,393	515,593
Current assets held for sale	716,727	1,633,302
Income taxes receivable	35,637	49,089
TOTAL CURRENT ASSETS	7,530,366	7,534,645
PROPERTY AND EQUIPMENT—NET	381,672	405,605
DEFERRED TAX ASSETS—NET	357,318	288,949
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	229,312	256,131
GOODWILL	3,484,221	3,476,813
INTANGIBLE ASSETS—NET	76,917	99,636
OTHER NON-CURRENT ASSETS	160,036	172,134
OPERATING LEASE RIGHT-OF-USE ASSETS	652,115	—
NON-CURRENT ASSETS HELD FOR SALE	126,994	2,316,995
TOTAL ASSETS	$ 12,998,951	$ 14,550,908
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 223	$ 47,835
Accounts payable	2,352,144	2,410,838
Accrued expenses and other current liabilities	2,211,734	1,878,319
Income taxes payable	47,103	59,541
Contract liabilities	988,881	851,040
Current liabilities held for sale	469,718	1,163,654
Current portion of long-term debt	20,651	50,527
TOTAL CURRENT LIABILITIES	6,090,454	6,461,754
OTHER LONG-TERM LIABILITIES	162,784	266,304
OPERATING LEASE LIABILITIES	745,287	—
LONG-TERM LIABILITIES HELD FOR SALE	98,793	313,962
DEFERRED TAX LIABILITY-NET	3,491	4,511
PENSION BENEFIT OBLIGATIONS	443,462	387,042
LONG-TERM DEBT	2,041,136	3,217,985
TOTAL LIABILITIES	9,585,407	10,651,558
COMMITMENTS AND CONTINGENCIES (Note 18)		
AECOM STOCKHOLDERS' EQUITY:		
Common stock—authorized, 300,000,000 shares of $0.01 par value as of September 30, 2020 and 2019; issued and outstanding 157,044,687 and 157,482,983 shares as of September 30, 2020 and 2019, respectively	1,570	1,575
Additional paid-in capital	4,035,414	3,953,650
Accumulated other comprehensive loss	(918,674)	(864,197)
Retained earnings	174,248	599,548
TOTAL AECOM STOCKHOLDERS' EQUITY	3,292,558	3,690,576
Noncontrolling interests	120,986	208,774
TOTAL STOCKHOLDERS' EQUITY	3,413,544	3,899,350
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 12,998,951	$ 14,550,908

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Operations
(in thousands, except per share data)

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
Revenue	$ 13,239,976	$ 13,642,455	$ 13,878,316
Cost of revenue	12,530,416	13,030,800	13,399,283
Gross profit	709,560	611,655	479,033
Equity in earnings of joint ventures	48,781	49,320	49,357
General and administrative expenses	(188,535)	(148,123)	(135,787)
Restructuring costs	(188,345)	(95,446)	—
Gain on disposal activities	—	3,590	—
Impairment of long-lived assets	—	(24,900)	—
Income from operations	381,461	396,096	392,603
Other income	11,056	14,556	20,628
Interest expense	(159,914)	(161,482)	(201,023)
Income from continuing operations before taxes	232,603	249,170	212,208
Income tax expense (benefit) for continuing operations	45,753	13,498	(3,494)
Net income from continuing operations	186,850	235,672	215,702
Net loss from discontinued operations	(340,591)	(419,662)	(18,575)
Net (loss) income	(153,741)	(183,990)	197,127
Net income attributable to noncontrolling interests from continuing operations	(16,398)	(24,710)	(20,197)
Net income attributable to noncontrolling interests from discontinued operations	(16,231)	(52,350)	(40,462)
Net income attributable to noncontrolling interests	(32,629)	(77,060)	(60,659)
Net income attributable to AECOM from continuing operations	170,452	210,962	195,505
Net loss attributable to AECOM from discontinued operations	(356,822)	(472,012)	(59,037)
Net (loss) income attributable to AECOM	$ (186,370)	$ (261,050)	$ 136,468
Net (loss) income attributable to AECOM per share:			
Basic continuing operations per share	$ 1.07	$ 1.34	$ 1.23
Basic discontinued operations per share	$ (2.24)	$ (3.00)	$ (0.37)
Basic earnings per share	$ (1.17)	$ (1.66)	$ 0.86
Diluted continuing operations per share	$ 1.06	$ 1.32	$ 1.20
Diluted discontinued operations per share	$ (2.22)	$ (2.95)	$ (0.36)
Diluted earnings per share	$ (1.16)	$ (1.63)	$ 0.84
Weighted average shares outstanding:			
Basic	159,005	157,044	159,101
Diluted	161,292	159,684	162,261

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
Net (loss) income	$ (153,741)	$ (183,990)	$ 197,127
Other comprehensive (loss) income, net of tax:			
Net unrealized gain (loss) on derivatives, net of tax	4,094	(13,972)	1,693
Foreign currency translation adjustments	(18,206)	(46,628)	(82,717)
Pension adjustments, net of tax	(40,051)	(100,367)	79,523
Other comprehensive (loss) income, net of tax	(54,163)	(160,967)	(1,501)
Comprehensive (loss) income, net of tax	(207,904)	(344,957)	195,626
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	(32,943)	(76,960)	(61,827)
Comprehensive (loss) income attributable to AECOM, net of tax	$ (240,847)	$ (421,917)	$ 133,799

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholder's Equity
BALANCE AT SEPTEMBER 30, 2017	$ 1,575	$ 3,733,572	$ (700,661)	$ 961,640	$ 3,996,126	$ 218,560	$ 4,214,686
Net income	—	—	—	136,468	136,468	60,659	197,127
Other comprehensive loss	—	—	(2,669)	—	(2,669)	1,168	(1,501)
Issuance of stock	42	68,069	—	—	68,111	—	68,111
Repurchases of stock under stock repurchase program	(40)	—	—	(149,960)	(150,000)	—	(150,000)
Repurchases of stock	(8)	(31,093)	—	—	(31,101)	—	(31,101)
Proceeds from exercise of options	1	2,749	—	—	2,750	—	2,750
Stock based compensation	—	73,095	—	—	73,095	—	73,095
Other transactions with noncontrolling interests	—	—	—	—	—	(5,012)	(5,012)
Contributions from noncontrolling interests	—	—	—	—	—	7,729	7,729
Distributions to noncontrolling interests	—	—	—	—	—	(97,510)	(97,510)
BALANCE AT SEPTEMBER 30, 2018	1,570	3,846,392	(703,330)	948,148	4,092,780	185,594	4,278,374
Net loss	—	—	—	(261,050)	(261,050)	77,060	(183,990)
Cumulative effect of accounting standard adoption	—	—	—	(12,452)	(12,452)	—	(12,452)
Other comprehensive loss	—	—	(160,867)	—	(160,867)	(100)	(160,967)
Issuance of stock	44	66,517	—	—	66,561	—	66,561
Repurchases of stock	(39)	(23,071)	—	(75,098)	(98,208)	—	(98,208)
Stock based compensation	—	63,812	—	—	63,812	—	63,812
Other transactions with noncontrolling interests	—	—	—	—	—	16,208	16,208
Contributions from noncontrolling interests	—	—	—	—	—	5,069	5,069
Distributions to noncontrolling interests	—	—	—	—	—	(75,057)	(75,057)
BALANCE AT SEPTEMBER 30, 2019	1,575	3,953,650	(864,197)	599,548	3,690,576	208,774	3,899,350
Net loss	—	—	—	(186,370)	(186,370)	32,629	(153,741)
Cumulative effect of accounting standard adoption	—	—	—	(87,787)	(87,787)	—	(87,787)
Other comprehensive loss	—	—	(54,477)	—	(54,477)	314	(54,163)
Issuance of stock	43	63,297	—	—	63,340	—	63,340
Repurchases of stock	(48)	(35,762)	—	(151,143)	(186,953)	—	(186,953)
Stock based compensation	—	54,229	—	—	54,229	—	54,229
Disposal of noncontrolling interest of business sold	—	—	—	—	—	(60,089)	(60,089)
Contributions from noncontrolling interests	—	—	—	—	—	9,917	9,917
Distributions to noncontrolling interests	—	—	—	—	—	(70,559)	(70,559)
BALANCE AT SEPTEMBER 30, 2020	$ 1,570	$ 4,035,414	$ (918,674)	$ 174,248	$ 3,292,558	$ 120,986	$ 3,413,544

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (153,741)	$ (183,990)	$ 197,127
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	237,376	261,185	267,570
Equity in earnings of unconsolidated joint ventures	(23,279)	(80,990)	(81,133)
Distribution of earnings from unconsolidated joint ventures	90,158	65,954	118,712
Non-cash stock compensation	54,229	63,812	73,095
Prepayment premium on redemption of unsecured senior notes	16,986	—	34,504
Impairment of long-lived assets, including goodwill	336,472	615,400	168,178
Loss on disposal activities	—	10,381	2,949
Gain on sale of discontinued operations	(161,900)	—	—
Foreign currency translation	(31,919)	(19,099)	(48,270)
Write-off of debt issuance costs	—	—	7,048
Deferred income tax expense (benefit)	11,130	(98,015)	36,746
Other	32,028	5,899	(472)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable and contract assets	(136,955)	(316,487)	(381,787)
Prepaid expenses and other assets	(31,815)	(16,576)	(75,980)
Accounts payable	(192,980)	251,410	474,950
Accrued expenses and other current liabilities	118,441	259,572	18,474
Contract liabilities	128,312	7,559	2,729
Other long-term liabilities	37,079	(48,399)	(39,887)
Net cash provided by operating activities	329,622	777,616	774,553
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of discontinued operations, net of cash disposed	2,218,866	—	—
Proceeds from purchase price adjustment on business acquisition	—	—	2,203
Cash acquired from consolidation of joint venture	—	—	7,630
Proceeds from disposal of businesses, net of cash disposed	—	46,490	19,537
Investment in unconsolidated joint ventures	(111,077)	(141,769)	(91,030)
Return of investment in unconsolidated joint ventures	28,047	22,750	105,769
Proceeds from sale of investments	12,392	12,365	7,174
Payments for purchase of investments	—	(3,223)	(23,492)
Proceeds from disposal of property and equipment	3,800	17,291	26,401
Payments for capital expenditures	(114,591)	(100,664)	(113,279)
Net cash provided by (used in) investing activities	2,037,437	(146,760)	(59,087)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings under credit agreements	4,452,078	7,700,774	8,529,014
Repayments of borrowings under credit agreements	(5,568,320)	(7,984,624)	(8,040,262)
Redemption of unsecured senior notes	(248,522)	—	(800,000)
Prepayment premium on redemption of unsecured senior notes	(16,986)	—	(34,504)
Cash paid for debt issuance costs	(4,228)	—	(12,181)
Proceeds from issuance of common stock	26,388	30,448	35,233
Proceeds from exercise of stock options	—	—	2,750
Payments to repurchase common stock	(186,953)	(98,208)	(179,466)
Net distributions to noncontrolling interests	(60,642)	(69,988)	(89,781)
Other financing activities	(20,785)	(11,681)	(35,671)
Net cash used in financing activities	(1,627,970)	(433,279)	(624,868)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,194)	(3,956)	(6,227)
NET INCREASE IN CASH AND CASH EQUIVALENTS	737,895	193,621	84,371
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,080,354	886,733	802,362
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,818,249	1,080,354	886,733
LESS: CASH AND CASH EQUIVALENTS INCLUDED IN CURRENT ASSETS HELD FOR SALE	(109,917)	(194,715)	(155,240)
CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF YEAR	$ 1,708,332	$ 885,639	$ 731,493
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ (201,402)	$ (222,263)	$ (271,842)
Net income taxes (paid) refund received	$ (71,031)	$ 2,500	$ (40,589)

See accompanying Notes to Consolidated Financial Statements.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Organization—AECOM and its consolidated subsidiaries provide planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government. The Company also provides construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas.

Fiscal Year—The Company reports results of operations based on 52 or 53-week periods ending on the Friday nearest September 30. For clarity of presentation, all periods are presented as if the year ended on September 30. Fiscal years 2020, 2019 and 2018 each contained 53, 52 and 52 weeks, respectively, and ended on October 2, September 27, and September 28, respectively.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States (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 revenues and expenses during the reporting period. The more significant estimates affecting amounts reported in the consolidated financial statements relate to revenues under long-term contracts and self-insurance accruals. Actual results could differ from those estimates.

Principles of Consolidation and Presentation—The consolidated financial statements include the accounts of all majority-owned subsidiaries and joint ventures in which the Company is the primary beneficiary. All inter-company accounts have been eliminated in consolidation. Also see Note 6 regarding joint ventures and variable interest entities.

Government Contract Matters—The Company's federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subjects the Company to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of the Company's federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of the Company's overhead rates, operating systems and cost proposals to ensure that the Company accounted for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines the Company has not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Cash and Cash Equivalents—The Company's cash equivalents include highly liquid investments which have an initial maturity of three months or less.

Allowance for Doubtful Accounts—The Company records its accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of its clients. The factors the Company considers in its contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;
- Historical collection and delinquency trends;

- Client credit worthiness; and
- General economic conditions.

Derivative Financial Instruments—The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income in stockholders' equity and reclassified into income in the same period or periods during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument, if any, is recognized in current income. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

The net gain or loss on the effective portion of a derivative instrument that is designated as an economic hedge of the foreign currency translation exposure generated by the re-measurement of certain assets and liabilities denominated in a non-functional currency in a foreign operation is reported in the same manner as a foreign currency translation adjustment. Accordingly, any gains or losses related to these derivative instruments are recognized in current income.

Derivatives that do not qualify as hedges are adjusted to fair value through current income.

Fair Value of Financial Instruments—The Company determines the fair values of its financial instruments, including short-term investments, debt instruments and derivative instruments, and pension and post-retirement plan assets based on inputs or assumptions that market participants would use in pricing an asset or a liability. The Company categorizes its instruments using a valuation hierarchy for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturities of these instruments. The carrying amount of the revolving credit facility approximates fair value because the interest rates are based upon variable reference rates.

The Company's fair value measurement methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Company believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine fair value could result in a different fair value measurement at the reporting date.

Property and Equipment—Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Typically, estimated useful lives range from ten to forty-five years for buildings, three to ten years for furniture and fixtures and three to twelve years for computer systems and equipment. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining terms of the underlying lease agreement.

Long-Lived Assets—Long-lived assets to be held and used are reviewed for impairment whenever events or circumstances indicate that the assets may not be recoverable. The carrying amount of an asset to be held and used is not recoverable if it exceeds the sum of the undiscounted cash flows expected from the use and eventual disposition of the asset. For assets to be held and used, impairment losses are recognized based upon the excess of the asset's carrying amount over the fair value of the asset. For long-lived assets to be disposed, impairment losses are recognized at the lower of the carrying amount or fair value less cost to sell.

Goodwill and Acquired Intangible Assets—Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, the Company performs an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In its assessment, the Company determines whether identifiable intangible assets exist, which typically include backlog and customer relationships. Intangible assets are amortized over the period in which the contractual or economic benefits of the intangible assets are expected to be realized.

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. The Company's impairment tests are performed at the operating segment level as they represent the Company's reporting units.

During the impairment test, the Company estimates the fair value of the reporting unit using income and market approaches, and compares that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit. See also Note 3.

Pension Plans—The Company has certain defined benefit pension plans. The Company calculates the market-related value of assets, which is used to determine the return-on-assets component of annual pension expense and the cumulative net unrecognized gain or loss subject to amortization. This calculation reflects the Company's anticipated long-term rate of return and amortization of the difference between the actual return (including capital, dividends, and interest) and the expected return over a five-year period. Cumulative net unrecognized gains or losses that exceed 10% of the greater of the projected benefit obligation or the fair market related value of plan assets are subject to amortization.

Insurance Reserves—The Company maintains insurance for certain insurable business risks. Insurance coverage contains various retention and deductible amounts for which the Company accrues a liability based upon reported claims and an actuarially determined estimated liability for certain claims incurred but not reported. It is generally the Company's policy not to accrue for any potential legal expense to be incurred in defending the Company's position. The Company believes that its accruals for estimated liabilities associated with professional and other liabilities are sufficient and any excess liability beyond the accrual is not expected to have a material adverse effect on the Company's results of operations or financial position.

Foreign Currency Translation—The Company's functional currency is generally the U.S. dollar, except for foreign operations where the functional currency is generally the local currency. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders' equity.

The Company uses foreign currency forward contracts from time to time to mitigate foreign currency risk. The Company limits exposure to foreign currency fluctuations in most of its contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, the Company generally does not need to hedge foreign currency cash flows for contract work performed.

Noncontrolling Interests—Noncontrolling interests represent the equity investments of the minority owners in the Company's joint ventures and other subsidiary entities that the Company consolidates in its financial statements.

Income Taxes—The Company files a consolidated U.S. federal corporate income tax return and combined / consolidated state tax returns and separate company state tax returns. The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. In determining the need for a valuation allowance, management reviews both positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Based upon management's assessment of all available evidence, the Company has concluded that it is more likely than not that the deferred tax assets, net of valuation allowance, will be realized.

2. New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company adopted the new standard on October 1, 2018, using the modified retrospective method, which resulted in an adjustment to retained earnings of $7.0 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 4.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The Company adopted the new guidance beginning October 1, 2019 using the modified retrospective adoption method, which resulted in a downward adjustment to retained earnings of $87.8 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 11.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current ”incurred loss” approach with an ”expected loss” model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the Company's fiscal year starting October 1, 2020. The Company does not expect that the adoption of this standard will have a material impact on its consolidated financial statements.

In February 2018, the FASB issued new accounting guidance which provides entities the option to reclassify certain tax effects from other comprehensive income to retained earnings. The guidance addresses a narrow-scope financial reporting issue related to the tax effects that may become stranded in accumulated other comprehensive income as a result of the enactment of the Tax Cuts and Jobs Act (Tax Act). Under the guidance, an entity may elect to reclassify the income tax effects of the Tax Act on items within accumulated other comprehensive income to retained earnings. The Company has determined that it will not make this election.

In August 2018, the FASB issued new accounting guidance aligning the capitalization of certain implementation costs incurred in a hosting arrangement that is a service contract with previously existing guidance for capitalizing costs incurred to develop internal-use software. The new guidance will be effective for the Company's fiscal year starting October 1, 2020. The Company does not expect that the adoption of this guidance will have a material impact on its consolidated financial statements.

In August 2018, the FASB issued new accounting guidance amending the disclosure requirements for fair value measurements. These improvements will require more disclosure for amounts measured at fair value, and specifically unobservable inputs used in fair value measurements. The Company expects to adopt the new guidance starting on October 1, 2020. The Company is currently evaluating the impact that the new guidance will have on its financial reporting process.

In March 2020, the Securities and Exchange Commission (SEC) adopted final rules that amend the financial disclosure requirement for guarantors of registered debt securities in Rule 3-10 of Regulation S-X. The new rules amend and streamline the disclosures required by guarantors and issuers of guaranteed securities. Among other things, the new disclosures may be located outside the financial statements. The new rule is effective January 4, 2021, and early adoption is permitted. The Company adopted the new rule on March 31, 2020. Accordingly, the revised condensed consolidating financial information is presented outside of these consolidated financial statements.

3. Discontinued Operations, Goodwill, and Intangible Assets

On October 12, 2019, the Company entered into a purchase and sale agreement with Maverick Purchaser Sub, LLC (“Purchaser”), an affiliate of American Securities LLC and Lindsay Goldberg LLC. Per the terms of that agreement, the Company agreed to transfer the assets and liabilities constituting its Management Services business to the Purchaser. The transaction with the Purchaser closed on January 31, 2020. The Company received total cash consideration of $2.28 billion inclusive of the receipt in the third quarter of fiscal 2020 of $122.0 million received in connection with a favorable working capital purchase price adjustment and contingent consideration of approximately $120 million attributable to certain claims related to prior work and engagements. As a result of the sale, the Company recognized a pre-tax gain of $161.9 million. The gain on sale was included in the net loss from discontinued operations in the Consolidated Statements of Operations.

Additionally, in the first quarter of fiscal 2020, management approved a plan to dispose via sale the Company’s self-perform at-risk construction businesses within the next year. These businesses include the Company’s civil infrastructure, power, and oil and gas construction businesses that were previously reported in the Company’s Construction Services segment. After consideration of the relevant facts, the Company concluded the assets and liabilities of its Management Services business and its self-perform at-risk construction businesses met the criteria for classification as held for sale. The Company concluded the actual and proposed disposal activities represented a strategic shift that will have a major effect on the Company’s operations and financial results and qualified for presentation as discontinued operations in accordance with FASB Accounting Standards Codification (ASC) 205-20. Accordingly, the financial results of the Management Services business and the self-perform at-risk construction businesses are presented in the Consolidated Statements of Operations as discontinued operations for all periods presented. Current and non-current assets and liabilities of these businesses not sold as of the balance sheet date are presented in the Consolidated Balance Sheets as assets and liabilities held for sale for both periods presented. Interest expense allocated to discontinued operations represents interest expenses for the discontinued operations’ finance leases and term loans, which were required to be settled upon the sale of the Management Services business.

During the second quarter of fiscal 2020, the Company identified indicators of impairment for the self-perform at-risk construction business. Specifically, the Company's forecast for its Oil and Gas business decreased significantly from the prior period due primarily to the volatility in global oil prices, which negatively impacted forecasts for future revenues and earnings. As a result, the Company assessed the Oil and Gas business for impairment and determined the fair value of the disposal group was lower than its carrying value. Fair value was estimated using Level 3 inputs, such as forecasted cash flows. Accordingly, the Company recorded impairment losses for that business' goodwill of approximately $83.6 million and intangible assets of approximately $5.7 million. These impairment losses were recorded in net loss from discontinued operations on the Consolidated Statements of Operations.

During the fourth quarter of fiscal 2020, the Company recorded a $247.2 million loss related to the remeasurement of its self-perform at-risk construction businesses to fair value less cost to sell. Fair value was estimated using Level 3 inputs, such as forecasted cash flows, and Level 2 inputs, including bid prices from potential buyers.

The following table represents summarized balance sheet information of assets and liabilities held for sale (in millions):

	September 30, 2020	September 30, 2019
Cash and cash equivalents	$ 109.9	$ 194.7
Receivables and contract assets	544.3	1,326.6
Other	62.5	112.0
Current assets held for sale	$ 716.7	$ 1,633.3
Property and equipment, net	$ 119.8	$ 153.8
Goodwill	—	1,798.5
Other	254.4	364.7
Write-down of assets to fair value less cost to sell	(247.2)	—
Non-current assets held for sale	$ 127.0	$ 2,317.0
Accounts payable and accrued expenses	$ 394.5	$ 1,056.0
Contract liabilities	73.6	88.9
Other	1.6	18.8
Current liabilities held for sale	$ 469.7	$ 1,163.7
Long-term liabilities held for sale	$ 98.8	$ 314.0

The following table represents summarized income statement information of discontinued operations (in millions):

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
Revenue	$ 3,150.8	$ 6,530.9
Cost of revenue	3,179.2	6,329.1
Gross (loss) profit	(28.4)	201.8
Equity in earnings of joint ventures	(25.5)	31.7
Gain (loss) on disposal activities	161.9	(14.0)
Transaction costs	(43.2)	—
Impairment of long-lived assets, including goodwill	(336.5)	(590.5)
Loss from operations	(271.7)	(371.0)
Other income	1.8	2.5
Interest expense	(40.5)	(64.8)
Loss before taxes	(310.4)	(433.3)
Income tax (benefit) expense	30.2	(13.6)
Net loss from discontinued operations	$ (340.6)	$ (419.7)

The significant components included in the Consolidated Statement of Cash Flows for the discontinued operations are as follows (in millions):

	Fiscal Year Ended September 30, 2020	Fiscal Year Ended September 30, 2019
Depreciation and amortization:	$	$
Property and equipment	4.6	26.9
Intangible assets and capitalized debt issuance costs	26.0	66.5
Payments for capital expenditures	(19.6)	(20.1)

The changes in the carrying value of goodwill by reportable segment for the year ended September 30, 2020 were as follows:

	September 30, 2019	Foreign Exchange Impact	September 30, 2020
		(in millions)	
Americas	$ 2,618.6	$ (1.5)	$ 2,617.1
International	858.2	8.9	867.1
Total	$ 3,476.8	$ 7.4	$ 3,484.2

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of September 30, 2020 and September 30, 2019, included in intangible assets—net, in the accompanying consolidated balance sheets, were as follows:

	September 30, 2020			September 30, 2019			
	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Amortization Period
			(in millions)				(years)
Backlog and customer relationships	$ 662.8	$ (585.9)	$ 76.9	$ 661.4	$ (561.8)	$ 99.6	1 - 11

Amortization expense of acquired intangible assets included within cost of revenue was $24.1 million and $25.2 million for the years ended September 30, 2020 and 2019, respectively. The following table presents estimated amortization expense of existing intangible assets for the succeeding years:

Fiscal Year	(in millions)
2021	$ 20.3
2022	19.5
2023	18.6
2024	17.3
2025	0.7
Thereafter	0.5
Total	$ 76.9

4. Revenue Recognition

On October 1, 2018, the Company adopted ASC 606 on a modified retrospective basis, which amended the accounting standards for revenue recognition. As a result, the new guidance was applied retrospectively to contracts which were not completed as of October 1, 2018. Contracts completed prior to October 1, 2018 were accounted for using the guidance in effect at that time. The cumulative effect of applying the new guidance was recorded as a reduction to retained earnings at October 1, 2018 of $7.0 million, net of tax. Consistent with the modified retrospective transition approach, the comparative period was not adjusted to conform with current period presentation. The adjustment was primarily related to segmenting or combining contracts by performance obligations identified under the criteria of the new standard.

The new accounting guidance establishes principles for recognizing revenue upon the transfer of control of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company generally recognizes revenues over time as performance obligations are satisfied. The Company generally measures its progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and, in accordance with GAAP, are included in the Company's revenue and cost of revenue. These subcontractor and other direct costs for the years ended September 30, 2020, 2019 and 2018 were $7.1 billion, $7.4 billion and $7.7 billion, respectively.

Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Additionally, the Company is required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties, and liquidated damages. Variable consideration is included in the estimate of the transaction price only to the extent that a significant reversal would not be probable. Management continuously monitors factors that may affect the quality of its estimates, and material changes in estimates are disclosed accordingly. Costs attributable to claims are treated as costs of contract performance as incurred.

The following summarizes the Company's major contract types:

Cost Reimbursable Contracts

Cost reimbursable contracts include cost-plus fixed fee, cost-plus fixed rate, and time-and-materials price contracts. Under cost-plus contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a negotiated fee or rate. The Company recognizes revenue based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Under time-and-materials price contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for materials and other direct incidental expenditures incurred in connection with its performance under the contract. The Company may apply a practical expedient to recognize revenue in the amount in which it has the right to invoice if its right to consideration is equal to the value of performance completed to date.

Guaranteed Maximum Price Contracts (GMP)

GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. As with cost-plus contracts, clients are provided a disclosure of all the project costs, and a lump sum or percentage fee is separately identified. The Company provides clients with a guaranteed price for the overall project (adjusted for change orders issued by clients) and a schedule including the expected completion date. Cost overruns or costs associated with project delays in completion could generally be the Company's responsibility. For many of the Company's commercial or residential GMP contracts, the final price is generally not established until the Company has subcontracted a substantial percentage of the trade contracts with terms consistent with the master contract, and it has negotiated additional contractual limitations, such as waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages. Revenue is recognized for GMP contracts as project costs are incurred relative to total estimated project costs.

Fixed-Price Contracts

Fixed price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, the Company performs all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognized for fixed-price contracts using the input method measured on a cost-to-cost basis.

The following tables present the Company's revenues disaggregated by revenue sources:

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
		(in millions)	
Cost reimbursable	$ 5,734.5	$ 5,958.2	$ 5,440.3
Guaranteed maximum price	3,896.8	3,962.6	4,673.9
Fixed price	3,608.7	3.721.7	3,764.1
Total revenue	$ 13,240.0	$ 13,642.5	$ 13,878.3

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
		(in millions)	
Americas	$ 10,138.3	$ 10,390.8	$ 10,512.3
Europe, Middle East, Africa	1,620.3	1,752.1	1,816.2
Asia Pacific	1,481.4	1,499.6	1,549.8
Total revenue	$ 13,240.0	$ 13,642.5	$ 13,878.3

As of September 30, 2020, the Company had allocated $18.9 billion of transaction price to unsatisfied or partially satisfied performance obligations, of which approximately 60% is expected to be satisfied within the next twelve months.

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. The Company recognized revenue of $592.7 million and $595.7 million during the years ended September 30, 2020 and 2019, respectively, that was included in contract liabilities as of September 30, 2019 and 2018, respectively.

The Company's timing of revenue recognition may not be consistent with its rights to bill and collect cash from its clients. Those rights are generally dependent upon advance billing terms, milestone billings based on the completion of certain phases of work or when services are performed. The Company's accounts receivable represent amounts billed to clients that have yet to be collected and represent an unconditional right to cash from its clients. Contract assets represent the amount of contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the balance sheet date. Contract liabilities represent billings as of the balance sheet date, as allowed under the terms of a contract, but not yet recognized as contract revenue pursuant to the Company's revenue recognition policy.

Net accounts receivable consisted of the following:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
	(in millions)	
Billed	$ 2,419.6	$ 2,368.2
Contract retentions	524.2	557.5
Total accounts receivable—gross	2,943.8	2,925.7
Allowance for doubtful accounts	(77.9)	(56.5)
Total accounts receivable—net	$ 2,865.9	$ 2,869.2

Substantially all contract assets as of September 30, 2020 and September 30, 2019 are expected to be billed and collected within twelve months, except for claims. Significant claims recorded in contract assets and other non-current assets were approximately $170 million and $110 million as of September 30, 2020 and September 30, 2019, respectively. The asset related to the Deactivation, Demolition, and Removal Project retained from the Purchaser discussed in Note 18 is presented in prepaid expense and other current assets from continuing operations in the Consolidated Balance Sheet. Contract retentions represent amounts invoiced to clients where payments have been withheld from progress payments until the contracted work has been completed and approved by the client. These retention agreements vary from project to project and could be outstanding for several months or years.

Allowances for doubtful accounts have been determined through specific identification of amounts considered to be uncollectible and potential write-offs, plus a non-specific allowance for other amounts for which some potential loss has been determined to be probable as of the balance sheet date based on current and past experience.

No single client accounted for more than 10% of the Company's outstanding receivables at September 30, 2020 and September 30, 2019.

The Company sold trade receivables to financial institutions, of which $166.6 million and $91.9 million were outstanding as of September 30, 2020 and September 30, 2019, respectively. The Company does not retain financial or legal obligations for these receivables that would result in material losses. The Company's ongoing involvement is limited to the remittance of customer payments to the financial institutions with respect to the sold trade receivables.

5. Property and Equipment

Property and equipment, at cost, consists of the following:

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	Useful Lives (years)
	(in millions)		
Building and land	$ 11.5	$ 11.2	10 - 45
Leasehold improvements	343.2	363.5	1 - 20
Computer systems and equipment	557.4	582.3	3 - 12
Furniture and fixtures	134.8	133.0	3 - 10
Total	1,046.9	1,090.0	
Accumulated depreciation and amortization	(665.2)	(684.4)	
Property and equipment, net	$ 381.7	$ 405.6	

Depreciation expense for the fiscal years ended September 30, 2020, 2019 and 2018 were $163.4 million, $137.5 million, and $125.5 million, respectively. Depreciation is calculated using primarily the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements and capitalized leases, the lesser of the remaining term of the lease or its estimated useful life.

6. Joint Ventures and Variable Interest Entities

The Company's joint ventures provide architecture, engineering, program management, construction management, operations and maintenance services and invest in real estate projects. Joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is typically controlled by a joint venture executive committee, comprised of representatives from the joint venture partners. The joint venture executive committee normally provides management oversight and controls decisions which could have a significant impact on the joint venture.

Some of the Company's joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. For consolidated joint ventures of this type, the Company records the entire amount of the services performed and the costs associated with these services, including the services provided by the other joint venture partners, in the Company's result of operations. For certain of these joint ventures where a fee is added by an unconsolidated joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

The Company also has joint ventures that have their own employees and operating expenses, and to which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria further discussed below.

The Company follows guidance on the consolidation of variable interest entities (VIEs) that requires companies to utilize a qualitative approach to determine whether it is the primary beneficiary of a VIE. The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the joint venture's economic performance, including powers granted to the joint venture's program manager, powers contained in the joint venture governing board and, to a certain extent, a company's economic interest in the joint venture. The Company analyzes its joint ventures and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary or the joint venture is not a VIE and the Company holds the majority voting interest with no significant participative rights available to the other partners; or

- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary or the joint venture is not a VIE and the Company does not hold the majority voting interest.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the joint venture's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

Contractually required support provided to the Company's joint ventures is discussed in Note 18.

Summary of financial information of the consolidated joint ventures is as follows:

	September 30, 2020	September 30, 2019
	(in millions)	
Current assets	$ 536.3	$ 581.3
Non-current assets	77.0	75.4
Total assets	$ 613.3	$ 656.7
Current liabilities	$ 409.9	$ 432.8
Non-current liabilities	1.5	—
Total liabilities	411.4	432.8
Total AECOM equity	113.9	137.9
Noncontrolling interests	88.0	86.0
Total owners' equity	201.9	223.9
Total liabilities and owners' equity	$ 613.3	$ 656.7

Total revenue of the consolidated joint ventures was $787.6 million, $1,095.2 million, and $1,322.8 million for the years ended September 30, 2020, 2019 and 2018, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

Summary of financial information of the unconsolidated joint ventures, as derived from their unaudited financial statements, is as follows:

	September 30, 2020	September 30, 2019
	(in millions)	
Current assets	$ 1,087.2	$ 1,133.5
Non-current assets	465.8	904.5
Total assets	$ 1,553.0	$ 2,038.0
Current liabilities	$ 937.1	$ 1,115.5
Non-current liabilities	58.9	182.3
Total liabilities	996.0	1,297.8
Joint ventures' equity	557.0	740.2
Total liabilities and joint ventures' equity	$ 1,553.0	$ 2,038.0
AECOM's investment in joint ventures	$ 229.3	$ 256.1

	Twelve Months Ended	
	September 30, 2020	September 30, 2019
	(in millions)	
Revenue	$ 3,058.9	$ 2,959.3
Cost of revenue	2,993.1	2,876.1
Gross profit	$ 65.8	$ 83.2
Net income	$ 59.8	$ 83.4

Summary of AECOM's equity in earnings of unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
		(in millions)	
Pass through joint ventures	$ 34.1	$ 31.6	$ 34.2
Other joint ventures	14.7	17.7	15.2
Total	$ 48.8	$ 49.3	$ 49.4

7. Pension Benefit Obligations

In the U.S., the Company sponsors various qualified defined benefit pension plans. Benefits under these plans generally are based on the employee's years of creditable service and compensation; however, all U.S. defined benefit plans are closed to new participants and have frozen accruals.

The Company also sponsors various non-qualified plans in the U.S.; all of these plans are frozen. Outside the U.S., the Company sponsors various pension plans, which are appropriate to the country in which the Company operates, some of which are government mandated.

The following tables provide reconciliations of the changes in the U.S. and international plans' benefit obligations, reconciliations of the changes in the fair value of assets for the last three years ended September 30, and reconciliations of the funded status as of September 30 of each year.

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in benefit obligation:						
Benefit obligation at beginning of year	$ 252.9	$ 1,311.3	$ 232.9	$ 1,188.7	$ 251.9	$ 1,333.4
Service cost	—	0.6	—	0.5	—	1.1
Participant contributions	—	0.3	0.1	0.3	0.2	0.4
Interest cost	6.4	22.4	8.6	29.7	7.4	32.0
Benefits and expenses paid	(16.3)	(42.9)	(15.2)	(41.2)	(16.6)	(53.7)
Actuarial (gain) loss	20.7	82.8	27.8	206.5	(10.6)	(87.7)
Plan settlements	(2.1)	(4.1)	(1.3)	(3.7)	—	(3.0)
Plan amendments	—	—	—	5.2	0.6	—
Plan curtailments	—	—	—	—	—	(0.1)
Foreign currency translation (gain) loss	—	69.8	—	(74.7)	—	(33.7)
Benefit obligation at end of year	$ 261.6	$ 1,440.2	$ 252.9	$ 1,311.3	$ 232.9	$ 1,188.7

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in plan assets						
Fair value of plan assets at beginning of year	$ 129.3	$ 1,068.8	$ 131.4	$ 965.9	$ 136.5	$ 993.1
Actual return on plan assets	11.7	59.5	4.5	180.3	4.3	29.3
Employer contributions	7.0	27.7	9.8	28.1	7.0	27.8
Participant contributions	—	0.3	0.1	0.3	0.2	0.4
Benefits and expenses paid	(16.3)	(42.9)	(15.2)	(41.2)	(16.6)	(53.7)
Plan settlements	(2.1)	(4.1)	(1.3)	(3.7)	—	(3.0)
Foreign currency translation gain (loss)	—	56.9	—	(60.9)	—	(28.0)
Fair value of plan assets at end of year	$ 129.6	$ 1,166.2	$ 129.3	$ 1,068.8	$ 131.4	$ 965.9

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Reconciliation of funded status:						
Funded status at end of year	$ (132.0)	$ (274.0)	$ (123.6)	$ (242.5)	$ (101.5)	$ (222.8)
Contribution made after measurement date	N/A	N/A	N/A	N/A	N/A	N/A
Net amount recognized at end of year	$ (132.0)	$ (274.0)	$ (123.6)	$ (242.5)	$ (101.5)	$ (222.8)

The following table sets forth the amounts recognized in the consolidated balance sheets as of September 30, 2020, 2019 and 2018:

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Amounts recognized in the consolidated balance sheets:						
Other non-current assets	$ —	$ 44.0	$ —	$ 28.2	$ —	$ 19.1
Accrued expenses and other current liabilities	(6.5)	—	(7.3)	—	(6.3)	—
Pension benefit obligations	(125.5)	(318.0)	(116.3)	(270.7)	(95.2)	(241.9)
Net amount recognized in the balance sheet	$ (132.0)	$ (274.0)	$ (123.6)	$ (242.5)	$ (101.5)	$ (222.8)

The following table details the reconciliation of amounts in the consolidated statements of stockholders' equity for the fiscal years ended September 30, 2020, 2019 and 2018:

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Reconciliation of amounts in consolidated statements of stockholders' equity:						
Prior service (cost) credit	$ (0.1)	$ (1.2)	$ (0.7)	$ (1.2)	$ (0.8)	$ 4.1
Net loss	(133.5)	(297.8)	(123.1)	(233.0)	(94.8)	(186.4)
Total recognized in accumulated other comprehensive loss	$ (133.6)	$ (299.0)	$ (123.8)	$ (234.2)	$ (95.6)	$ (182.3)

The components of net periodic benefit cost other than the service cost component are included in other income (expense) in the consolidated statement of operations. The following table details the components of net periodic benefit cost for the Company's pension plans for fiscal years ended September 30, 2020, 2019 and 2018:

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Components of net periodic benefit cost:						
Service costs	$ —	$ 0.6	$ —	$ 0.5	$ —	$ 1.1
Interest cost on projected benefit obligation	6.4	22.4	8.6	29.7	7.4	32.0
Expected return on plan assets	(7.0)	(37.5)	(9.0)	(38.1)	(9.0)	(43.1)
Amortization of prior service costs (credits)	0.1	0.1	0.1	(0.1)	0.1	(0.2)
Amortization of net loss	5.0	8.6	3.9	4.1	4.1	8.2
Curtailment loss recognized	0.5	—	—	—	—	—
Settlement loss recognized	0.6	0.5	0.2	0.8	—	0.3
Net periodic benefit cost	$ 5.6	$ (5.3)	$ 3.8	$ (3.1)	$ 2.6	$ (1.7)

The amount of applicable deferred income taxes included in other comprehensive income arising from a change in net prior service cost and net gain/loss was $15.0 million, $15.9 million, and $15.8 million in the years ended September 30, 2020, 2019 and 2018, respectively.

Amounts included in accumulated other comprehensive loss as of September 30, 2020 that are expected to be recognized as components of net periodic benefit cost during fiscal 2021 are (in millions):

	U.S.	Int'l
Amortization of prior service cost	$ —	$ (0.1)
Amortization of net actuarial losses	(5.9)	(8.7)
Total	$ (5.9)	$ (8.8)

The table below provides additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets.

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Projected benefit obligation	$ 260.7	$ 1,216.6	$ 252.5	$ 1,141.9	$ 232.2	$ 1,002.6
Accumulated benefit obligation	260.7	1,211.5	252.5	1,132.7	232.2	991.9
Fair value of plan assets	129.6	898.5	129.3	871.2	131.3	760.7

Funding requirements for each pension plan are determined based on the local laws of the country where such pension plan resides. In certain countries, the funding requirements are mandatory while in other countries, they are discretionary. The Company currently intends to contribute $28.4 million to the international plans in fiscal 2021. The required minimum contributions for U.S. plans are not significant. In addition, the Company may make discretionary contributions. The Company currently intends to contribute $12.2 million to U.S. plans in fiscal 2021.

The table below provides the expected future benefit payments, in millions:

Year Ending September 30,	U.S.	Int'l
2021	$ 19.1	$ 50.6
2022	18.8	48.6
2023	17.7	50.5
2024	17.6	51.5
2025	17.4	52.6
2026-2030	79.2	286.4
Total	$ 169.8	$ 540.2

The underlying assumptions for the pension plans are as follows:

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Weighted-average assumptions to determine benefit obligation:						
Discount rate	2.25 %	1.67 %	2.94 %	1.81 %	4.12 %	2.91 %
Salary increase rate	N/A	2.68 %	N/A	2.52 %	N/A	2.79 %
Weighted-average assumptions to determine net periodic benefit cost:						
Discount rate	2.94 %	1.81 %	4.12 %	2.91 %	3.66 %	2.67 %
Salary increase rate	N/A	2.52 %	N/A	2.79 %	N/A	2.76 %
Expected long-term rate of return on plan assets	7.30 %	4.03 %	7.00 %	4.43 %	7.00 %	4.73 %

Pension costs are determined using the assumptions as of the beginning of the plan year. The funded status is determined using the assumptions as of the end of the plan year.

The following table summarizes the Company's target allocation for 2020 and pension plan asset allocation, both U.S. and international, as of September 30, 2020 and 2019:

	Target Allocations		Percentage of Plan Assets as of September 30, 2020		2019	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Asset Category:						
Equities	45 %	26 %	47 %	26 %	45 %	36 %
Debt	43	53	42	54	44	31
Cash	2	4	1	4	2	3
Property and other	10	17	10	16	9	30
Total	100 %	100 %	100 %	100 %	100 %	100 %

The Company's domestic and foreign plans seek a competitive rate of return relative to an appropriate level of risk depending on the funded status and obligations of each plan and typically employ both active and passive investment management strategies. The Company's risk management practices include diversification across asset classes and investment styles and periodic rebalancing toward asset allocation targets. The target asset allocation selected for each plan reflects a risk/return profile that the Company believes is appropriate relative to each plan's liability structure and return goals.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio and the diversification of the portfolio. This resulted in the selection of a 7.30% and 4.03% weighted-average long-term rate of return on assets assumption for the fiscal year ended September 30, 2020 for U.S. and non-U.S. plans, respectively.

As of September 30, 2020, the fair values of the Company's pension plan assets by major asset categories were as follows:

	Total Carrying Value as of September 30, 2020	Fair Value Measurement as of September 30, 2020 Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at NAV
			(in millions)		
Cash and cash equivalents	$ 50.6	$ 20.2	$ 30.4	$ —	$ —
Equity and debt securities	442.3	442.3	—	—	—
Investment funds					
Diversified and equity funds	31.5	13.0	15.1	3.4	—
Fixed income funds	36.2	23.1	13.1	—	—
Common collective funds	707.5	—	—	—	707.5
Derivative instruments	27.7	—	27.7	—	—
Total	$ 1,295.8	$ 498.6	$ 86.3	$ 3.4	$ 707.5

As of September 30, 2019, the fair values of the Company's pension plan assets by major asset categories were as follows:

	Total Carrying Value as of September 30, 2019	Fair Value Measurement as of September 30, 2019 Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at NAV
			(in millions)		
Cash and cash equivalents	$ 35.7	$ 21.1	$ 14.6	$ —	$ —
Equity and debt securities	115.5	115.5	—	—	—
Investment funds					
Diversified and equity funds	155.7	141.9	13.8	—	—
Fixed income funds	36.6	21.3	15.3	—	—
Common collective funds	668.7	—	—	—	668.7
Assets held by insurance company	26.8	—	—	26.8	—
Derivative instruments	159.1	—	159.1	—	—
Total	$ 1,198.1	$ 299.8	$ 202.8	$ 26.8	$ 668.7

Changes for the year ended September 30, 2020 in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2019 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2020 Ending balance
			(in millions)				
Level 3 Assets	$ 26.8	$ (0.2)	$ (2.1)	$ (25.4)	$ 3.2	$ 1.1	$ 3.4

Changes for the year ended September 30, 2019, in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2018 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2019 Ending balance
			(in millions)				
Level 3 Assets	$ 45.0	$ 0.4	$ (0.1)	$ (17.0)	$ —	$ (1.5)	$ 26.8

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

For equity investment funds not traded on an active exchange, or if the closing price is not available, the trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These funds are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Fixed income investment funds categorized as Level 2 are valued by the trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics.

Hedge funds categorized as Level 3 are valued based on valuation models that include significant unobservable inputs and cannot be corroborated using verifiable observable market data. Hedge funds are valued by independent administrators. Depending on the nature of the assets, the general partners or independent administrators use both the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. As of September 30, 2019, there were no material changes to the valuation techniques.

Common collective funds are valued based on net asset value (NAV) per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date. Accordingly, these NAV-based investments have been excluded from the fair value hierarchy. These collective investment funds have minimal redemption notice periods and are redeemable daily at the NAV, less transaction fees, without significant restrictions. There are no significant unfunded commitments related to these investments.

Multiemployer Pension Plans

The Company participates in construction-industry multiemployer pension plans. Generally, the plans provide defined benefits to substantially all employees covered by collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. The Company's aggregate contributions to these multiemployer plans were $4.0 million and $7.5 million for the years ended September 30, 2020 and 2019, respectively. At September 30, 2020 and 2019, none of the plans in which the Company participates are individually significant to its consolidated financial statements.

8. Debt

Debt consisted of the following:

	September 30, 2020	September 30, 2019
	(in millions)	
2014 Credit Agreement	$ 248.5	$ 1,182.2
2014 Senior Notes	797.3	800.0
2017 Senior Notes	997.3	1,000.0
URS Senior Notes	—	248.1
Other debt	41.9	122.2
Total debt	2,085.0	3,352.5
Less: Current portion of debt and short-term borrowings	(20.9)	(98.3)
Less: Unamortized debt issuance costs	(23.0)	(36.2)
Long-term debt	$ 2,041.1	$ 3,218.0

The following table presents, in millions, scheduled maturities of the Company's debt as of September 30, 2020:

Fiscal Year	
2021	$ 20.9
2022	17.9
2023	244.8
2024	5.1
2025	799.0
Thereafter	997.3
Total	$ 2,085.0

2014 Credit Agreement

The Company entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of subsidiaries of the Company (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the Company and the Guarantors pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit the ability of the Company and the ability of some of its subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to the Company's acquisition of the URS Corporation (URS) in October 2014.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving the Company's international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (1) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (2) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (3) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (4) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (5) revise covenants, including the Maximum Consolidated Leverage Ratio so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for the Company's AECOM Capital business.

On March 31, 2017, the Credit Agreement was amended to (1) expand the ability of restricted subsidiaries to borrow under "Incremental Term Loans;" (2) revise the definition of "Working Capital" as used in "Excess Cash Flow;" (3) revise the definitions for "Consolidated EBITDA" and "Consolidated Funded Indebtedness" to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (4) amend provisions relating to the Company's ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (1) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (2) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (3) increase the capacity of the Company’s revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (4) reduce the Company’s interest rate borrowing costs as follows: (a) the term loan B facility, at the Company’s election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (US) term loan A facility, at the Company’s election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at the Company’s election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of the Company’s fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); (5) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio stepped down to 4.0.

On November 13, 2018, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase corporate restructuring allowances and provide for additional flexibility under the covenants for non-core asset dispositions, among other changes.

On January 28, 2020, AECOM entered into Amendment No. 7 to the Credit Agreement which modifies the asset disposition covenant to permit the sale of the Management Services business and the mandatory prepayment provision so that only outstanding term loans were prepaid using the net proceeds from the sale.

On May 1, 2020, the Company entered into Amendment No. 8 to the Credit Agreement which allows for borrowings to be made, until three months after closing, up to an aggregate principal amount of $400,000,000 under a secured delayed draw term loan facility, the proceeds of which are permitted to be used to pay all or a portion of the amounts payable in connection with any tender for or redemption or repayment of the Company's or its subsidiaries' existing senior unsecured notes and any associated fees and expenses. The amendment also revised certain terms and covenants in the Credit Agreement, including by, among other things, the maximum leverage ratio covenant to 4.00:1.00, subject to increases to 4.50:1.00 for certain specified periods in connection with certain material acquisitions, increasing the potential size of incremental facilities under the Credit Agreement, revising the definition of "Consolidated EBITDA" to provide for additional flexibility in the calculation thereof and adding a Eurocurrency Rate floor of 0.75% to the interest rate under the revolving credit facility.

On July 30, 2020, the Company drew $248.5 million on its secured delayed draw term loan facility for the purpose of redeeming all of the 2022 URS Senior Notes.

Under the Credit Agreement, the Company is subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. The Company’s Consolidated Leverage Ratio was 2.7 at September 30, 2020. The Company’s Consolidated Interest Coverage Ratio was 5.0 at September 30, 2020. As of September 30, 2020, the Company was in compliance with the covenants of the Credit Agreement.

At September 30, 2020 and 2019, outstanding standby letters of credit totaled $19.0 million and $22.8 million, respectively, under the Company’s revolving credit facilities. As of September 30, 2020 and 2019, the Company had $1,331.0 million and $1,327.2 million, respectively, available under its revolving credit facility.

2014 Senior Notes

On October 6, 2014, the Company completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, the Company completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, the Company redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of September 30, 2020, the estimated fair value of the 2024 Notes was approximately $863.0 million. The fair value of the 2024 Notes as of September 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

On July 21, 2020, the Company completed a cash tender offer at par for up to $639 million in aggregate principal amount of the 2024 Notes and the 2017 Senior Notes. The Company accepted for purchase all of 2024 Notes validly tendered and not validly withdrawn pursuant to the cash tender offer, amounting to $2.7 million aggregate principal amount of the 2024 Notes at par. The Company made the cash tender offer at par to satisfy obligations under the indentures governing the 2024 Notes and the 2017 Senior Notes relating to the use of certain cash proceeds from its disposition of the Management Services business, which was completed on January 31, 2020.

At any time prior to July 15, 2024, the Company may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2024 Notes as of September 30, 2020.

2017 Senior Notes

On February 21, 2017, the Company completed a private placement offering of $1,000,000,000 aggregate principal amount of its unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under its Credit Agreement. On June 30, 2017, the Company completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of September 30, 2020, the estimated fair value of the 2017 Senior Notes was approximately $1,069.6 million. The fair value of the 2017 Senior Notes as of September 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes is payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, the Company may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a "make whole" premium as of the redemption date, and accrued and unpaid interest to the redemption date.

At any time on or after December 15, 2026, the Company may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2017 Senior Notes as of September 30, 2020.

URS Senior Notes

In connection with the URS acquisition, the Company assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, the Company redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement.

The remaining $248.5 million principal amount of the 2022 URS Senior Notes were fully redeemed on August 31, 2020 using proceeds from a $248.5 million secured delayed draw term loan facility under the Credit Agreement, at a redemption price that was 106.835% of the principal amount outstanding plus accrued and unpaid interest. The August 31, 2020 redemption resulted in a $17.0 million prepayment premium, which was included in interest expense.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. The Company's unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At September 30, 2020 and 2019, these outstanding standby letters of credit totaled $510.1 million and $470.9 million, respectively. As of September 30, 2020, the Company had $435.3 million available under these unsecured credit facilities.

Effective Interest Rate

The Company's average effective interest rate on its total debt, including the effects of the interest rate swap agreements, during the years ended September 30, 2020, 2019 and 2018 was 5.3%, 5.1% and 5.1%, respectively.

Interest expense in the consolidated statements of operations included amortization of deferred debt issuance costs for the years ended September 30, 2020, 2019 and 2018 of $5.4 million, $5.0 million, and $12.5 million, respectively.

9. Derivative Financial Instruments and Fair Value Measurements

The Company uses certain interest rate derivative contracts to hedge interest rate exposures on the Company's variable rate debt. The Company enters into foreign currency derivative contracts with financial institutions to reduce the risk that its cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. The Company's hedging program is not designated for trading or speculative purposes.

The Company recognizes derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. The Company records changes in the fair value (i.e., gains or losses) of the derivatives that have been designated as accounting hedges in the accompanying consolidated statements of operations as cost of revenue, interest expense or to accumulated other comprehensive loss in the accompanying consolidated balance sheets.

Cash Flow Hedges

The Company uses interest rate swap agreements designated as cash flow hedges to fix the variable interest rates on portions of the Company's debt. The Company initially reports any gain on the effective portion of a cash flow hedge as a component of accumulated other comprehensive loss. Depending on the type of cash flow hedge, the gain is subsequently reclassified to interest expense when the interest expense on the variable rate debt is recognized. If the hedged transaction becomes probable of not occurring, any gain or loss related to interest rate swap agreements would be recognized in other income.

The notional principal in U.S. dollar (USD), Canadian dollar (CAD), and Australian dollar (AUD), fixed rates and related expiration dates of the Company's outstanding interest rate swap agreements were as follows:

September 30, 2020			
Notional Amount Currency	**Notional Amount (in millions)**	**Fixed Rate**	**Expiration Date**
USD	200.0	2.60 %	February 2023

September 30, 2019			
Notional Amount Currency	**Notional Amount (in millions)**	**Fixed Rate**	**Expiration Date**
AUD	200.0	2.19 %	February 2021
CAD	400.0	2.49 %	September 2022
USD	200.0	2.60 %	February 2023

Other Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts which are not designated as accounting hedges to hedge intercompany transactions and other monetary assets or liabilities denominated in currencies other than the functional currency of a subsidiary. Gains and losses on these contracts were not material for the years ended September 30, 2020, 2019 and 2018.

Fair Value Measurements

The Company's non-pension financial assets and liabilities recorded at fair values relate to derivative instruments and were not material at September 30, 2020 or 2019.

See Note 17 for accumulated balances and reporting period activities of derivatives related to reclassifications out of accumulated other comprehensive income or loss for the years ended September 30, 2020, 2019 and 2018. Amounts recognized in accumulated other comprehensive loss from the Company's foreign currency options were immaterial for all years presented. Amounts reclassified from accumulated other comprehensive loss into income from the foreign currency options were immaterial for all years presented. Additionally, there were no material losses recognized in income due to amounts excluded from effectiveness testing from the Company's interest rate swap agreements.

10. Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash investments and trade receivables. The Company's cash balances and short-term investments are maintained in accounts held by major banks and financial institutions located primarily in the U.S., Canada, Europe, Australia, Middle East and Hong Kong. If the Company extends significant credit to clients in a specific geographic area or industry, the Company may experience disproportionately high levels of default if those clients are adversely affected by factors particular to their geographic area or industry. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, including, in large part, governments, government agencies and quasi-government organizations, and their dispersion across many different industries and geographies. See Note 4 regarding the Company's foreign revenues. In order to mitigate credit risk, the Company continually reviews the credit worthiness of its major private clients.

11. Leases

On October 1, 2019, the Company adopted FASB ASC 842 on a modified retrospective basis, which amended the accounting standards for leases. Accordingly, the Company applied the new guidance as of the date of adoption with a cumulative-effect adjustment recorded through equity. Prior periods have not been restated as a result of the adoption. Retained earnings decreased $87.8 million due to the adoption, primarily from impairment of the right-of-use assets associated with office building leases. Consistent with its restructuring plan to improve profitability in the fourth quarter of fiscal 2019, the Company evaluated its real estate portfolio to better align with the ongoing business. The Company identified leased assets that were not recoverable, and recorded an adjustment to retained earnings upon adoption reflecting the impairment of those long-lived leased assets. Fair value of the right-of-use assets was determined primarily using Level 3 inputs, such as discounted cash flows.

The Company also applied transition elections that allow it to avoid reassessment of whether expired or expiring leases are or contain leases, lease classification, and initial direct costs. Adoption of the new lease guidance did not significantly change the Company's accounting for finance leases, which were previously referred to as capital leases.

The Company and its subsidiaries are lessees in non-cancelable leasing agreements for office buildings and equipment. Substantially all of the Company's office building leases are operating leases, and its equipment leases are both operating and finance leases. The Company groups lease and non-lease components for its equipment leases into a single lease component but separates lease and non-lease components for its office building leases.

The Company recognizes a right-of-use asset and lease liability for its operating leases at the commencement date equal to the present value of the contractual minimum lease payments over the lease term. The present value is calculated using the rate implicit in the lease, if known, or the Company's incremental secured borrowing rate. The discount rate used for operating leases is primarily determined based on an analysis the Company's incremental secured borrowing rate, while the discount rate used for finance leases is primarily determined by the rate specified in the lease.

The related lease payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset. For leases with renewal options where the renewal is reasonably assured, the lease term, including the renewal period, is used to determine the appropriate lease classification and to compute periodic rental expense. Leases with initial terms shorter than 12 months are not recognized on the balance sheet, and lease expense is recognized on a straight-line basis.

The components of lease expenses are as follows:

	Fiscal Year Ended September 30, 2020 (in millions)
Operating lease cost	$ 191.6
Finance lease cost:	
Amortization of right-of-use assets	17.1
Interest on lease liabilities	1.9
Variable lease cost	36.5
Short-term lease cost	19.2
Total lease cost	$ 266.3

Additional balance sheet information related to leases is as follows:

(in millions except as noted)	Balance Sheet Classification	Sept 30, 2020
Assets:		
Operating lease assets	Operating lease right-of-use assets	$ 652.1
Finance lease assets	Property and equipment – net	29.1
Total lease assets		$ 681.2
Liabilities:		
Current:		
Operating lease liabilities	Accrued expenses and other current liabilities	$ 168.4
Finance lease liabilities	Current portion of long-term debt	9.8
Total current lease liabilities		178.2
Non-current:		
Operating lease liabilities	Operating lease liabilities, noncurrent	745.3
Finance lease liabilities	Long-term debt	22.0
Total non-current lease liabilities		$ 767.3

	Sept 30, 2020
Weighted average remaining lease term (in years):	
Operating leases	7.3
Finance leases	3.3
Weighted average discount rates:	
Operating leases	4.6 %
Finance leases	4.7 %

Additional cash flow information related to leases is as follows:

	Fiscal Year Ended Sept 30, 2020 (in millions)
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 208.7
Operating cash flows from finance leases	1.8
Financing cash flows from finance leases	14.7
Right-of-use assets obtained in exchange for new operating leases	126.9
Right-of-use assets obtained in exchange for new finance leases	26.4

Total remaining lease payments under both the Company’s operating and finance leases are as follows:

Fiscal Year	Operating Leases (in millions)	Finance Leases
2021	$ 212.4	$ 10.3
2022	170.7	9.0
2023	140.4	7.6
2024	120.4	5.1
2025	105.4	1.9
Thereafter	371.8	0.1
Total lease payments	$ 1,121.1	$ 34.0
Less: Amounts representing interest	$ (207.4)	$ (2.2)
Total lease liabilities	$ 913.7	$ 31.8

12. Stockholders' Equity

Common Stock Units—Common stock units are only redeemable for common stock. In the event of liquidation of the Company, holders of stock units are entitled to no greater rights than holders of common stock. See also Note 13.

Accelerated Share Repurchase—In August 2018, the Company entered into an accelerated share repurchase (ASR) with JPMorgan Chase Bank, National Association (JPMorgan) to repurchase $150 million of its common stock. During the quarter ended September 30, 2018, JPMorgan delivered 4.0 million shares to the Company, at which point the Company's shares outstanding were reduced and accounted for as a reduction to retained earnings. The initial share delivery represented the minimum amount of shares JPMorgan was contractually obligated to provide under the ASR agreement. The ASR completed on October 11, 2018, which resulted in the delivery of an additional 0.6 million shares to the Company from JPMorgan.

13. Share-Based Payments

Defined Contribution Plans—Substantially all permanent domestic employees are eligible to participate in defined contribution plans provided by the Company. Under these plans, participants may make contributions into a variety of funds, including a fund that is fully invested in Company stock. Employees are not required to allocate any funds to Company stock; however, the Company does provide an annual Company match in AECOM shares. Employees may generally reallocate their account balances on a daily basis; however, employees classified as insiders are restricted under the Company's insider trading policy. Compensation expense for the employer contributions related to AECOM stock issued under defined contribution plans during fiscal years ended September 30, 2020, 2019 and 2018 was $33.7 million, $32.3 million, and $32.3 million, respectively.

Stock Incentive Plans—Under the 2016 Stock Incentive Plan, the Company has up to 12.0 million securities remaining available for future issuance as of September 30, 2020. Stock options may be granted to employees and non-employee directors with an exercise price not less than the fair market value of the stock on the date of grant. Unexercised options expire seven years after date of grant.

During the three years in the period ended September 30, 2020, option activity was as follows:

	Number of Options (in millions)	Weighted Average Exercise Price
Balance, September 30, 2017	0.7	31.11
Granted	—	—
Exercised	(0.1)	27.79
Cancelled	—	—
Balance, September 30, 2018	0.6	31.62
Granted	—	—
Exercised	—	—
Cancelled	(0.5)	(31.62)
Balance, September 30, 2019	0.1	31.62
Granted	0.3	38.72
Exercised	—	—
Cancelled	—	—
Balance, September 30, 2020	0.4	36.41
Exercisable as of September 30, 2018	—	N/A
Exercisable as of September 30, 2019	0.1	31.62
Exercisable as of September 30, 2020	0.1	31.62

The aggregate intrinsic value of stock options exercised during the year ended September 30, 2018 was $0.9 million.

The fair value of the Company's employee stock option awards is estimated on the date of grant. The expected term of awards granted represents the period of time the awards are expected to be outstanding. The risk-free interest rate is based on U.S. Treasury bond rates with maturities equal to the expected term of the option on the grant date. The Company uses historical data as a basis to estimate the probability of forfeitures. The weighted average grant-date fair value of stock options granted during the year ended September 30, 2020 was $11.30.

The Company grants stock units to employees under its Performance Earnings Program (PEP), whereby units are earned and issued dependent upon meeting established cumulative performance objectives and vest over a three-year service period. Additionally, the Company issues restricted stock units to employees which are earned based on service conditions. The grant date fair value of PEP awards and restricted stock unit awards is that day's closing market price of the Company's common stock. The weighted average grant date fair value of PEP awards was $42.99, $27.53, and $37.69 during the years ended September 30, 2020, 2019 and 2018, respectively. The weighted average grant date fair value of restricted stock unit awards was $41.90, $27.73, and $36.83 during the years ended September 30, 2020, 2019 and 2018, respectively. Total compensation expense related to these share-based payments including stock options was $54.2 million, $63.8 million, and $73.1 million during the years ended September 30, 2020, 2019 and 2018, respectively. Unrecognized compensation expense related to total share-based payments outstanding as of September 30, 2020 and 2019 was $69.1 million and $74.6 million, respectively, to be recognized on a straight-line basis over the awards' respective vesting periods which are generally three years.

14. Income Taxes

Income before income taxes included income from domestic operations of $52.9 million, $133.0 million, and $100.9 million for fiscal years ended September 30, 2020, 2019 and 2018 and income from foreign operations of $179.7 million, $116.2 million, and $111.3 million for fiscal years ended September 30, 2020, 2019 and 2018.

Income tax (benefit) expense was comprised of:

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019 (in millions)	September 30, 2018
Current:			
Federal	$ 21.8	$ (17.3)	$ (159.7)
State	12.7	29.8	2.3
Foreign	55.7	41.7	51.1
Total current income tax expense (benefit)	90.2	54.2	(106.3)
Deferred:			
Federal	(21.8)	(26.1)	119.6
State	12.8	(24.6)	4.1
Foreign	(35.4)	10.0	(20.9)
Total deferred income tax (benefit) expense	(44.4)	(40.7)	102.8
Total income tax (benefit) expense	$ 45.8	$ 13.5	$ (3.5)

The major elements contributing to the difference between the U.S. federal statutory rate of 21% for fiscal years ended September 30, 2020 and 2019 and 24.5% for fiscal year ended September 30, 2018, respectively, and the effective tax rate are as follows:

	Fiscal Year Ended					
	September 30, 2020		September 30, 2019		September 30, 2018	
	Amount	%	Amount	%	Amount	%
	(in millions)					
Tax at federal statutory rate	$ 48.8	21.0 %	$ 52.0	21.0 %	$ 52.4	24.5 %
State income tax, net of federal benefit	8.4	3.6	7.0	2.8	(1.3)	(0.6)
Foreign residual income	39.5	17.0	35.8	14.5	9.9	4.6
Nondeductible costs	15.8	6.8	7.6	3.1	2.5	1.2
Return to provision	5.1	2.2	(0.2)	(0.1)	(21.2)	(9.9)
Foreign tax rate differential	3.2	1.4	(3.1)	(1.3)	(0.7)	(0.3)
Income tax credits and incentives	(47.8)	(20.6)	(44.7)	(18.1)	(28.6)	(13.4)
Valuation allowance	(15.9)	(6.9)	(26.5)	(10.7)	37.8	17.7
Change in uncertain tax positions	(8.3)	(3.6)	5.6	2.3	(26.0)	(12.2)
Exclusion of tax on non-controlling interests	(3.4)	(1.5)	(5.3)	(2.1)	(5.0)	(2.3)
Tax exempt income	(5.1)	(2.2)	(3.9)	(1.6)	(7.4)	(3.5)
Audit settlement	—	—	(4.6)	(1.9)	(27.7)	(13.0)
Impact of changes in tax law	—	—	(1.5)	(0.6)	12.5	5.9
Other items, net	5.5	2.5	(4.7)	(1.9)	(0.7)	(0.4)
Total income tax expense (benefit)	$ 45.8	19.7 %	$ 13.5	5.4 %	$ (3.5)	(1.7)%

During fiscal 2020, the Company approved a tax planning strategy and restructured certain operations in Canada which resulted in a release of a valuation allowance related to net operating losses and other deferred tax assets of $31.7 million. The Company is now forecasting the utilization of the net operating losses within the foreseeable future. The new positive evidence was evaluated against any negative evidence to determine the valuation allowance was no longer needed.

During fiscal 2018, the Company recorded a valuation allowance of $38.1 million against foreign tax credits related to deferred tax assets in the U.S. In its determination of the realizability of its deferred tax assets, the Company evaluated positive evidence consisting of forecasts of foreign tax credit utilization against future foreign source income, earnings trends over a sustainable period, positive economic conditions in the industries the Company operates in, possible prudent and feasible tax planning strategies (net of costs to implement the tax planning strategies) and actual usage of foreign tax credit carryforwards. The Company also evaluated negative evidence consisting of significant foreign tax credits and U.S. tax law changes that restrict the usage of foreign tax credits. This evaluation was conducted on a tax jurisdictional basis or legal entity basis, as applicable, and based on the weighing of all positive and negative evidence, a determination was made as to the realizability of the deferred tax assets on that same basis.

During fiscal 2019, the Company reevaluated the valuation allowance based on positive evidence and negative evidence including new positive evidence related to the issuance of regulations during the first quarter related to *The Tax Cuts and Jobs Act* (Tax Act) and forecasting the utilization of the foreign tax credits within the foreseeable future. Based on the weighing of all positive and negative evidence the Company determined that a valuation allowance was no longer needed and released the valuation allowance resulting in a tax benefit of $38.1 million.

During fiscal 2018, President Trump signed what is commonly referred to as the Tax Act into law. The Tax Act reduced the Company's U.S. federal corporate tax rate from 35% to a blended tax rate of 24.5% for its fiscal year ending September 30, 2018 and 21% for fiscal years thereafter, required companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, created new taxes on foreign sourced earnings and eliminated or reduced deductions.

During fiscal 2018, the Company recorded tax expense of $38.9 million related to the remeasurement of its U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. In addition, the Company released the deferred tax liability and recorded a tax benefit related to foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued $53.4 million of tax expense related to the one-time transition tax. During fiscal 2019, the Company completed the calculation of the total foreign earnings and profits of foreign subsidiaries and recorded a tax benefit of $1.5 million.

During fiscal 2018, the Company had a favorable settlement for R&D credits and recorded a tax benefit of $19.9 million. In addition, the Company effectively settled the U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded an additional benefit of $27.7 million related to various adjustments.

The Company is currently under tax audit in several jurisdictions including the U.S and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in adjustments, but will not result in a material change in the liability for uncertain tax positions.

Generally, the Company would reverse its valuation allowance in a particular tax jurisdiction if the positive evidence examined, such as projected and sustainable earnings or a tax-planning strategy that allows for the usage of the deferred tax asset, is sufficient to overcome significant negative evidence, such as large net operating loss carryforwards or a cumulative history of losses in recent years. In the United States, the valued deferred tax assets have a restricted life or use under relevant tax law and, therefore, it is unlikely that the valuation allowance related to these assets will reverse. In addition, the Company is continually investigating tax planning strategies that, if prudent and feasible, may be implemented to realize a deferred tax asset that would otherwise expire unutilized. The identification and internal/external approval (as relevant) of such a prudent and feasible tax planning strategy could cause a reduction in the valuation allowance.

The deferred tax assets (liabilities) are as follows:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
	(in millions)	
Deferred tax assets:		
Compensation and benefit accruals not currently deductible	$ 119.4	$ 98.0
Net operating loss carryforwards	173.2	132.6
Self-insurance reserves	17.6	11.3
Research and experimentation and other tax credits	112.9	138.5
Pension liability	95.1	78.2
Accrued liabilities	303.2	97.2
Capital loss carryforward	104.8	—
Other	26.0	14.8
Total deferred tax assets	952.2	570.6
Deferred tax liabilities:		
Unearned revenue	(40.3)	(53.4)
Depreciation and amortization	(106.7)	(76.3)
Acquired intangible assets	(24.5)	(25.1)
Investment in subsidiaries	(10.9)	(10.9)
Right of use assets	(164.9)	—
Contingent consideration	(33.6)	—
Total deferred tax liabilities	(380.9)	(165.7)
Valuation allowance	(217.5)	(120.6)
Net deferred tax assets	$ 353.8	$ 284.3

As of September 30, 2020 and 2019, the Company has available unused foreign and state net operating loss (NOL) carryforwards of $710.2 million and $505.3 million, respectively, which expire at various dates over the next several years and capital loss carryforwards of $355.7 million which expire in 2025; some foreign NOL carryforwards never expire. In addition, as of September 30, 2020, the Company has unused federal and state research and development credits of $71.2 million and $27.2 million, respectively, and other credits of $14.5 million which expire at various dates over the next several years.

As of September 30, 2020 and 2019, gross deferred tax assets were $952.2 million and $570.6 million, respectively. The Company has recorded a valuation allowance of $217.5 million and $120.6 million at September 30, 2020 and 2019, respectively, primarily related to foreign and state net operating loss carryforwards, capital loss carryforwards, tax credits and other deferred tax assets. The Company has performed an assessment of positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Although realization is not assured, based on the Company's assessment, the Company has concluded that it is more likely than not that the remaining gross deferred tax asset (exclusive of deferred tax liabilities) of $734.7 million will be realized and, as such, no additional valuation allowance has been provided. The net increase in the valuation allowance of $96.9 million is primarily attributable to an increase in valuation allowances of $71.2 million related to capital losses, partially offset by the release of a valuation allowance of $31.7 million related to net operating losses and other deferred tax assets in Canada, the utilization of $1.5 million of foreign net operating loss carryforwards in the current year and increases in valuation allowances for unbenefitable losses.

Generally, the Company does not provide for U.S. taxes or foreign withholding taxes on gross book-tax differences in its non-U.S. subsidiaries because such basis differences of approximately $1.5 billion are able to and intended to be reinvested indefinitely. If these basis differences were distributed, foreign tax credits could become available under current law to partially or fully reduce the resulting U.S. income tax liability. There may also be additional U.S. or foreign income tax liability upon repatriation, although the calculation of such additional taxes is not practicable.

As of September 30, 2020 and 2019, the Company had a liability for unrecognized tax benefits, including potential interest and penalties, net of related tax benefit, totaling $65.8 million and $70.1 million, respectively. The gross unrecognized tax benefits as of September 30, 2020 and 2019 were $47.1 million and $55.7 million, respectively, excluding interest, penalties, and related tax benefit. Of the $47.1 million, approximately $29.5 million would be included in the effective tax rate if recognized. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
	(in millions)	
Balance at the beginning of the year	$ 55.7	$ 53.8
Gross increase in current period's tax positions	2.8	2.9
Gross increase in prior years' tax positions	—	0.8
Gross decrease in prior years' tax positions	(7.9)	(1.0)
Decrease due to settlement with tax authorities	(0.5)	—
Decrease due to lapse of statute of limitations	(3.5)	—
Gross change due to foreign exchange fluctuations	0.5	(0.8)
Balance at the end of the year	$ 47.1	$ 55.7

The Company classifies interest and penalties related to uncertain tax positions within the income tax expense line in the accompanying consolidated statements of operations. As of September 30, 2020, the accrued interest and penalties were $18.9 million and $2.7 million, respectively, excluding any related income tax benefits. At September 30, 2019, the accrued interest and penalties were $20.3 million and $4.3 million, respectively, excluding any related income tax benefits.

The Company files income tax returns in numerous tax jurisdictions, including the U.S., and numerous U.S. states and non-U.S. jurisdictions around the world. The statute of limitations varies by jurisdiction in which the Company operates. Because of the number of jurisdictions in which the Company files tax returns, in any given year the statute of limitations in certain jurisdictions may expire without examination within the 12-month period from the balance sheet date.

While it is reasonably possible that the total amounts of unrecognized tax benefits could significantly increase or decrease within the next twelve months, an estimate of the range of possible change cannot be made.

15. Earnings Per Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding and potential common shares for the period. The Company includes as potential common shares the weighted average dilutive effects of equity awards using the treasury stock method. For the periods presented, equity awards excluded from the calculation of potential common shares were not significant.

The following table sets forth a reconciliation of the denominators of basic and diluted earnings per share:

	Fiscal Year Ended		
	September 30, 2020	September 30, 2019	September 30, 2018
		(in millions)	
Denominator for basic earnings per share	159.0	157.0	159.1
Potential common shares	2.3	2.7	3.2
Denominator for diluted earnings per share	161.3	159.7	162.3

16. Other Financial Information

Accrued expenses and other current liabilities consist of the following:

	Fiscal Year Ended	
	September 30, 2020	September 30, 2019
	(in millions)	
Accrued salaries and benefits	$ 675.7	$ 681.5
Accrued contract costs	1,104.7	927.1
Other accrued expenses	431.3	269.7
	$ 2,211.7	$ 1,878.3

Accrued contract costs above include balances related to professional liability accruals of $596.0 million and $536.6 million as of September 30, 2020 and 2019, respectively. The remaining accrued contract costs primarily relate to costs for services provided by subcontractors and other non-employees. Liabilities recorded related to accrued contract losses were not material as of September 30, 2020 and 2019. The Company did not have material revisions to estimates for contracts where revenue is recognized using the percentage-of-completion method during the twelve months ended September 30, 2020. In the first quarter of fiscal 2019, the Company commenced a restructuring plan to improve profitability. The Company incurred restructuring expenses of $188.3 million, including personnel and other costs of $149.2 million and real estate costs of $39.1 million during the year ended September 30, 2020, of which $56.2 million was accrued and unpaid at September 30, 2020. The Company incurred restructuring expenses of $95.4 million, including personnel and other costs of $73.3 million and real estate costs of $22.1 million during the year ended September 30, 2019, of which $26.5 million was accrued and unpaid at September 30, 2019. In connection with this restructuring plan, the Company evaluated its real estate portfolio to better align with the ongoing business. The Company identified certain long-lived assets that were no longer recoverable, and recorded an impairment of $27.4 million in Impairment of long-lived assets, including goodwill during the fourth quarter of fiscal 2019. Fair value of the long-lived assets was determined primarily using Level 3 inputs, such as discounted cash flows.

During the twelve months ended September 30, 2020, the Company applied for subsidies in accordance with various government legislations. The Company recognized $23.2 million during fiscal year 2020 as a reduction to cost of revenues as the expected amount of the subsidy.

17. Reclassifications out of Accumulated Other Comprehensive Loss

The accumulated balances and reporting period activities for the years ended September 30, 2020, 2019 and 2018 related to reclassifications out of accumulated other comprehensive loss are summarized as follows (in millions):

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2018	$ (202.3)	$ (502.2)	$ 1.2	$ (703.3)
Other comprehensive income (loss) before reclassification	(107.2)	(46.5)	(17.2)	(170.9)
Amounts reclassified from accumulated other comprehensive loss	6.8	—	3.2	10.0
Balances at September 30, 2019	$ (302.7)	$ (548.7)	$ (12.8)	$ (864.2)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2019	$ (302.7)	$ (548.7)	$ (12.8)	$ (864.2)
Other comprehensive income (loss) before reclassification	(72.5)	(18.6)	(5.3)	(96.4)
Amounts reclassified from accumulated other comprehensive loss	32.4	—	9.5	41.9
Balances at September 30, 2020	$ (342.8)	$ (567.3)	$ (8.6)	$ (918.7)

18. Commitments and Contingencies

The Company records amounts representing its probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. The Company relies in part on qualified actuaries to assist it in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against it, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to the Company's claims administrators as of the respective balance sheet dates. The Company includes any adjustments to such insurance reserves in its consolidated results of operations. The Company's reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. The Company does not record gain contingencies until they are realized. In the ordinary course of business, the Company may not be aware that it or its affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, the Company may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of its affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in certain circumstances such as for warranties. The Company may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At September 30, 2020, the Company was contingently liable in the amount of approximately $529.1 million in issued standby letters of credit and $6.2 billion in issued surety bonds primarily to support project execution.

In the ordinary course of business, the Company enters into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

The Company's registered investment adviser jointly manages and sponsors the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which the Company indirectly holds an equity interest and has an ongoing capital commitment to fund investments. At September 30, 2020, the Company has capital commitments of approximately $22.1 million to the Fund over the next 8 years.

In addition, in connection with the investment activities of AECOM Capital, the Company provides guarantees of certain contractual obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

Department of Energy Deactivation, Demolition, and Removal Project

AECOM Energy and Construction, Inc., an Ohio corporation, a former affiliate of the Company ("Former Affiliate") executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues. In February 2011, the Former Affiliate and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, required the DOE to pay all project costs up to $106 million, required the Former Affiliate and the DOE to equally share in all project costs incurred from $106 million to $146 million, and required the Former Affiliate to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, the Former Affiliate was required to perform work outside the scope of the Task Order Modification. In December 2014, the Former Affiliate submitted an initial set of claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope (the "2014 Claims"). On December 6, 2019, the Former Affiliate submitted a second set of claims against the DOE seeking recovery of an additional $60.4 million, including additional project costs and delays outside the scope of the contract as a result of differing site and ground conditions (the "2019 Claims"). The Former Affiliate also submitted three alternative breach of contract claims to the 2014 and 2019 Claims that may entitle the Former Affiliate to recovery of $148.5 million to $329.4 million. On December 30, 2019, the DOE denied the Former Affiliate's 2014 Claims. On September 25, 2020, the DOE denied the Former Affiliate's 2019 Claims. The Company intends to appeal these decisions by December 30, 2020. Deconstruction, decommissioning and site restoration activities are complete.

On January 31, 2020, the Company completed the sale of its Management Services business to the Purchaser including the Former Affiliate who worked on the DOE project. The Company and the Purchaser agreed that all future DOE project claim recoveries and costs will be split 10% to the Purchaser and 90% to the Company with the Company retaining control of all future strategic legal decisions.

The Company intends to vigorously pursue all claimed amounts but can provide no certainty that the Company will recover 2014 and 2019 Claims submitted against the DOE, or any additional incurred claims or costs, which could have a material adverse effect on the Company's results of operations.

New York Department of Environmental Conservation

In September 2017, AECOM USA, Inc. was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.'s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL's maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc. cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stages.

Refinery Turnaround Project

A Former Affiliate of the Company entered into an agreement to perform turnaround maintenance services during a planned shutdown at a refinery in Montana in December 2017. The turnaround project was completed in February 2019. Due to circumstances outside of the Company's Former Affiliate's control, including client directed changes and delays and the refinery's condition, the Company's Former Affiliate performed additional work outside of the original contract over $90 million and is entitled to payment from the refinery owner of approximately $144 million. In March 2019, the refinery owner sent a letter to the Company's Former Affiliate alleging it incurred approximately $79 million in damages due to the Company's Former Affiliate's project performance. In April 2019, the Company's Former Affiliate filed and perfected a $132 million construction lien against the refinery for unpaid labor and materials costs. In August 2019, following a subcontractor complaint filed in the Thirteen Judicial District Court of Montana asserting claims against the refinery owner and the Company's Former Affiliate, the refinery owner crossclaimed against the Company's Former Affiliate and the subcontractor. In October 2019, following the subcontractor's dismissal of its claims, the Company's Former Affiliate removed the matter to federal court and cross claimed against the refinery owner. In December 2019, the refinery owner claimed $93.0 million in damages and offsets against the Company's Former Affiliate.

On January 31, 2020, the Company completed the sale of its Management Services business to the Purchaser including the Former Affiliate, however, the Refinery Turnaround project, including related claims and liabilities, remained as part of the Company's self-perform at-risk construction business which is classified within discontinued operations.

The Company intends to vigorously prosecute and defend this matter; however, the Company cannot provide assurance that the Company will be successful in these efforts. The resolution of this matter and any potential range of loss cannot be reasonably determined or estimated at this time, primarily because the matter raises complex legal issues that Company is continuing to assess.

19. Reportable Segments and Geographic Information

During the first quarter of fiscal 2020, the Company reorganized its operating and reporting structure to better align with its ongoing professional services business. This reorganization better reflects the continuing operations of the Company after the sale of its former Management Services reportable segment and planned disposal of its self-perform at-risk construction businesses discussed in Note 3. The businesses that comprised the Company's former Management Services reportable segment and the civil infrastructure, power and oil and gas construction businesses in the former Construction Services reportable segment were classified as discontinued operations. The former Design and Consulting Services reportable segment and construction management business in the former Construction Services reportable segment were reformed around geographic regions. The Americas segment provides planning, consulting, architectural and engineering design services, and construction management services to commercial and government clients in the United States, Canada, and Latin America, while the International segment provides similar professional services to commercial and government clients in Europe, the Middle East, Africa, and the Asia-Pacific regions.

The Company's AECOM Capital (ACAP) segment primarily invests in and develops real estate projects. These reportable segments are organized by the differing specialized needs of the respective clients, and how the Company manages its business. The Company has aggregated various operating segments into its reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers. The change in reportable segments was applied to all periods presented.

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	Americas	International	AECOM Capital	Corporate	Total
			(in millions)		
Fiscal Year Ended September 30, 2020:					
Revenue	$ 10,131.5	$ 3,101.7	$ 6.8	$ —	$ 13,240.0
Gross profit	580.5	122.2	6.9	—	709.6
Equity in earnings of joint ventures	19.8	14.3	14.7	—	48.8
General and administrative expenses	—	—	(8.6)	(180.0)	(188.6)
Restructuring costs	—	—	—	(188.3)	(188.3)
Operating income (loss)	600.3	136.5	13.0	(368.3)	381.5
Segment assets	7,929.3	2,454.0	198.0	1,573.9	
Gross profit as a % of revenue	5.7 %	3.9 %			5.4 %
Fiscal Year Ended September 30, 2019:					
Revenue	$ 10,382.6	$ 3,251.7	$ 8.2	$ —	$ 13,642.5
Gross profit	511.5	91.9	8.3	—	611.7
Equity in earnings of joint ventures	17.7	13.9	17.7	—	49.3
General and administrative expenses	—	—	(5.0)	(143.2)	(148.2)
Restructuring costs	—	—	—	(95.4)	(95.4)
Gain on disposal activities	—	3.6	—	—	3.6
Impairment of long lived assets	(10.8)	(4.4)	—	(9.7)	(24.9)
Operating income (loss)	518.4	105.0	21.0	(248.3)	396.1
Segment assets	7,437.3	2,247.1	197.8	718.4	
Gross profit as a % of revenue	4.9 %	2.8 %			4.5 %
Fiscal Year Ended September 30, 2018:					
Revenue	$ 10,512.3	$ 3,366.0	$ —	$ —	$ 13,878.3
Gross profit	403.8	75.2	—	—	479.0
Equity in earnings of joint ventures	27.1	7.0	15.3	—	49.4
General and administrative expenses	—	—	(11.2)	(124.6)	(135.8)
Operating income (loss)	430.9	82.2	4.1	(124.6)	392.6
Segment assets	7,119.9	2,353.2	140.6	676.9	
Gross profit as a % of revenue	3.8 %	2.2 %			3.5 %

Geographic Information:

	Fiscal Year Ended		
Long-Lived Assets	**September 30, 2020**	**September 30, 2019**	**September 30, 2018**
		(in millions)	
Americas	3,733.2	3,399.1	3,469.2
Europe, Middle East, Africa	875.8	738.8	745.8
Asia Pacific	375.3	272.4	278.3
Total	4,984.3	4,410.3	4,493.3

Long-lived assets consist of noncurrent assets excluding deferred tax assets.

20. Major Clients

No single client accounted for 10% or more of the Company's revenue in any of the past five fiscal years. Approximately 8%, 9%, and 8% of the Company's revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2020, 2019 and 2018, respectively.

21. Quarterly Financial Information—Unaudited

In the opinion of management, the following unaudited quarterly data reflects all adjustments necessary for a fair statement of the results of operations. All such adjustments are of a normal recurring nature.

Fiscal Year 2020:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share data)			
Revenue	$ 3,235.6	$ 3,245.7	$ 3,189.7	$ 3,569.0
Cost of revenue	3,069.8	3,076.9	3,004.6	3,379.1
Gross profit	165.8	168.8	185.1	189.9
Equity in earnings of joint ventures	9.9	13.5	8.6	16.8
General and administrative expenses	(43.6)	(41.0)	(54.5)	(49.5)
Restructuring costs	(44.9)	(31.2)	(20.3)	(91.9)
Income from operations	87.2	110.1	118.9	65.3
Other income	4.0	2.4	3.1	1.6
Interest expense	(40.4)	(37.1)	(35.0)	(47.5)
Income from continuing operations before taxes	50.8	75.4	87.0	19.4
Income tax expense (benefit) for continuing operations	15.9	21.7	(7.2)	15.3
Net income from continuing operations	34.9	53.7	94.2	4.1
Net income (loss) from discontinued operations	18.2	(130.7)	(0.1)	(228.0)
Net income (loss)	53.1	(77.0)	94.1	(223.9)
Net income attributable to noncontrolling interests from continuing operations	(4.0)	(5.2)	(3.1)	(4.2)
Net income attributable to noncontrolling interests from discontinued operations	(8.5)	(3.9)	(1.6)	(2.2)
Net income attributable to noncontrolling interests	(12.5)	(9.1)	(4.7)	(6.4)
Net income (loss) attributable to AECOM from continuing operations	30.9	48.5	91.1	(0.1)
Net income (loss) attributable to AECOM from discontinued operations	9.7	(134.6)	(1.7)	(230.2)
Net income (loss) attributable to AECOM	$ 40.6	$ (86.1)	$ 89.4	$ (230.3)
Net income attributable to AECOM per share:				
Basic continuing operations per share	$ 0.20	$ 0.31	$ 0.57	$ —
Basic discontinued operations per share	$ 0.06	$ (0.85)	$ (0.01)	$ (1.44)
Basic earnings per share	$ 0.26	$ (0.54)	$ 0.56	$ (1.44)
Diluted continuing operations per share	$ 0.19	$ 0.30	$ 0.56	$ —
Diluted discontinued operations per share	$ 0.06	$ (0.84)	$ (0.01)	$ (1.44)
Diluted earnings per share	$ 0.25	$ (0.54)	$ 0.55	$ (1.44)
Weighted average shares outstanding:				
Basic	157.3	158.6	160.1	160.0
Diluted	160.6	160.7	161.8	160.0

Fiscal Year 2019:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share data)			
Revenue	$ 3,356.3	$ 3,412.6	$ 3,360.2	$ 3,513.4
Cost of revenue	3,232.9	3,267.8	3,206.4	3,323.7
Gross profit	123.4	144.8	153.8	189.7
Equity in earnings of joint ventures	6.6	16.6	9.2	16.9
General and administrative expenses	(35.9)	(37.4)	(37.5)	(37.4)
Restructuring costs	(63.3)	(15.9)	—	(16.2)
Impairment of long-lived assets	—	—	—	(24.9)
Gain on disposal activities	—	—	—	3.6
Income from operations	30.8	108.1	125.5	131.7
Other income	3.0	3.8	4.3	3.5
Interest expense	(39.4)	(41.4)	(40.5)	(40.2)
(Loss) income from continuing operations before taxes	(5.6)	70.5	89.3	95.0
Income tax (benefit) expense for continuing operations	(42.5)	12.2	27.2	16.6
Net income from continuing operations	36.9	58.3	62.1	78.4
Net income (loss) from discontinued operations	28.2	35.2	43.3	(526.4)
Net income (loss)	65.1	93.5	105.4	(448.0)
Net income attributable to noncontrolling interests from continuing operations	(4.9)	(6.9)	(6.1)	(6.8)
Net income attributable to noncontrolling interests from discontinued operations	(8.6)	(8.8)	(15.6)	(19.4)
Net income attributable to noncontrolling interests	(13.5)	(15.7)	(21.7)	(26.2)
Net income (loss) attributable to AECOM from continuing operations	32.0	51.4	56.0	71.6
Net income (loss) attributable to AECOM from discontinued operations	19.6	26.4	27.7	(545.8)
Net income (loss) attributable to AECOM	$ 51.6	$ 77.8	$ 83.7	$ (474.2)
Net income (loss) attributable to AECOM per share:				
Basic continuing operations per share	$ 0.20	$ 0.33	$ 0.36	$ 0.45
Basic discontinued operations per share	$ 0.13	$ 0.17	$ 0.17	$ (3.46)
Basic earnings per share	$ 0.33	$ 0.50	$ 0.53	$ (3.01)
Diluted continuing operations per share	$ 0.20	$ 0.32	$ 0.35	$ 0.44
Diluted discontinued operations per share	$ 0.12	$ 0.17	$ 0.17	$ (3.39)
Diluted earnings per share	$ 0.32	$ 0.49	$ 0.52	$ (2.95)
Weighted average shares outstanding:				
Basic	156.4	156.6	157.4	157.7
Diluted	159.6	158.4	159.8	160.9

22. Subsequent Events

On October 16, 2020, the Company closed on the sale of its Power construction business to CriticalPoint Capital, LLC. Prior to the sale, the Power construction business was classified within discontinued operations.

The Company has repurchased approximately 7.0 million shares for approximately $318.7 million since the beginning of fiscal year 2021.

AECOM Technology Corporation

Schedule II: Valuation and Qualifying Accounts

(amounts in millions)

	Balance at Beginning of Year	Additions Charged to Cost of Revenue	Deductions[a]	Other and Foreign Exchange Impact	Balance at the End of the Year
Allowance for Doubtful Accounts					
Fiscal Year 2020	$ 56.5	$ 37.6	$ (16.4)	$ 0.2	$ 77.9
Fiscal Year 2019	$ 54.2	$ 23.9	$ (21.0)	$ (0.6)	$ 56.5
Fiscal Year 2018	$ 53.7	$ 18.1	$ (16.3)	$ (1.3)	$ 54.2

(a) Primarily relates to accounts written-off and recoveries

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on management's evaluation, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), our CEO and CFO have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), were effective as of September 30, 2020 to ensure that information required to be disclosed by us in this Annual Report on Form 10-K or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our CEO and CFO, assessed the effectiveness of our internal control over financial reporting as of September 30, 2020, the end of our fiscal year. Our management based its assessment on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our management's assessment included evaluation and testing of the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on our management's assessment, our management has concluded that our internal control over financial reporting was effective as of September 30, 2020. Our management communicated the results of its assessment to the Audit Committee of our Board of Directors.

Our independent registered public accounting firm, Ernst & Young LLP, audited our financial statements for the fiscal year ended September 30, 2020 included in this Annual Report on Form 10-K, and has issued an audit report with respect to the effectiveness of the Company's internal control over financial reporting, a copy of which is included earlier in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2020 identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

The Company expects to incur restructuring costs of approximately $30 million to $50 million in fiscal year 2021 primarily related to previously announced restructuring actions that are expected to deliver continued margin improvement and efficiencies. Total cash costs for the restructuring are expected to be approximately $30 million to $50 million.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated by reference from our definitive proxy statement for the 2021 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2020 year end.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from our definitive proxy statement for the 2021 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2020 year end.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

Other than with respect to the information relating to our equity compensation plans, which is incorporated herein by reference to Part II, Item 5, “Equity Compensation Plans” of this Form 10-K, the information required by this item is incorporated by reference from our definitive proxy statement for the 2021 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2020 year end.

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

Incorporated by reference from our definitive proxy statement for the 2021 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2020 year end.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference from our definitive proxy statement for the 2021 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2020 year end.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The Company's Consolidated Financial Statements at September 30, 2020 and 2019 and for each of the three years in the period ended September 30, 2020 and the notes thereto, together with the report of the independent auditors on those Consolidated Financial Statements are hereby filed as part of this report.

(2) Financial Statement Schedule II—Valuation and Qualifying Accounts for the Years Ended September 30, 2020, 2019 and 2018.

(3) See Exhibits and Index to Exhibits, below.

(b) Exhibits.

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
2.1	Purchase and Sale Agreement, dated as of October 12, 2019, by and between AECOM and Maverick Purchaser Sub, LLC	8-K	2.1	10/17/2019	
3.1	Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	10-K	3.1	11/21/2011	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	S-4	3.2	8/1/2014	
3.3	Certificate of Correction of Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	10-K	3.3	11/17/2014	
3.4	Certificate of Amendment to the Company's Certificate of Incorporation.	8-K	3.1	1/9/2015	
3.5	Certificate of Amendment to the Company's Certificate of Incorporation.	8-K	3.1	3/3/2017	
3.6	Amended and Restated Bylaws.	8-K	3.2	11/15/2018	
3.7	Certificate of Designations for Class C Preferred Stock.	Form 10	3.2	1/29/2007	
3.8	Certificate of Designations for Class E Preferred Stock.	Form 10	3.3	1/29/2007	
3.9	Certificate of Designations for Class F Convertible Preferred Stock.	Form 10	3.4	1/29/2007	
3.10	Certificate of Designations for Class G Convertible Preferred Stock.	Form 10	3.5	1/29/2007	
4.1	Form of Common Stock Certificate.	Form 10	4.1	1/29/2007	
4.2	Description of Registrant's Securities				X
4.3	Indenture, dated as of October 6, 2014, by and among AECOM Technology Corporation, the Guarantors party thereto, and U.S. Bank National Association, as trustee.	8-K	4.1	10/8/2014	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.4	First Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Technology Corporation, the guarantors party thereto and U.S. Bank National Association.	10-K	4.10	11/17/2014	
4.5	Second Supplemental Indenture, dated as of June 3, 2015, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	S-4	4.3	7/6/2015	
4.6	Third Supplemental Indenture, dated as of June 19, 2015, by and among AECOM, the guarantor party thereto and U.S. Bank National Association.	S-4	4.4	7/6/2015	
4.7	Fourth Supplemental Indenture, dated as of March 13, 2018, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	8-K	10.2	3/14/2018	
4.8†	Indenture, dated March 15, 2012, between URS Corporation, URS Fox U.S. LP and U.S. Bank National Association.	8-K	4.01	3/20/2012	
4.9†	First Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.02	3/20/2012	
4.10†	Second Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.03	3/20/2012	
4.11†	Third Supplemental Indenture, dated as of May 14, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.6	5/18/2012	
4.12†	Fourth Supplemental Indenture, dated as of September 24, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.2	9/26/2012	
4.13	Fifth Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Global II, LLC, URS Fox U.S. LP and U.S. Bank National Association.	10-K	4.8	11/17/2014	
4.14	Indenture, dated as of February 21, 2017, by and among AECOM, the Guarantors party thereto and U.S. Bank, National Association, as trustee.	8-K	4.1	2/21/2017	
4.15	First Supplemental Indenture, dated as of March 13, 2018, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	8-K	10.3	3/14/2018	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.16	Credit Agreement, dated as of October 17, 2014, among AECOM Technology Corporation and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, MUFG Union Bank, N.A., BNP Paribas, JPMorgan Chase Bank, N.A., and the Bank of Nova Scotia, as Co-Syndication Agents, and BBVA Compass, Credit Agricole Corporate and Investment Bank, HSBC Bank USA, National Association, Sumitomo Mitsui Banking Corporation and Wells Fargo Bank, National Association, as Co-Documentation Agents.	8-K	10.1	10/17/2014	
4.17	Amendment No. 1 to the Credit Agreement, dated as of July 1, 2015, by and among AECOM and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.	8-K	10.1	7/7/2015	
4.18	Amendment No. 2 to Credit Agreement, dated as of December 22, 2015, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	12/22/2015	
4.19	Amendment No. 3 to Credit Agreement and Amendment No. 1 to the Security Agreement, dated as of September 29, 2016, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	9/30/2016	
4.20	Amendment No. 4 to Credit Agreement dated as of March 31, 2017, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	4/6/2017	
4.21	Amendment No. 5 to Credit Agreement dated as of March 13, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	3/14/2018	
4.22	Amendment No. 6 to Credit Agreement, dated as of November 12, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L.C. Issuer	10-K	4.21	11/13/2018	
4.23	Amendment No. 7 to Credit Agreement, dated as of January 28, 2020, by and among AECOM, each borrower and guarantor party thereto, the lenders party thereto, and Bank of America, N.A, as administrative agent	8-K	10.1	2/3/2020	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.24	Fifth Supplemental Indenture, dated as of April 23, 2020, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	10-Q	10.1	5/6/2020	
4.25	Second Supplemental Indenture, dated as of April 23, 2020, by and among AECOM, the guarantors party thereto and U.S Bank National Association.	10-Q	10.2	5/6/2020	
4.26	Amendment No. 8 to the Credit Agreement, dated as of May 1, 2020, by and among AECOM, each borrower and guarantor party thereto, the lenders party thereto, and Bank of America, N.A., as of administrative agent.	10-Q	10.3	5/6/2020	
10.1#	AECOM Technology Corporation Change in Control Severance Policy for Key Executives	10-Q	10.1	2/7/2018	
10.2#	Employment Agreement between AECOM Technology Corporation and Randall A. Wotring, dated as of January 1, 2015.	10-Q	10.2	2/11/2015	
10.3#	Amended and Restated 2006 Stock Incentive Plan.	Schedule 14A	Annex B	1/21/2011	
10.4#	Form of Stock Option Standard Terms and Conditions under 2006 Stock Incentive Plan.	8-K	10.1	12/5/2008	
10.5#	Form of Restricted Stock Unit Standard Terms and Conditions under 2006 Stock Incentive Plan.	8-K	10.2	12/21/2012	
10.6#	Standard Terms and Conditions for Performance Earnings Program under AECOM Technology Corporation 2006 Stock Incentive Plan.	8-K	10.3	12/5/2008	
10.7#	AECOM Amended & Restated 2016 Stock Incentive Plan.	Schedule 14A	Annex B	1/19/2017	
10.8#	Form Standard Terms and Conditions for Restricted Stock Units for Non-Employee Directors under the 2016 Stock Incentive.	10-Q	10.3	5/11/2016	
10.9#	Form Standard Terms and Conditions for Restricted Stock Units under the 2016 Stock Incentive Plan.	10-Q	10.4	5/11/2016	
10.10#	Form Standard Terms and Conditions for Performance Earnings Program under the 2016 Stock Incentive Plan.	10-Q	10.5	5/11/2016	
10.11#	Form Standard Terms and Conditions for Non-Qualified Stock Options under the 2016 Stock Incentive Plan.	10-Q	10.6	5/11/2016	
10.12#	Standard Terms and Conditions for Performance Earnings Program and Performance Criteria.	8-K	10.1	12/15/2016	
10.13#	AECOM Technology Corporation Executive Deferred Compensation Plan.	8-K	10.1	12/21/2012	
10.14#	First Amendment to the AECOM Executive Deferred Compensation Plan.	10-Q	10.3	2/10/2016	
10.15#	AECOM Technology Corporation Executive Incentive Plan.	Schedule 14A	Annex A	1/22/2010	
10.16#	Letter Agreement, dated as of March 6, 2014, by and among AECOM Technology Corporation and Michael S. Burke.	8-K	10.1	3/12/2014	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
10.17#	Letter Agreement, dated as of May 8, 2018 between AECOM and Michael S. Burke.	10-Q	10.1	5/9/2018	
10.18#	Form of Special LTI Award Stock Option Terms and Conditions under the 2006 Stock Incentive Plan.	8-K	10.2	3/12/2014	
10.19#	AECOM Retirement & Savings Plan (amended and restated effective July 1, 2016).	10-Q	10.1	8/10/2016	
10.20#	AECOM Amended and Restated Employee Stock Purchase Plan.	DEF 14A	Annex A	1/23/2019	
10.21#	Change in Control Severance Agreement, dated as of August 23, 2019, by and between AECOM Management Services Inc. and John Vollmer.	8-K	10.1	8/23/2019	
10.22#	Retention and Completion Bonus Award Agreement, effective as of August 23, 2019, by and between AECOM and John Vollmer.	8-K	10.2	8/23/2019	
10.23#	Form Standard Terms and Conditions for Performance Earnings Program under the 2016 Stock Incentive Plan (Fiscal Year 2019)	10-Q	10.1	2/6/2019	
10.24#	Form Standard Terms and Conditions for Performance Earnings Program under the 2016 Stock Incentive Plan (Fiscal Year 2020)	10-Q	10.1	2/5/2020	
10.25	Agreement, dated as of November 22, 2019, by and among AECOM and Starboard Value LP and the other parties set forth therein	8-K	10.1	11/22/2019	
10.26#	Letter Agreement between AECOM and Michael S. Burke effective November 22, 2019	10-Q	10.3	2/5/2020	
10.27#	Separation and Release Agreement between AECOM and Carla J. Christofferson dated November 27, 2019	10-Q	10.4	2/5/2020	
10.28#	Letter Agreement between AECOM and Michael S. Burke effective March 11, 2020	10-Q	10.4	5/6/2020	
10.29#	AECOM 2020 Stock Incentive Plan	DEF 14A	Annex A	1/23/2020	
10.30#	Letter Agreement between AECOM and W. Troy Rudd dated June 13, 2020	10-Q	10.1	8/5/2020	
10.31#	Letter Agreement between AECOM and Lara Poloni dated June 13, 2020	10-Q	10.2	8/5/2020	
10.32#	Senior Leadership Severance Plan	10-Q	10.3	8/5/2020	
10.33#	Employment Agreement, dated October 19, 2020, by and between AECOM Australia Pty Ltd and Lara Poloni				X
10.34#	Separation and Release Agreement, dated as of October 2, 2020, by and between AECOM and Steve Morriss				X
10.35#	Separation and Release Agreement, dated October 2, 2020, by and between AECOM and Randall A. Wotring				X
21.1	Subsidiaries of AECOM.				X
23.1	Consent of Independent Registered Public Accounting Firm.				X
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32*	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
95	Mine Safety Disclosure.				X
101	The following financial statements from the Company's Annual Report on Form 10-K for the year ended September 30, 2020 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.				X
104	The cover page from the Company's Annual Report on Form 10-K for the year ended September 30, 2020, formatted in Inline XBRL.				X

Management contract or compensatory plan or arrangement.

* Document has been furnished and not filed.

† Indicates a material agreement previously filed by URS Corporation, a public company acquired by AECOM on October 17, 2014.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AECOM

By: /s/ GAURAV KAPOOR
Gaurav Kapoor
Chief Financial Officer
(Principal Financial Officer)

Date: November 18, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the date indicated.

Signature	Title	Date
/s/ W. TROY RUDD W. Troy Rudd	Chief Executive Officer (Principal Executive Officer)	November 18, 2020
/s/ GAURAV KAPOOR Gaurav Kapoor	Chief Financial Officer (Principal Financial Officer, Principal Accounting Officer)	November 18, 2020
/s/ BRADLEY W. BUSS Bradley W. Buss	Director	November 18, 2020
/s/ ROBERT G. CARD Robert G. Card	Director	November 18, 2020
/s/ JACQUELINE C. HINMAN Jacqueline C. Hinman	Director	November 18, 2020
/S/ STEVEN A. KANDARIAN Steven A. Kandarian	Director	November 18, 2020
/s/ ROBERT J. ROUTS Robert J. Routs	Director	November 18, 2020
/s/ CLARENCE T. SCHMITZ Clarence T. Schmitz	Director	November 18, 2020
/s/ DOUGLAS W. STOTLAR Douglas W. Stotlar	Director (Chairman)	November 18, 2020
/s/ DANIEL R. TISHMAN Daniel R. Tishman	Director	November 18, 2020
/s/ GEN. JANET C. WOLFENBARGER, USAF RET. Gen. Janet C. Wolfenbarger, USAF Ret.	Director	November 18, 2020

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of September 30, 2020, AECOM (the "Company," "we," "us" or "our") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our common stock, par value $0.01 per share ("Common Stock").

The summary of the general terms and provisions of the Common Stock set forth below does not purport to be complete and is subject to and qualified by reference to the Company's Amended and Restated Certificate of Incorporation, as amended by the Certificates of Amendment thereto (as amended, the "Certificate"), and Amended and Restated Bylaws ("Bylaws"), each of which is incorporated by reference as exhibits to the Annual Report on Form 10-K. For additional information, please read the Certificate and Bylaws and the applicable provisions of the General Corporation Law of Delaware (the "DGCL").

Description of Common Stock

General. The Certificate authorizes us to issue 300,000,000 shares of Common Stock. Subject to the rights pertaining to any series of preferred stock, in the event of our liquidation, holders of our Common Stock are entitled to share ratably in our assets legally available for distribution after the payment of our debts. The shares of Common Stock have no preemptive, subscription, conversion or redemption rights. Subject to the rights of the holders of preferred stock, the holders of the Common Stock are entitled to receive dividends, when, as and if declared by our Board of Directors (the "Board"), from funds legally available for such dividend payments.

Delaware Law. We are subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date on which the person becomes an interested stockholder, unless (i) prior to the time that such stockholder becomes an interested stockholder, the Board of Directors approves such transaction or business combination, (ii) the stockholder acquires more than 85% of the outstanding voting stock of the corporation (excluding shares held by directors who are officers or held in employee stock plans) upon consummation of such transaction, or (iii) at or subsequent to the time such stockholder becomes an interested stockholder, the business combination is approved by the Board of Directors and by two-thirds of the outstanding voting stock of the corporation (excluding shares held by the interested stockholder) at a meeting of stockholders (and not by written consent). A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to such interested stockholder. For purposes of Section 203, "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's voting stock.

Certificate of Incorporation and Bylaws. Various provisions of our Certificate and Bylaws, which are summarized in the following paragraphs, may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

No Cumulative Voting. The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless our Certificate provides otherwise. Our Certificate does not expressly address cumulative voting.

No Stockholder Action by Written Consent; Calling of Special Meetings of Stockholders. Our Certificate prohibits stockholder action by written consent. Our Bylaws also provide that special meetings of our stockholders (i) may be called at any time by the Board or by a committee of the Board which has been duly designated by the Board and whose powers and authority, as expressly provided in a resolution of the Board, include the power to call such meetings, and (ii) must be called by the Chairman of the Board or the Secretary of the Company upon the request of one or more persons that own at least 25% of the outstanding shares of the Company that are entitled to vote on the matter(s) to be brought before the proposed special meeting as of the record date fixed in accordance with the Bylaws, provided the requesting stockholder(s) satisfy the requirements specified in the Bylaws.

Voting Rights. A majority of the outstanding shares entitled to vote on a matter, represented in person or by proxy, constitutes a quorum at any meeting of stockholders except as otherwise provided by applicable law or by the Certificate. Prior to the Company's 2020 annual meeting of stockholders, at any meeting of stockholders for the election of directors, when a quorum is present, a plurality of the votes of the shares of the Company present in person or represented by proxy at the meeting and entitled to vote on the election of directors at such meeting of stockholders is sufficient to elect directors. Commencing with the Company's 2020 annual meeting of stockholders, at any meeting of stockholders for the election of directors, including the 2020 annual meeting, each director will be elected by a majority of the votes cast; provided that, if the election is contested, the directors will be elected by a plurality of the votes cast. In all other matters, when a quorum is present at any meeting, the affirmative vote of the holders of a majority of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter at such meeting of stockholders shall decide any question brought before such meeting, unless the question is one upon which by express provision of applicable law or of the Certificate or the Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

Unless otherwise provided in the Certificate, each stockholder entitled to vote at any meeting of the stockholders shall be entitled to one vote (in person or by proxy) for each share held by such stockholder which has voting power upon the matter in question.

Proxy Access Provision of Our Bylaws. The Bylaws permit a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company's outstanding common stock continuously for at least three years to nominate and include in the Company's proxy materials director nominees not to exceed the greater of (i) 20% of the Board or (ii) two directors, provided that the stockholder(s) and the nominee(s) satisfy the procedural and eligibility requirements specified in the Bylaws.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a stockholder's notice must be delivered or mailed and received at our principal executive offices not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting of stockholders. Our Bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders or make nominations for directors at an annual meeting of stockholders.

Annual Election of Directors. We do not have a classified board of directors. The full Board is subject to re-election at each annual meeting of our stockholders.

Limitations on Liability and Indemnification of Officers and Directors. The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. Our Certificate includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director, except for liability:

- for breach of duty of loyalty;
- for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law;
- under Section 174 of the DGCL (unlawful dividends); or
- for transactions from which the director derived improper personal benefit.

Our Bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL. We are also expressly authorized to carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in our Certificate and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders.

Authorized But Unissued Shares. Subject to the requirements of any stock exchange on which shares of our Common Stock may be listed, our authorized but unissued shares of Common Stock will be available for future issuance without the approval of holders of Common Stock. We may use these additional shares for a variety of corporate purposes, including future offerings to raise additional capital, corporate acquisitions and employee benefit plans.

Listing. The Common Stock is traded on the New York Stock Exchange under the trading symbol “ACM.”

EMPLOYMENT AGREEMENT (Agreement)

between

AECOM AUSTRALIA PTY LTD (the COMPANY)

and

LARA POLONI

1. Date of Commencement

Your commencement date with the Company is August 15, 2020 and your employment will continue until terminated by either party in accordance with this Agreement. The Company recognises your prior service from 14 June 1994 for the purposes of all service-related entitlements, with the exception of severance entitlements which are covered by the AECOM Change in Control Severance Policy for Key Executives and the AECOM Senior Leadership Severance Plan. Your employment is conditional upon you being an Australian citizen, holding current Australian residency or valid visa status for eligibility to work in Australia. You agree that the offer letter dated 13 June 2020 issued by the Company's U.S. entity to you as well as any other employment agreement you previously entered with the Company or its parents/subsidiaries/affiliates (if any) is here by superseded and will terminate automatically and without the provision of notice or any entitlement to compensation upon the commencement of your employment with the Company pursuant to this Agreement, except that the last paragraph on page one (1) in the 13 June 2020 offer letter that sets forth the 2021 Fiscal Year long term inventive ("LTI") award opportunity shall remain in effect.

2. Position and Reporting

You are assigned to the full-time permanent position of President of AECOM, a Delaware corporation ("AECOM"), which is with the ultimate parent of the Company.

In this capacity, you will initially be based in our Melbourne office, reporting to the Chief Executive Officer of AECOM (your Manager).

The Company is a global company and as such project work may require you to travel to other locations within Australia or overseas and/or perform work for any of AECOM's related entities as may be necessary for the proper performance of your duties.

3. Remuneration

The Company will pay to you a Total Fixed Remuneration (TFR) per annum as detailed below. This TFR covers all work required to be carried out by you in your position. Your TFR includes an annual base salary plus compulsory superannuation contributions, as well as the total cost (including consequential fringe benefits tax) of all other benefits provided to you and as may be agreed between you and the Company from time to time.

Annual Base Salary (Gross)	AUD $1,042,500, subject to the deduction of applicable taxation
	(the equivalent of US$750,000 per annum, based on an exchange rate of 1:1.39 (USD:AUD)); the Company will examine the currency exchange rate in our around January of each year starting in January 2022 or as otherwise mutually agreed or as determined by the Compensation/Organization Committee of the AECOM Board of Directors (the "Compensation Committee").

The Base Salary may be subject to temporary salary reductions consistent with any policy or similar actions as applicable to executive officers of AECOM generally. Any reduction in Base Salary will be set out in a variation letter to this Agreement which will be executed by the parties in writing.

The Company undertakes and guarantees to you that it will pay to you the TFR identified in this Agreement, which is an amount of annual earnings in relation to the performance of work during your period of employment and which exceeds the high-income threshold. You accept and agree to this undertaking and the amount of earnings specified in the base salary and remuneration and, as a result, agree that no modern award applies to you during your employment with the Company. This undertaking constitutes a guarantee of annual earnings for the purpose of section 330 of the *Fair Work Act 2009* (Cth).

From time to time, costs associated with your remuneration (including fringe benefits tax liability or superannuation contributions) may alter. If this occurs, the Company may at its sole discretion (subject to legislative obligations) change components of your remuneration package, including base salary, so as to have the effect that the total cost to the Company of providing the components of the package is equivalent to, and does not result in any increase to, the TFR.

You will be eligible to participate in the AECOM Executive Incentive Plan (Incentive Plan) as in effect from time to time, with a 2021 fiscal year target award opportunity of up to 110% of Base Salary. The Company's determination of whether or not to pay you any amount under the plan, the eligibility criteria for and the amount and timing of such incentive payment will be determined by the Compensation Committee in its sole discretion subject to your achievement of performance goals and the terms of the Incentive Plan. You have no contractual right to receive an incentive payment and the rules of the Incentive Plan do not form part of this Agreement. The Company reserves the right to vary, amend, discontinue or withdraw the Incentive Plan at any time it deems fit, at its sole discretion, including to cap or limit the amount of any payment to you and for any changes to have retrospective effect. If your employment under this Agreement is terminated, or if you are serving any period of notice of termination as at the payment date, you are not entitled to any payment pursuant to the Incentive Plan or part thereof.

You will also be eligible to participate in AECOM's employee benefit plans as in effect from time to time that are available to other executive officers of AECOM, including AECOM's Change in Control Severance Policy for Key Executives and AECOM's Senior Leadership Severance Plan (the "Pre-CIC Severance Plan"), as in effect from time to time. No such plans form part of this Agreement. The Company reserves the right to vary, amend, discontinue or withdraw such plans at any time it deems fit, at its sole discretion, including to cap or limit the amount of any payment to you under such plans and for any changes to have retrospective effect.

The Company will pay your annual base salary on or before the 15th of each month by electronic funds transfer into your nominated bank or building society account.

Remuneration Review

Your TFR will be reviewed by your Manager annually taking into account your performance and contribution, the business results of AECOM and market conditions. Any increase in your TFR is at the sole discretion of the Company. There is no obligation on the Company to award any increase to your TFR following any review.

4. Superannuation

The Company will make superannuation contributions for you at the rate required under the *Superannuation Guarantee (Charge) Act 1992* (Cth) to avoid a charge.

As AECOM manages total fixed remuneration the amount of superannuation contributions made by the Company on your behalf may change in accordance with future legislative changes to the compulsory superannuation contribution rate.

You may nominate a complying superannuation fund in accordance with applicable legislation. If you do not make a nomination, the Company will make all required superannuation contributions on your behalf to its default fund, which is currently the AMP AECOM Australia Signature Superannuation Fund. This fund may change at the Company's election from time to time. A Standard Choice form must be completed and returned upon acceptance of this offer.

If you elect the Company superannuation fund, you will be provided with temporary salary continuance in the event of a serious injury or illness, with a benefit of up to 75% of your superannuation salary (subject to eligibility for benefits under the Fund being established). If eligible for benefits a three (3) month waiting period applies. Full details will be provided upon commencement of employment and if you make the necessary election.

5. Hours of Work

Your weekly hours of work are 38 hours per week, Monday to Friday, plus any reasonable additional hours as are necessary and reasonable to perform your duties and responsibilities (not including an unpaid meal break each day). Start and finish times should be discussed and agreed with your manager.

Your remuneration has been set at a level to compensate you for all hours worked, including all such reasonable additional hours and you acknowledge that no additional payment will be made for time worked in excess of 38 hours per week.

6. Fitness for Work

From time to time the Company may lawfully and reasonably direct you to attend a doctor or other health professional nominated by the Company for the purpose of having a medical examination to ascertain your fitness or capacity to undertake your duties and/or undertake medically supervised tests (e.g. drug alcohol, general fitness) to determine a level of "fitness for work". Such tests may also be required by our clients from time to time in order to fulfil contractual, industrial or Workplace Health & Safety obligation. You authorise the Company to obtain a copy of any reports and the results of any tests undertaken in respect of any such medical examinations or fitness for work tests.

7. Responsibilities

In carrying out your duties it is your responsibility to perform the duties assigned to you to the best of your ability and knowledge; act in the Company's best interests and use your best efforts to promote the interests of the Company. You are expected to comply with all lawful and reasonable directions of the Company; all law applicable to your position and the duties assigned to you.

8. Leave Entitlements

The leave entitlements detailed below are subject to the notice and evidence requirements of the *Fair Work Act 2009* (Cth) and/or as detailed in the Company's leave policy as amended from time to time which forms a lawful and reasonable direction with which you must comply but does not form part of this Agreement.

<u>Annual Leave</u> - You are entitled to annual leave in accordance with the *Fair Work Act 2009* (Cth). The remainder of this paragraph summarises the key aspects of your annual leave entitlements under the Act. You are entitled to four (4) weeks' paid annual leave for each year of service in accordance with the *Fair Work Act 2009* (Cth) as amended from time to time. Subject to this Agreement, annual leave is to be taken at a time agreed to between you and the Company or, failing agreement at a time specified by the Company. Annual leave accrues progressively during a year of service according to your ordinary hours of work and is cumulative.

<u>Christmas Closure</u> - Project commitments permitting, it is currently the practice of the Company's offices to close for a period of time around Christmas and New Year. Accordingly, you may be directed by the Company to take annual leave during any shutdown period over the Christmas/New Year period or where you have accrued an excessive annual leave balance. You will be required to utilise your accrued annual leave to cover the non-public holiday days during this shutdown period. New employees with insufficient annual leave may be permitted to take un-accrued annual leave to be re-credited in the following calendar year.

<u>Long Service Leave</u> - You will be entitled to long service leave in accordance with the applicable legislation in the State or Territory that is your primary place of employment.

<u>Public Holidays</u> - You are entitled to the gazetted public holidays, which fall on your standard work days, in the State or Territory that is your primary place of employment being the office location identified in the Position and Reporting section of this Agreement, unless your primary place of employment changes due to relocation at the request of the Company.

<u>Personal/Carer's Leave</u> - You are entitled to personal leave in accordance with the *Fair Work Act 2009* (Cth). The remainder of this paragraph summarises the key aspects of your personal leave entitlements under this Act. You are entitled to ten (10) days' of paid personal leave for each year of service. This leave can be used in circumstances of personal illness or injury, or to provide care and support to a member of your immediate family or a member of your household as a result of a personal illness or injury or an unexpected emergency affecting the member. Paid personal leave accrues progressively during a year of service according to your ordinary hours of work and is cumulative. Where your paid personal leave entitlement is otherwise exhausted, you are also entitled to up to two

(2) days of unpaid carer's leave (per occasion). On termination you are not entitled to any payment in lieu of accrued but untaken personal leave.

<u>Compassionate Leave</u> – You are entitled to up to two (2) days paid compassionate leave for each occasion where a member of your household or immediate family passes away or contracts a personal illness or injury which poses a serious threat to life.

<u>Study Leave</u> - Study leave is available for employees undertaking **approved** secondary and tertiary studies in an area directly linked to your profession and career path. Study leave of up to four (4) days per academic year may be approved by your Manager on a case-by-case basis, and the granting of study leave is at the Company's sole discretion

<u>Parental Leave</u> – You are entitled to unpaid parental leave in accordance with the *Fair Work Act 2009* (Cth). After completing six (6) months of continuous service you will be entitled to paid parental leave in accordance with the Company's Parental Leave Guide.

<u>Community Service Leave</u> – You are entitled to community service leave in accordance with the *Fair Work Act 2009* (Cth).

You are required to notify the Company as soon as reasonably practicable, preferably before your usual time for commencement of work on the day of your inability to attend work for any reason, including due to a need to take personal leave. If requested to do so, you must supply the Company with evidence that supports your reason to take the type of leave requested, for example, a medical certificate or a statutory declaration.

<u>Family and Domestic Violence Leave</u> – You are entitled to Family and Domestic Violence leave in accordance with the *Fair Work Act 2009* (Cth) and in accordance with the Company Family and Domestic Violence Leave Policy.

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9. Policies, Procedures and Guidelines

The Company's policies, procedures and guidelines as prescribed, amended and published from time to time are not incorporated into and do not form part of this Agreement, nor do they impose contractual obligations on the Company or give rise to contractual rights enforceable by you.

Some of the Company's policies, procedures and guidelines, including those of our parent company "AECOM", such as but not limited to the Code of Conduct, Clawback Policy, Good Working Relationships, Insider Trading, Electronic Communications and the Safety, Health & Environment policies, place obligations on you as an employee of the Company. Where such obligations arise, it is a condition of your employment with the Company and under this Agreement that you comply with these obligations as a lawful and reasonable direction issued to you by the Company.

You are also obliged under this Agreement to undertake related training in relation to such policies, procedures and guidelines as requested from time to time.

Policies, procedures and guidelines may be added to, modified or withdrawn at any time and in the event that there is a conflict between this Agreement and the policies, procedures and guidelines this Agreement will prevail. Failure to comply with the Company's policies, procedures and guidelines may be taken into account in assessing your performance and your conduct as an employee. Conduct which is in breach of policies, procedures or guidelines or refusing to undertake training in relation to policies, procedures or guidelines, may in particular cases justify disciplinary action, up to and including termination of employment without notice or without payment in lieu of notice. You should therefore ensure that you are familiar with the Company's policies, and procedures and guidelines, which can be obtained from the company's intranet, your Manager or the Human Resources team.

10. Company Equipment

All equipment provided to you by the Company during your employment, including mobile phones, BlackBerry/PDA devices and computers remain the property of the Company and must be returned to the Company upon the end of your employment.

11. Privacy

For the purpose of this clause, "personal information", including "health information" and "sensitive information" have the same meaning as in the *Privacy Act 1988* (Cth).

You consent to the Company, its related entities and each person to whom you have disclosed personal information, collecting, using and disclosing personal information for any purpose relating to their business or your employment in accordance with the *Privacy Act 1988* (Cth). Information concerning your employment may be shared, when required for a direct business purpose or as instructed by a government agency or court order.

12. Conflict of Interest

You represent and acknowledge that the offer and acceptance of employment with the Company will not place you or have the potential to place you in a situation of conflict of interest or duty or potential of conflict of interest or duty with the offered position. If you have any legal or contractual obligation which may preclude or impose restrictions on your potential employment with the Company, you must disclose this to the Company prior to your acceptance.

During your employment you must not allow a situation to arise which places you in a situation, or potential situation, of conflict of interest or duty with your position at the Company. During your employment, you must not, without the prior written consent of the Company, undertake any appointment or position (including any directorship) or other paid work or time-consuming unpaid work, or advise or provide services to, or be engaged, or associated with any business or activity (including a business on your own account) that:

a) results in your performing activities similar to your duties and responsibilities under this Agreement; ;
b) results in the business or activity competing with the Company;
c) adversely affects the Company or its reputation; or
d) hinders the performance of your duties.

You must not accept any payment or other benefit from any person as an inducement or reward for any act or omission in connection with the business and affairs of the Company or the duties assigned to you by the Company from time to time.

If a situation arises whereby you believe you have, or have the potential to have, a conflict of interest or duty:

a) you must immediately advise your Manager of the situation; and
b) you must take all reasonable steps to avoid the conflict or potential conflict and follow all reasonable directions of your Manager in that regard.

13. Confidentiality

During your employment and following termination of your employment, you will keep confidential all Confidential Information. Confidential Information means all information which is confidential to the AECOM, the Company, and their Affiliates (collectively "AECOM Group"), including trade secrets, information concerning the market within which the AECOM Group operates, technical information concerning the AECOM's products or the materials used by AECOM Group in its business, information about the AECOM's financial performance, customer lists and customer information, information concerning the Company's markets, business projections, business plans and business forecasts concerning the AECOM Group's performance or likely future activity and/or any other information which is confidential to the business affairs of the AECOM Group or its suppliers and customers and/or employees and which is not in the public domain.

You further agree that during your employment with the Company you will not improperly use or disclose any Executive Restricted Information which includes proprietary or confidential information or trade secrets of any person or entity with whom you have an agreement or duty to keep such information or secrets confidential.

You must not during or at any time after your employment with the Company ends, disclose or publish any Confidential Information and you must use your best endeavours to prevent the disclosure or publication of the Confidential Information to any person except if it falls within one of the following exceptions:

e) the disclosure if required by law;
f) the prior written consent of the AECOM Group is obtained to the disclosure; or
g) the disclosure is in the proper performance of your duties to the AECOM Group's agents, employees or advisers who enter into an undertaking of confidentiality reasonably required by the AECOM Group.

You must not make a copy or other record of Confidential Information except in the proper performance of your duties.

You will:

a) upon termination of your employment with the Company, or at any time at the request of AECOM or the Company, immediately deliver to AECOM or the Company all documents or other things in your possession, custody or control on which any Confidential Information is stored or recorded, whether in writing or in electronic or other form; or
b) if requested by AECOM or the Company, instead of delivering the Confidential Information to the AECOM or Company, destroy the Confidential Information (in the case of data stored electronically or in other form, by erasing it from the media on which it is stored such that it cannot be recovered or in any way reconstructed or reconstituted) and certify in writing to AECOM or the Company that the Confidential Information, including all copies, has been destroyed.

14. Intellectual Property Rights

You acknowledge that the Company is the absolute owner of all Intellectual Property rights in the Works.

You must disclose to the Company all Works whether capable of attracting Intellectual Property rights or not. All existing and future Intellectual Property rights, title and interest created or developed by you in connection with your employment (whether alone or with others and whether created during or outside of work hours) are vested in the Company. You will undertake all acts and things required to secure Intellectual Property rights of the Company, including assigning to the Company all your existing and future Intellectual Property rights in the Works (whether during or after the cessation of your employment), applying, executing any instrument and undertaking to do all things reasonably requested by the Company to vest the registration of title or other similar protection to the Company and ensuring all Intellectual Property rights in the Works become the absolute property of the Company.

You consent to any act or omission by the Company (for its own benefit) which would otherwise constitute an infringement of your Moral Rights in all Works created or developed by you in connection with your employment.

In this clause, the following terms have the following meanings:

"**Intellectual Property**" means all forms of intellectual property rights whether registered or unregistered and whether existing under statute, at common law or in equity throughout the world, including without limitation copyright, registered patent, designs, trademarks and Confidential Information including know-how and trade- secrets;

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"**Moral Rights**" has the meaning given to it in the *Copyright Act 1968* (Cth) and includes rights of integrity of authorship, rights of attribution of authorship and similar rights that exist or may come to exist anywhere in the world; and

"**Works**" means all information, ideas, concepts, improvements, discoveries and inventions, whether patentable or not, which are conceived, made, developed or acquired by you or which are disclosed or made known to you, individually or in conjunction with others, during your employment with the Company and which relate to the Company's business, products or services (including all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of clients or customers or their requirements, the identity of key contacts within the client or customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks). This includes all drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries and inventions (and in each case whether electronic or in any other material form).

15. Non-solicitation and Non-compete Obligations

During your employment with the Company you will be in a position to develop and maintain relationships on behalf of the Company, with the Company and its related entities, clients, employees, vendors, agents and other business associates and will have access to confidential information, including commercially sensitive, conceptual, financial and structural knowledge of the Company. On this basis, you acknowledge that certain restrictions are necessary for the protection of the Confidential Information, the reputation and goodwill of the Company and apply during your employment and when your employment with the Company ceases.

In consideration of the TFR provided to you under this Contract, you agree that during your employment and for one (1) year following termination of your employment you will not:

a) canvass, solicit, entice or otherwise induce any employee or contractor of the Company to act in breach of their contract with the Company or to leave the employment of or end their engagement with the Company (as applicable); or
b) induce, encourage or solicit any of the Company's clients, suppliers or candidates with whom you have had dealings and influence over in the preceding twelve (12) months, to end or restrict their trade or commercial relationship with the Company.

Each restriction described in this letter (above and under the heading of Non-solicitation and Non-compete Obligations) are separate, distinct and severable from the other restrictions. If any such restriction is found to be unenforceable in whole or in part, such unenforceable restriction will be severed from this letter and the enforceability of the remainder of the restrictions and any other restriction will not be affected.

16. Acknowledgements

You agree that each of the restraints are reasonable in their extent (as to duration, geographical area and restrained conduct) having regard to the legitimate business interests of the Company and go no further than is reasonably necessary to protect the ongoing business and goodwill of the Company.

You also acknowledge that you have sought professional advice in relation to the contents of this Contract including the restraints set out at paragraphs (a) to (b) in clause 15 above.

You acknowledge that any breach by you of your obligations under this Agreement with respect to Confidentiality, Intellectual Property Rights and Non-poaching and Non-compete Obligations will be regarded as very serious matters by the Company, may result in you being dismissed immediately without any entitlement to notice or pay in lieu of notice; and/or may result in the Company seeking an injunction against you as you acknowledge that damages may not be an adequate remedy in such circumstances.

17. Termination of Employment

You are required to give three (3) months' written notice of resignation. The Company may terminate your employment by giving you three (3) months' written notice.

The Company may elect to pay out all of the notice period or provide a combination of part notice and part payment in lieu of notice. Payments in lieu of notice are calculated on the basis of your usual weekly remuneration.

The Company may terminate your employment immediately and without notice or without payment in lieu of notice if you engage in any of the following conduct that, in the Company's opinion, justifies your summary dismissal, which includes but is not limited to:

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a) serious misconduct (including, but not limited to theft, fraud or assault);
b) gross negligence or otherwise being incompetent in the performance of your position;
c) committing a serious or persistent breach of the terms of this Agreement;
d) engaging in conduct that causes a serious risk to health or safety;
e) breaching fit for work requirements;
f) refusing to carry out a lawful and reasonable direction;
g) becoming bankrupt;
h) being restricted from performing your duties due to breach of any restraint provision with a former employer or failing to obtain any required visas, work permits, licences, registrations, or memberships;
i) committing a crime which in the reasonable opinion of the Company, may either seriously impact on your ability to perform your duties or is likely to significantly damage the reputation or business of the Company; and/or
j) breaching the Confidentiality, Intellectual Property Rights, and/or Non-poaching and Non-compete Obligations provisions of this Agreement.

On either party giving notice of termination, the Company may, in its absolute discretion and for all or part of the notice period require you to perform duties different to those duties which you performed during your employment, only some of your duties, or no duties at all, which you agree will not constitute a repudiation of this Agreement. During any such period, you will remain an employee of the Company, you must remain ready, willing and able to perform any duties as required by the Company, and except as specified in this clause, all terms and conditions of this Agreement will continue to apply to you.

18. Right to Deduct

You expressly authorise and agree that the Company may deduct from your salary any money and costs:

a. as overpayments made by the Company to you including, without limitation, due to any payroll or other administrative error or mistake, because of unauthorised absences where you have not accrued such entitlement or negative leave balances;
b. directly incurred by the Company as a result of your voluntary private use of particular property of the Company including, for example, the cost of items purchased on a corporate credit card for personal use, the cost of personal calls on a Company mobile phone or the cost of petrol purchased for the private use of a Company vehicle;
c. if you fail to give the required notice to the Company, being an amount not exceeding the amount you would have been paid under this Agreement in respect of your period of notice less any period of notice actually given by you to the Company; and
d. for which the Company is legally entitled to deduct, or which you have specifically asked the Company to deduct from your wages and that is for your benefit, including, for example, salary sacrifice payments, reimbursable relocation expenses, and gym membership or health insurance fees.

Where the Company has a right to deduct monies from your salary and a written authority from you is required, you undertake to provide this authority as requested by the Company.

19. General Provisions

In this Agreement, a reference to the Company includes the Company's related entities.

Your obligations under this Agreement concerning Return of Property, Confidentiality, Intellectual Property Rights, Non-poaching and Non-compete Obligations, Acknowledgements and this clause continue after termination of this Agreement and your employment.

This Agreement supersedes and replaces all prior representations and agreements concerning your employment with the Company. Any change to this Agreement must be agreed between you and the Company and in writing.

The failure by the Company to insist on performance of any term of this Agreement is not a waiver of its right at any later time to insist on performance of that or any other terms of this letter.

Each provision of this Agreement is separable from the others and the severance of a provision does not affect the remainder of the Agreement.

This Agreement is governed by the laws of the State of Victoria.

You acknowledge that you have the right to seek legal advice in relation to this Agreement.

20. Acceptance of Offer

Please sign below (and initial each page) the duplicate copy of this Agreement to signify your understanding and acceptance of the terms and conditions of your appointment with the Company. The AECOM Code of Conduct and the AECOM Global Ethical Business Conduct policies enclosed with this Agreement are important to us as they guide our professional behaviour. By signing this Agreemen,t you also acknowledge you have received, read and understand your obligations arising out of these policies and agree to comply with them during, and if applicable after, your employment with AECOM.

I understand, acknowledge and accept the terms and conditions of employment with the Company.

Signed by Lara Poloni

Signature: /s/ Lara Poloni

Date: 10/19/20

On behalf of AECOM:

Signed by /s/ Steven A. Kandarian
Steven A. Kandarian
Chairman of the Compensation and Organization Committee

Date: 9/29/20

 ________ Initials

Fair Work Information Statement

Fair Work OMBUDSMAN — Australian Government

Employers must give this document to new employees when they start work

IMPORTANT INFORMATION ABOUT YOUR PAY AND CONDITIONS

Employees in Australia have entitlements and protections at work, under:

FAIR WORK LAWS	AWARDS	ENTERPRISE AGREEMENTS	EMPLOYMENT CONTRACTS
• minimum entitlements for all employees • includes the National Employment Standards	• set minimum pay and conditions for an industry or occupation • cover most employees in Australia	• set minimum pay and conditions for a particular workplace • negotiated and approved through formal process	• provide additional conditions for an individual employee • can't reduce or remove minimum entitlements

Find your award at **www.fairwork.gov.au**. Check if your workplace has an enterprise agreement at **www.fwc.gov.au/agreements**

PAY

Your minimum pay rates are in your award or enterprise agreement. If there is no award or agreement for your job, you must get at least the National Minimum Wage. **You can't agree to be paid less.** Minimum pay rates are usually updated yearly.

Find out what you should get at **www.fairwork.gov.au/minimum-wages**

NATIONAL MINIMUM WAGE FROM 1 JULY 2019 — **$19.49/hour** full-time or part-time; **$24.36/hour** casual

This is the adult rate for employees with no award or enterprise agreement.
Lower rates may apply to juniors, apprentices and employees with disability.

Use our free calculators to check your pay, leave and termination entitlements at: **www.fairwork.gov.au/pact**

NATIONAL EMPLOYMENT STANDARDS

These are minimum standards for all employees. Rules and exclusions may apply. **Your award or agreement may provide more.** Find more information on the National Employment Standards at **www.fairwork.gov.au/NES**

	Full-time and part-time employees	Casual employees
Annual leave	✓ 4 weeks paid leave per year (pro rata for part-time employees) + 1 week for eligible shift workers	✗
Personal leave* (sick or carer's leave)	✓ 10 days paid leave per year	✗
Carer's leave	✓ 2 days unpaid leave per permissible occasion (if no paid personal leave left)	✓ 2 days unpaid leave per permissible occasion
Compassionate leave	✓ 2 days paid leave per permissible occasion	✓ 2 days unpaid leave per permissible occasion
Family & domestic violence leave	✓ 5 days unpaid leave per 12 months	✓ 5 days unpaid leave per 12 months
Community service leave • Jury service	✓ 10 days paid leave with make up pay + unpaid leave as required	✓ Unpaid leave as required
• Voluntary emergency management activities	✓ Unpaid leave as required to engage in the activity	✓ Unpaid leave as required to engage in the activity
Long service leave	✓ Paid leave (amount and eligibility rules vary between states and territories)	• Varies between states and territories
Parental leave eligible after 12 months employment	✓ 12 months unpaid leave - can extend up to 24 months with employer's agreement	✓ 12 months unpaid leave for regular and systematic casuals - can extend up to 24 months with employer's agreement
Maximum hours of work	✓ Full-time employees – 38 hours per week + reasonable additional hours Part time and casual employees - 38 hours or employee's ordinary weekly hours (whichever is less) + reasonable additional hours	
Public holidays	✓ A paid day off if you're normally work. If asked to work you can refuse, if reasonable to do so	✓ An unpaid day off. If asked to work you can refuse, if reasonable to do so
Notice of termination	✓ 1-5 weeks notice (or pay instead of notice) based on length of employment and age	✗
Redundancy pay eligible after 12 months employment	✓ 4 -16 weeks pay based on length of employment	✗

*Applications have been made to the High Court to appeal a recent decision on the method of accruing and taking paid personal/carer's leave under the National Employment Standards. This document currently reflects the state of the law as it applies to affected employees, but is subject to any changes at law.
For details see **www.fairwork.gov.au/leave/sick-and-carers-leave**

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Australian Government Fair Work OMBUDSMAN

Fair Work Information Statement

Employers must give this document to new employees when they start work

IMPORTANT INFORMATION ABOUT YOUR PAY AND CONDITIONS

FLEXIBILITY

After 12 months employment, you can make a written **request for flexible working arrangements** if you're 55 or over, a carer, have a disability, are experiencing violence from a family member (or are supporting a family or household member who is), or are the parent of, or have caring responsibilities for, a child of school age or younger. This includes employees returning from parental or adoption leave asking to work part-time to care for the child. Your employer must respond in writing within 21 days. They can only say no on reasonable business grounds.

You and your employer can also **negotiate an individual flexibility arrangement**. This would change how certain terms in your award or enterprise agreement apply to you. An individual flexibility arrangement must be a genuine choice – it can't be a condition of employment – and it must leave you better off overall. Find out more at:

www.fairwork.gov.au/flexibility

DID YOU KNOW?

You can create a free My account to save your workplace information in one place at:
www.fairwork.gov.au/register

You can find free online courses to help you start a new job or have difficult conversations at work, visit:
www.fairwork.gov.au/learning

The Record My Hours app makes it quick and easy to record the hours you work. It's free on the App Store and Google Play.

ENDING EMPLOYMENT

When your employment ends, your final pay should include all **outstanding entitlements**, such as wages and unused annual leave and long service leave.

You may be entitled to **notice of termination**, or pay instead of notice. If you're dismissed for serious misconduct, you're not entitled to notice. If you resign you may have to give your employer notice. To check if notice is required and what should be in your final pay visit:

www.fairwork.gov.au/ending-employment

If you think your **dismissal was unfair** or unlawful, you have **21 calendar days** to lodge a claim with the Fair Work Commission. Rules and exceptions apply. Find out more at:

www.fairwork.gov.au/termination

PROTECTIONS AT WORK

All employees have protections at work. You can't be treated differently or worse because you have or exercise a workplace right, for example, the right to request flexible working arrangements, take leave or make a complaint or enquiry about your employment.

You have the right to join a union or choose not to, and to take part in lawful industrial activity or choose not to.

You also have protections when temporarily absent from work due to illness or injury, from discrimination, bullying and harassment, coercion, misrepresentation, sham contracting, and undue influence or pressure. Find out more at:

www.fairwork.gov.au/protections

AGREEMENT MAKING

Enterprise agreements are negotiated between an employer, their employees and any employee representatives (e.g. a union). This process is called 'bargaining' and has to follow set rules. The Fair Work Commission checks and approves agreements. For information about making, varying, or terminating an enterprise agreement visit:

www.fwc.gov.au/agreements

TRANSFER OF BUSINESS

If a transfer of business occurs, your employment with your old employer ends. If you're employed by the new employer within three months to do the same (or similar) job, some of your entitlements might carry over to the new employer. This may happen if, for example, the business is sold or work is outsourced. Find out more at:

www.fairwork.gov.au/transfer-of-business

RIGHT OF ENTRY

Union officials with an entry permit can enter the workplace to talk to workers that they're entitled to represent, or to investigate suspected safety issues or breaches of workplace laws.

They must comply with certain requirements, such as notifying the employer, and can inspect or copy certain documents. Strict privacy rules apply to the permit holder, their organisation and your employer. Find out more at:

www.fwc.gov.au/entry-permits

WHO CAN HELP?

FAIR WORK OMBUDSMAN

- information and advice about pay and entitlements
- free calculators, templates and online courses
- help resolving workplace issues
- investigates and enforces breaches of workplace laws.

www.fairwork.gov.au - 13 13 94

FAIR WORK COMMISSION

- hears claims of unfair dismissal, unlawful termination, bullying, discrimination or 'adverse action' at work
- approves, varies and terminates enterprise agreements
- issues entry permits and resolves industrial disputes.

www.fwc.gov.au - 1300 799 675

If you work in the commercial building industry the Australian Building and Construction Commission can help.
www.abcc.gov.au - 1800 003 338

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SEPARATION AND RELEASE AGREEMENT

AECOM and Steve Morriss ("you" or "your") hereby enter into this SEPARATION AND RELEASE AGREEMENT ("Agreement"), dated as of October 2, 2020.

WHEREAS, AECOM, its subsidiaries, and affiliates (herein referred to collectively as the "Company") is engaged in the business of professional technical and management support services (the "Company Business");

WHEREAS, you are a key employee of the Company and an "Eligible Employee" as such term is defined in the Company's Senior Leadership Severance Plan (the "SLSP" or the "Plan");

WHEREAS, pursuant to Section 6 of the SLSP, in order to receive benefits under the Plan, an Eligible Employee must execute a Separation and Release Agreement in the form provided by the Company in its sole discretion, which shall contain provisions including but not limited to a general waiver and release of claims and various post-employment covenants as stated in Sections 6(a), 6(b) and 6(c) of the SLSP; and

WHEREAS, the covenants provided herein are material, significant and essential to the Company's provision of benefits to you under the Plan, and good and valuable consideration under the Plan has been and will be transferred from the Company to you in exchange for such covenants.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and provisions of this Agreement, the SLSP, and the agreements and instruments related thereto, the receipt and sufficiency of such consideration being hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. STATUS OF EMPLOYMENT

Your employment with the Company will end on October 2, 2020 (the "Separation Date"). The Company will pay you all accrued salary and all accrued and unused paid time off earned through the Separation Date, subject to standard payroll deductions and withholdings. From the Separation Date to and including the Consulting End Date (as defined below), you have agreed to make yourself available as needed as a "consultant" to the Company to assist in the orderly transition of your duties and responsibilities, as directed by Lara Poloni (the "Consulting Period"). During the Consulting Period, you shall be paid a monthly consulting fee equal to your gross monthly base salary in effect prior to the Separation Date (the "Monthly Consulting Fee"), which fees shall be payable to you no later than fifteen (15) days following the end of each month during the Consulting Period. For any partial months during the Consulting Period, you shall be paid a *pro rata* amount of the Monthly Consulting Fee, calculated by multiplying the Monthly Consulting Fee by a fraction, the numerator of which is the number of days that you were engaged to provide consulting services in the month and the denominator of which is the total number of calendar days in the month. For purposes of this Agreement, the "Consulting End Date" shall be the date on which either you or the Company notify the other of your or its decision to terminate the consulting relationship. For the avoidance of doubt, during the Consulting Period, you shall continue to comply fully with all laws and regulations applicable to the business of the Company, however you will not have access to the Company's electronic mail, office(s), computer systems or records, and you agree not to communicate, for business purposes, with any employee, customer or client or other business relation of the Company other than at the direction of Ms. Poloni.

If you are currently participating in the Company's group health insurance plan, you will continue to receive employer-subsidized health insurance at your current election through October 31, 2020. Thereafter, you may elect to receive continuation coverage in the Company's health insurance plan pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") at your own expense. COBRA continuation coverage shall in all respects be subject to the requirements and limitations of COBRA and of the Company's health insurance plans, which may be amended from time to time.

2. **SEPARATION BENEFITS**

a. **Severance Payment.** In consideration for the promises in this Agreement, including but not limited to your consent to and non-revocation of the release set forth in paragraph 4 below, you will receive a severance payment in the amount of $1,331,709.10, less all applicable income tax withholdings and other lawful deductions (the "Severance Payment"). The Severance Payment represents the sum of amounts described in Sections 5(a)(i), 5(a)(ii) and 5(a)(iii) of the SLSP. The Severance Payment will be subject to standard payroll deductions and withholdings and will be direct deposited in a lump sum as soon as reasonably practicable following the Effective Date of this Agreement (as such term is defined in paragraph 9 below) and no later than sixty (60) days following the Separation Date subject to the effectiveness of the Agreement and paragraph 18 below. By signing this Agreement, you authorize AECOM to direct deposit any payments under this Agreement into your bank, savings and loan or credit union account that was previously authorized by you for payroll purposes. If you have not provided an authorized account for direct deposit, a check for any such amounts will be mailed to your home address on file.

b. **Additional Service Credit for Equity Award Vesting.** In consideration for the promises in this Agreement, including but not limited to your consent to and non-revocation of the release set forth in paragraph 4 below, your outstanding equity awards listed in the annexed Schedule A shall be considered vested as set forth therein reflecting the crediting of additional service in accordance with Sections 5(b)(i), 5(b)(ii) and 5(b)(iii) of the SLSP (the "Additional Service Credit").

c. You agree that you would not be entitled to the separation benefits outlined above (collectively, the "Separation Benefits"), including the Severance Payment and the Additional Service Credit, in the absence of your execution and non-revocation of this Agreement, and, therefore, the Separation Benefits provided for under this Agreement are greater than what you would be legally entitled to receive in the absence of this Agreement.

d. You understand and agree that the Separation Benefits outlined above shall not be duplicative of any other payments and benefits provided by the Company in connection with your separation from employment with the Company, including but not limited to any pay in lieu of notice, severance benefits or other payments or benefits that may be required by any federal, state or local law, including the laws of any jurisdiction outside of the United States, relating to severance, plant closures, terminations, reductions-in-force, or plant relocations. If the Company provides you with any such other payments or benefits, then the Severance Payment described above shall be reduced by the amount of any such payment(s); provided, however, that coordination with benefits (if any) under the CIC Plan (as such term is defined in the SLSP), shall be in accordance with Section 5(c) of the SLSP. Notwithstanding the foregoing, in no event shall the gross amount you receive in Severance Payment be less than $500.00.

3. **ACKNOWLEDGEMENTS**

a. You acknowledge that with the payment of your final pay check, which includes any accrued but unused paid time off ("PTO"), and the Company's reimbursement to you of certain Relocation/Mobilization costs, as listed in the annexed Schedule B, no other compensation, wages, bonuses, commissions, overtime, expenses, PTO, and/or benefits are due to you except for the benefits and payments described in paragraph 2.

b. You represent that you have reported to the Company any and all work-related injuries or illnesses incurred by you during employment with the Company.

c. You understand and acknowledge that per the terms of AECOM's Severance Policy, in the event you are rehired as a full-time or part-time regular employee of AECOM, or you are hired into a comparable position by a vendor, contractor, customer, or successor, during the number of weeks of severance for which you received under this Agreement (the "Severance Pay Period"), the Company reserves the right to seek repayment related to time beyond the date of rehire; provided, however, that in no event shall the severance pay be reduced to less than $500. For the purposes of this paragraph, the Severance Pay Period is based on your prior regular earnings and is defined as the equivalent time frame over which payment would have been made if you had not received severance in a lump sum payment.

d. You acknowledge and represent that during your employment and through the date you sign this Agreement, you have made full and truthful disclosures to the Corporate SVP, Human Resources and/or the Corporate EVP, Chief Legal Officer the Company about any misconduct of which you may have been aware by or on behalf of the Company or any of its employees, officers, directors, consultants, agents or other third-parties.

e. You acknowledge that, if you are an officer of, or serve in any elected or appointed position for the Company or any of its subsidiaries or affiliates, then your signature on this Agreement constitutes your resignation, effective as of the Separation Date, from any and all such offices or positions. You agree that you will execute such further documents as the Company may request to more specifically reflect your resignation from each and every entity of which you are or were a director or officer.

4. **WAIVER AND RELEASE**

In exchange for the Separation Benefits outlined above, including the Severance Payment and the Additional Service Credit, you, on behalf of yourself, your heirs, beneficiaries, executors, administrators, representatives, assigns, and agents hereby fully release, acquit, and forever discharge the Company, its past, present, and future predecessors, successors, parent companies, subsidiary companies, affiliated entities, related entities, operating entities, and its and their past, present, and future officers, directors, shareholders, members, investors, partners, employees, agents, attorneys, insurers, reinsurers, and all of its and their past, present, and future compensation and employee benefits plans (including trustees, fiduciaries, administrators, and insurers of those plans) (collectively, the “Released Parties”) from any and all causes of action, lawsuits, proceedings, complaints, charges, debts, contracts, judgments, damages, claims, attorney’s fees, costs, expenses, and compensation whatsoever, of whatever kind or nature, in law, or equity or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected, that you may now have, have ever had, or hereafter may have relating directly or indirectly to your employment with the Company, the separation of your employment with the Company, the benefits or attributes of your employment with the Company, and/or any other act, omission, event, occurrence, or non-occurrence involving the Company or any of the Released Parties. Without limiting the foregoing and to the fullest extent allowed by law, you agree that this release includes, but is not limited to any and all claims arising from any violations or alleged violations of federal, state or local human rights, fair employment practices and/or other laws by any of the Released Parties for any reason under any legal theory including, but not limited to, the Age Discrimination in Employment Act; the Americans With Disabilities Act of 1990 (“ADA”); COBRA; the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”); the Employee Retirement Income Security Act of 1974 (“ERISA”); the Equal Pay Act (“EPA”); the Fair Labor Standards Act (“FLSA”); the Fair Credit Reporting Act (“FCRA”); the Family and Medical Leave Act (“FMLA”); the Genetic Information Nondiscrimination Act (“GINA”); the Immigration Reform and Control Act (“IRCA”); the Lilly Ledbetter Fair Pay Act; the National Labor Relations Act (“NLRA”); the Labor Management Relations Act (“LMRA”); the Occupational Safety and Health Act (“OSHA”); the Older Workers Benefit Protection Act; the Rehabilitation Act of 1973; the Sarbanes-Oxley Act of 2002 (“SOX”); the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”); Sections 1981 through 1988 of Title 42 of the United States Code; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Worker Adjustment and Retraining Notification Act (“WARN”), and/or all other federal, state, or local laws (including, without limitation, the California Fair Employment and Housing Act and the California Labor Code) statutes, ordinances, constitutions, rules, orders or regulations, all as they may be amended. You also forever waive, release, discharge and give up all claims, real or perceived and now known or unknown, for breach of implied or express contract, breach of promise, breach of the covenant of good faith and fair dealing, wrongful or retaliatory discharge, discrimination, harassment, promissory estoppel, assault, battery, false imprisonment, defamation, libel, slander, intentional and negligent infliction of emotional distress, duress, fraudulent and negligent misrepresentation, defamation, violation of public policy, negligence, and all other claims or torts arising under any federal, state or local law, regulation, constitution, ordinance or judicial decision; and any claim concerning wages, benefits, severance payments, bonus payments, payments pursuant to any agreement with the Company, stock, stock options, or stock option agreement, including but not limited to your Employment Offer Letter, dated as of April 23, 2015 ("Employment Offer Letter"). You also agree to waive any right you have to pursue any claim or grievance through any internal channel of the Company and/or its affiliates. You understand and agree that your waivers include both claims that you know about and those you may not know about which have arisen on or before the date on which you sign this Agreement.

5. **<u>STATE LAW WAIVER</u>**

If you have worked or are working in California, you agree to expressly waive all rights under Section 1542 of the Civil Code of the State of California, up to and including the date you sign this Agreement. Section 1542 provides as follows:

> **A general release does not extend to claims which a creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

You further agree and represent that you have had an opportunity to consult with an attorney over the meaning and significance of this Civil Code § 1542 waiver and that you knowingly and voluntarily waive your rights under this statute.

6. **<u>EXCLUSIONS FROM WAIVERS AND RELEASE OF CLAIMS</u>**

Notwithstanding anything else stated in this Agreement, you understand and agree that:

a. Nothing in this Agreement is intended to limit or restrict any rights that you may have to enforce this Agreement or to interfere with or affect a waiver of any other right that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished. This Agreement also does not apply to any claims that the controlling law clearly states may not be released by private agreement.

b. This Agreement does not affect your non-forfeitable rights to your accrued benefits (within the meaning of Sections 203 and 204 of ERISA) under the Company's ERISA-covered employee benefits plans.

c. This Agreement shall not apply to rights or claims that may arise after the date you execute this Agreement.

d. This Agreement does not preclude filing a charge with or participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board or any other federal, state, or local labor board or agency charged with enforcing employment laws (including, the California Fair Employment and Housing Commission). However, by signing this Agreement, you understand and agree that you are waiving any right to recover money or other individual relief based on claims asserted in such a charge in any proceeding brought by you or on your behalf.

e. This Agreement does not preclude your ability to report fraud, waste or abuse to federal officials regarding the Company's management of public contracts, or your obligation to cooperate with any government authorities.

f. This Agreement does not limit any statutory rights you may have to bring an action to challenge the terms of this Agreement or contest the validity of the release contained in this Agreement under the Age Discrimination in Employment Act ("ADEA") or the Older Workers Benefits Protection Act ("OWBPA").

g. This Agreement does not limit or waive your right to file an application for an award for original information submitted pursuant to Section 21F of the Securities Exchange Act of 1934.

h. This Agreement does not limit or waive your rights as a stockholder of the Company, or any rights you may have to indemnification under the Company's governing documents and coverage under its director and officer insurance policies.

7. **NON-ADMISSION OF LIABILITY**

You agree that this Agreement shall not in any way be construed as an admission that any of the Released Parties, as defined in paragraph 4 above, owe you any money or have acted wrongfully, unlawfully, or unfairly in any way towards you. In fact, you understand that the Released Parties specifically deny that they have violated any federal, state, or local law or ordinance or any right or obligation that they owe or might have owed to you at any time and maintain that they have at all times treated you in a fair, lawful, non-discriminatory and non-retaliatory manner.

8. **PROMISE NOT TO SUE**

You have not, at any time up to and including the date on which you sign this Agreement, commenced, and will not in the future commence, to the fullest extent permitted by law, any action or proceeding, or file any action, of any nature arising out of the matters released by this Agreement, and you waive to the fullest extent permitted by law, any right to any monetary or equitable relief in any proceeding that may relate to the matters released by this Agreement. However, nothing in this paragraph will preclude either party from bringing a claim to enforce this Agreement or challenge the validity of this Agreement.

9. **REVIEW AND REVOCATION PERIODS**

a. You acknowledge that you were advised that you can take up to twenty-one (21) days from the date this Agreement was given to you to review this Agreement and decide whether to enter into this Agreement (the "Review Period"). You understand and agree that any changes to this Agreement, whether material or immaterial, do not restart the running of this twenty-one (21) day Review Period. To the extent that you have elected to enter into this Agreement prior to such time, you have done so voluntarily, and have knowingly waived such twenty-one (21) day Review Period.

b. You understand that you may revoke this Agreement within a period of seven (7) calendar days after its execution, except that if the last day of this period falls on a Saturday, Sunday or holiday observed by the Company you have until the conclusion of the next immediate business day ("Revocation Period"), by delivery of a written notice of revocation ("Revocation Notice") before the end of the last day comprising the Revocation Period to pam.hoebener@aecom.com, ATTN: Corporate SVP, Human Resources. This Agreement shall become automatically irrevocable, and fully enforceable, upon the expiration of the Revocation Period (the "Effective Date") if you do not timely revoke it in the aforesaid manner.

c. In the event that you do not execute this Agreement during the Review Period, or if you execute and then revoke the Agreement within the Revocation Period, or if for any other reason the Agreement or any portion of the Agreement is held to be unenforceable, all checks, instruments, funds, or other such payments received by you pursuant to the terms of this Agreement shall immediately be returned or reimbursed to the Company and you shall have no right to the benefits and consideration described in paragraph 2 of the Agreement. In the event the Company is required to institute litigation to enforce the terms of this paragraph, the Company shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement.

10. **NON-SOLICITATION**

a. You agree that, for a period of one (1) year after the Separation Date, you shall not, directly or indirectly, solicit any work competitive to the Company Business from any customer or client about which you had Confidential Information, as defined in paragraph 11(a) below, as a result of your employment with the Company and (a) for which the Company is rendering services as of the Separation Date; (b) for which the Company has rendered services at any time during the six (6) months preceding the Separation Date; or (c) to which the Company has made a proposal to perform or render services to or for within one (1) year prior to the Separation Date.

b. You further agree that, for a period of one (1) year after the Separation Date, you shall not, directly or indirectly,

(i) solicit, attempt to solicit, induce or otherwise cause any existing or future customer or client or other business relation of the Company about which you had Confidential Information, as defined in paragraph 11(a) below, as a result of your employment with the Company, to terminate, fail to extend or renew, reduce the funding of, or fail to provide additional funding for, any contract, proposal or work with the Company or otherwise divert business away from the Company; or

(ii) solicit, attempt to solicit, induce or otherwise cause any existing or prospective employee of the Company, to terminate or abort his or her employment with the Company, or hire or attempt to hire any existing or prospective employee of the Company whether for yourself or for any firm, organization, business, partnership, corporation, or association with which you shall have an association.

c. You agree that the terms and conditions set forth in this paragraph are fair and reasonable and are reasonably required for the protection of the interests of the Company.

11. **CONTINUED OBLIGATION NOT TO USE OR DISCLOSE CONFIDENTIAL INFORMATION; CONFIDENTIALITY OF THIS AGREEMENT**

a. You acknowledge that during your employment with the Company you acquired certain confidential, proprietary or otherwise non-public information concerning the Company, which may include, without limitation, intellectual property, trade secrets, financial data, strategic business or marketing plans, and other sensitive information concerning the Company and its past or present employees, directors, executives, officers, agents, or customers ("Confidential Information"). You agree that you have not, and will not, disclose any Confidential Information to any person or entity, except as required by law.

b. Without limiting the generality of the foregoing, you further promise and agree:

i. to protect and safeguard the Confidential Information against unauthorized use, publication, or disclosure;
ii. not to use any of the Confidential Information except as specifically authorized in writing by the Company;
iii. not to, directly or indirectly, reveal, report, publish, disclose, transfer, or otherwise use any of the Confidential Information except as specifically authorized in writing by the Company; and
iv. not to use any Confidential Information to unfairly compete or obtain an unfair advantage against the Company in any commercial activity, which may be comparable to the Company's actual or anticipated business, research or development.

c. You will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Accordingly, you have a right to disclose in confidence trade secrets to the Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. You also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

d. You have not and will not discuss or otherwise reveal to anyone the existence or terms of this Agreement, or discussions with any authorized Company representative about it, except when necessary to enforce this Agreement or required by law, or after obtaining their agreement to keep all such information confidential, to your attorneys, financial advisors, or accountants or immediate family members.

12. **UNEMPLOYMENT BENEFITS**

The Company will not contest your filing for unemployment benefits, provided, however, that the Company reserves the right to correct any misstatements made in connection with any such filings and to respond truthfully to any requests from government authorities.

13. **COOPERATION WITH LEGAL PROCEEDINGS**

Upon reasonable notice, you will provide information and proper assistance to the Company and/or its counsel (including truthful testimony and document production) in any litigation or potential litigation in which you are, or may be, a witness, or as to which you possess, or may possess, relevant information. The Company will pay your reasonable out-of-pocket expenses incurred in complying with this paragraph, provided that such expenses are pre-approved by the Company.

14. **NON-DISPARAGEMENT**

Since receiving a copy of this Agreement, you have not, and will not, make any statements or take any actions materially detrimental to the interests of the Company, including, without limitation, negatively commenting on, disparaging, or calling into question the business operations or conduct of the Company or its past or present clients, shareholders, directors, executives, officers, employees or agents.

15. **RETURN OF COMPANY PROPERTY**

You acknowledge and agree that all documents, records, and files (electronic, paper or otherwise), materials, software, equipment, and other physical property, including but not limited to laptop computers, iPads, mobile phones, electronic devices, peripherals, security access badges, ID cards, building and office access cards, entry badges, keys, access codes, passwords and log-in credentials, software, hardware, and databases, and all copies of the foregoing, including but not limited to all such items containing Confidential Information of the Company, that you have received, acquired, or which have come into your possession, custody or control or been produced by or to you in connection with your employment (collectively, "Company Property"), have been and remain the sole property of the Company. You agree that by no later than ten (10) days following the Separation Date, you will conduct a thorough and diligent search for, and shall return to the Company, all tangible Company Property, with the exception of documents relating to your compensation and benefits to which you are entitled to retain, and that you will not retain any copies or duplicates of any such Company Property. You further agree that by no later than ten (10) days following the Separation Date, you will conduct a thorough and diligent search for, and permanently and irrevocably delete, any intangible and/or digital

Company Property that exists or is stored: (a) in any email account; (b) in any "cloud" account; or (c) on any computer, laptop, tablet, mobile device, cellular phone, smartphone, PDA or other electronic storage device, the foregoing of any of which are accessible, possessed, controlled or owned by you (and not by the Company).

16. **<u>REMEDIES FOR BREACH OF CERTAIN COVENANTS</u>**

You agree and acknowledge that the Company will be irreparably harmed by any breach, or threatened breach, by you of the Non-Solicitation, Non-Disparagement, Return of Company Property or Confidentiality sections of this Agreement and that monetary damages would be grossly inadequate. Accordingly, you agree that in the event of a breach, or threatened breach, by you of the Non-Solicitation, Non-Disparagement, or Confidentiality sections of this Agreement, the Company shall be entitled to immediate injunctive or other preliminary or equitable relief, as appropriate, without being required to post a bond, in addition to all other remedies available at law and equity.

You agree that in the event you violate the Non-Solicitation, Non-Disparagement, Return of Company Property or Confidentiality sections of this Agreement, the Company will have no further obligation to pay or provide any unpaid Separation Benefits provided by this Agreement, and that you will immediately return to the Company all of the Separation Benefits previously paid or provided under the terms of this Agreement, except for $100 of the Severance Pay as consideration for the release in paragraph 4 of this Agreement. Provided, however, that nothing in this paragraph shall limit the Company's right to pursue any additional remedies available at law or in equity, including but not limited to injunctive relief, for your violation of those provisions. Despite any breach by you, your other obligations under this Agreement, including your waivers and releases, will remain in full force and effect.

Failure by either party to enforce any term of condition of this Agreement at any time shall not preclude that party from enforcing that provision, or any other provision, at a later time.

In the event Company is required to institute litigation to enforce the Non-Solicitation, Non-Disparagement, Return of Company Property or Confidentiality sections of this Agreement, the Company shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement.

17. **<u>VOLUNTARY ACCEPTANCE OF AGREEMENT; GOVERNING LAW; DISPUTE RESOLUTION</u>**

a. You have reviewed the terms of this Agreement and acknowledge that you have entered into this Agreement freely and voluntarily. The terms described in this Agreement constitute the entire agreement between you and the Company and may not be altered, modified or amended other than in writing signed by you and the Company. No promise, inducement or agreement not expressed herein has been made to you in connection with this Agreement, and this Agreement supersedes all prior written or oral agreements, arrangements, communications, commitments or obligations between yourself and the Company, except any confidentiality, non-disclosure, non-solicitation, trade secret, assignment of inventions, and other intellectual property provisions to which your employment was subject to, which will remain in effect subsequent to the execution of this Agreement.

b. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provision of this Agreement is adjudicated to be invalid or unenforceable, such provision, without any action on the part of the parties hereto, shall be deemed amended to delete or to modify (including, without limitation, a reduction in duration, geographical area or prohibited business activities) the portion adjudicated to be invalid or unenforceable, such deletion or modification to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made, and such deletion or modification to be made only to the extent necessary to cause the provision as amended to be valid and enforceable, leaving the remainder of this Agreement in full force and effect.

c. This Agreement is intended to be governed by and will be construed in accordance with ERISA and, to the extent not preempted by ERISA, the laws of the State of Delaware, without regard to any conflict of laws provision. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision shall become null and void and severed from this Agreement, leaving the remainder of this Agreement in full force and effect.

d. To the fullest extent permitted by law, any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement (other than with respect to the Company's enforcement of the Non-Solicitation, Non-Disparagement, Return of Company Property or Confidentiality covenants as described in paragraph 16 above), or any dispute arising out of or relating to this Agreement, will be settled by binding arbitration in accordance with Section 9(h) of the SLSP.

e. You also acknowledge that you fully understand your right to discuss this Agreement with an attorney before accepting this Agreement, that the Company has advised you of this right, that the time afforded to you to review this Agreement provides you sufficient time to consult with an attorney should you wish to do so, that you have carefully read and fully understand this entire Agreement, and that you are voluntarily entering into this Agreement of your own free will, act and deed. You also agree that no promises, statements or inducements have been made to you which caused you to sign this Agreement, except as expressly set forth in writing herein.

f. No waiver of any provision of this Agreement shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. The failure by either party to enforce any term or condition of this Agreement at any time shall not preclude that party from enforcing that provision, or any other provision, at a later time. Nothing in this Agreement, express or implied, is intended to confer upon any third person (other than the Company, its affiliates and their respective successors, which parties are hereby expressly made third-party beneficiaries of this Agreement) any rights or remedies under or by reason of this Agreement.

g. Any notices provided for herein shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided in writing to the Company. Notices to the Company shall be delivered to AECOM, ATTN: Corporate SVP, Human Resources, pam.hoebener@aecom.com.

18. **<u>SECTION 409A OF THE CODE</u>**

Any Severance Payment, provision of benefits, equity settlement, or other amounts payable under this Agreement and the SLSP remain subject to the terms and conditions set forth in Sections 5 and 8 of the SLSP related to compliance with Section 409A of the Internal Revenue Code. The parties hereto acknowledge and agree that the Severance Payments and any other amounts under this Agreement shall be subject to the provisions of Section 8(c) of the SLSP if and to the extent applicable.

Please execute and return the signed agreement by electronic means (i.e., through electronic mail) to pam.hoebener@aecom.com within the Review Period, but no earlier than October 3, 2020. This Agreement may be executed in counterparts, which together shall be effective as if they were a single document. If this Agreement is transmitted by electronic means, it will be treated as an original copy and have the same force and effect as if it was delivered by mail with the original wet signature.

I have read and understand the terms and conditions set forth in the Agreement above, including but not limited to the waiver and release of claims contained herein. By signing below, I hereby voluntarily accept and agree to those terms and conditions in exchange for the Separation Benefits offered to me.

/s/ Steven Morriss

Steven Morriss

Date (Must be signed on or after October 3, 2020): November 18,2020

Schedule A

Vested Equity Awards

Award Date	**Type of Award**	**Number of Units, Options or Restricted Shares**	**Vested Percentage Immediately Prior to Termination**	**Total Vested Percentage Based on Additional Service Crediting Under Plan**
12/15/2017	RSU18SCT	10,832	0%	100%
12/15/2017	PEP18SCT	16,247	0%	100%

All other unvested awards shall be forfeited in accordance with the terms of the applicable plan.

Schedule B

Relocation/Mobilization costs

Should you elect to depart the United States for the United Kingdom following your Separation Date and on or prior to October 1, 2022, the Company will reimburse you for the following Relocation/Mobilization costs (the "R/M Allowances"):

(i) the cost of shipment and insurance of your household goods via air and sea freight (up to a 40' container), in the amount of Seventeen Thousand Six Hundred Fifty Dollars and Zero Cents ($17,650.00);
(ii) the cost of temporary housing upon arrival in the United Kingdom for up to sixty (60) days, in the amount of Thirty Thousand Dollars and Zero Cents ($30,000.00);
(iii) the cost of direct business-class airfare for you and your immediate family from Los Angeles International Airport to London Heathrow Airport; and
(iv) the cost of excess luggage fees (up to 2 bags per person).

The foregoing amounts specified in subparagraphs (i) and (ii) above shall be paid by the Company reasonably promptly following the Effective Date of this Agreement (as such term is defined in Paragraph 9 above), provided that for the avoidance of doubt, such R/M Allowances may be subject to offset consistent with applicable law to repay any amounts that the Company in good faith and exercising reasonable business judgment, after consultation with you, determines to be due by you to the Company or any taxing authority, and you hereby expressly consent to any such offset. The foregoing amounts specified in subparagraphs (iii) and (iv) above shall be reimbursed reasonably promptly by the Company, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and your right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

SEPARATION AND RELEASE AGREEMENT

AECOM and Randall A. Wotring ("you" or "your") hereby enter into this SEPARATION AND RELEASE AGREEMENT ("Agreement"), dated October 2, 2020.

WHEREAS, AECOM, its subsidiaries, and affiliates (herein referred to collectively as the "Company") is engaged in the business of professional technical and management support services (the "Company Business");

WHEREAS, you are a key employee of the Company and an "Eligible Employee" as such term is defined in the Company's Senior Leadership Severance Plan (the "SLSP" or the "Plan");

WHEREAS, pursuant to Section 6 of the SLSP, in order to receive benefits under the Plan, an Eligible Employee must execute a Separation and Release Agreement in the form provided by the Company in its sole discretion, and shall contain provisions including but not limited to a general waiver and release of claims and various post-employment covenants as stated in Sections 6(a), 6(b) and 6(c) of the SLSP; and

WHEREAS, the covenants provided herein are material, significant and essential to the Company's provision of benefits to you under the Plan, and good and valuable consideration under the Plan has been and will be transferred from the Company to you in exchange for such covenants.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and provisions of this Agreement, the SLSP, and the agreements and instruments related thereto, the receipt and sufficiency of such consideration being hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. STATUS OF EMPLOYMENT

Your last day of active, full-time employment will be December 31, 2020 (the "Separation Date") and you will continue to receive your base salary through that date. From the date you receive this Agreement through December 31, 2020 (such period hereinafter referred to as the "Transition Period"), you will continue to remain employed by the Company as an "at-will" employee. During the Transition Period, you shall: (i) continue to report to the Company's office, or work remotely as applicable, on your regular schedule; (ii) use your best efforts to carry out your duties and responsibilities in a professional and competent manner, along with such other duties as may be reasonably assigned to you by the Company's Chief Executive Officer; (iii) continue to comply fully with and be bound by all policies and procedures in effect for Company employees, and all laws and regulations applicable to the business of the Company; and (iv) cooperate fully and in good faith with the Company to assist in the orderly transition of your duties and responsibilities, as determined by the Company in its discretion. For the avoidance of doubt, the Company may elect to place you on paid leave for any part of the Transition Period, in its discretion, during which time you will remain on payroll and agree to continue to make yourself reasonably available to the Company, by phone, to assist in the transition of your duties and responsibilities as the Company may deem necessary and appropriate, although you shall not report to the Company's offices during any such paid leave. Notwithstanding the foregoing, and for the further avoidance of doubt, if you fail to sign this Agreement before the expiration of the Review Period set forth in paragraph 9 below, or should you revoke your consent during the Revocation Period set forth in paragraph 9 below, the Company may terminate your employment at any time, without any additional notice, such last date of employment being your Separation Date.

If you are currently participating in the Company's group health insurance plan, you will continue to receive employer-subsidized health insurance at your current election through the Separation Date. Thereafter, you may elect to receive continuation coverage in the Company's health insurance plan pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") at your own expense. COBRA continuation coverage shall in all respects be subject to the requirements and limitations of COBRA and of the Company's health insurance plans, which may be amended from time to time.

2. SEPARATION BENEFITS

a. **Severance Payment.** In consideration for the promises in this Agreement, including but not limited to your consent to and non-revocation of the release set forth in paragraph 4 below and your consent to and non-revocation of the supplemental release and waiver in the form annexed hereto as Exhibit A (the "Supplemental Release"), you will receive a severance payment in the amount of $1,976,928 less all applicable income tax withholdings and other lawful deductions (the "Severance Payment"). The Severance Payment represents the sum of amounts described in Sections 5(a)(i), 5(a)(ii) and 5(a)(iii) of the SLSP and your target bonus for fiscal year 2020. The Severance Payment will be subject to standard payroll deductions and withholdings and will be direct deposited in a lump sum as soon as reasonably practicable following the Supplemental Release Effective Date (as such term is defined in Exhibit A) and no later than sixty (60) days following the Separation Date subject to the effectiveness of the Agreement and paragraph 18 below. By signing this Agreement, you authorize AECOM to direct deposit any payments under this Agreement into your bank, savings and loan or credit union account that was previously authorized by you for payroll purposes. If you have not provided an authorized account for direct deposit, a check for any such amounts will be mailed to your home address on file.

b. **Additional Service Credit for Equity Award Vesting.** In consideration for the promises in this Agreement, including but not limited to your consent to and non-revocation of the release set forth in paragraph 4 below and your consent to and non-revocation of the Supplemental Release, your outstanding equity awards listed in the annexed Schedule A shall be considered vested as set forth therein reflecting the crediting of additional service in accordance with Sections 5(b)(i), 5(b)(ii) and 5(b)(iii) of the SLSP (the "Additional Service Credit").

c. You agree that you would not be entitled to the separation benefits outlined above (collectively, the "Separation Benefits"), including the Severance Payment and the Additional Service Credit, in the absence of your execution and non-revocation of this Agreement and the Supplemental Release, and, therefore, the Separation Benefits provided for under this Agreement are greater than what you would be legally entitled to receive in the absence of this Agreement.

d. You understand and agree that the Separation Benefits outlined above shall not be duplicative of any other payments and benefits provided by the Company in connection with your separation from employment with the Company, including but not limited to any pay in lieu of notice, severance benefits or other payments or benefits that may be required by any federal, state or local law, including the laws of any jurisdiction outside of the United States, relating to severance, plant closures, terminations, reductions-in-force, or plant relocations. If the Company provides you with any such other payments or benefits, then the Severance Payment described above shall be reduced by the amount of any such payment(s); provided, however, that coordination with benefits (if any) under the CIC Plan (as such term is defined in the SLSP), shall be in accordance with Section 5(c) of the SLSP. Notwithstanding the foregoing, in no event shall the gross amount you receive in Severance Payment be less than $500.00.

3. ACKNOWLEDGEMENTS

a. You acknowledge that with the payment of your final pay check, which includes any accrued but unused paid time off ("PTO"), no other compensation, wages, bonuses, commissions, overtime, expenses, PTO, and/or benefits are due to you except for the benefits and payments described in paragraph 2.

b. You represent that you have reported to the Company any and all work-related injuries or illnesses incurred by you during employment with the Company.

c. You understand and acknowledge that per the terms of AECOM's Severance Policy, in the event you are rehired as a full-time or part-time regular employee of AECOM, or you are hired into a comparable position by a vendor, contractor, customer, or successor, during the number of weeks of severance for which you received under this Agreement (the "Severance Pay Period"), the Company reserves the right to seek repayment related to time beyond the date of rehire; provided, however, that in no event shall the severance pay be reduced to less than $500. For the purposes of this paragraph, the Severance Pay Period is based on your prior regular earnings and is defined as the equivalent time frame over which payment would have been made if you had not received severance in a lump sum payment.

d. You acknowledge and represent that during your employment and through the date you sign this Agreement, you have made full and truthful disclosures to the Corporate SVP, Human Resources and/or the Corporate EVP, Chief Legal Officer the Company about any misconduct of which you may have been aware by or on behalf of the Company or any of its employees, officers, directors, consultants, agents or other third-parties.

e. You acknowledge that, if you are an officer of, or serve in any elected or appointed position for the Company or any of its subsidiaries or affiliates, then your signature on this Agreement constitutes your resignation, effective as of the Separation Date, from any and all such offices or positions. You agree that you will execute such further documents as the Company may request to more specifically reflect your resignation from each and every entity of which you are or were a director or officer.

4. WAIVER AND RELEASE

In exchange for the Separation Benefits outlined above, including the Severance Payment and the Additional Service Credit, you, on behalf of yourself, your heirs, beneficiaries, executors, administrators, representatives, assigns, and agents hereby fully release, acquit, and forever discharge the Company, its past, present, and future predecessors, successors, parent companies, subsidiary companies, affiliated entities, related entities, operating entities, and its and their past, present, and future officers, directors, shareholders, members, investors, partners, employees, agents, attorneys, insurers, reinsurers, and all of its and their past, present, and future compensation and employee benefits plans (including trustees, fiduciaries, administrators, and insurers of those plans) (collectively, the "Released Parties") from any and all causes of action, lawsuits, proceedings, complaints, charges, debts, contracts, judgments, damages, claims, attorney's fees, costs, expenses, and compensation whatsoever, of whatever kind or nature, in law, or equity or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected, that you may now have, have ever had, or hereafter may have relating directly or indirectly to your employment with the Company, the separation of your employment with the Company, the benefits or attributes of your employment with the Company, and/or any other act, omission, event, occurrence, or non-occurrence involving the Company or any of the Released Parties. Without limiting the foregoing and to the fullest extent allowed by law, you agree that this release includes, but is not limited to any and all claims arising from any violations or alleged violations of federal, state or local human rights, fair employment practices and/or other laws by any of the Released Parties for any reason under any legal theory including, but not limited to, the Age Discrimination in Employment Act; the Americans With Disabilities Act of 1990 ("ADA"); COBRA; the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"); the Employee Retirement Income Security Act of 1974 ("ERISA"); the Equal Pay Act ("EPA"); the Fair Labor Standards Act ("FLSA"); the Fair Credit Reporting Act ("FCRA"); the Family and Medical Leave Act ("FMLA"); the Genetic Information Nondiscrimination Act ("GINA"); the Immigration Reform and Control Act ("IRCA"); the Lilly Ledbetter Fair Pay Act; the National Labor Relations Act ("NLRA"); the Labor Management Relations Act ("LMRA"); the Occupational Safety and Health Act

(“OSHA”); the Older Workers Benefit Protection Act; the Rehabilitation Act of 1973; the Sarbanes-Oxley Act of 2002 (“SOX”); the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”); Sections 1981 through 1988 of Title 42 of the United States Code; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Worker Adjustment and Retraining Notification Act (“WARN”), and/or all other federal, state, or local laws (including, without limitation, the Maryland Fair Employment Practices Act), statutes, ordinances, constitutions, rules, orders or regulations, all as they may be amended. You also forever waive, release, discharge and give up all claims, real or perceived and now known or unknown, for breach of implied or express contract, breach of promise, breach of the covenant of good faith and fair dealing, wrongful or retaliatory discharge, discrimination, harassment, promissory estoppel, assault, battery, false imprisonment, defamation, libel, slander, intentional and negligent infliction of emotional distress, duress, fraudulent and negligent misrepresentation, defamation, violation of public policy, negligence, and all other claims or torts arising under any federal, state or local law, regulation, constitution, ordinance or judicial decision; and any claim concerning wages, benefits, severance payments, bonus payments, payments pursuant to any agreement with the Company, stock, stock options, or stock option agreement, including but not limited to your expired Employment Agreement dated as of January 1, 2015 (“Employment Agreement”). You also agree to waive any right you have to pursue any claim or grievance through any internal channel of the Company and/or its affiliates. You understand and agree that your waivers include both claims that you know about and those you may not know about which have arisen on or before the date on which you sign this Agreement.

5. **<u>STATE LAW WAIVER</u>**

If you have worked or are working in California, you agree to expressly waive all rights under Section 1542 of the Civil Code of the State of California, up to and including the date you sign this Agreement. Section 1542 provides as follows:

> **A general release does not extend to claims which a creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

You further agree and represent that you have had an opportunity to consult with an attorney over the meaning and significance of this Civil Code § 1542 waiver and that you knowingly and voluntarily waive your rights under this statute.

6. **<u>EXCLUSIONS FROM WAIVERS AND RELEASE OF CLAIMS</u>**

Notwithstanding anything else stated in this Agreement, you understand and agree that:

a. Nothing in this Agreement is intended to limit or restrict any rights that you may have to enforce this Agreement or to interfere with or affect a waiver of any other right that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished. This Agreement also does not apply to any claims that the controlling law clearly states may not be released by private agreement.

b. This Agreement does not affect your non-forfeitable rights to your accrued benefits (within the meaning of Sections 203 and 204 of ERISA) under the Company’s ERISA-covered employee benefits plans.

c. This Agreement shall not apply to rights or claims that may arise after the date you execute this Agreement.

d. This Agreement does not preclude filing a charge with or participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board or any other federal, state, or local labor board or agency charged with enforcing employment laws (including the Maryland Commission on Civil Rights). However, by signing this Agreement, you understand and agree that you are waiving any right to recover money or other individual relief based on claims asserted in such a charge in any proceeding brought by you or on your behalf.

e. This Agreement does not preclude your ability to report fraud, waste or abuse to federal officials regarding the Company's management of public contracts, or your obligation to cooperate with any government authorities.

f. This Agreement does not limit any statutory rights you may have to bring an action to challenge the terms of this Agreement or contest the validity of the release contained in this Agreement under the Age Discrimination in Employment Act ("ADEA") or the Older Workers Benefits Protection Act ("OWBPA").

g. This Agreement does not limit or waive your right to file an application for an award for original information submitted pursuant to Section 21F of the Securities Exchange Act of 1934.

h. This Agreement does not limit or waive your rights as a stockholder of the Company, or any rights you may have to indemnification under the Company's governing documents and coverage under its director and officer insurance policies.

7. **<u>NON-ADMISSION OF LIABILITY</u>**

You agree that this Agreement shall not in any way be construed as an admission that any of the Released Parties, as defined in paragraph 4 above, owe you any money or have acted wrongfully, unlawfully, or unfairly in any way towards you. In fact, you understand that the Released Parties specifically deny that they have violated any federal, state, or local law or ordinance or any right or obligation that they owe or might have owed to you at any time and maintain that they have at all times treated you in a fair, lawful, non-discriminatory and non-retaliatory manner.

8. **<u>PROMISE NOT TO SUE</u>**

You have not, at any time up to and including the date on which you sign this Agreement, commenced, and will not in the future commence, to the fullest extent permitted by law, any action or proceeding, or file any action, of any nature arising out of the matters released by this Agreement, and you waive to the fullest extent permitted by law, any right to any monetary or equitable relief in any proceeding that may relate to the matters released by this Agreement. However, nothing in this paragraph will preclude either party from bringing a claim to enforce this Agreement or challenge the validity of this Agreement.

9. **<u>REVIEW AND REVOCATION PERIODS</u>**

a. You acknowledge that you were advised that you can take up to twenty-one (21) days from the date this Agreement was given to you to review this Agreement and decide whether to enter into this Agreement (the "Review Period"). You understand and agree that any changes to this Agreement, whether material or immaterial, do not restart the running of this twenty-one (21) day Review Period. To the extent that you have elected to enter into this Agreement prior to such time, you have done so voluntarily, and have knowingly waived such twenty-one (21) day Review Period.

b. You understand that you may revoke this Agreement within a period of seven (7) calendar days after its execution, except that if the last day of this period falls on a Saturday, Sunday or holiday observed by the Company you have until the conclusion of the next immediate business day ("Revocation Period"), by delivery of a written notice of revocation ("Revocation Notice") before the end of the last day comprising the Revocation Period to pam.hoebener@aecom.com, ATTN: Corporate SVP, Human Resources. This Agreement shall become automatically irrevocable, and fully enforceable, upon the expiration of the Revocation Period (the "Effective Date") if you do not timely revoke it in the aforesaid manner.

c. In the event that you do not execute this Agreement during the Review Period, or if you execute and then revoke the Agreement within the Revocation Period, or you do not execute (or you otherwise revoke) your Supplemental Release, or if for any other reason the Agreement or any portion of the Agreement is held to be unenforceable, all checks, instruments, funds, or other such payments received by you pursuant to the terms of this Agreement shall immediately be returned or reimbursed to the Company and you shall have no right to the benefits and consideration described in paragraph 2 of the Agreement. In the event the Company is required to institute litigation to enforce the terms of this paragraph, the Company shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement.

10. <u>Restrictive Covenants</u>

a. You agree that, for a period of one (1) year after the Separation Date, you shall not, directly or indirectly,

(i) obtain any interest in, own, manage, operate, control, participate in, become connected with (whether as a stockholder (other than as a stockholder of less than five percent (5%) of the issued and outstanding stock of a publicly held corporation), joint venturer, officer, director, representative, partner, employee or consultant), or otherwise engage, invest or participate in any activity, project, contract or business that competes with the Company Business in any area or subject where you have worked on, supervised, assisted in or have special knowledge of such Company Business or similar activity for the Company;

(ii) solicit or accept any work competitive to the Company Business from: (a) any person or entity for whom the Company is rendering services as of the Separation Date; (b) any person or entity for whom the Company has rendered services at any time during the six (6) months preceding the Separation Date; or (c) any person or entity to whom the Company has made a proposal to perform or render services to or for within one (1) year prior to the Separation Date; or

(iii) become connected with, or otherwise engage or invest or participate in any bid, proposal, contract or project of a competitor of the Company Business that (i) has been awarded to such competitor after the Separation Date and (ii) competes with the Company Business.

b. You further agree that, for a period of one (1) year after the Separation Date, you shall not, directly or indirectly,

(i) solicit, attempt to solicit, induce or otherwise cause any existing or future customer or client or other business relation of the Company, to terminate, fail to extend or renew, reduce the funding of, or fail to provide additional funding for, any contract, proposal or work with the Company or otherwise divert business away from the Company; or

(ii) solicit, attempt to solicit, induce or otherwise cause any existing or prospective employee of the Company, to terminate or abort his or her employment with the Company, or hire or attempt to hire any existing or prospective employee of the Company whether for yourself or for any firm, organization, business, partnership, corporation, or association with which you shall have an association.

c. You agree that the terms and conditions set forth in this paragraph are fair and reasonable and are reasonably required for the protection of the interests of the Company.

11. <u>CONTINUED OBLIGATION NOT TO USE OR DISCLOSE CONFIDENTIAL INFORMATION; CONFIDENTIALITY OF THIS AGREEMENT</u>

a. You acknowledge that during your employment with the Company you acquired certain confidential, proprietary or otherwise non-public information concerning the Company, which may include, without limitation, intellectual property, trade secrets, financial data, strategic business or marketing plans, and other sensitive information concerning the Company and its past or present employees, directors, executives, officers, agents, or customers ("Confidential Information"). You agree that you have not, and will not, disclose any Confidential Information to any person or entity, except as required by law.

b. Without limiting the generality of the foregoing, you further promise and agree:

i. to protect and safeguard the Confidential Information against unauthorized use, publication, or disclosure;
ii. not to use any of the Confidential Information except as specifically authorized in writing by the Company;
iii. not to, directly or indirectly, reveal, report, publish, disclose, transfer, or otherwise use any of the Confidential Information except as specifically authorized in writing by the Company; and
iv. not to use any Confidential Information to unfairly compete or obtain an unfair advantage against the Company in any commercial activity, which may be comparable to the Company's actual or anticipated business, research or development.

c. You will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Accordingly, you have a right to disclose in confidence trade secrets to the Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. You also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

d. You have not and will not discuss or otherwise reveal to anyone the existence or terms of this Agreement, or discussions with any authorized Company representative about it, except when necessary to enforce this Agreement or required by law, or after obtaining their agreement to keep all such information confidential, to your attorneys, financial advisors, or accountants or immediate family members.

12. <u>UNEMPLOYMENT BENEFITS</u>

The Company will not contest your filing for unemployment benefits, provided, however, that the Company reserves the right to correct any misstatements made in connection with any such filings and to respond truthfully to any requests from government authorities.

13. COOPERATION WITH LEGAL PROCEEDINGS

Upon reasonable notice, you will provide information and proper assistance to the Company and/or its counsel (including truthful testimony and document production) in any litigation or potential litigation in which you are, or may be, a witness, or as to which you possess, or may possess, relevant information. The Company will pay your reasonable out-of-pocket expenses incurred in complying with this paragraph, provided that such expenses are pre-approved by the Company.

14. NON-DISPARAGEMENT

Since receiving a copy of this Agreement, you have not, and will not, make any statements or take any actions materially detrimental to the interests of the Company, including, without limitation, negatively commenting on, disparaging, or calling into question the business operations or conduct of the Company or its past or present clients, shareholders, directors, executives, officers, employees or agents.

15. RETURN OF COMPANY PROPERTY

You acknowledge and agree that all documents, records, and files (electronic, paper or otherwise), materials, software, equipment, and other physical property, including but not limited to laptop computers, iPads, mobile phones, electronic devices, peripherals, security access badges, ID cards, building and office access cards, entry badges, keys, access codes, passwords and log-in credentials, software, hardware, and databases, and all copies of the foregoing, including but not limited to all such items containing Confidential Information of the Company, that you have received, acquired, or which have come into your possession, custody or control or been produced by or to you in connection with your employment (collectively, "Company Property"), have been and remain the sole property of the Company. You agree that by no later than ten (10) days following the Separation Date, you will conduct a thorough and diligent search for, and shall return to the Company, all tangible Company Property, with the exception of documents relating to your compensation and benefits to which you are entitled to retain, and that you will not retain any copies or duplicates of any such Company Property. You further agree that by no later than ten (10) days following the Separation Date, you will conduct a thorough and diligent search for, and permanently and irrevocably delete, any intangible and/or digital Company Property that exists or is stored: (a) in any email account; (b) in any "cloud" account; or (c) on any computer, laptop, tablet, mobile device, cellular phone, smartphone, PDA or other electronic storage device, the foregoing of any of which are accessible, possessed, controlled or owned by you (and not by the Company).

16. REMEDIES FOR BREACH OF CERTAIN COVENANTS

You agree and acknowledge that the Company will be irreparably harmed by any breach, or threatened breach, by you of the Restrictive Covenants, Non-Disparagement, Return of Company Property or Confidentiality sections of this Agreement and that monetary damages would be grossly inadequate. Accordingly, you agree that in the event of a breach, or threatened breach, by you of the Restrictive Covenants, Non-Disparagement, or Confidentiality sections of this Agreement, the Company shall be entitled to immediate injunctive or other preliminary or equitable relief, as appropriate, without being required to post a bond, in addition to all other remedies available at law and equity.

You agree that in the event you violate the Restrictive Covenants, Non-Disparagement, Return of Company Property or Confidentiality sections of this Agreement, the Company will have no further obligation to pay or provide any unpaid Separation Benefits provided by this Agreement, and that you will immediately return to the Company all of the Separation Benefits previously paid or provided under the terms of this Agreement, except for $100 of the Severance Pay as consideration for the release in paragraph 4 of this Agreement. Provided, however, that nothing in this paragraph shall limit the Company's right to pursue any additional remedies available at law or in equity, including but not limited to injunctive relief, for your violation of those provisions. Despite any breach by you, your other obligations under this Agreement, including your waivers and releases, will remain in full force and effect.

Failure by either party to enforce any term of condition of this Agreement at any time shall not preclude that party from enforcing that provision, or any other provision, at a later time.

In the event Company is required to institute litigation to enforce the Restrictive Covenants, Non-Disparagement, Return of Company Property or Confidentiality sections of this Agreement, the Company shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement.

17. **VOLUNTARY ACCEPTANCE OF AGREEMENT; GOVERNING LAW; DISPUTE RESOLUTION**

a. You have reviewed the terms of this Agreement and acknowledge that you have entered into this Agreement freely and voluntarily. The terms described in this Agreement constitute the entire agreement between you and the Company and may not be altered, modified or amended other than in writing signed by you and the Company. No promise, inducement or agreement not expressed herein has been made to you in connection with this Agreement, and this Agreement supersedes all prior written or oral agreements, arrangements, communications, commitments or obligations between yourself and the Company, except any confidentiality, non-disclosure, non-competition, non-solicitation, trade secret, assignment of inventions, and other intellectual property provisions to which your employment was subject, including but not limited to Article IV (Restrictive Covenants) in your Employment Agreement, which will remain in effect subsequent to the execution of this Agreement.

b. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provision of this Agreement is adjudicated to be invalid or unenforceable, such provision, without any action on the part of the parties hereto, shall be deemed amended to delete or to modify (including, without limitation, a reduction in duration, geographical area or prohibited business activities) the portion adjudicated to be invalid or unenforceable, such deletion or modification to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made, and such deletion or modification to be made only to the extent necessary to cause the provision as amended to be valid and enforceable, leaving the remainder of this Agreement in full force and effect.

c. This Agreement is intended to be governed by and will be construed in accordance with ERISA and, to the extent not preempted by ERISA, the laws of the State of Delaware, without regard to any conflict of laws provision. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision shall become null and void and severed from this Agreement, leaving the remainder of this Agreement in full force and effect.

d. To the fullest extent permitted by law, any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement (other than with respect to the Company's enforcement of the Restrictive Covenants, Non-Disparagement, Return of Company Property or Confidentiality covenants as described in paragraph 16 above), or any dispute arising out of or relating to this Agreement, will be settled by binding arbitration in accordance with Section 9(h) of the SLSP.

e. You also acknowledge that you fully understand your right to discuss this Agreement with an attorney before accepting this Agreement, that the Company has advised you of this right, that the time afforded to you to review this Agreement provides you sufficient time to consult with an attorney should you wish to do so, that you have carefully read and fully understand this entire Agreement, and that you are voluntarily entering into this Agreement of your own free will, act and deed. You also agree that no promises, statements or inducements have been made to you which caused you to sign this Agreement, except as expressly set forth in writing herein.

f. No waiver of any provision of this Agreement shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. The failure by either party to enforce any term or condition of this Agreement at any time shall not preclude that party from enforcing that provision, or any other provision, at a later time. Nothing in this Agreement, express or implied, is intended to confer upon any third person (other than the Company, its affiliates and their respective successors, which parties are hereby expressly made third-party beneficiaries of this Agreement) any rights or remedies under or by reason of this Agreement.

g. Any notices provided for herein shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided in writing to the Company. Notices to the Company shall be delivered to AECOM, ATTN: Corporate SVP, Human Resources, pam.hoebener@aecom.com.

18. SECTION 409A OF THE CODE

Any Severance Payment, provision of benefits, equity settlement, or other amounts payable under this Agreement and the SLSP remain subject to the terms and conditions set forth in Sections 5 and 8 of the SLSP related to compliance with Section 409A of the Internal Revenue Code. The parties hereto acknowledge and agree that the Severance Payments and any other amounts under this Agreement shall be subject to the provisions of Section 8(c) of the SLSP if and to the extent applicable.

Please execute and return the signed agreement by electronic means (i.e., through electronic mail) to pam.hoebener@aecom.com within the Review Period. This Agreement may be executed in counterparts, which together shall be effective as if they were a single document. If this Agreement is transmitted by electronic means, it will be treated as an original copy and have the same force and effect as if it was delivered by mail with the original wet signature.

I have read and understand the terms and conditions set forth in the Agreement above, including but not limited to the waiver and release of claims contained herein. By signing below, I hereby voluntarily accept and agree to those terms and conditions in exchange for the Separation Benefits offered to me.

Randall A. Wotring

Randall A. Wotring
Date: 10-2-20

Schedule A

Vested Equity Awards

Award Date	Type of Award	Number of Units, Options or Restricted Shares	Vested Percentage Immediately Prior to Termination	Total Vested Percentage Based on Additional Service Crediting Under Plan
12/15/2017	RSU	27,079	100.0%	100.0%
12/17/2018	RSU	40,000	0.0%	100.0%
12/16/2019	RSU	25,546	0.0%	0.0%
12/15/2017	PEP	40,618	100.0%	100.0%
12/17/2018	PEP	60,000	0.0%	100.0%
12/16/2019	PEP	38,319	0.0%	0.0%

EXHIBIT A

SUPPLEMENTAL RELEASE

(to be signed after the Separation Date)

In consideration of the obligations of AECOM (together with its parents, subsidiaries and affiliates, herein collectively referred to as the "Company") set forth in my Separation Agreement and Release ("Agreement"), including the Severance Payment and the Additional Service Credit, and for other good and valuable consideration, I, Randall A. Wotring, on behalf of myself, my heirs, beneficiaries, executors, administrators, representatives, assigns, and agents hereby fully release, acquit, and forever discharge the Company, its past, present, and future predecessors, successors, parent companies, subsidiary companies, affiliated entities, related entities, operating entities, and its and their past, present, and future officers, directors, shareholders, members, investors, partners, employees, agents, attorneys, insurers, reinsurers, and all of its and their past, present, and future compensation and employee benefits plans (including trustees, fiduciaries, administrators, and insurers of those plans) (collectively, the "Released Parties") from any and all causes of action, lawsuits, proceedings, complaints, charges, debts, contracts, judgments, damages, claims, attorney's fees, costs, expenses, and compensation whatsoever, of whatever kind or nature, in law, or equity or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected, that I may now have, have ever had, or hereafter may have relating directly or indirectly to my employment with the Company, the separation of my employment with the Company, the benefits or attributes of my employment with the Company, and/or any other act, omission, event, occurrence, or non-occurrence involving the Company or any of the Released Parties, through the date of this Supplemental Release. Without limiting the foregoing and to the fullest extent allowed by law, I agree that this release includes, but is not limited to any and all claims arising from any violations or alleged violations of federal, state or local human rights, fair employment practices and/or other laws by any of the Released Parties for any reason under any legal theory including, but not limited to, the Age Discrimination in Employment Act ("ADEA"); the Americans With Disabilities Act of 1990 ("ADA"); the Consolidated Omnibus Budget Reconciliation Act ("COBRA"); the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"); the Employee Retirement Income Security Act of 1974 ("ERISA"); the Equal Pay Act ("EPA"); the Fair Labor Standards Act ("FLSA"); the Fair Credit Reporting Act ("FCRA"); the Family and Medical Leave Act ("FMLA"); the Genetic Information Nondiscrimination Act ("GINA"); the Immigration Reform and Control Act ("IRCA"); the Lilly Ledbetter Fair Pay Act; the National Labor Relations Act ("NLRA"); the Labor Management Relations Act ("LMRA"); the Occupational Safety and Health Act ("OSHA"); the Older Workers Benefit Protection Act ("OWBPA"); the Rehabilitation Act of 1973; the Sarbanes-Oxley Act of 2002 ("SOX"); the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"); Sections 1981 through 1988 of Title 42 of the United States Code; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Worker Adjustment and Retraining Notification Act ("WARN"), and/or all other federal, state, or local laws (including, without limitation, the Maryland Fair Employment Practices Act), statutes, ordinances, constitutions, rules, orders or regulations, all as they may be amended. I also forever waive, release, discharge and give up all claims, real or perceived and now known or unknown, for breach of implied or express contract, breach of promise, breach of the covenant of good faith and fair dealing, wrongful or retaliatory discharge, discrimination, harassment, promissory estoppel, assault, battery, false imprisonment, defamation, libel, slander, intentional and negligent infliction of emotional distress, duress, fraudulent and negligent misrepresentation, defamation, violation of public policy, negligence, and all other claims or torts arising under any federal, state or local law, regulation, constitution, ordinance or judicial decision; and any claim concerning wages, benefits, severance payments, bonus payments, payments pursuant to any agreement with the Company, stock, stock options, or stock option agreement, including but not limited to my Employment Agreement. I also agree to waive any right I have to pursue any claim or grievance through any internal channel of the Company and/or its affiliates. I understand and agree that my waivers include both claims that I know about and those I may not know about which have arisen on or before the date on which I sign this Supplemental Release.

I agree to expressly waive all rights under Section 1542 of the Civil Code of the State of California, up to and including the date I sign this Supplemental Release. Section 1542 provides as follows:

> **A general release does not extend to claims which a creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

I further agree and represent that I have had an opportunity to consult with an attorney over the meaning and significance of this Civil Code § 1542 waiver and that I knowingly and voluntarily waive my rights under this statute.

I hereby represent and warrant that I have not, at any time up to and including the date on which I sign this Supplemental Release, commenced, and will not in the future commence, to the fullest extent permitted by law, any action or proceeding, or file any action, of any nature arising out of the matters released by the Agreement or this Supplemental Release, and I waive to the fullest extent permitted by law, any right to any monetary or equitable relief in any proceeding that may relate to the matters released by the Agreement or this Supplemental Release. However, nothing in this paragraph will preclude either party from bringing a claim to enforce the Agreement or the Supplemental Release or challenge the validity of the Agreement or the Supplemental Release. Notwithstanding the foregoing, this Supplemental Release does not preclude me from filing a charge with or participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board or any other federal, state, or local labor board or agency charged with enforcing employment laws (including, for example, the Maryland Commission on Civil Rights). However, by signing this Supplemental Release, I understand and agree that I am waiving any right to recover money or other individual relief based on claims asserted in such a charge in any proceeding brought by me or on my behalf.

I acknowledge this Supplemental Release does not limit or waive my right to file an application for an award for original information submitted pursuant to Section 21F of the Securities Exchange Act of 1934.

I acknowledge that I fully understand my right to discuss this Supplemental Release with an attorney before accepting this Supplemental Release, that the Company has advised me of this right, that the time afforded to me to review this Supplemental Release provides me sufficient time to consult with an attorney should I wish to do so, that I have carefully read and fully understand this entire Supplemental Release, and that I am voluntarily entering into this Supplemental Release of my own free will, act and deed. I also agree that no promises, statements or inducements have been made to me which caused me to sign this Supplemental Release, except as expressly set forth in writing herein and in the Agreement. I further acknowledge and agree that no compensation, wages, bonuses, commissions, overtime, expenses, PTO, and/or benefits are due to me.

I acknowledge that I was advised that I could take up to twenty-one (21) days from the Separation Date to review this Supplemental Release and decide whether to enter into this Supplemental Release. I understand and agree that any changes to this Supplemental Release, whether material or immaterial, do not restart the running of this twenty-one (21) day review period. To the extent that I have elected to enter into this Supplemental Release prior to such time, I have done so voluntarily, and have knowingly waived such twenty-one (21) day review period.

I understand that I may revoke this Supplemental Release within a period of seven (7) calendar days after its execution, except that if the last day of this period falls on a Saturday, Sunday or holiday observed by the Company I have until the conclusion of the next immediate business day (“Supplemental Release Revocation Period”), by delivery of a written notice of revocation (“Supplemental Release Revocation Notice”) before the end of the last day comprising the Supplemental Release Revocation Period to pam.hoebener@aecom.com, ATTN: Corporate SVP, Human Resources. This Supplemental Release shall become automatically irrevocable, and fully enforceable, upon the expiration of the Supplemental Release Revocation Period (the “Supplemental Release Effective Date”) if I do not timely revoke it in the aforesaid manner.

In the event that I do not execute this Supplemental Release during the review period, or if I execute and then revoke the Supplemental Release within the Supplemental Release Revocation Period, or if for any other reason the Supplemental Release is held to be unenforceable, all checks, instruments, funds, or other such payments received by you pursuant to the terms of this Agreement shall immediately be returned or reimbursed to the Company, and I shall have no right to the benefits and consideration described in paragraph 2 of the Agreement. In the event the Company is required to institute litigation to enforce the terms of this paragraph, the Company shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement.

Agreed to and Accepted:

Randall A. Wotring

Date (Must be signed after the Separation Date):

EXHIBIT 21.1

AECOM Global, LLC, a Delaware Limited Liability Company
AECOM Global II LLC, a Delaware Limited Liability Company
AECOM, C&E, Inc., a Delaware Corporation
AECOM Technical Services, Inc., a California Corporation
AECOM USA, Inc., a New York Corporation
AECOM Asia Company Limited*
AECOM Canada Ltd*
AECOM South Africa Group Holdings Pty Ltd*
AECOM Design Build Limited*
AECOM Global Ireland Services Limited*
AECOM Infrastructure & Environment UK Limited*
Flint Energy Services, Inc., a Delaware Corporation
Hunt Construction Group Inc., an Indiana Corporation
The Hunt Corporation, an Indiana corporation
Oscar Faber PLC*
URS Holdings, Inc., a Delaware Corporation
URS Corporation, a Nevada Corporation
URS Group, Inc. a Delaware Corporation
URS Corporation—Ohio, an Ohio Corporation
URS Global Holdings Inc., a Nevada Corporation
URS Operating Services, Inc., a Delaware corporation
URS Resources, LLC, a Delaware limited liability company
URS Corporation Southern, a California corporation
URS Construction Services, Inc., a Florida corporation
URS Alaska, LLC, an Alaska limited liability company
URS Corporation – New York, a New York corporation
URS Corporation – North Carolina, a North Carolina corporation
Tishman Construction Corporation, a Delaware Corporation
Tishman Construction Corporation of New York, a Delaware Corporation
AECOM Intercontinental Holdings UK Limited*
AECOM Services, Inc., a California corporation
AECOM International, Inc., a Delaware corporation
AECOM International Projects, Inc., a Nevada corporation
AECOM Great Lakes, Inc., a Michigan corporation
EDAW, Inc., a Delaware corporation
The Earth Technology Corporation (USA), a Delaware corporation
Cleveland Wrecking Company, a Delaware corporation
Aman Environmental Construction, Inc., a California corporation
E.C. Driver & Associates, Inc., a Florida corporation
B.P. Barber & Associates, Inc., a South Carolina corporation
Forerunner Corporation, a Colorado corporation

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*Foreign

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements (Form S-8 Nos. 333-237237, 333-167047, 333-142070, 333-199453, 333-208964, 333-209890, 333-216442, and 333-230214) pertaining to various stock incentive, purchase and retirement plans of AECOM of our reports dated November 18, 2020, with respect to the consolidated financial statements and schedule of AECOM and to the effectiveness of internal control over financial reporting of AECOM included in this Annual Report (Form 10-K) of AECOM for the year ended September 30, 2020.

/s/ Ernst & Young LLP

Los Angeles, California
November 18, 2020

EXHIBIT 31.1

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, W. Troy Rudd, certify that:

1. I have reviewed this Annual Report on Form 10-K of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: November 18, 2020

/s/ W. Troy Rudd
W. Troy Rudd
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, Gaurav Kapoor, certify that:

1. I have reviewed this Annual Report on Form 10-K of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 18, 2020

Gaurav Kapoor
Gaurav Kapoor
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certification Pursuant to
18 U.S.C. Section 1350

In connection with the Annual Report of AECOM (the "Company") on Form 10-K for the fiscal year ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, W. Troy Rudd, Chief Executive Officer of the Company, and Gaurav Kapoor, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

W. Troy Rudd

W. Troy Rudd
Chief Executive Officer
November 18, 2020

Gaurav Kapoor

Gaurav Kapoor
Chief Financial Officer
November 18, 2020

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the Mine Act) by the federal Mine Safety and Health Administration (MSHA). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or as an independent contractor performing services or construction of such mine.

The following table provides information for the year ended September 30, 2020.

Mine(1)	Mine Act §104 Violations(2)	Mine Act §104(b) Orders(3)	Mine Act §104(d) Citations and Orders(4)	Mine Act §110(b)(2) Violations(5)	Mine Act §107(a) Orders(6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no)(7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no)(8)
Black Thunder Project	0	0	0	0	0	$ 0.00	0	No	No
Bayer Quantzite Quarry	1	0	0	0	0	$ 0.00	0	No	Yes

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.

(8) The following Pending Legal Action Table provides information for the year ended September 30, 2020.

Mine	Number Pending Legal Actions	Contests of Penalty Assessments	Legal Actions Initiated	Legal Actions Resolved
Black Thunder Project	0	0	0	0
Bayer Quantzite Quarry	1	0	1	0

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

FORM 10-K

(Mark one)

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

OR

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

For the transition period from to

Commission file number 0-52423

AECOM

(Exact name of Registrant as specified in its charter)

Delaware	**61-1088522**
State or Other Jurisdiction Of Incorporation or Organization	I.R.S. Employer Identification Number

1999 Avenue of the Stars, Suite 2600	
Los Angeles, California	**90067**
Address of Principal Executive Offices	Zip Code

(213) 593-8000
Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	ACM	New York Stock Exchange

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

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

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

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

The aggregate market value of registrant's common stock held by non-affiliates on March 29, 2019 (the last business day of the registrant's most recently completed second fiscal quarter), based upon the closing price of a share of the registrant's common stock on such date as reported on the New York Stock Exchange was approximately $4.4 billion.

Number of shares of the registrant's common stock outstanding as of November 4, 2019: 157,086,194

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information by reference from the registrant's definitive proxy statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days of the registrant's fiscal 2019 year end.

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PART I

ITEM 1. BUSINESS

In this report, we use the terms "the Company," "we," "us" and "our" to refer to AECOM and its consolidated subsidiaries. Unless otherwise noted, references to years are for fiscal years. Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. For clarity of presentation, we present all periods as if the year ended on September 30. We refer to the fiscal year ended September 30, 2018 as "fiscal 2018" and the fiscal year ended September 30, 2019 as "fiscal 2019."

Overview

We are a leading fully integrated firm positioned to design, build, finance and operate infrastructure assets for governments, businesses and organizations throughout the world. We provide planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets. We also provide construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. In addition, we provide program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world. According to *Engineering News-Record*'s (ENR's) 2019 Design Survey, we are the second largest general architectural and engineering design firm in the world, ranked by 2018 design revenue. In addition, we are ranked by ENR as the leading firm in a number of design end markets, including transportation and general building.

We were formed in 1980 as Ashland Technology Company, a Delaware corporation and a wholly-owned subsidiary of Ashland, Inc., an oil and gas refining and distribution company. Since becoming independent of Ashland Inc., we have grown by a combination of organic growth and strategic mergers and acquisitions from approximately 3,300 employees and $387 million in revenue in fiscal 1991, the first full fiscal year of independent operations, to approximately 86,000 employees at September 30, 2019 and $20.2 billion in revenue for fiscal 2019. We completed the initial public offering of our common stock in May 2007 and these shares are traded on the New York Stock Exchange.

We report our business through four segments, each of which is described in further detail below: Design and Consulting Services (DCS), Construction Services (CS), Management Services (MS), and AECOM Capital (ACAP). Such segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

- *Design and Consulting Services (DCS):* Planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government.

- *Construction Services (CS):* Construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas.

- *Management Services (MS):* Program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and other national governments around the world.

- *AECOM Capital (ACAP):* Investments primarily in real estate projects.

Our Design and Consulting Services Segment

Our DCS segment comprises a broad array of services, generally provided on a fee-for-service basis. These services include planning, consulting, architectural and engineering design, program management and construction management for industrial, commercial, institutional and government clients worldwide. For each of these services, our technical expertise includes civil, structural, process, mechanical, geotechnical systems and electrical engineering, architectural, landscape and interior design, urban and regional planning, project economics, cost consulting and environmental, health and safety work.

With our technical and management expertise, we are able to provide our clients a broad spectrum of services. For example, within our environmental management service offerings, we provide remediation, regulatory compliance planning and management, environmental modeling, environmental impact assessment and environmental permitting for major capital/infrastructure projects.

Our services may be sequenced over multiple phases. For example, in the area of program management and construction management services, our work for a client may begin with a small consulting or planning contract, and may later develop into an overall management role for the project or a series of projects, which we refer to as a program. Program and construction management contracts may employ small or large project teams and, in many cases, operate as an outsourcing arrangement with our staff located at the project site.

We provide the services in our DCS segment both directly and through joint ventures or similar partner arrangements to the following end markets or business sectors:

Transportation.

- *Transit and Rail.* Light rail, heavy rail (including high-speed, commuter and freight) and multimodal transit projects.
- *Marine, Ports and Harbors.* Wharf facilities and container port facilities for private and public port operators.
- *Highways, Bridges and Tunnels.* Interstate, primary and secondary urban and rural highway systems and bridge projects.
- *Aviation.* Landside terminal and airside facilities, runways and taxiways.

Facilities.

- *Government.* Emergency response services for the U.S. Department of Homeland Security, including the Federal Emergency Management Agency and engineering and program management services for agencies of the Department of Defense and Department of Energy.
- *Industrial.* Industrial facilities for a variety of niche end markets such as manufacturing, distribution, aviation, aerospace, communications, media, pharmaceuticals, renewable energy, chemical, and food and beverage facilities.
- *Urban Master Planning/Design.* Strategic planning and master planning services for new cities and major mixed use developments in India, China, Southeast Asia, the Middle East, North Africa, the United Kingdom and the United States.
- *Commercial and Leisure Facilities.* Corporate headquarters, high-rise office towers, historic buildings, hotels, leisure, sports and entertainment facilities and corporate campuses.

- *Educational.* College and university campuses.

- *Health Care.* Private and public health facilities.

- *Correctional.* Detention and correction facilities throughout the world.

Environmental.

- *Water and Wastewater.* Treatment facilities as well as supply, distribution and collection systems, stormwater management, desalinization, and other water re-use technologies.

- *Environmental Management.* Remediation, waste handling, testing and monitoring of environmental conditions and environmental construction management.

- *Water Resources.* Regional-scale floodplain mapping and analysis for public agencies, along with the analysis and development of protected groundwater resources for companies in the bottled water industry.

Energy/Power.

- *Demand Side Management.* Public K-12 schools and universities, health care facilities, and courthouses and other public buildings, as well as energy conservation systems for utilities.

- *Transmission and Distribution.* Power stations and electric transmissions and distribution and co-generation systems.

- *Alternative/Renewable Energy.* Production facilities such as ethanol plants, wind farms and micro hydropower and geothermal subsections of regional power grids.

- *Hydropower/Dams.* Hydroelectric power stations, dams, spillways, and flood control systems.

- *Solar.* Solar photovoltaic projects and environmental permitting services.

Our Construction Services Segment

Through our CS segment, we provide construction, program and construction management services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas.

We provide the services in our CS segment both directly and through joint ventures or similar partner arrangements, to the following end markets and business sectors:

Building. We provide construction, program and construction management services for large scale building and facility construction projects around the world including:

- Sports arenas;

- Modern office and residential towers;

- Hotel and gaming facilities;

- Meeting and exhibition spaces;

- Performance venues;

- Education facilities;
- Mass transit terminals; and
- Data centers.

Energy. We plan, design, engineer, construct, retrofit and maintain a wide range of power-generating facilities, as well as the systems that transmit and distribute electricity. We provide these services to utilities, industrial co-generators, independent power producers, original equipment manufacturers and government utilities including:

- Fossil fuel power generating facilities;
- Nuclear power generating facilities and decommissioning;
- Hydroelectric power generating facilities;
- Alternative and renewable energy sources, including biomass, geothermal, solar energy and wind systems;
- Transmission and distribution systems; and
- Emissions control systems.

We also provide a wide range of planning, design, engineering, construction, production, and operations and maintenance services across the oil and gas upstream, midstream and downstream supply chain. For downstream refining and processing operations, we design and construct gas treatment and processing, refining and petrochemical facilities, and provide asset management and maintenance services for oil sands production facilities, oil refineries and related chemical, energy, power and processing plants. For oil and gas production, we provide construction, fabrication and installation, commissioning and maintenance services for field production facilities, equipment and process modules, site infrastructure and off-site support facilities including:

- Construction of access roads and well pads, and field production facilities;
- Pipeline construction, installation, maintenance and repair; and
- Equipment and process module fabrication, installation and maintenance.

Infrastructure and Industrial. We provide construction, design-build program and construction management services for large scale infrastructure projects around the world including design-build services. We also provide a wide range of engineering, procurement and construction services for industrial and process facilities and the expansion, modification and upgrade of existing facilities. We provide these services to local, state, federal and national governments as well as corporations including:

- Highways, bridges, airports, rail and other transit projects;
- Maritime and terminal facilities;
- Dams, water and waste water projects;
- Industrial production facilities; and
- Mines and mining facilities.

Our Management Services Segment

Through our MS segment, we are a major contractor to the U.S. federal government and we serve a wide variety of government departments and agencies, including the Department of Defense, the Department of Energy (DOE) and other U.S. federal agencies. We also serve departments and agencies of other national governments, such as the U.K. Nuclear Decommissioning Authority (NDA) and the U.K. Ministry of Defense. Our services range from program and facilities management, environmental management, training, logistics, consulting, systems engineering and technical assistance, and systems integration and information technology.

We provide a wide array of classified and unclassified services in our MS segment, both directly and through joint ventures or similar partner arrangements, including:

- Operation and maintenance of complex government installations, including military bases and test ranges;
- Network and communications engineering, software engineering, IT infrastructure design and implementation, cyber defense and cloud computing technologies;
- Deactivation, decommissioning and disposal of nuclear and high hazard waste;
- Management and operations and maintenance services for complex DOE and NDA programs and facilities;
- Testing and development of new components and platforms, as well as engineering and technical support for the modernization of aging weapon systems;
- Logistics support for government supply and distribution networks, including warehousing, packaging, delivery and traffic management;
- Acquisition support for new weapons platforms;
- Maintenance planning to extend the service life of weapons systems and other military equipment;
- Maintenance, modification and overhaul of military aircraft and ground vehicles;
- Safety analyses for high-hazard facilities and licensing for DOE sites;
- Threat assessments of public facilities and the development of force protection and security systems;
- Planning and conducting emergency preparedness exercises;
- First responder training for the military and other government agencies;
- Management and operations and maintenance of chemical agent and chemical weapon disposal facilities;
- Installation of monitoring technology to detect the movement of nuclear and radiological materials across national borders;
- Planning, design and construction of aircraft hangars, barracks, military hospitals and other government buildings; and
- Environmental remediation and restoration for the redevelopment of military bases and other government and commercial installations, including commercial reactor deactivation and demolition.

Our AECOM Capital Segment

ACAP was formed in 2013 and primarily invests in and develops real estate projects. ACAP typically partners with investors and experienced developers as co-general partners. ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations and maintenance services for ACAP funded projects. ACAP development activity is conducted through joint ventures or subsidiaries that may be consolidated or unconsolidated for financial reporting purposes depending on the extent and nature of our ownership interest. In addition, in connection with the investment activities of ACAP, AECOM or an affiliate may provide guarantees of certain financial obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees. We partnered with Canyon Partners to form a joint registered investment advisor focused on investing in co-general partner equity opportunities in development and value-add commercial real estate projects in the United States.

Our Clients

Our clients consist primarily of national, state, regional and local governments, public and private institutions and major corporations. The following table sets forth our total revenue attributable to these categories of clients for each of the periods indicated:

	Year Ended September 30, ($ in millions)					
	2019		2018		2017	
U.S. Federal Government						
DCS	$ 1,131.3	6 %	$ 957.5	5 %	$ 687.7	4 %
CS	293.9	1	293.4	1	138.4	1
MS	3,842.1	19	3,424.3	17	3,122.3	17
Subtotal U.S. Federal Government	5,267.3	26	4,675.2	23	3,948.4	22
U.S. State and Local Governments	3,256.2	16	3,750.7	19	2,808.1	15
Non-U.S. Governments	2,120.8	11	2,200.6	11	1,980.4	11
Subtotal Governments	10,644.3	53	10,626.5	53	8,736.9	48
Private Entities (worldwide)	9,529.0	47	9,529.0	47	9,466.5	52
Total	$ 20,173.3	100 %	$ 20,155.5	100 %	$ 18,203.4	100 %

Other than the U.S. federal government, no single client accounted for 10% or more of our revenue in any of the past five fiscal years. Approximately 26%, 23% and 22% of our revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2019, 2018 and 2017, respectively. One of these contracts accounted for approximately 3%, 2% and 3% of our revenue in the years ended September 30, 2019, 2018 and 2017, respectively. The work attributed to the U.S. federal government includes our work for the Department of Defense, Department of Energy, Department of Justice and the Department of Homeland Security.

Contracts

The price provisions of the contracts we undertake can be grouped into several broad categories: cost-reimbursable contracts, guaranteed maximum price contracts, and fixed-price contracts.

Cost-Reimbursable Contracts

Cost-reimbursable contracts include cost-plus fixed fee, cost-plus fixed rate, and time-and-materials price contracts. Under cost-plus contracts, we charge clients for our costs, including both direct and indirect costs, plus a negotiated fee or rate. We recognize revenues based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Under time-and-materials price contracts, we negotiate hourly billing rates and charge clients based on the actual time we expend on the project. In addition, clients reimburse us for materials and other direct incidental expenditures incurred in connection with our performance under the contract. Time-and-material price contracts may also have a fixed-price element in the form of not-to-exceed or guaranteed maximum price provisions.

Some cost-plus contracts provide for award fees or a penalty based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, we may share award fees with subcontractors. We generally recognize revenue to the extent of costs actually incurred plus a proportionate amount of the fee expected to be earned. We take the award fee or penalty on contracts into consideration when estimating revenue and profit rates, and record revenue related to the award fees when there is sufficient information to assess anticipated contract performance and a significant reversal of the award fee is not probable. Once an award is received, the estimated or accrued fees are adjusted to the actual award amount.

Some cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether we achieve above, at, or below target results. We originally recognize revenue on these contracts based upon expected results. These estimates are revised when necessary based upon additional information that becomes available as the contract progresses.

Guaranteed Maximum Price Contracts

Guaranteed maximum price contracts (GMP) share many of the same contract provisions as cost-plus and fixed-price contracts. As with cost-plus contracts, clients are provided a disclosure of all project costs, and a lump sum percentage fee is separately identified. We provide clients with a guaranteed price for the overall project (adjusted for change orders issued by clients) and a schedule including the expected completion date. Cost overruns or costs associated with project delays in completion could generally be our responsibility. For many of our commercial or residential GMP contracts, the final price is generally not established until we have subcontracted a substantial percentage of the trade contracts with terms consistent with the master contract, and we have negotiated additional contract limitations, such as waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages. Revenue is recognized for GMP contracts as project costs are incurred relative to total estimated project costs.

Fixed-Price Contracts

Fixed-price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, we perform all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, we perform a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognized for fixed-price contracts using the input method measured on a cost-to-cost basis.

Some of our fixed-price contracts require us to provide surety bonds or parent company guarantees to assure our clients that their project will be completed in accordance with the terms of the contracts as further disclosed in Note 18—Commitments and Contingencies. In such cases, we may require our primary subcontractors to provide similar performance bonds and guarantees and to be adequately insured, and we may flow down the terms and conditions set forth in our agreement on to our subcontractors. There may be risks associated with completing these projects profitably if we are not able to perform our services within the fixed-price contract terms.

For the year ended September 30, 2019, our revenue was comprised of 51%, 20%, and 29% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively.

Joint Ventures

Some of our larger contracts may operate under joint ventures or other arrangements under which we team with other reputable companies, typically companies with which we have worked for many years. This is often done where the scale of the project dictates such an arrangement or when we want to strengthen either our market position or our technical skills.

Backlog

Backlog represents revenue we expect to realize for work completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Backlog is expressed in terms of gross revenue and therefore may include significant estimated amounts of third party or pass-through costs to subcontractors and other parties. Backlog for our consolidated subsidiaries is comprised of contracted backlog and awarded backlog. Our contracted backlog includes revenue we expect to record in the future from signed contracts, and in the case of a public client, where the project has been funded. We report transaction price allocated to remaining unsatisfied performance obligations (RUPO) of $23.6 billion, as described in Note 4, Revenue Recognition, in the notes to our consolidated financial statements. The most significant difference between our contracted backlog and RUPO is revenue related to service contracts that extend beyond the termination provision of those contracts. Our contracted backlog includes revenues for service contracts expected to be earned over the term of that contract. Guidance for the calculation of RUPO requires us to assume the contract will be terminated at its earliest convenience, resulting in RUPO to be $0.7 billion lower than contracted backlog. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. The net results of our unconsolidated joint ventures are recognized as equity earnings, and awarded and contracted backlog representing our proportionate share of work to be performed by unconsolidated joint ventures is not presented as revenue in our Consolidated Statements of Operations. For non-government contracts, our backlog includes future revenue at contract rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, we include revenue from such contracts in backlog to the extent of the remaining estimated amount. We calculate backlog without regard to possible project reductions or expansions or potential cancellations until such changes or cancellations occur. No assurance can be given that we will ultimately realize our full backlog. Backlog fluctuates due to the timing of when contracts are awarded and contracted and when contract revenue is recognized. Many of our contracts require us to provide services over more than one year. Our backlog for the year ended September 30, 2019 increased $5.6 billion, or 10.4%, to $59.7 billion as compared to $54.1 billion for the corresponding period last year, primarily due to the increase in our CS segment.

The following summarizes contracted and awarded backlog (in billions):

	September 30, 2019	September 30, 2018
Contracted backlog:		
DCS segment	$ 9.7	$ 9.2
CS segment	10.5	9.3
MS segment	4.1	3.4
Total contracted backlog	$ 24.3	$ 21.9
Awarded backlog:		
DCS segment	$ 6.6	$ 7.5
CS segment	12.5	7.2
MS segment	14.0	14.5
Total awarded backlog	$ 33.1	$ 29.2
Unconsolidated joint venture backlog:		
CS segment	$ 1.3	$ 2.0
MS segment	1.0	1.0
Total unconsolidated joint venture backlog	$ 2.3	$ 3.0
Total backlog:		
DCS segment	$ 16.3	$ 16.7
CS segment	24.3	18.5
MS segment	19.1	18.9
Total backlog	$ 59.7	$ 54.1

Competition

The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. We have numerous competitors, ranging from small private firms to multi-billion dollar companies, some of which have greater financial resources or that are more specialized and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. The degree and type of competition we face is also influenced by the type and scope of a particular project. The technical and professional aspects of our services generally do not require large upfront capital expenditures and, therefore, provide limited barriers against new competitors.

We believe that we are well positioned to compete in our markets because of our reputation, our cost effectiveness, our long-term client relationships, our extensive network of offices, our employee expertise, and our broad range of services. In addition, as a result of our extensive national and international network, we are able to offer our clients localized knowledge and expertise, as well as the support of our worldwide professional staff.

Seasonality

We experience seasonal trends in our business. Our revenue is typically higher in the last half of the fiscal year. The fourth quarter of our fiscal year (July 1 to September 30) is typically our strongest quarter. We find that the U.S. federal government tends to authorize more work during the period preceding the end of our fiscal year, September 30. In addition, many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during their first quarter, when new funding becomes available. Further, our construction management revenue typically increases during the high construction season of the summer months. Within the United States, as well as other parts of the world, our business generally benefits from milder weather conditions in our fiscal fourth quarter, which allows for more productivity from our on-site civil services. Our construction and project management services also typically expand during the high construction season of the summer months. The first quarter of our fiscal year (October 1 to December 31) is typically our lowest revenue quarter. The harsher weather conditions impact our ability to complete work in parts of North America and the holiday season schedule affects our productivity during this period. For these reasons, coupled with the number and significance of client contracts commenced and completed during a particular period, as well as the timing of expenses incurred for corporate initiatives, it is not unusual for us to experience seasonal changes or fluctuations in our quarterly operating results.

Risk Management and Insurance

Risk management is an integral part of our project management approach and our project execution process. We have an Office of Risk Management that reviews and oversees the risk profile of our operations. Also, pursuant to our internal delegations of authority, we have an internal process whereby a group of senior members of our risk management team evaluate risk through internal risk analyses of higher-risk projects, contracts or other business decisions. We maintain insurance covering professional liability and claims involving bodily injury and property damage. Wherever possible, we endeavor to eliminate or reduce the risk of loss on a project through the use of quality assurance/control, risk management, workplace safety and similar methods.

Regulations

Our business is impacted by environmental, health and safety, government procurement, anti-bribery and other government regulations and requirements. Below is a summary of some of the significant regulations that impact our business.

Environmental, Health and Safety. Our business involves the planning, design, program management, construction and construction management, and operations and maintenance at various project sites, including but not limited to pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including oil field and pipeline construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts with U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental and health and safety laws and regulations, and some laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable national and state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire clean-up upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, comparable national and state laws or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury, or cessation of remediation activities.

Some of our business operations are covered by Public Law 85-804, which provides for indemnification by the U.S federal government against claims and damages arising out of unusually hazardous or nuclear activities performed at the request of the U.S. federal government. Should public policies and laws change, however, U.S. federal government indemnification may not be available in the case of any future claims or liabilities relating to hazardous activities that we undertake to perform.

Government Procurement. The services we provide to the U.S. federal government are subject to Federal Acquisition Regulation, the Truth in Negotiations Act, Cost Accounting Standards, the Services Contract Act, export controls rules and Department of Defense (DOD) security regulations, as well as many other laws and regulations. These laws and regulations affect how we transact business with our clients and, in some instances, impose additional costs on our business operations. A violation of specific laws and regulations could lead to fines, contract termination or suspension of future contracts. Our government clients can also terminate, renegotiate, or modify any of their contracts with us at their convenience; and many of our government contracts are subject to renewal or extension annually.

Anti-Bribery and other regulations. We are subject to the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. The U.K. Bribery Act of 2010 prohibits both domestic and international bribery, as well as bribery across both private and public sectors. In addition, an organization that "fails to prevent bribery" committed by anyone associated with the organization can be charged under the U.K. Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. To the extent we export technical services, data and products outside of the U.S., we are subject to U.S. and international laws and regulations governing international trade and exports, including but not limited to the International Traffic in Arms Regulations, the Export Administration Regulations and trade sanctions against embargoed countries. We provide services to the DOD and other defense-related entities that often require specialized professional qualifications and security clearances. In addition, as engineering design services professionals, we are subject to a variety of local, state, federal and foreign licensing and permit requirements and ethics rules.

Personnel

Our principal asset is our employees and large percentages of our employees have technical and professional backgrounds and undergraduate and/or advanced degrees. At the end of our fiscal 2019, we employed approximately

86,000 persons, of whom approximately 43,000 were employed in the United States. Over 5,000 of our domestic employees are covered by collective bargaining agreements or by specific labor agreements, which expire upon completion of the relevant project.

Raw Materials

We purchase most of the raw materials and components necessary to operate our business from numerous sources. However, the price and availability of raw materials and components may vary from year to year due to customer demand, production capacity, market conditions and material shortages. While we do not currently foresee the lack of availability of any particular raw materials in the near term, prolonged unavailability of raw materials necessary to our projects and services or significant price increases for those raw materials could have a material adverse effect on our business in the near term.

Government Contracts

Generally, our government contracts are subject to renegotiation or termination of contracts or subcontracts at the discretion of the U.S. federal, state or local governments, and national governments of other countries.

Trade Secrets and Other Intellectual Property

We rely principally on trade secrets, confidentiality policies and other contractual arrangements to protect much of our intellectual property.

Available Information

The reports we file with the Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy materials, including any amendments, are available free of charge on our website at *www.aecom.com* as soon as reasonably practicable after we electronically file such material with, or furnish it to the SEC. The SEC also maintains a web site *(www.sec.gov)* containing reports, proxy and information statements, and other information that we file with the SEC. Our Corporate Governance Guidelines and our Code of Ethics are available on our website at *www.aecom.com* under the “Investors” section. Copies of the information identified above may be obtained without charge from us by writing to AECOM, 1999 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

ITEM 1A. RISK FACTORS

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect our operations. Additional risks we do not yet know of or that we currently think are immaterial may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected.

A United States federal government shutdown, payment delays or reduced demand for our services may have a material impact on our results of operation and financial condition.

The partial shutdown of the U.S. federal government in 2018 resulted in federal payment delays that negatively impacted our operational cash flow. Another U.S. federal government shutdown of similar or greater duration could significantly reduce demand for our services, delay payment and result in workforce reductions that may have a material adverse effect on our results of operation and financial condition. Moreover, a prolonged government shutdown could result in program cancellations, disruptions and/or stop work orders and could limit the U.S. federal government’s ability to effectively process and our ability to perform on our U.S. government contracts and successfully compete for new work.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending. If economic conditions remain uncertain and/or weaken, our revenue and profitability could be adversely affected.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns, interest rate fluctuations and reductions in government and private industry spending that result in clients delaying, curtailing or canceling proposed and existing projects. For example, commodity price volatility has previously impacted our oil and gas business and business regions whose economies are substantially dependent on commodities prices such as the Middle East and has also impacted North American oil and gas clients' investment decisions.

United States and foreign trade policy actions and tariffs, such as the March 2018 imposition of tariffs on steel and aluminum imports, could impact client spending and affect the profitability of our fixed-price construction projects. Where economies are weakening, our clients may demand more favorable pricing or other terms while their ability to pay our invoices or to pay them in a timely manner may be adversely affected. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects. If economic conditions remain uncertain and/or weaken and/or government spending is reduced, our revenue and profitability could be adversely affected.

We depend on long-term government contracts, some of which are only funded on an annual basis. If appropriations for funding are not made in subsequent years of a multiple-year contract, we may not be able to realize all of our anticipated revenue and profits from that project.

A substantial portion of our revenue is derived from contracts with agencies and departments of national, state and local governments. During fiscal 2019 and 2018, approximately 53% and 53%, respectively, of our revenue was derived from contracts with government entities.

Most government contracts are subject to the government's budgetary approval process. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year. In addition, public-supported financing such as state and local municipal bonds may be only partially raised to support existing infrastructure projects. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each fiscal year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, a government shutdown, competing priorities for appropriation, changes in administration or control of legislatures and the timing and amount of tax receipts and the overall level of government expenditures. Similarly, the impact of an economic downturn on state and local governments may make it more difficult for them to fund infrastructure projects. If appropriations are not made in subsequent years on our government contracts, then we will not realize all of our potential revenue and profit from that contract.

If we are unable to win or renew government contracts during regulated procurement processes, our operations and financial results would be harmed.

Government contracts are awarded through a regulated procurement process. The federal government has awarded multi-year contracts with pre-established terms and conditions, such as indefinite delivery contracts, that generally require those contractors that have previously been awarded the indefinite delivery contract to engage in an additional competitive bidding process before a task order is issued. In addition, the federal government has also awarded federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result of these competitive pricing pressures, our profit margins on future federal contracts may be reduced and may require us to make sustained efforts to reduce costs in order to realize revenues and profits under government contracts. If we are not successful in reducing the amount of costs we incur, our profitability on government contracts will be negatively impacted. In addition, we may not be awarded government contracts because of existing government policies designed to protect small businesses and under-represented minority contractors. Our inability to win or renew government contracts during regulated procurement processes could harm our operations and reduce our profits and revenues.

Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue.

Most government contracts may be modified, curtailed or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenue and profits from that contract. In addition, for some assignments, the U.S. government may attempt to "insource" the services to government employees rather than outsource to a contractor. If a government terminates a contract due to our default, we could be liable for excess costs incurred by the government in obtaining services from another source.

Our contracts with governmental agencies are subject to audit, which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs.

Our books and records are subject to audit by the various governmental agencies we serve and their representatives. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. If such matters are not resolved in our favor, they could have a material adverse effect on our business. In addition, if one of our subsidiaries is charged with wrongdoing as a result of an audit, that subsidiary, and possibly our company as a whole, could be temporarily suspended or could be prohibited from bidding on and receiving future government contracts for a period of time. Furthermore, as a government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud actions, whistleblower lawsuits and other legal actions and liabilities to which purely private sector companies are not, the results of which could materially adversely impact our business. For example, a qui tam lawsuit related to an affiliate was unsealed in 2016. Qui tam lawsuits typically allege that we have made false statements or certifications in connection with claims for payment, or improperly retained overpayments, from the government. These suits may remain under seal (and hence, be unknown to us) for some time while the government decides whether to intervene on behalf of the qui tam plaintiff.

Our substantial leverage and significant debt service obligations could adversely affect our financial condition and our ability to fulfill our obligations and operate our business.

We had approximately $3.4 billion of indebtedness (excluding intercompany indebtedness) outstanding as of September 30, 2019, of which $1.4 billion was secured obligations (exclusive of $22.8 million of outstanding undrawn letters of credit) and we have an additional $1.3 billion of availability under our Credit Agreement (after giving effect to outstanding letters of credit), all of which would be secured debt, if drawn. Our financial performance could be adversely affected by our substantial leverage. We may also incur significant additional indebtedness in the future, subject to various conditions.

This high level of indebtedness could have important negative consequences to us, including, but not limited to:

- we may have difficulty satisfying our obligations with respect to outstanding debt obligations;
- we may have difficulty obtaining financing in the future for working capital, acquisitions, capital expenditures or other purposes;
- we may need to use all, or a substantial portion, of our available excess cash flow to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities, including, but not limited to, working capital requirements, acquisitions, capital expenditures or other general corporate or business activities;
- our debt level increases our vulnerability to general economic downturns and adverse industry conditions;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and in our

industry in general;

- our substantial amount of debt and the amount we must pay to service our debt obligations could place us at a competitive disadvantage compared to our competitors that have less debt;

- we may have increased borrowing costs;

- our clients, surety providers or insurance carriers may react adversely to our significant debt level;

- we may have insufficient funds, and our debt level may also restrict us from raising the funds necessary, to retire our debt instruments tendered to us upon maturity of our debt or the occurrence of a change of control, which would constitute an event of default under our debt instruments; and

- our failure to comply with the financial and other restrictive covenants in our debt instruments which, among other things, require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could have a material adverse effect on our business or prospects.

Our high level of indebtedness requires that we use a substantial portion of our cash flow from operations to pay principal of, and interest on, our indebtedness, which will reduce the availability of cash to fund working capital requirements, future acquisitions, capital expenditures or other general corporate or business activities.

In addition, a portion of our indebtedness bears interest at variable rates, including borrowings under our Credit Agreement. If market interest rates increase, debt service on our variable-rate debt will rise, which could adversely affect our cash flow, results of operations and financial position. Although we may employ hedging strategies such that a portion of the aggregate principal amount of our term loans carries a fixed rate of interest, any hedging arrangement put in place may not offer complete protection from this risk. Additionally, the remaining portion of borrowings under our Credit Agreement that is not hedged will be subject to changes in interest rates.

The agreements governing our debt contain a number of restrictive covenants which will limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest.

The Credit Agreement and the indentures governing our debt contain a number of significant covenants that impose operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect, and in many respects limit or prohibit, among other things, our ability and the ability of some of our subsidiaries to:

- incur additional indebtedness;

- create liens;

- pay dividends and make other distributions in respect of our equity securities;

- redeem or repurchase our equity securities;

- distribute excess cash flow from foreign to domestic subsidiaries;

- make investments or other restricted payments;

- sell assets;

- enter into transactions with affiliates; and

- effect mergers or consolidations.

In addition, our Credit Agreement also requires us to comply with a consolidated interest coverage ratio and consolidated leverage ratio. Our ability to comply with these ratios may be affected by events beyond our control.

These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans, and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under our debt instruments. If an event of default occurs, our creditors could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;
- require us to apply all of our available cash to repay the borrowings; or
- prevent us from making debt service payments on our borrowings.

If we were unable to repay or otherwise refinance these borrowings when due, the applicable creditors could sell the collateral securing some of our debt instruments, which constitutes substantially all of our domestic and foreign, wholly owned subsidiaries' assets.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Agreement are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. A 1.00% increase in such interest rates would increase total interest expense under our Credit Agreement for the year ended September 30, 2019 by $15.2 million, including the effect of our interest rate swaps. We may, from time to time, enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.

If we are unable to continue to access credit on acceptable terms, our business may be adversely affected.

The changing nature of the global credit markets could make it more difficult for us to access funds, refinance our existing indebtedness, enter into agreements for uncommitted debt bond facilities and new indebtedness, replace our existing revolving and term credit agreements or obtain funding through the issuance of our securities. We use credit facilities to support our working capital and other needs. There is no guarantee that we can continue to renew our credit facility on terms as favorable as those in our existing credit facility and, if we are unable to do so, our costs of borrowing and our business may be adversely affected.

The Budget Control Act of 2011 could significantly reduce U.S. government spending for the services we provide.

Under the Budget Control Act of 2011, an automatic sequestration process, or across-the-board budget cuts (half of which were defense-related), was triggered when the Joint Select Committee on Deficit Reduction, a committee of twelve members of Congress, failed to agree on a deficit reduction plan for the U.S. federal budget. The Bipartisan Budget Act (BBA) of 2019 eliminates sequestration on discretionary accounts in 2020 and 2021 by increasing federal discretionary spending limits until 2021. The BBA also temporarily suspends the public debt limit through July 31, 2021. However, the Budget Control Act of 2011 remains in place, extended through 2029 and absent additional legislative or other remedial action, the sequestration could require reduced U.S. federal government spending from fiscal 2022 through fiscal 2029. A significant reduction in federal government spending or a change in budgetary priorities could reduce demand for our services, cancel or delay federal projects, and result in the closure of federal facilities and significant personnel reductions, which could have a material adverse effect on our results of operations and financial condition.

The uncertainty surrounding the implementation of, and effects of, the United Kingdom's proposed withdrawal from the European Union could have an adverse effect on our business and financial results.

In March 2017, the United Kingdom government initiated a process to withdraw from the European Union (Brexit) and began negotiating the terms of its separation. A withdrawal without a trade agreement in place could significantly disrupt the free movement of goods, services, and people between the United Kingdom and the European Union, and result in increased legal and regulatory complexities, as well as potential higher costs of conducting business in Europe. Further, the uncertainty surrounding Brexit has created substantial economic and political uncertainty and volatility in currency exchange rates. Our United Kingdom business is a significant part of our European operations with approximately 7,000 employees and revenues representing approximately 4% of our total revenue for the fiscal year ended September 30, 2019. The uncertainty created by Brexit may cause our customers to closely monitor their costs and reduce demand for our services and may ultimately result in new regulatory and cost challenges for our United Kingdom and global operations. Any of these events could adversely affect our United Kingdom, European and overall business and financial results.

Our operations worldwide expose us to legal, political and economic risks in different countries as well as currency exchange rate fluctuations that could harm our business and financial results.

During fiscal 2019, revenue attributable to our services provided outside of the United States to non-U.S. clients was approximately 26% of our total revenue. There are risks inherent in doing business internationally, including:

- imposition of governmental controls and changes in laws, regulations or policies;
- political and economic instability, such as in the Middle East and South East Asia;
- civil unrest, acts of terrorism, force majeure, war, or other armed conflict;
- changes in U.S. and other national government trade policies affecting the markets for our services, such as recent retaliatory tariffs between the United States and China;
- recent political unrest in Hong Kong where AECOM has a significant presence;
- changes in regulatory practices, tariffs and taxes, such as Brexit;
- potential non-compliance with a wide variety of laws and regulations, including anti-corruption, export control and anti-boycott laws and similar non-U.S. laws and regulations;
- changes in labor conditions;
- logistical and communication challenges; and
- currency exchange rate fluctuations, devaluations and other conversion restrictions.

Any of these factors could have a material adverse effect on our business, results of operations or financial condition.

In addition, Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt have cut diplomatic ties and restricted business with Qatar by closing off access to that country with an air, sea and land traffic embargo. During the economic embargo, products cannot be shipped directly to Qatar from the UAE, Saudi Arabia or Bahrain and financial services may be limited. Our Qatarian business is a significant part of our Middle East operations with approximately several hundred employees. The economic embargo may make it difficult to complete ongoing Qatarian projects and could reduce future demand for our services.

We operate in many different jurisdictions and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act (FCPA) and similar worldwide anti-corruption laws, including the U.K. Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls which may fall within the purview of the FCPA, its books and records provisions or its anti-bribery provisions. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. In addition, from time to time, government investigations of corruption in construction-related industries affect us and our peers. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition.

We work in international locations where there are high security risks, which could result in harm to our employees and contractors or material costs to us.

Some of our services are performed in high-risk locations, such as the Middle East, Africa, and Southwest Asia, where the country or location is suffering from political, social or economic problems, or war or civil unrest. In those locations where we have employees or operations, we may incur material costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk. Acts of terrorism and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets.

Many of our project sites are inherently dangerous workplaces. Failure to maintain safe work sites and equipment could result in environmental disasters, employee deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation.

Our project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On some project sites, we may be responsible for safety and, accordingly, we have an obligation to implement effective safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. As a result, our failure to maintain adequate safety standards and equipment could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations.

Cybersecurity threats, information technology systems outages and data privacy incidents could adversely harm our business.

We develop, install and maintain information technology systems for our clients and employees. We may experience errors, outages, or delays of service in our information technology systems, which could significantly disrupt our operations, impact our clients and employees, damage our reputation, and result in litigation and regulatory fines or penalties. Client contracts for the performance of information technology services, primarily with the federal government, as well as various privacy and securities laws pertaining to client and employee usage, require us to manage and protect sensitive and proprietary information. For example, the European's Union General Data Protection Regulation extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of the company's location. In addition, the California Consumer Privacy Act increased the penalties for data privacy incidents.

We face threats to our information technology systems, including unauthorized access, computer hackers, computer viruses, malicious code, cyber-attacks, phishing and other cybersecurity problems and system disruptions, including possible unauthorized access to our and our clients' proprietary information. We rely on industry-accepted security measures and technology to securely maintain all proprietary information on our information technology systems. In the ordinary course of business, we have been targeted by malicious cyber-attacks. Anyone who circumvents our security measures could misappropriate proprietary information, including information regarding us, our employees and/or our clients, or cause interruptions in our operations. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and to prevent, detect and respond to cybersecurity incidents, there can be no assurance that our efforts will prevent these threats. As these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect and respond against system disruptions and security breaches.

We also rely in part on third-party software and information technology vendors to run our critical accounting, project management and financial information systems. We depend on our software and information technology vendors to provide long-term software and hardware support for our information systems. Our software and information technology vendors may decide to discontinue further development, integration or long-term software and hardware support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense, as well as disrupting the management of our business operations.

Any of these events could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, while we maintain insurance, that specifically cover these attacks, our coverage may not sufficiently cover all types of losses or claims that may arise.

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

Because we have grown in part through acquisitions, goodwill and intangible assets-net represent a substantial portion of our assets. Under generally accepted accounting principles in the United States (GAAP), we are required to test goodwill carried in our Consolidated Balance Sheets for possible impairment on an annual basis based upon a fair value approach and whenever events occur that indicate impairment could exist. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a reporting unit's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of our business, a significant sustained decline in our market capitalization and other factors. For example, in the year ended September 30, 2019, we recorded a noncash impairment of long-lived assets, including goodwill of $615.4 million primarily related to a decrease in the estimated recovery and fair value of reporting units with self-performed at-risk construction exposure in the CS segment.

In addition, if we experience a decrease in our stock price and market capitalization over a sustained period, we could have to record an impairment charge in the future. The amount of any impairment could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the charge is taken.

Our business and operating results could be adversely affected by losses under fixed-price or guaranteed maximum price contracts.

Fixed-price contracts require us to either perform all work under the contract for a specified lump-sum or to perform an estimated number of units of work at an agreed price per unit, with the total payment determined by the actual number of units performed. In addition, we may enter guaranteed maximum price contracts where we guarantee a price or delivery date. For the year ended September 30, 2019, our revenue was comprised of 51%, 20%, and 29% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively. Fixed-price contracts expose us to a number of risks not inherent in cost-reimbursable contracts, including underestimation of costs, ambiguities in specifications, unforeseen increases in or failures in estimating the cost of raw materials, equipment or labor, problems with new technologies, delays beyond our control, fluctuations in profit margins, failures of subcontractors to perform and economic or other changes that may occur during the contract period. United States and foreign trade policy actions and tariffs such as the 2018 tariffs on steel and aluminum imports in the United States could affect the profitability of our fixed-price construction projects. Losses under fixed-price or guaranteed contracts could be substantial and adversely impact our results of operations.

Our failure to meet contractual schedule or performance requirements that we have guaranteed could adversely affect our operating results.

In some circumstances, we can incur liquidated or other damages if we do not achieve project completion by a scheduled date. If we or an entity for which we have provided a guarantee subsequently fails to complete the project as scheduled and the matter cannot be satisfactorily resolved with the client, we may be responsible for cost impacts to the client resulting from any delay or the cost to complete the project. Our costs generally increase from schedule delays and/or could exceed our projections for a particular project. In addition, project performance can be affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions and other factors. Material performance problems for existing and future contracts could cause actual results of operations to differ from those anticipated by us and also could cause us to suffer damage to our reputation within our industry and client base.

We may not be able to maintain adequate surety and financial capacity necessary for us to successfully bid on and win contracts.

In line with industry practice, we are often required to provide surety bonds, standby letters of credit or corporate guarantees to our clients that indemnify the customer should our affiliate fail to perform its obligations under the terms of a contract. As of September 30, 2019 and September 30, 2018, we were contingently liable for $4.8 billion and $5.3 billion, respectively, in issued surety bonds primarily to support project execution and we had outstanding letters of credit totaling $493.7 million and $515.1 million, respectively. A surety may issue a performance or payment bond to guarantee to the client that our affiliate will perform under the terms of a contract. If our affiliate fails to perform under the terms of the contract, then the client may demand that the surety or another corporate affiliate provide the contracted services. In addition, we would typically have obligations to indemnify the surety for any loss incurred in connection with the bond. If a surety bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate surety bond or letter of credit, we may not be able to pursue that project, which in turn could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

We conduct a portion of our operations through joint venture entities, over which we may have limited control.

Approximately 14% of our fiscal 2019 revenue was derived from our operations through joint ventures or similar partnership arrangements, where control may be shared with unaffiliated third parties. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners and we typically have joint and several liability with our joint venture partners under the applicable contracts for joint venture projects. These factors could potentially adversely impact the business and operations of a joint venture and, in turn, our business and operations.

Operating through joint ventures in which we are minority holders results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. Sales of our services provided to our unconsolidated joint ventures were approximately 2% of our fiscal 2019 revenue. We generally do not have control of these unconsolidated joint ventures. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to these joint ventures, which could have a material adverse effect on our financial condition and results of operations and could also affect our reputation in the industries we serve.

We participate in joint ventures where we provide guarantees and may be adversely impacted by the failure of the joint venture or its participants to fulfill their obligations.

We have investments in and commitments to joint ventures with unrelated parties, including in connection with construction services, government services, and the investment activities of ACAP. For example, real estate and infrastructure joint ventures are inherently risky and may result in future losses since real estate markets are impacted by economic trends and government policies that we do not control. These joint ventures from time to time may borrow money to help finance their activities and in some circumstances, we are required to provide guarantees of obligations of our affiliated entities. In addition, in connection with the investment activities of ACAP, we provide guarantees of obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees. If these entities are not able to honor their obligations under the guarantees, we may be required to expend additional resources or suffer losses, which could be significant.

AECOM Capital's real estate development and investment activities are inherently risky and may result in a future loss.

ACAP's real estate business involves managing, sponsoring, investing and developing commercial real estate projects (Real Estate Joint Ventures) that are inherently risky and may result in future losses since real estate markets are significantly impacted by economic trends and government policies that we do not control. Our registered investment adviser jointly manages, sponsors and owns an equity interest with its co-partner in the AECOM-Canyon Equity Fund, L.P. (the "Fund"), which invests and develops Real Estate Joint Ventures on behalf of its investors. Real Estate Joint Ventures rely on substantial amounts of third party borrowing to finance their development activities including completion guarantees, repayment guarantees, environmental indemnities and other lender required credit support guarantees that may be provided by AECOM or an affiliate to secure the Real Estate Joint Venture financing. Although the Fund and the Real Estate Venture have reserves that will be used to share Real Estate Joint Venture cost overruns, if such reserves are depleted, then AECOM may be required to make support payments to fund non-budgeted cost overruns on behalf of the Fund (but not on behalf of the Fund's co-partner or any unaffiliated Real Estate Joint Venture limited partners). Some of the Fund's limited partners may be permitted to make additional equity co-investments in certain Real Estate Joint Ventures for which AECOM will provide support payments, after additional specific reserves have been depleted, on behalf of the limited partner co-investor in the event of a Real Estate Joint Venture cost overrun. AECOM's provision of lender guarantees is contingent upon the Real Estate Joint Venture meeting AECOM's underwriting criteria, including an affiliate of AECOM acting as either the construction manager at risk or the owner's representative for the project, no material adverse change in AECOM's financial condition, and the guarantee not violating a covenant under a material AECOM agreement.

Misconduct by our employees, partners or consultants or our failure to comply with laws or regulations applicable to our business could cause us to lose customers or lose our ability to contract with government agencies.

As a government contractor, misconduct, fraud or other improper activities caused by our employees', partners' or consultants' failure to comply with laws or regulations could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with procurement regulations, environmental regulations, regulations regarding the protection of sensitive government information, legislation regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, and anti-corruption, anti-competition, export control and other applicable laws or regulations. Our failure to comply with applicable laws or regulations, misconduct by any of our employees or consultants or our failure to make timely and accurate certifications to government agencies regarding misconduct or potential misconduct could subject us to fines and penalties, loss of government granted eligibility, cancellation of contracts and suspension or debarment from contracting with government agencies, any of which may adversely affect our business.

We may be required to contribute additional cash to meet our significant underfunded benefit obligations associated with pension benefit plans we manage or multiemployer pension plans in which we participate.

We have defined benefit pension plans for employees in the United States, United Kingdom, Canada, Australia, and Ireland. At September 30, 2019, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $483.9 million. In the future, our pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors that may require us to make additional cash contributions to our pension plans and recognize further increases in our net pension cost to satisfy our funding requirements. If we are forced or elect to make up all or a portion of the deficit for unfunded benefit plans, our results of operations could be materially and adversely affected.

A multiemployer pension plan is typically established under a collective bargaining agreement with a union to cover the union-represented workers of various unrelated companies. Our collective bargaining agreements with unions will require us to contribute to various multiemployer pension plans; however, we do not control or manage these plans. For the year ended September 30, 2019, we contributed $52.3 million to multiemployer pension plans. Under the Employee Retirement Income Security Act, an employer who contributes to a multiemployer pension plan, absent an applicable exemption, may also be liable, upon termination or withdrawal from the plan, for its proportionate share of the multiemployer pension plan's unfunded vested benefit. If we terminate or withdraw from a multiemployer plan, absent an applicable exemption (such as for some plans in the building and construction industry), we could be required to contribute a significant amount of cash to fund the multiemployer plan's unfunded vested benefit, which could materially and adversely affect our financial results; however, since we do not control the multiemployer plans, we are unable to estimate any potential contributions that could be required.

New legal requirements could adversely affect our operating results.

Our business and results of operations could be adversely affected by the passage of climate change, defense, environmental, infrastructure and other laws, policies and regulations. Growing concerns about climate change and greenhouse gases, such as those adopted under the United Nations COP-21 Paris Agreement may result in the imposition of additional environmental regulations for our clients' fossil fuel projects. For example, legislation, international protocols, regulation or other restrictions on emissions regulations could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services. In addition, relaxation or repeal of laws and regulations, or changes in governmental policies regarding environmental, defense, infrastructure or other industries we serve could result in a decline in demand for our services, which could in turn negatively impact our revenues. We cannot predict when or whether any of these various proposals may be enacted or what their effect will be on us or on our customers.

We may be subject to substantial liabilities under environmental laws and regulations.

Our services are subject to numerous environmental protection laws and regulations that are complex and stringent. Our business involves in part the planning, design, program management, construction and construction management, and operations and maintenance at various sites, including but not limited to, pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts in support of U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. We also own and operate several properties in the U.S. and Canada that have been used for the storage and maintenance of construction equipment. In the conduct of operations on these properties, and despite precautions having been taken, it is possible that there have been accidental releases of individually relatively small amounts of fuel, oils, hydraulic fluids and other fluids while storing or servicing this equipment. Such accidental releases though individually relatively small may have accumulated over time. Past business practices at companies that we have acquired may also expose us to future unknown environmental liabilities.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire cleanup upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act and the Energy Reorganization Act of 1974, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability.

Demand for our oil and gas services fluctuates.

Demand for our oil and natural gas services fluctuates, and we depend on our customers' willingness to make future expenditures to explore for, develop and produce oil and natural gas in the U.S. and Canada. For example, the past volatility in the price of oil and natural gas has significantly decreased existing and future projects. Our customers' willingness to undertake future projects depends largely upon prevailing industry conditions that are influenced by numerous factors over which we have no control, such as the anticipated future prices for natural gas and crude oil.

The proposed sale of our Management Services business is subject to various risks and uncertainties, may not be completed in accordance with expected plans or on the currently contemplated timeline, or at all, and we may not achieve any or all the intended benefits of the sale.

On October 12, 2019, AECOM entered into a purchase and sale agreement with an affiliate of American Securities LLC and Lindsay Goldberg LLC to sell Management Services for a purchase price of $2.405 billion, subject to customary cash, debt and working capital adjustments. The transaction is expected to close in the first half of fiscal 2020; however, unanticipated developments could delay or prevent consummation of the proposed sale. The consummation of the sale is subject to customary closing conditions. Whether or not the sale is completed, our businesses may face material challenges, including, without limitation:

- the diversion of senior management's attention from ongoing business concerns and overall impact on our business because of senior management's attention to the sale;
- maintaining employee morale and retaining key management and other employees;
- uncertainties as to the timing of the consummation of the sale or whether it will be completed;
- the risk that any consents or regulatory or other approvals required in connection with the sale will not be received or obtained within the expected time frame, on the expected terms at all;
- dis-synergy costs, costs of restructuring transactions (including taxes) and other significant costs and expenses; and
- potential negative reactions from the financial markets if we fail to complete the sale as currently expected, within the anticipated time frame or at all.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows and/or the price of our common stock.

If the Management Services sale is completed, AECOM will be a smaller, less diversified company than as it exists today.

The sale of Management Services will result in AECOM being a smaller, less diversified company with more limited businesses concentrated in its areas of focus. For example, following the expected sale, AECOM will be significantly more reliant on our remaining business segments. As a result, AECOM may be more vulnerable to changing market conditions, which could have a material adverse effect on its business, financial condition and results of operations. The diversification of revenues, costs, and cash flows will diminish as a result of the sale, such that AECOM's results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and its ability to fund capital expenditures, investments and service debt may be diminished. If the sale is completed, AECOM will incur ongoing costs and retain certain legal claims that were previously allocated to the Management Services business. Those costs may exceed our estimates or could diminish the benefits we expect to realize from the proposed sale.

We may be unable to successfully execute or effectively integrate acquisitions and divestitures may not occur as planned.

We regularly review our portfolio of businesses and pursue growth through acquisitions and seek to divest non-core businesses. We may not be able to complete transactions on favorable terms, on a timely basis, or at all, and during the integration of any acquisition, we may discover regulatory and compliance issues. In addition, our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns; (ii) the failure to integrate acquired businesses on schedule and/or to achieve expected synergies; (iii) the inability to dispose of non-core assets and businesses on satisfactory terms and conditions; (iv) diversion of attention and increased burdens on our employees; and (v) the discovery of unanticipated liabilities or other problems in acquired businesses for which we lack contractual protections, insurance or indemnities, or with regard to divested businesses, claims by purchasers to whom we have provided contractual indemnification. Additional difficulties we may encounter as part of the integration process include the following:

- the consequences of a change in tax treatment and the possibility that the full benefits anticipated from the acquisition or disposition will not be realized;
- any delay in the integration or disposition of management teams, strategies, operations, products and services;
- differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the ability to retain key employees;
- the ability to create and enforce uniform standards, controls, procedures, policies and information systems;
- the challenge of restructuring complex systems, technology, networks and other assets in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate beyond current estimates;
- the ability to deduct or claim tax attributes or benefits such as operating losses, business or foreign tax credits; and
- the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies.

Any of these factors could adversely affect our ability to maintain relationships with customers, suppliers, employees and other constituencies or could reduce our earnings or otherwise adversely affect our business and financial results.

Our plans to divest certain businesses are subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated time frame, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

Divesting businesses involve risks and uncertainties, such as the difficulty separating assets related to such businesses from the businesses we retain, employee distraction, the need to obtain regulatory approvals and other third-party consents, which potentially disrupts customer and vendor relationships, and the fact that we may be subject to additional tax obligations or loss of certain tax benefits. Such actions also involve significant costs and require time and attention of our management, which may divert attention from other business operations. Because of these challenges, as well as market conditions or other factors, the anticipated divestitures may take longer or be costlier or generate fewer benefits than expected and may not be completed at all. If we are unable to complete the divestitures or to successfully transition divested businesses, our business and financial results could be negatively impacted. After we dispose of a business, we may retain exposure on financial or performance guarantees and other contractual, employment, pension and severance obligations, and potential liabilities that may arise under law because of the disposition or the subsequent failure of an acquirer. As a result, performance by the divested businesses or other conditions outside of our control could have a material adverse effect on our results of operations. In addition, the divestiture of any business could negatively impact our profitability because of losses that may result from such a sale, the loss of sales and operating income, or a decrease in cash flows.

Our ability to grow and to compete in our industry will be harmed if we do not retain the continued services of our key technical and management personnel and identify, hire, and retain additional qualified personnel.

There is strong competition for qualified technical and management personnel in the sectors in which we compete. We may not be able to continue to attract and retain qualified technical and management personnel, such as engineers, architects and project managers, who are necessary for the development of our business or to replace qualified personnel in the timeframe demanded by our clients. In addition, we may occasionally enter into contracts before we have hired or retained appropriate staffing for that project. Also, some of our personnel hold government granted eligibility that may be required to obtain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. In addition, we rely heavily upon the expertise and leadership of our senior management. If we are unable to retain executives and other key personnel, the roles and responsibilities of those employees will need to be filled, which may require that we devote time and resources to identify, hire and integrate new employees. Loss of the services of, or failure to recruit, key technical and management personnel could limit our ability to successfully complete existing projects and compete for new projects.

Our revenue and growth prospects may be harmed if we or our employees are unable to obtain government granted eligibility or other qualifications we and they need to perform services for our customers.

A number of government programs require contractors to have government granted eligibility, such as security clearance credentials. Depending on the project, eligibility can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain the necessary eligibility, we may not be able to win new business, and our existing customers could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue or profit anticipated from such contract.

Our industry is highly competitive and we may be unable to compete effectively, which could result in reduced revenue, profitability and market share.

We are engaged in a highly competitive business. The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. These competitors may have greater financial and other resources than we do. Others are smaller and more specialized, and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. In addition, the technical and professional aspects of some of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors.

The degree and type of competition we face is also influenced by the type and scope of a particular project. Our clients make competitive determinations based upon qualifications, experience, performance, reputation, technology, customer relationships and ability to provide the relevant services in a timely, safe and cost-efficient manner. Increased competition may result in our inability to win bids for future projects and loss of revenue, profitability and market share.

If we extend a significant portion of our credit to clients in a specific geographic area or industry, we may experience disproportionately high levels of collection risk and nonpayment if those clients are adversely affected by factors particular to their geographic area or industry.

Our clients include public and private entities that have been, and may continue to be, negatively impacted by the changing landscape in the global economy. While outside of the U.S. federal government, no one client accounted for over 10% of our revenue for fiscal 2019, we face collection risk as a normal part of our business where we perform services and subsequently bill our clients for such services, or when we make equity investments in majority or minority controlled large-scale client projects and other long-term capital projects before the project completes operational status or completes its project financing. In the event that we have concentrated credit risk from clients in a specific geographic area or industry, continuing negative trends or a worsening in the financial condition of that specific geographic area or industry could make us susceptible to disproportionately high levels of default by those clients. Such defaults could materially adversely impact our revenues and our results of operations.

Our services expose us to significant risks of liability and our insurance policies may not provide adequate coverage.

Our services involve significant risks of professional and other liabilities that may substantially exceed the fees that we derive from our services. In addition, we sometimes contractually assume liability to clients on projects under indemnification or guarantee agreements. We cannot predict the magnitude of potential liabilities from the operation of our business. In addition, in the ordinary course of our business, we frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for our clients. We may be deemed to be responsible for these professional judgments and recommendations if they are later determined to be inaccurate. Any unfavorable legal ruling against us could result in substantial monetary damages or even criminal violations.

Our professional liability policies cover only claims made during the term of the policy. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse effect on our business.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits.

If we do not have adequate indemnification for our services related to nuclear materials, it could adversely affect our business and financial condition.

We provide services to the Department of Energy and the nuclear energy industry in the ongoing maintenance and modification, as well as the decontamination and decommissioning, of nuclear energy plants. Indemnification provisions under the Price-Anderson Act available to nuclear energy plant operators and Department of Energy contractors do not apply to all liabilities that we might incur while performing services as a radioactive materials cleanup contractor for the Department of Energy and the nuclear energy industry. If the Price-Anderson Act's indemnification protection does not apply to our services or if our exposure occurs outside the U.S., our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

We also provide services to the United Kingdom's Nuclear Decommissioning Authority (NDA) relating to clean-up and decommissioning of the United Kingdom's public sector nuclear sites. Indemnification provisions under the Nuclear Installations Act 1965 available to nuclear site licensees, the Atomic Energy Authority, and the Crown, and contractual indemnification from the NDA do not apply to all liabilities that we might incur while performing services as a clean-up and decommissioning contractor for the NDA. If the Nuclear Installations Act 1965 and contractual indemnification protection does not apply to our services or if our exposure occurs outside the United Kingdom, our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

Our backlog of uncompleted projects under contract is subject to unexpected adjustments and cancellations and, thus may not accurately reflect future revenue and profits.

At September 30, 2019, our contracted backlog was approximately $24.3 billion, our awarded backlog was approximately $33.1 billion and our unconsolidated joint venture backlog was approximately $2.3 billion for a total backlog of $59.7 billion. Our contracted backlog includes revenue we expect to record in the future from signed contracts and, in the case of a public sector client, where the project has been funded. We reported transaction price allocated to remaining unsatisfied performance obligations (RUPO) of $23.6 billion, as described in Note 4, Revenue Recognition, in the notes to our consolidated financial statements. The most significant difference between our contracted backlog and RUPO is revenue related to service contracts that extend beyond the termination provisions of those contracts. Our contracted backlog includes revenues for service contracts expected to be earned over the term of that contract. Guidance for the calculation of RUPO requires us to assume the contract will be terminated at its earliest convenience, resulting in RUPO to be $0.7 billion lower than contracted backlog. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. We cannot guarantee that future revenue will be realized from either category of backlog or, if realized, will result in profits. Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time, projects are delayed, scaled back or canceled. These types of backlog reductions adversely affect the revenue and profits that we ultimately receive from contracts reflected in our backlog.

We have submitted claims to clients for work we performed beyond the initial scope of some of our contracts. If these clients do not approve these claims, our results of operations could be adversely impacted.

We typically have pending claims submitted under some of our contracts for payment of work performed beyond the initial contractual requirements for which we have already recorded revenue. In general, we cannot guarantee that such claims will be approved in whole, in part, or at all. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we have used working capital in projects to cover cost overruns pending the resolution of the relevant claims. If these claims are not approved, our revenue may be reduced in future periods.

In conducting our business, we depend on other contractors, subcontractors and equipment and material providers. If these parties fail to satisfy their obligations to us or other parties or if we are unable to maintain these relationships, our revenue, profitability and growth prospects could be adversely affected.

We depend on contractors, subcontractors and equipment and material providers in conducting our business. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. Also, to the extent that we cannot acquire equipment and materials at reasonable costs, or if the amount we are required to pay exceeds our estimates, our ability to complete a project in a timely fashion or at a profit may be impaired. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized; we could be held responsible for such failures and/or we may be required to purchase the supplies or services from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the supplies or services are needed.

We also rely on relationships with other contractors when we act as their subcontractor or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract. In addition, due to "pay when paid" provisions that are common in subcontracts in many countries, including the U.S., we could experience delays in receiving payment if the prime contractor experiences payment delays.

If clients use our reports or other work product without appropriate disclaimers or in a misleading or incomplete manner, or if our reports or other work product are not in compliance with professional standards and other regulations, our business could be adversely affected.

The reports and other work product we produce for clients sometimes include projections, forecasts and other forward-looking statements. Such information by its nature is subject to numerous risks and uncertainties, any of which could cause the information produced by us to ultimately prove inaccurate. While we include appropriate disclaimers in the reports that we prepare for our clients, once we produce such written work product, we do not always have the ability to control the manner in which our clients use such information. As a result, if our clients reproduce such information to solicit funds from investors for projects without appropriate disclaimers and the information proves to be incorrect, or if our clients reproduce such information for potential investors in a misleading or incomplete manner, our clients or such investors may threaten to or file suit against us for, among other things, securities law violations. For example, in August 2016, an affiliate entered into a settlement related to, among other things, alleged deficiencies in a traffic forecast. If we were found to be liable for any claims related to our client work product, our business could be adversely affected.

In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties.

Failure to adequately protect, maintain, or enforce our rights in our intellectual property may adversely limit our competitive position.

Our success depends, in part, upon our ability to protect our intellectual property. We rely on a combination of intellectual property policies and other contractual arrangements to protect much of our intellectual property where we do not believe that trademark, patent or copyright protection is appropriate or obtainable. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information and/or the infringement of our patents and copyrights. Further, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to adequately protect, maintain, or enforce our intellectual property rights may adversely limit our competitive position.

Negotiations with labor unions and possible work actions could divert management attention and disrupt operations. In addition, new collective bargaining agreements or amendments to agreements could increase our labor costs and operating expenses.

We regularly negotiate with labor unions and enter into collective bargaining agreements. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to us. We may reach agreements in collective bargaining that increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions could divert management attention and disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union-initiated work actions, including strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could disrupt our operations and adversely affect our operating results.

Our charter documents contain provisions that may delay, defer or prevent a change of control.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following:

- ability of our Board of Directors to authorize the issuance of preferred stock in series without stockholder approval;
- vesting of exclusive authority in our Board of Directors to determine the size of the board (subject to limited exceptions) and to fill vacancies;
- advance notice requirements for stockholder proposals and nominations for election to our Board of Directors; and
- prohibitions on our stockholders from acting by written consent.

Changes in tax laws could increase our worldwide tax rate and materially affect our results of operations.

We are subject to tax laws in the U.S. and numerous foreign jurisdictions. Many international legislative and regulatory bodies have proposed and/or enacted legislation that could significantly impact how U.S. multinational corporations are taxed on foreign earnings. Due to the large scale of our U.S. and international business activities, many of these proposed and enacted changes to the taxation of our activities could increase our worldwide effective tax rate and harm results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate offices are located in approximately 31,500 square feet of space at 1999 Avenue of the Stars, Los Angeles, California. Our other offices, including smaller administrative or project offices, consist of an aggregate of approximately 10.8 million square feet worldwide. Virtually all of our offices are leased. See Note 11 in the notes to our consolidated financial statements for information regarding our lease obligations. We may add additional facilities from time to time in the future as the need arises.

ITEM 3. LEGAL PROCEEDINGS

As a government contractor, we are subject to various laws and regulations that are more restrictive than those applicable to non-government contractors. Intense government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting and, from time to time, we receive inquiries, subpoenas, and similar demands related to our ongoing business with government entities. Violations can result in civil or criminal liability as well as suspension or debarment from eligibility for awards of new government contracts or option renewals.

We are involved in various investigations, claims and lawsuits in the normal conduct of our business. We are not always aware if we or our affiliates are under investigation or the status of such matters. Although the outcome of our legal proceedings cannot be predicted with certainty and no assurances can be provided, in the opinion of our management, based upon current information and discussions with counsel, with the exception of the matters noted in Note 18, Commitments and Contingencies, to the financial statements contained in this report to the extent stated therein, none of the investigations, claims and lawsuits in which we are involved is expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or our ability to conduct business. See Note 18, Commitments and Contingencies, to the financial statements contained in this report for a discussion of certain matters to which we are a party. The information set forth in such note is incorporated by reference into this Item 3. From time to time, we establish reserves for litigation when we consider it probable that a loss will occur.

ITEM 4. MINE SAFETY DISCLOSURES

The Company does not act as the owner of any mines, but we may act as a mining operator as defined under the Federal Mine Safety and Health Act of 1977 where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or an independent contractor performing services or construction of such mine. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.

PART II

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

Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol "ACM." According to the records of our transfer agent, there were 1,997 stockholders of record as of November 4, 2019.

Unregistered Sales of Equity Securities

None.

Equity Compensation Plans

The following table presents certain information about shares of AECOM common stock that may be issued under our equity compensation plans as of September 30, 2019:

Plan Category	Column A Number of securities to be issued upon exercise of outstanding options, warrants, and rights[1]	Column B Weighted-average exercise price of outstanding options, warrants, and rights	Column C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column A)
Equity compensation plans not approved by stockholders:	N/A	N/A	N/A
Equity compensation plans approved by stockholders:			
AECOM Stock Incentive Plans	5,711,366 [1]	$ 31.62 [2]	11,573,972
AECOM Employee Stock Purchase Plan[3]	N/A	N/A	10,765,123
Total	5,711,366	$ 31.62	22,339,095

(1) Includes 127,714 shares issuable upon the exercise of stock options, 3,318,009 shares issuable upon the vesting of Restricted Stock Units and 2,265,643 shares issuable if specified performance targets are met under Performance Earnings Program Awards (PEP).

(2) Weighted-average exercise price of outstanding options only.

(3) Amounts only reflected in column (c) and include all shares available for future issuance and subject to outstanding rights.

Performance Measurement Comparison[(1)]

The following chart compares the cumulative total stockholder return of AECOM stock (ACM) with the cumulative total return of the S&P MidCap 400, and the S&P Composite 1500 Construction & Engineering, from October 3, 2014 to September 27, 2019. We removed the S&P 500 Aerospace and Defense index due to the proposed sale of our Management Services business.

We believe the S&P 400 MidCap is an appropriate independent broad market index, since it measures the performance of similar mid-sized companies in numerous sectors. In addition, we believe the S&P Composite 1500 Construction & Engineering index is an appropriate third party published industry index since it measures the performance of engineering and construction companies.

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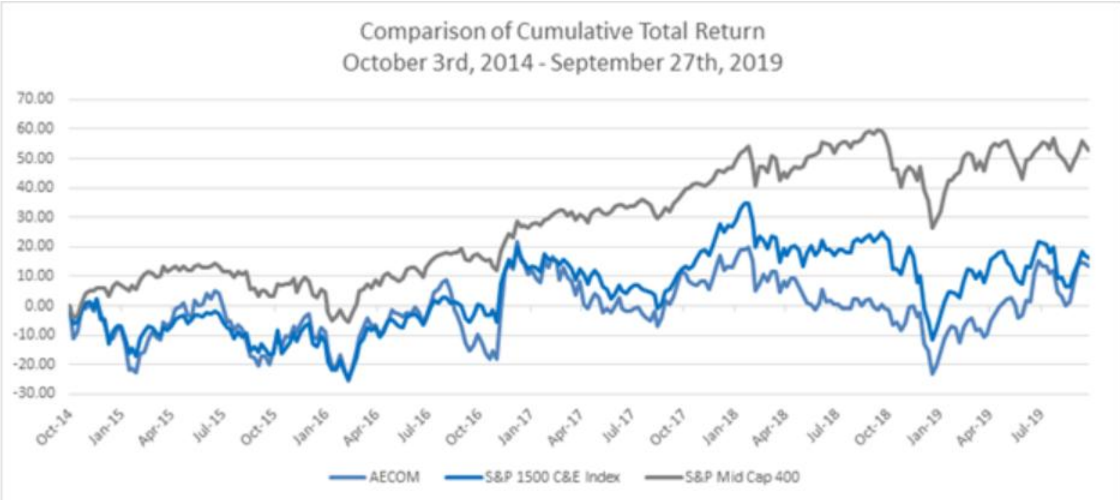
(1) This section is not "soliciting material," is not deemed "filed" with the SEC and is not incorporated by reference in any of our filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Stock Repurchase Program

On September 21, 2017, the Company's Board of Directors announced a new capital allocation policy that authorized the repurchase of up to $1.0 billion in AECOM common stock. Stock repurchases can be made through open market purchases or other methods, including pursuant to a Rule 10b5-1 plan. A summary of the repurchase activity for the three months ended September 30, 2019 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs
July 1 – 31, 2019	—	$ —	—	$ 790,000,000
August 1 – 31, 2019	—	—	—	790,000,000
September 1 – 30, 2019	399,500	37.87	399,500	774,871,000
Total	399,500	$ 37.87	399,500	

ITEM 6. SELECTED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data along with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the accompanying notes, which are included in this Form 10-K. We derived the selected consolidated financial data from our audited consolidated financial statements.

	Year Ended September 30,				
	2019	2018	2017	2016	2015
	(in millions, except share data)				
Consolidated Statement of Operations Data:					
Revenue	$ 20,173	$ 20,156	$ 18,203	$ 17,411	$ 17,990
Cost of revenue	19,360	19,505	17,519	16,768	17,455
Gross profit	813	651	684	643	535
Equity in earnings of joint ventures	81	81	142	104	106
General and administrative expenses	(148)	(136)	(134)	(115)	(114)
Restructuring costs	(95)	—	—	—	—
(Loss) gain on disposal activities	(11)	(3)	1	(43)	—
Impairment of long-lived assets, including goodwill	(615)	(168)	—	—	—
Acquisition and integration expenses	—	—	(39)	(214)	(398)
Income from operations	25	425	654	375	129
Other income	17	20	7	8	19
Interest expense	(226)	(268)	(232)	(258)	(299)
(Loss) income before income tax (benefit) expense	(184)	177	429	125	(151)
Income tax (benefit) expense	—	(20)	8	(38)	(80)
Net (loss) income	(184)	197	421	163	(71)
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(77)	(61)	(82)	(67)	(84)
Net (loss) income attributable to AECOM	$ (261)	$ 136	$ 339	$ 96	$ (155)
Net (loss) income attributable to AECOM per share:					
Basic	$ (1.66)	$ 0.86	$ 2.18	$ 0.62	$ (1.04)
Diluted	$ (1.66)	$ 0.84	$ 2.13	$ 0.62	$ (1.04)
Weighted average shares outstanding: (in millions)					
Basic	157	159	156	155	150
Diluted	157	162	159	156	150

	Year Ended September 30,				
	2019	2018	2017	2016	2015
	(in millions, except employee data)				
Other Data:					
Depreciation and amortization[1]	$ 261	$ 268	$ 279	$ 399	$ 599
Amortization expense of acquired intangible assets [2]	86	97	103	202	391
Capital expenditures, net of disposals	83	87	78	137	69
Contracted backlog	$ 24,296	$ 21,863	$ 24,234	$ 23,710	$ 24,468
Number of full-time and part-time employees	86,000	87,000	87,000	87,000	92,000

(1) Includes amortization of deferred debt issuance costs.

(2) Included in depreciation and amortization above.

	As of September 30,				
	2019	2018	2017	2016	2015
	(in millions)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 1,080	$ 887	$ 802	$ 692	$ 684
Working capital	1,073	998	1,104	696	1,410
Total assets	14,462	14,681	14,397	13,670	14,014
Long-term debt excluding current portion	3,286	3,484	3,702	3,702	4,447
AECOM Stockholders' equity	3,691	4,093	3,996	3,367	3,408

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

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect the Company's current beliefs, expectations or intentions regarding future events. These statements include forward-looking statements with respect to the Company, including the Company's business, operations and strategy, and the engineering and construction industry. Statements that are not historical facts, without limitation, including statements that use terms such as "anticipates," "believes," "expects," "estimates," "intends," "may," "plans," "potential," "projects," and "will" and that relate to our future revenues, expenditures and business trends; future reduction of our self-perform at-risk construction exposure; future accounting estimates; future contractual performance obligations; future conversions of backlog; future capital allocation priorities including common stock repurchases, future trade receivables, future debt pay downs; future post-retirement expenses; future tax benefits and expenses; future compliance with regulations; future legal claims and insurance coverage; future effectiveness of our disclosure and internal controls over financial reporting; future costs savings; the sale of Management Services from AECOM and our business expectations after the sale is completed; and other future economic and industry conditions, are forward-looking statements. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this Annual Report should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Although management believes that the assumptions underlying the forward-looking statements are reasonable, these assumptions and the forward-looking statements are subject to various factors, risks and uncertainties, many of which are beyond our control, including, but not limited to, our business is cyclical and vulnerable to economic downturns and client spending reductions; government shutdowns; long-term government contracts and subject to uncertainties related to government contract appropriations; governmental agencies may modify, curtail or terminate our contracts; government contracts are subject to audits and adjustments of contractual terms; losses under fixed-price contracts; limited control over operations run through our joint venture entities; liability for misconduct by our employees or consultants; failure to comply with laws or regulations applicable to our business; maintaining adequate surety and financial capacity; high leverage and potential inability to service our debt and guarantees; exposure to Brexit and tariffs; exposure to political and economic risks in different countries; currency exchange rate fluctuations; retaining and recruiting key technical and management personnel; legal claims; inadequate insurance coverage; environmental law compliance and inadequate nuclear indemnification; unexpected adjustments and cancellations related to our backlog; partners and third parties who may fail to satisfy their legal obligations; managing pension costs; AECOM Capital's real estate development; cybersecurity issues, IT outages and data privacy; uncertainties as to the timing and completion of the proposed sale of the Company's Management Services business ("the proposed sale") or whether it will be completed; risks associated with the impact or terms of the proposed sale; risks associated with the benefits and costs of the proposed sale, including the risk that the expected benefits of the proposed sale or any contingent purchase price will not be realized within the expected time frame, in full or at all, and the risk that conditions to the proposed sale will not be satisfied and/or that the proposed sale will not be completed within the expected time frame, on the expected terms or at all; the risk that any consents or regulatory or other approvals required in connection with the proposed sale will not be received or obtained within the expected time frame, on the expected terms or at all; the risk that the financing intended to fund the proposed sale may not be obtained; the risk that costs of restructuring transactions and other costs incurred in connection with the proposed sale will exceed our estimates or otherwise adversely affect our business or operations; the impact of the proposed sale on our businesses and the risk that consummating the proposed sale may be more difficult, time-consuming or costly than expected; as well as other additional risks and factors discussed in this Annual Report on Form 10-K and any subsequent reports we file with the SEC. Accordingly, actual results could differ materially from those contemplated by any forward-looking statement.

All subsequent written and oral forward-looking statements concerning the Company or other matters attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. You are cautioned not to place undue reliance on these forward-looking statements, which speak only to the date they are made. The Company is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise. Please review "Part I, Item 1A—Risk Factors" in this Annual Report for a discussion of the factors, risks and uncertainties that could affect our future results.

Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. For clarity of presentation, we present all periods as if the year ended on September 30. We refer to the fiscal year ended September 30, 2018 as "fiscal 2018" and the fiscal year ended September 30, 2019 as "fiscal 2019."

Overview

We are a leading fully integrated firm positioned to design, build, finance and operate infrastructure assets for governments, businesses and organizations throughout the world. We provide planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets. We also provide construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. In addition, we provide program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world.

Our business focuses primarily on providing fee-based planning, consulting, architectural and engineering design services and, therefore, our business is labor intensive. We primarily derive income from our ability to generate revenue and collect cash from our clients through the billing of our employees' time spent on client projects and our ability to manage our costs. AECOM Capital primarily derives its income from real estate development sales and management fees.

We report our business through four segments: Design and Consulting Services (DCS), Construction Services (CS), Management Services (MS), and AECOM Capital (ACAP). Such segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long-term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

Our DCS segment delivers planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government. DCS revenue is primarily derived from fees from services that we provide, as opposed to pass-through costs from subcontractors.

Our CS segment provides construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. CS revenue typically includes a significant amount of pass-through costs from subcontractors.

Our MS segment provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world. MS revenue typically includes a significant amount of pass-through costs from subcontractors.

Our ACAP segment primarily invests in real estate projects. ACAP typically partners with investors and experienced developers as co-general partners. In addition, ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations and maintenance services for ACAP funded projects.

Our revenue is dependent on our ability to attract and retain qualified and productive employees, identify business opportunities, integrate and maximize the value of our recent acquisitions, allocate our labor resources to profitable and high growth markets, secure new contracts and renew existing client agreements. Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending, which may result in clients delaying, curtailing or canceling proposed and existing projects. Moreover, as a professional services company, maintaining the high quality of the work generated by our employees is integral to our revenue generation and profitability.

Our costs consist primarily of the compensation we pay to our employees, including salaries, fringe benefits, the costs of hiring subcontractors, other project-related expenses and sales, general and administrative costs.

In December 2015, the federal legislation referred to as the Fixing America's Surface Transportation Act (FAST Act) was authorized. The FAST Act is a five-year federal program expected to provide infrastructure spending on roads, bridges, and public transit and rail systems. We expect that the passage of the FAST Act will continue to positively impact our transportation services business.

The U.S. federal government has proposed significant legislative and executive infrastructure initiatives that, if enacted, could have a positive impact to our infrastructure business.

As part of our capital allocation commitments, we repurchased common stock under our $1 billion authorization in the first, second and fourth quarters of fiscal 2019 and we intend to deploy future free cash flow towards debt reduction and stock repurchases.

United States and foreign trade policy actions and tariffs such as the March 2018 imposition of tariffs on steel and aluminum imports could impact client spending and affect the profitability of our fixed-price construction projects and other services.

Recent political unrest in Hong Kong where we have a significant presence could negatively impact our business.

We expect to exit the fixed-price combined cycle gas power plant construction and non-core Oil & Gas markets. We are continuing our review of our remaining at-risk construction projects with an expectation of reducing our self-perform at-risk construction exposure. We are evaluating our geographic exposure as part of a proposed plan to exit more than 30 countries, subject to applicable laws, to improve profitability and reduce our risk profile.

We expect to incur restructuring costs of $130 million to $160 million in fiscal year 2020 primarily related to costs associated with the sale of the Management Services business and expected exit of at-risk, self-perform construction. Total cash costs for the restructuring are expected to be between $160 and $180 million, including capital expenditures associated with real estate restructuring of approximately $40 million.

We cannot determine if future climate change and greenhouse gas laws and policies, such as the United Nations' COP-21 Paris Agreement, will have a material impact on our business or our clients' business; however, we expect future environmental laws and policies could negatively impact demand for our services related to fossil fuel projects and positively impact demand for our services related to environmental, infrastructure, nuclear and alternative energy projects.

On October 12, 2019, AECOM entered into a purchase and sale agreement with an affiliate of American Securities LLC and Lindsay Goldberg LLC to sell our Management Services business segment for a purchase price of $2.405 billion, subject to customary cash, debt and working capital adjustments. The transaction is expected to close in the second quarter of fiscal 2020.

Acquisitions

The aggregate value of all consideration for our acquisitions consummated during the years ended September 30, 2018 and 2017 was $5.6 million and $164.4 million, respectively. There were no acquisitions consummated during the year ended September 30, 2019.

All of our acquisitions have been accounted for as business combinations and the results of operations of the acquired companies have been included in our consolidated results since the dates of the acquisitions.

Components of Income and Expense

	Year Ended September 30,				
	2019	2018	2017	2016	2015
			(in millions)		
Other Financial Data:					
Revenue	$ 20,173	$ 20,156	$ 18,203	$ 17,411	$ 17,990
Cost of revenue	19,360	19,505	17,519	16,768	17,455
Gross profit	813	651	684	643	535
Equity in earnings of joint ventures	81	81	142	104	106
General and administrative expenses	(148)	(136)	(134)	(115)	(114)
Restructuring cost	(95)	—	—	—	—
(Loss) gain on disposal activities	(11)	(3)	1	(43)	—
Impairment of long-lived assets, including goodwill	(615)	(168)	—	—	—
Acquisition and integration expenses	—	—	(39)	(214)	(398)
Income from operations	$ 25	$ 425	$ 654	$ 375	$ 129

Revenue

We generate revenue primarily by providing planning, consulting, architectural and engineering design services to commercial and government clients around the world. Our revenue consists of both services provided by our employees and pass-through fees from subcontractors and other direct costs. We generally recognize revenue over time as performance obligations are satisfied and control over promised goods or services are transferred to our customers. We generally measure progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred.

Cost of Revenue

Cost of revenue reflects the cost of our own personnel (including fringe benefits and overhead expense) associated with revenue.

Amortization Expense of Acquired Intangible Assets

Included in our cost of revenue is amortization of acquired intangible assets. We have ascribed value to identifiable intangible assets other than goodwill in our purchase price allocations for companies we have acquired. These assets include, but are not limited to, backlog and customer relationships. To the extent we ascribe value to identifiable intangible assets that have finite lives, we amortize those values over the estimated useful lives of the assets. Such amortization expense, although non-cash in the period expensed, directly impacts our results of operations. It is difficult to predict with any precision the amount of expense we may record relating to acquired intangible assets.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures includes our portion of fees charged by our unconsolidated joint ventures to clients for services performed by us and other joint venture partners along with earnings we receive from our return on investments in unconsolidated joint ventures.

General and Administrative Expenses

General and administrative expenses include corporate expenses, including personnel, occupancy, and administrative expenses.

Acquisition and Integration Expenses

Acquisition and integration expenses are comprised of transaction costs, professional fees, and personnel costs, including due diligence and integration activities, primarily related to business acquisitions.

Goodwill Impairment

See Critical Accounting Policies and Consolidated Results below.

Income Tax Expense (Benefit)

As a global enterprise, income tax expense/(benefit) and our effective tax rates can be affected by many factors, including changes in our worldwide mix of pre-tax losses/earnings, the effect of non-controlling interest in income of consolidated subsidiaries, the extent to which the earnings are indefinitely reinvested outside of the United States, our acquisition strategy, tax incentives and credits available to us, changes in judgment regarding the realizability of our deferred tax assets, changes in existing tax laws and our assessment of uncertain tax positions. Our tax returns are routinely audited by the taxing authorities and settlements of issues raised in these audits can also sometimes affect our effective tax rate.

Geographic Information

For geographic financial information, please refer to Note 4 and Note 19 in the notes to our consolidated financial statements found elsewhere in the Form 10-K.

Critical Accounting Policies

Our financial statements are presented in accordance with accounting principles generally accepted in the United States (GAAP). Highlighted below are the accounting policies that management considers significant to understanding the operations of our business.

Revenue Recognition

Our accounting policies establish principles for recognizing revenue upon the transfer of control of promised goods or services to customers. We generally recognize revenues over time as performance obligations are satisfied. We generally measure our progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In the course of providing these services, we routinely subcontract for services and incur other direct cost on behalf of our clients. These costs are passed through to clients, and in accordance with accounting rules, are included in our revenue and cost of revenue.

Revenue recognition and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Additionally, we are required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties and liquidated damages. Variable consideration is included in the estimate of transaction price only to the extent that a significant reversal would not be probable. We continuously monitor factors that may affect the quality of our estimates, and material changes in estimates are disclosed accordingly.

Claims Recognition

Claims are amounts in excess of the agreed contract price (or amounts not included in the original contract price) that we seek to collect from customers or others for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved contracts as to both scope and price or other causes of unanticipated additional costs. We record contract revenue related to claims only if it is probable that the claim will result in additional contract revenue and only to the extent that a significant reversal would not be probable. The amounts recorded, if material, are disclosed in the notes to the financial statements. Costs attributable to claims are treated as costs of contract performance as incurred.

Government Contract Matters

Our federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subject us to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of our federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of our overhead rates, operating systems and cost proposals to ensure that we account for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines we have not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Allowance for Doubtful Accounts

We record accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management’s evaluation of the contracts involved and the financial condition of our clients. The factors we consider in our contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;
- Historical collection and delinquency trends;
- Client credit worthiness; and
- General economic conditions.

Contract Assets and Contract Liabilities

Contract assets represent the contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the period end.

Contract liabilities represent the billings to date, as allowed under the terms of a contract, but not yet recognized as contract revenue using our revenue recognition policy.

Investments in Unconsolidated Joint Ventures

We have noncontrolling interests in joint ventures accounted for under the equity method. Fees received for and the associated costs of services performed by us and billed to joint ventures with respect to work done by us for third-party customers are recorded as our revenues and costs in the period in which such services are rendered. In certain joint ventures, a fee is added to the respective billings from both ourselves and the other joint venture partners on the amounts billed to the third-party customers. These fees result in earnings to the joint venture and are split with each of the joint venture partners and paid to the joint venture partners upon collection from the third-party customer. We record our allocated share of these fees as equity in earnings of joint ventures.

Additionally, our ACAP segment primarily invests in real estate projects.

Income Taxes

We provide for income taxes in accordance with principles contained in ASC Topic 740, Income Taxes. Under these principles, we recognize the amount of income tax payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in our financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the new rate is enacted. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance if it is more likely than not that a portion will not be realized.

We measure and recognize the amount of tax benefit that should be recorded for financial statement purposes for uncertain tax positions taken or expected to be taken in a tax return. With respect to uncertain tax positions, we evaluate the recognized tax benefits for recognition, measurement, derecognition, classification, interest and penalties, interim period accounting and disclosure requirements. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns.

Valuation Allowance. Deferred income taxes are provided on the liability method whereby deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities, as well as for tax attributes such as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and tax rates on the date of enactment of such changes to laws and tax rates.

Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some portion or all of the deferred tax assets may not be realized. The evaluation of the recoverability of the deferred tax asset requires the Company to weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax assets will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. Whether a deferred tax asset may be realized requires considerable judgment by us. In considering the need for a valuation allowance, we consider a number of factors including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Whether a deferred tax asset will ultimately be realized is also dependent on varying factors, including, but not limited to, changes in tax laws and audits by tax jurisdictions in which we operate.

If future changes in judgment regarding the realizability of our deferred tax assets lead us to determine that it is more likely than not that we will not realize all or part of our deferred tax asset in the future, we will record an additional valuation allowance. Conversely, if a valuation allowance exists and we determine that the ultimate realizability of all or part of the net deferred tax asset is more likely than not to be realized, then the amount of the valuation allowance will be reduced. This adjustment will increase or decrease income tax expense in the period of such determination.

Undistributed Non-U.S. Earnings. The results of our operations outside of the United States are consolidated for financial reporting; however, earnings from investments in non-U.S. operations are included in domestic U.S. taxable income only when actually or constructively received. No deferred taxes have been provided on the undistributed gross book-tax basis differences of our non-U.S. operations of approximately $1.8 billion because we have the ability to and intend to permanently reinvest these basis differences overseas. If we were to repatriate these basis differences, additional taxes could be due at that time.

We continually explore initiatives to better align our tax and legal entity structure with the footprint of our non-U.S. operations and we recognize the tax impact of these initiatives, including changes in assessment of its uncertain tax positions, indefinite reinvestment exception assertions and realizability of deferred tax assets, earliest in the period when management believes all necessary internal and external approvals associated with such initiatives have been obtained, or when the initiatives are materially complete.

Goodwill and Acquired Intangible Assets

Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, we perform an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In our assessment, we determine whether identifiable intangible assets exist, which typically include backlog and customer relationships.

We test goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. Our impairment tests are performed at the operating segment level as they represent our reporting units.

During the impairment test, we estimate the fair value of the reporting unit using income and market approaches, and compare that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit.

During the fourth quarter, we conduct our annual goodwill impairment test. The impairment evaluation process includes, among other things, making assumptions about variables such as revenue growth rates, profitability, discount rates, and industry market multiples, which are subject to a high degree of judgment.

Material assumptions used in the impairment analysis included the weighted average cost of capital (WACC) percent and terminal growth rates. For example, as of September 30, 2019, a 1% increase in the WACC rate represents a $900 million decrease to the fair value of our reporting units. As of September 30, 2019, a 1% decrease in the terminal growth rate represents a $500 million decrease to the fair value of our reporting units.

Pension Benefit Obligations

A number of assumptions are necessary to determine our pension liabilities and net periodic costs. These liabilities and net periodic costs are sensitive to changes in those assumptions. The assumptions include discount rates, long-term rates of return on plan assets and inflation levels limited to the United Kingdom and are generally determined based on the current economic environment in each host country at the end of each respective annual reporting period. We evaluate the funded status of each of our retirement plans using these current assumptions and determine the appropriate funding level considering applicable regulatory requirements, tax deductibility, reporting considerations and other factors. Based upon current assumptions, we expect to contribute $26.6 million to our international plans in fiscal 2020. Our required minimum contributions for our U.S. qualified plans are not significant. In addition, we may make additional discretionary contributions. We currently expect to contribute $14.7 million to our U.S. plans (including benefit payments to nonqualified plans and postretirement medical plans) in fiscal 2020. If the discount rate was reduced by 25 basis points, plan liabilities would increase by approximately $83.0 million. If the discount rate and return on plan assets were reduced by 25 basis points, plan expense would decrease by approximately $0.4 million and increase by approximately $3.5 million, respectively. If inflation increased by 25 basis points, plan liabilities in the United Kingdom would increase by approximately $40.8 million and plan expense would increase by approximately $2.2 million.

At each measurement date, all assumptions are reviewed and adjusted as appropriate. With respect to establishing the return on assets assumption, we consider the long term capital market expectations for each asset class held as an investment by the various pension plans. In addition to expected returns for each asset class, we take into account standard deviation of returns and correlation between asset classes. This is necessary in order to generate a distribution of possible returns which reflects diversification of assets. Based on this information, a distribution of possible returns is generated based on the plan's target asset allocation.

Capital market expectations for determining the long term rate of return on assets are based on forward-looking assumptions which reflect a 20-year view of the capital markets. In establishing those capital market assumptions and expectations, we rely on the assistance of our actuaries and our investment consultants. We and the plan trustees review whether changes to the various plans' target asset allocations are appropriate. A change in the plans' target asset allocations would likely result in a change in the expected return on asset assumptions. In assessing a plan's asset allocation strategy, we and the plan trustees consider factors such as the structure of the plan's liabilities, the plan's funded status, and the impact of the asset allocation to the volatility of the plan's funded status, so that the overall risk level resulting from our defined benefit plans is appropriate within our risk management strategy.

Between September 30, 2018 and September 30, 2019, the aggregate worldwide pension deficit increased from $400.5 million to $483.9 million due to decreased discount rates. If the various plans do not experience future investment gains to reduce this shortfall, the deficit will be reduced by additional contributions.

Accrued Professional Liability Costs

We carry professional liability insurance policies or self-insure for our initial layer of professional liability claims under our professional liability insurance policies and for a deductible for each claim even after exceeding the self-insured retention. We accrue for our portion of the estimated ultimate liability for the estimated potential incurred losses. We establish our estimate of loss for each potential claim in consultation with legal counsel handling the specific matters and based on historic trends taking into account recent events. We also use an outside actuarial firm to assist us in estimating our future claims exposure. It is possible that our estimate of loss may be revised based on the actual or revised estimate of liability of the claims.

Foreign Currency Translation

Our functional currency is the U.S. dollar. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders' equity.

We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. However, we will use foreign exchange derivative financial instruments from time to time to mitigate foreign currency risk. The functional currency of all significant foreign operations is the respective local currency.

Fiscal year ended September 30, 2019 compared to the fiscal year ended September 30, 2018

Consolidated Results

	Fiscal Year Ended		Change	
	September 30, 2019	September 30, 2018	$	%
	($ in millions)			
Revenue	$ 20,173.3	$ 20,155.5	$ 17.8	0.1 %
Cost of revenue	19,359.9	19,504.9	(145.0)	(0.7)
Gross profit	813.4	650.6	162.8	25.0
Equity in earnings of joint ventures	81.0	81.1	(0.1)	(0.1)
General and administrative expenses	(148.1)	(135.7)	(12.4)	9.1
Restructuring cost	(95.4)	—	(95.4)	NM *
Loss on disposal activities	(10.4)	(2.9)	(7.5)	258.6
Impairment of long-lived assets, including goodwill	(615.4)	(168.2)	(447.2)	265.9
Income from operations	25.1	424.9	(399.8)	(94.1)
Other income	16.8	20.1	(3.3)	(16.4)
Interest expense	(226.0)	(267.5)	41.5	(15.5)
(Loss) income before income tax benefit	(184.1)	177.5	(361.6)	(203.7)
Income tax benefit	(0.1)	(19.7)	19.6	(99.5)
Net (loss) income	(184.0)	197.2	(381.2)	(193.3)
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(77.1)	(60.7)	(16.4)	27.0
Net (loss) income attributable to AECOM	$ (261.1)	$ 136.5	$ (397.6)	(291.3)%

**NM - Not meaningful*

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	96.0	96.8
Gross profit	4.0	3.2
Equity in earnings of joint ventures	0.4	0.4
General and administrative expenses	(0.6)	(0.7)
Restructuring costs	(0.5)	0.0
Loss on disposal activities	(0.1)	0.0
Impairment of long-lived assets, including goodwill	(3.1)	(0.8)
Income from operations	0.1	2.1
Other income	0.1	0.1
Interest expense	(1.1)	(1.3)
(Loss) Income before income tax benefit	(0.9)	0.9
Income tax benefit	0.0	(0.1)
Net (loss) income	(0.9)	1.0
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(0.4)	(0.3)
Net (loss) income attributable to AECOM	(1.3)%	0.7 %

Revenue

Our revenue for the year ended September 30, 2019 increased $17.8 million, or 0.1%, to $20,173.3 million as compared to $20,155.5 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2019 was primarily attributable to an increase in our MS segment of $424.6 million, an increase in our DCS segment of $45.1 million, and an increase in our ACAP segment of $8.2 million, offset by a decrease in our CS segment of $460.1 million, as discussed further below.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the years ended September 30, 2019 and 2018 were $10.3 billion and $10.7 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue decreased to 51% during the year ended September 30, 2019 compared with 53% during the year ended September 30, 2018.

Gross Profit

Our gross profit for the year ended September 30, 2019 increased $162.8 million, or 25.0%, to $813.4 million as compared to $650.6 million for the corresponding period last year. For the year ended September 30, 2019, gross profit, as a percentage of revenue, increased to 4.0% from 3.2% in the year ended September 30, 2018.

Gross profit changes were due to the reasons noted in DCS, CS and MS reportable segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the year ended September 30, 2019 was $81.0 million as compared to $81.1 million in the corresponding period last year.

General and Administrative Expenses

Our general and administrative expenses for the year ended September 30, 2019 increased $12.4 million, or 9.1%, to $148.1 million as compared to $135.7 million for the corresponding period last year. For the year ended September 30, 2019, general and administrative expenses decreased to 0.6% from 0.7% for the year ended September 30, 2018.

The increase in general and administrative expenses was due to increased personnel expenses.

Restructuring Costs

In the first quarter of fiscal 2019, we commenced a restructuring plan to improve profitability. During the year ended September 30, 2019, we incurred restructuring expenses of $95.4 million. We expect to achieve approximately $225 million of annual cost savings, which is expected to contribute to $150 million of cost savings in fiscal 2020.

Loss on Disposal Activities

Loss on disposal activities in the accompanying statements of operations for the year ended September 30, 2019 was $10.4 million compared to $2.9 million for the corresponding period last year. The loss on disposal activities in the current period primarily relates to incremental losses on the sale of specific non-core oil and gas assets in North America from our CS segment previously classified as assets held for sale.

Impairment of Long-Lived Assets, Including Goodwill

Impairment of long-lived assets, including goodwill, was $615.4 million and $168.2 million for the year ended September 30, 2019 and 2018, respectively. In 2019, the loss was due to a decrease in the estimated recovery and fair value of our reporting units with self-perform at-risk construction exposure in the CS segment. Included in the impairment of long-lived assets was a goodwill impairment charge of $588.0 million. Goodwill associated with the impairment was originally recognized in the acquisitions of URS Corporation in 2014 and Shimmick Construction Company, Inc. in 2017. Our continuing review of at-risk construction projects, including the decision to exit fixed-price combined cycle gas power plant construction, resulted in a lower estimated fair value than previously measured. In 2018, the loss was due to the disposition of certain non-core oil and gas businesses in North America from our CS segment. The disposition resulted in a remeasurement of the assets held for sale, which were recorded at their estimated fair values less costs to sell. Included in the impairment of long-lived assets was a goodwill impairment charge of $125.4 million.

Other Income

Our other income for the year ended September 30, 2019 decreased $3.3 million to $16.8 million as compared to $20.1 million for the corresponding period last year.

Other income is primarily comprised of interest income. The decrease in other income for the year ended September 30, 2019 was primarily due to a $9.1 million gain realized in the year ended September 30, 2018 from a foreign exchange forward contract entered into as part of the refinance of our Credit Agreement in March 2018, as discussed below in "Liquidity and Capital Resources – Debt – 2014 Credit Agreement."

Interest Expense

Our interest expense for the year ended September 30, 2019 was $226.0 million as compared to $267.5 million for the corresponding period last year.

The decrease in interest expense for the year ended September 30, 2019 was primarily due to a $34.5 million prepayment premium paid on our $800 million unsecured 5.750% Senior Notes due 2022 that was incurred during the year ended September 30, 2018 and did not repeat in 2019.

Income Tax Benefit

Our income tax benefit for the year ended September 30, 2019 was $0.1 million compared to income tax benefit of $19.7 million for the year ended September 30, 2018. The decrease in tax benefit for the year ended September 30, 2019, compared to the corresponding period last year, is due primarily to tax expense of $82.7 million related to the goodwill impairment charge during fiscal 2019, a tax benefit of $20.3 million related to changes in valuation allowances including the release of a valuation allowance in the amount of $38.1 million due to sufficient positive evidence obtained during fiscal 2019, and the tax impacts of a decrease in overall pre-tax income of $361.6 million. The tax impact of these items were partially offset by one-time items that occurred during the fiscal year ended September 30, 2018, including valuation allowance increases of $58.7 million, a $47.8 million net tax benefit related to one-time U.S. federal tax law changes, tax expense of $33.9 million related to a goodwill impairment charge, a tax benefit of $31.4 million related to changes in uncertain tax positions primarily in the U.S. and Canada, and a tax benefit of $27.7 million related to an audit settlement in the U.S.

During fiscal 2018, we recorded a $38.1 million valuation allowance related to foreign tax credits as a result of U.S. federal tax law changes. In fiscal 2019, we released this valuation allowance due to sufficient positive evidence obtained during the quarter. The positive evidence included the issuance of regulations related to the Tax Act during the quarter and forecasting the utilization of the foreign tax credits within the foreseeable future.

During fiscal 2018, we effectively settled a U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded a benefit of $27.7 million related to various adjustments, in addition to the favorable settlement of R&D credits of $26.2 million recorded in fiscal 2018.

During fiscal 2018, President Trump signed the Tax Act into law. The Tax Act reduced our U.S. federal corporate tax rate from 35% to 21%, required companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, created new taxes on certain foreign sourced earnings, and eliminated or reduced certain deductions.

In fiscal 2018, we remeasured certain deferred tax assets and liabilities based on the rates at which they were expected to reverse in the future, which is generally 21%. The provisional amount recorded related to the remeasurement of our deferred tax balance was a $32.0 million tax benefit. In addition, we released the deferred tax liability and recorded a tax benefit related to certain foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued current tax on these earnings as part of the one-time transition tax.

Also during fiscal 2018, we recorded a provisional amount for the one-time transition tax liability for our foreign subsidiaries resulting in an increase in income tax expense of $64.0 million. During fiscal 2019, we completed our calculation of the total foreign earnings and profits of our foreign subsidiaries and recorded a tax benefit of $1.5 million.

We are currently under tax audit in several jurisdictions including the U.S. and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in future adjustments, but will not result in a material change in the liability for uncertain tax positions.

Certain operations in Canada continue to have losses and the associated valuation allowances could be reduced if and when our current and forecast profits trend turns and sufficient evidence exists to support the release of the related valuation allowance (approximately $39 million).

We regularly integrate and consolidate our business operations and legal entity structure, and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net (Loss) Income Attributable to AECOM

The factors described above resulted in the net loss attributable to AECOM of $261.1 million for the year ended September 30, 2019, as compared to the net income attributable to AECOM of $136.5 million for the year ended September 30, 2018.

Results of Operations by Reportable Segment

Design and Consulting Services

	Fiscal Year Ended		Change	
	September 30, 2019	September 30, 2018	$	%
	($ in millions)			
Revenue	$ 8,268.2	$ 8,223.1	$ 45.1	0.5 %
Cost of revenue	7,722.3	7,783.9	(61.6)	(0.8)
Gross profit	$ 545.9	$ 439.2	$ 106.7	24.3 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	93.4	94.7
Gross profit	6.6 %	5.3 %

Revenue

Revenue for our DCS segment for the year ended September 30, 2019 increased $45.1 million, or 0.5%, to $8,268.2 million as compared to $8,223.1 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2019 was primarily attributable to an increase in the Americas of $150 million, largely due to increased work performed on a residential housing storm disaster relief program and an increase in Asia Pacific (APAC) of $40 million. These increases were partially offset by unfavorable impacts from foreign currency of $150 million.

Gross Profit

Gross profit for our DCS segment for the year ended September 30, 2019 increased $106.7 million, or 24.3%, to $545.9 million as compared to $439.2 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 6.6% of revenue for the year ended September 30, 2019 from 5.3% in the corresponding period last year.

The increases in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2019 were primarily due to increased revenues in the Americas, including the residential housing storm disaster relief program increase discussed above and reduced costs resulting from restructuring activities taken earlier in fiscal 2019.

Construction Services

	Fiscal Year Ended		Change	
	September 30, 2019	September 30, 2018	$	%
	($ in millions)			
Revenue	$ 7,778.8	$ 8,238.9	$ (460.1)	(5.6)%
Cost of revenue	7,723.4	8,198.5	(475.1)	(5.8)
Gross profit	$ 55.4	$ 40.4	$ 15.0	37.1 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	99.3	99.5
Gross profit	0.7 %	0.5 %

Revenue

Revenue for our CS segment for the year ended September 30, 2019 decreased $460.1 million, or 5.6%, to $7,778.8 million as compared to $8,238.9 million for the corresponding period last year.

The decrease in revenue for the year ended September 30, 2019 was primarily attributable to decreased construction management of airports in the U.S. and residential high-rise buildings in the city of New York of approximately $340 million and decreased revenue from our power and oil and gas businesses, partially due to divestitures.

Gross Profit

Gross profit for our CS segment for the year ended September 30, 2019 increased $15.0 million, or 37.1%, to $55.4 million as compared to $40.4 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 0.7% of revenue for the year ended September 30, 2019 from 0.5% in the corresponding period last year.

The increase in gross profit for the year ended September 30, 2019 was primarily due to increased profitability in the oil and gas business in North America. This increase was partially offset by a benefit from project performance on a power contract in the United States in the three months ended December 31, 2017 that did not repeat in the current period. The increase was also offset by decreased performance on projects in our building construction business.

Management Services

	Fiscal Year Ended		Change	
	September 30, 2019	September 30, 2018	$	%
	($ in millions)			
Revenue	$ 4,118.1	$ 3,693.5	$ 424.6	11.5 %
Cost of revenue	3,914.2	3,522.5	391.7	11.1
Gross profit	$ 203.9	$ 171.0	$ 32.9	19.2 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
Revenue	100.0 %	100.0 %
Cost of revenue	95.0	95.4
Gross profit	5.0 %	4.6 %

Revenue

Revenue for our MS segment for the year ended September 30, 2019 increased $424.6 million, or 11.5%, to $4,118.1 million as compared to $3,693.5 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2019 was primarily due to a project with the Department of Defense.

Gross Profit

Gross profit for our MS segment for the year ended September 30, 2019 increased $32.9 million, or 19.2%, to $203.9 million as compared to $171.0 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 5.0% of revenue for the year ended September 30, 2019 from 4.6% in the corresponding period last year.

The increase in gross profit for the year ended September 30, 2019 was primarily due to the increased revenue from the project with the Department of Defense discussed above.

AECOM Capital

	Fiscal Year Ended		Change	
	September 30, 2019	September 30, 2018	$	%
	($ in millions)			
Revenue	$ 8.2	$ —	$ 8.2	NM *
Equity in earnings of joint ventures	17.7	15.2	2.5	16.4 %
General and administrative expenses	(4.9)	(11.2)	6.3	(56.3)%

** NM — Not Meaningful*

Equity in earnings of joint ventures included a gain on the sale of a property.

Fiscal year ended September 30, 2018 compared to the fiscal year ended September 30, 2017

Consolidated Results

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Revenue	$ 20,155.5	$ 18,203.4	$ 1,952.1	10.7 %
Cost of revenue	19,504.9	17,519.7	1,985.2	11.3
Gross profit	650.6	683.7	(33.1)	(4.8)
Equity in earnings of joint ventures	81.1	141.6	(60.5)	(42.7)
General and administrative expenses	(135.7)	(133.4)	(2.3)	1.7
Impairment of long-lived assets, including goodwill	(168.2)	—	(168.2)	NM*
Acquisition and integration expenses	—	(38.7)	38.7	(100.0)
(Loss) gain on disposal activities	(2.9)	0.6	(3.5)	NM*
Income from operations	424.9	653.8	(228.9)	(35.0)
Other income	20.1	6.7	13.4	200.0
Interest expense	(267.5)	(231.3)	(36.2)	15.7
Income before income tax (benefit) expense	177.5	429.2	(251.7)	(58.6)
Income tax (benefit) expense	(19.7)	7.7	(27.4)	(355.8)
Net income	197.2	421.5	(224.3)	(53.2)
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(60.7)	(82.1)	21.4	(26.1)
Net income attributable to AECOM	$ 136.5	$ 339.4	$ (202.9)	(59.8)%

* *NM — Not Meaningful*

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
Revenue	100.0 %	100.0 %
Cost of revenue	96.8	96.2
Gross profit	3.2	3.8
Equity in earnings of joint ventures	0.4	0.8
General and administrative expenses	(0.7)	(0.8)
Impairment of long-lived assets, including goodwill	(0.8)	0.0
Acquisition and integration expenses	0.0	(0.2)
(Loss) gain on disposal activities	0.0	0.0
Income from operations	2.1	3.6
Other income	0.1	0.0
Interest expense	(1.3)	(1.2)
Income before income tax (benefit) expense	0.9	2.4
Income tax (benefit) expense	(0.1)	0.1
Net income	1.0	2.3
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(0.3)	(0.4)
Net income attributable to AECOM	0.7 %	1.9 %

Revenue

Our revenue for the year ended September 30, 2018 increased $1,952.1 million, or 10.7%, to $20,155.5 million as compared to $18,203.4 million for the year ended September 30, 2017.

The increase in revenue for the year ended September 30, 2018 was primarily attributable to increases in our DCS segment of $656.3 million, our CS segment of $943.3 million, and our MS segment of $352.5 million, as discussed further below.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the years ended September 30, 2018 and 2017 were $10.7 billion and $9.2 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue, increased to 53% during the year ended September 30, 2018 from 51% during the year ended September 30, 2017 due to increased building construction in our CS segment, as discussed below.

Gross Profit

Our gross profit for the year ended September 30, 2018 decreased $33.1 million, or 4.8%, to $650.6 million as compared to $683.7 million for the year ended September 30, 2017. For the year ended September 30, 2018, gross profit, as a percentage of revenue, decreased to 3.2% from 3.8% in the year ended September 30, 2017.

Gross profit changes were due to the reasons noted in DCS, CS and MS segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the year ended September 30, 2018 was $81.1 million as compared to $141.6 million in the year ended September 30, 2017.

During year ended September 30, 2017, ACAP completed a transaction to sell its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture which invested in a real estate development in New Jersey, for $133 million, which resulted in a gain of $52 million in our fiscal 2017. During the three months ended September 30, 2018, ACAP completed several real estate transactions that resulted in total gains of $15.2 million and net cash proceeds of $102.8 million. Additionally, the decrease from prior year was due to approximately $15 million in reduced equity in earnings from decreased volume at joint ventures in our MS segment.

General and Administrative Expenses

Our general and administrative expenses for the year ended September 30, 2018 increased $2.3 million, or 1.7%, to $135.7 million as compared to $133.4 million for the year ended September 30, 2017. As a percentage of revenue, general and administrative expenses decreased to 0.7% for the year ended September 30, 2018 from 0.8% for the year ended September 30, 2017.

Impairment of Long-Lived Assets, Including Goodwill

Impairment of long-lived assets, including goodwill, was $168.2 million for the year ended September 30, 2018. The loss was due to the anticipated disposition of non-core oil and gas assets in North America from our CS segment after the second quarter of fiscal 2018. The anticipated disposition resulted in a remeasurement of the assets held for sale, which were recorded at their estimated fair values less costs to sell. Included in the impairment of long-lived assets was a goodwill impairment charge of $125.4 million. Goodwill associated with the assets held for sale was originally recognized in the acquisition of URS Corporation in October 2014. Weak market demand for oil and gas services in the Canadian oil sands, primarily due to volatile commodity prices for Western Canada Select, resulted in lower fair value than previously measured at our annual impairment testing date as of September 30, 2017. A portion of the assets classified as held for sale at the end of the second quarter of fiscal 2018 were sold during the year ended September 30, 2018. We expect to sell the remaining assets held for sale within fiscal 2019.

Loss / Gain on Disposal Activities

Loss on disposal activities in the accompanying statements of operations for the year ended September 30, 2018 was $2.9 million compared to gain on disposal activities of $0.6 million for the year ended September 30, 2017. The loss on disposal activities in the current period relates to incremental losses on the disposal of specific non-core oil and gas assets in North America from our CS segment previously classified as assets held for sale.

Other Income

Our other income for the year ended September 30, 2018 increased $13.4 million to $20.1 million as compared to $6.7 million for the year ended September 30, 2017.

The increase in other income for the year ended September 30, 2018 was primarily due to a $9.1 million gain realized in the quarter ended March 31, 2018 from a foreign exchange forward contract entered into as part of the refinancing of our credit agreement.

Interest Expense

Our interest expense for the year ended September 30, 2018 was $267.5 million as compared to $231.3 million for the year ended September 30, 2017.

The increase in interest expense for the year ended September 30, 2018 was primarily due to a $34.5 million prepayment premium of our $800 million unsecured 5.750% Senior Notes due 2022 at a price of 104.3% during the quarter ended March 31, 2018.

Income Tax Benefit / Expense

Our income tax benefit for the year ended September 30, 2018 was $19.6 million compared to income tax expense of $7.7 million for the year ended September 30, 2017. The increase in tax benefit for the current period compared to the corresponding period last year is due primarily to a $47.8 million net benefit related to one-time U.S. federal tax law changes, a benefit of $37.2 million related to income tax credits and incentives, a benefit of $31.4 million related to changes in uncertain tax positions primarily in the U.S. and Canada, a benefit of $27.7 million related to an audit settlement in the U.S., a benefit of $18.5 million related to return to provision adjustments in the U.S. primarily due to changes in foreign tax credits, a decrease in overall pre-tax income of $251.7 million, and a reduced U.S. federal corporate tax rate of 24.5% for our fiscal year ending September 30, 2018. These benefits were partially offset by valuation allowance increases resulting in tax expense of $58.7 million including $38.1 million related to foreign tax credits as a result of U.S. federal tax law changes and tax expense of $33.9 million related to the goodwill impairment charge in the second quarter of fiscal 2018 which was non-deductible for tax purposes.

During the first quarter of 2018, President Trump signed what is commonly referred to as *The Tax Cuts and Jobs Act* (Tax Act) into law. The Tax Act reduced our U.S. federal corporate tax rate from 35% to a blended tax rate of 24.5% for our fiscal year ending September 30, 2018 and 21% for fiscal years thereafter, requires companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, creates new taxes on foreign sourced earnings and eliminates or reduces deductions.

Given the significance of the Tax Act, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which allows registrants to record provisional amounts during a one year “measurement period” similar to that used when accounting for business combinations. However, the measurement period is deemed to have ended earlier when the registrant has obtained, prepared and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared or analyzed.

During the fiscal year 2018, we recorded a $32.0 million provisional tax benefit related to the remeasurement of our U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. In addition, we released the deferred tax liability and recorded a tax benefit related to foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued current tax on these earnings as part of the one-time transition tax.

During the fiscal year 2018, we recorded a $64.0 million provisional amount for the one-time transition tax liability for our foreign subsidiaries. We have not yet completed our calculation of the total foreign earnings and profits of our foreign subsidiaries and accordingly this amount may change when we finalize the calculation of foreign earnings.

During the fourth quarter of 2018, we restructured certain operations in Canada which resulted in a release of a valuation allowance of $13.1 million. Other operations in Canada continue to have losses and the associated valuation allowances could be reduced if and when our current and forecast profits trend turns and sufficient evidence exists to support the release of the related valuation allowances (approximately $41 million). During the second quarter of 2017, valuation allowances in the amount of $59.9 million in the United Kingdom were released due to sufficient positive evidence.

During the fourth quarter of 2018, we effectively settled a U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded a benefit of $27.7 million related to various adjustments, in addition to the favorable settlement for R&D credits of $26.2 million recorded in the second quarter of 2018. We are currently under tax audit in several jurisdictions including the U.S and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in adjustments, but will not result in a material change in the liability for uncertain tax positions.

We regularly integrate and consolidate our business operations and legal entity structure, and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net Income Attributable to AECOM

The factors described above resulted in the net income attributable to AECOM of $136.5 million for the year ended September 30, 2018, as compared to the net income attributable to AECOM of $339.4 million for the year ended September 30, 2017.

Results of Operations by Reportable Segment

Design and Consulting Services

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Revenue	$ 8,223.1	$ 7,566.8	$ 656.3	8.7 %
Cost of revenue	7,783.9	7,172.0	611.9	8.5
Gross profit	$ 439.2	$ 394.8	$ 44.4	11.2 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
Revenue	100.0 %	100.0 %
Cost of revenue	94.7	94.8
Gross profit	5.3 %	5.2 %

Revenue

Revenue for our DCS segment for the year ended September 30, 2018 increased $656.3 million, or 8.7%, to $8,223.1 million as compared to $7,566.8 million for the year ended September 30, 2017.

The increase in revenue for the year ended September 30, 2018 was attributable to an increase in the Americas of $400 million, largely due to increased work performed on a residential housing storm disaster relief program. Additionally, the increase was due to increases in Asia Pacific (APAC) and Europe, Middle East and Africa (EMEA) of approximately $110 million and $40 million, respectively, and favorable impacts from foreign currency of $100 million.

Gross Profit

Gross profit for our DCS segment for the year ended September 30, 2018 increased $44.4 million, or 11.2%, to $439.2 million as compared to $394.8 million for the year ended September 30, 2017. As a percentage of revenue, gross profit increased to 5.3% of revenue for the year ended September 30, 2018 from 5.2% in the year ended September 30, 2017.

The increases in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2018 were primarily due to increased revenues in the Americas, including the residential housing disaster relief program discussed above.

Construction Services

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Revenue	$ 8,238.9	$ 7,295.6	$ 943.3	12.9 %
Cost of revenue	8,198.5	7,202.7	995.8	13.8
Gross profit	$ 40.4	$ 92.9	$ (52.5)	(56.5)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
Revenue	100.0 %	100.0 %
Cost of revenue	99.5	98.7
Gross profit	0.5 %	1.3 %

Revenue

Revenue for our CS segment for the year ended September 30, 2018 increased $943.3 million, or 12.9%, to $8,238.9 million as compared to $7,295.6 million for the year ended September 30, 2017.

The increase in revenue for the year ended September 30, 2018 was primarily attributable to approximately $400 million in increased revenue due to the construction of residential high-rise buildings in the city of New York. Additionally, the increase was due to the inclusion of approximately $500 million of revenue from entities acquired during fiscal 2018 and the fourth quarter of fiscal 2017.

Gross Profit

Gross profit for our CS segment for the year ended September 30, 2018 decreased $52.5 million, or 56.5%, to $40.4 million as compared to $92.9 million for the year ended September 30, 2017. As a percentage of revenue, gross profit decreased to 0.5% of revenue for the year ended September 30, 2018 from 1.3% in the year ended September 30, 2017.

The decrease in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2018 were primarily due to losses in the oil and gas business in North America of approximately $50 million, and projects in the construction services business, partially offset by earnings from entities acquired in fiscal 2017 and the revenue increase in our residential high-rise construction business noted above.

Management Services

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Revenue	$ 3,693.5	$ 3,341.0	$ 352.5	10.6 %
Cost of revenue	3,522.5	3,145.0	377.5	12.0
Gross profit	$ 171.0	$ 196.0	$ (25.0)	(12.8)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
Revenue	100.0 %	100.0 %
Cost of revenue	95.4	94.1
Gross profit	4.6 %	5.9 %

Revenue

Revenue for our MS segment for the year ended September 30, 2018 increased $352.5 million, or 10.6%, to $3,693.5 million as compared to $3,341.0 million for the year ended September 30, 2017.

The increase in revenue for the year ended September 30, 2018 was primarily due to various projects with the U.S. government, including projects with the United States Army in the Middle East and with the United States Air Force.

Gross Profit

Gross profit for our MS segment for the year ended September 30, 2018 decreased $25.0 million, or 12.8%, to $171.0 million as compared to $196.0 million for the year ended September 30, 2017. As a percentage of revenue, gross profit decreased to 4.6% of revenue for the year ended September 30, 2018 from 5.9% in the year ended September 30, 2017.

The decrease in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2018 were primarily due to a benefit recorded in the first quarter of fiscal 2017 of $35 million from the favorable settlement of a federal lawsuit, net of legal fees, and $23 million of incentive fees earned on contracts with the Department of Energy, which did not repeat in the current year. These decreases were partially offset by the benefits of approximately $15 million from an increase in anticipated recoveries on a contract with the Department of Energy recorded in the year ended September 30, 2018. Additionally, the decreases were offset by increased gross profits from projects with the United States Army in the Middle East and with the United States Air Force, discussed above.

AECOM Capital

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Equity in earnings of joint ventures	$ 15.2	$ 57.7	$ (42.5)	(73.7)%
General and administrative expenses	(11.2)	(8.7)	(2.5)	28.7 %

During the three months ended June 30, 2017, ACAP completed a transaction to sell its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture which invested in a real estate development in New Jersey, for $133 million, which resulted in a gain of $52 million in fiscal 2017. During the three months ended September 30, 2018, ACAP completed several real estate transactions that resulted in total gains of $15.2 million and net cash proceeds of $102.8 million.

Liquidity and Capital Resources

Cash Flows

Our principal sources of liquidity are cash flows from operations, borrowings under our credit facilities, and access to financial markets. Our principal uses of cash are operating expenses, capital expenditures, working capital requirements, acquisitions, repurchases of common stock, and repayment of debt. We believe our anticipated sources of liquidity including operating cash flows, existing cash and cash equivalents, borrowing capacity under our revolving credit facility and our ability to issue debt or equity, if required, will be sufficient to meet our projected cash requirements for at least the next twelve months. We sold non-core oil and gas assets in fiscal 2019. We expect to spend approximately $130 to $160 million in restructuring costs in fiscal 2020; and we are evaluating our geographic exposure as part of a proposed plan to exit more than 30 countries, subject to applicable laws, to improve profitability and reduce our risk profile.

Generally, we do not provide for U.S. taxes or foreign withholding taxes on gross book-tax basis differences in our non-U.S. subsidiaries because such basis differences are able to and intended to be reinvested indefinitely. At September 30, 2019, we have determined that we will continue to indefinitely reinvest the earnings of some foreign subsidiaries and therefore we will continue to account for these undistributed earnings based on our existing accounting under ASC 740 and not accrue additional tax outside of the one-time transition tax required under the Tax Act that was enacted on December 22, 2017. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation. Based on the available sources of cash flows discussed above, we anticipate we will continue to have the ability to permanently reinvest these remaining amounts.

At September 30, 2019, cash and cash equivalents were $1,080.4 million, an increase of $193.7 million, or 21.8%, from $886.7 million at September 30, 2018. The increase in cash and cash equivalents was primarily attributable to positive cash flows from operating activities, partially offset by repurchases of common stock and repayments of our credit agreement.

Net cash provided by operating activities was $777.6 million for the year ended September 30, 2019 as compared to $774.6 million for the year ended September 30, 2018. The change was primarily attributable to the timing of receipts and payments of working capital, which includes accounts receivable, contract assets, accounts payable, accrued expenses, and contract liabilities. The sale of trade receivables to financial institutions during the year ended September 30, 2019 provided a net benefit of $21.9 million as compared to $39.1 million during the year ended September 30, 2018. We expect to continue to sell trade receivables in the future as long as the terms continue to remain favorable to us.

Net cash used in investing activities was $146.8 million for the year ended September 30, 2019, as compared to $59.1 million for the year ended September 30, 2018. This increase in cash used was primarily attributable to an increase in net investments in unconsolidated joint ventures of $133.8 million primarily in our civil construction and ACAP businesses.

Net cash used in financing activities was $433.3 million for the year ended September 30, 2019, as compared to $624.9 million for the year ended September 30, 2018. This change was primarily attributable to reduced repurchases of common stock and lower repayments of borrowings under our credit agreements. Total borrowings may vary during the period. For the year ended September 30, 2019, our weighted average floating rate borrowings were $2,163.6 million.

AECOM Caribe, a subsidiary of the Company, has incurred payment delays supporting the storm recovery work in the U.S. Virgin Islands. AECOM Caribe signed several contracts with Virgin Islands authorities to provide emergency design, construction and technical services after two Category Five hurricanes devastated the Virgin Islands in 2017, that were dependent on federal funding. AECOM Caribe and its subcontractors have performed over $750 million of work under the Virgin Islands contracts and payment delays have increased working capital by over $150 million from September 30, 2018 to 2019. We are currently negotiating with the Virgin Island authorities and U.S. Federal Emergency Management Agency to modify the contract and accelerate funding for current and future contractual payments; however, we can provide no certainty as to the timing or amount of future payments.

Working Capital

Working capital, or current assets less current liabilities, increased $75.3 million, or 7.5%, to $1,072.9 million at September 30, 2019 from $997.6 million at September 30, 2018. Net accounts receivable and contract assets, net of contract liabilities, increased to $4,837.8 million at September 30, 2019 from $4,537.4 million at September 30, 2018. Working capital increased primarily due to ongoing storm recovery work in the U.S. Virgin Islands, as discussed above.

Days Sales Outstanding (DSO), which includes net accounts receivable and contract assets, net of contract liabilities, was 86 days at September 30, 2019 compared to 78 days at September 30, 2018.

In Note 4, Revenue Recognition, in the notes to our consolidated financial statements, a comparative analysis of the various components of accounts receivable is provided. Except for claims, substantially all contract assets are expected to be billed and collected within twelve months.

Contract assets related to claims are recorded only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. In such cases, revenue is recorded only to the extent that contract costs relating to the claim have been incurred. Award fees in contract assets are accrued only when there is sufficient information to assess contract performance. On contracts that represent higher than normal risk or technical difficulty, award fees are generally deferred until an award fee letter is received.

Because our revenue depends to a great extent on billable labor hours, most of our charges are invoiced following the end of the month in which the hours were worked, the majority usually within 15 days. Other direct costs are normally billed along with labor hours. However, as opposed to salary costs, which are generally paid on either a bi-weekly or monthly basis, other direct costs are generally not paid until payment is received (in some cases in the form of advances) from the customers.

Debt

Debt consisted of the following:

	September 30, 2019	September 30, 2018
	(in millions)	
2014 Credit Agreement	$ 1,182.2	$ 1,433.8
2014 Senior Notes	800.0	800.0
2017 Senior Notes	1,000.0	1,000.0
URS Senior Notes	248.1	247.9
Other debt	208.8	191.8
Total debt	3,439.1	3,673.5
Less: Current portion of debt and short-term borrowings	(117.2)	(143.1)
Less: Unamortized debt issuance costs	(36.1)	(46.7)
Long-term debt	$ 3,285.8	$ 3,483.7

The following table presents, in millions, scheduled maturities of our debt as of September 30, 2019:

Fiscal Year	
2020	$ 117.2
2021	216.1
2022	317.5
2023	450.9
2024	15.4
Thereafter	2,322.0
Total	$ 3,439.1

2014 Credit Agreement

We entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (USD) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of our subsidiaries (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of our assets and the Guarantors' pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit our ability and the ability of some of our subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to our acquisition of URS.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving our international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (i) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (ii) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (iii) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (iv) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (v) revise covenants, including the Maximum Consolidated Leverage Ratio, so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for our ACAP business.

On March 31, 2017, the Credit Agreement was amended to (i) expand the ability of restricted subsidiaries to borrow under “Incremental Term Loans;” (ii) revise the definition of “Working Capital” as used in “Excess Cash Flow;” (iii) revise the definitions for “Consolidated EBITDA” and “Consolidated Funded Indebtedness” to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (iv) amend provisions relating to our ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (i) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (ii) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (iii) increase the capacity of our revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (iv) reduce our interest rate borrowing costs as follows: (a) the term loan B facility, at our election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (USD) term loan A facility, at our election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at our election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of our fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); and (v) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio steps down to 4.0.

On November 13, 2018, the Credit Agreement was amended to revise the definition of “Consolidated EBITDA” to increase corporate restructuring allowances and provide for additional flexibility under the covenants for non-core asset dispositions, among other changes.

Under the Credit Agreement, we are subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. Our Consolidated Leverage Ratio was 3.4 at September 30, 2019. Our Consolidated Interest Coverage Ratio was 4.9 at September 30, 2019. As of September 30, 2019, we were in compliance with the covenants of the Credit Agreement.

At September 30, 2019 and 2018, outstanding standby letters of credit totaled $22.8 million and $28.7 million, respectively, under our revolving credit facilities. As of September 30, 2019 and 2018, we had $1,327.2 million and $1,321.3 million, respectively, available under our revolving credit facility.

2014 Senior Notes

On October 6, 2014, we completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, we completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, we redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of September 30, 2019, the estimated fair value of the 2024 Notes was approximately $866.0 million. The estimated fair value of the 2024 Notes as of September 30, 2019 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

At any time prior to July 15, 2024, we may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2024 Notes as of September 30, 2019.

2017 Senior Notes

On February 21, 2017, we completed a private placement offering of $1,000,000,000 aggregate principal amount of our unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under our Credit Agreement. On June 30, 2017, we completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of September 30, 2019, the estimated fair value of the 2017 Senior Notes was approximately $1,041.3 million. The estimated fair value of the 2017 Senior Notes as of September 30, 2019 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes is payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, we may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a "make whole" premium as of the redemption date, and accrued and unpaid interest to the redemption date.

In addition, at any time and from time to time prior to March 15, 2020, we may redeem up to 35% of the original aggregate principal amount of the 2017 Senior Notes with the proceeds of one or more qualified equity offerings, at a redemption price equal to 105.125%, plus accrued and unpaid interest. Furthermore, at any time on or after December 15, 2026, we may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2017 Senior Notes as of September 30, 2019.

URS Senior Notes

In connection with the acquisition of URS on October 17, 2014, we assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, we redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement. The 2022 URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC as successor in interest to URS and are fully and unconditionally guaranteed on a joint-and-several basis by some former URS domestic subsidiary guarantors.

As of September 30, 2019, the estimated fair value of the 2022 URS Senior Notes was approximately $256.0 million. The carrying value of the 2022 URS Senior Notes on our Consolidated Balance Sheets as of September 30, 2019 was $248.1 million. The estimated fair value of the 2022 URS Senior Notes as of September 30, 2019 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2022 URS Senior Notes.

As of September 30, 2019, we were in compliance with the covenants relating to the 2022 URS Senior Notes.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. Our unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At September 30, 2019 and September 30, 2018, these outstanding standby letters of credit totaled $470.9 million and $486.4 million, respectively. As of September 30, 2019, we had $473.2 million available under these unsecured credit facilities.

Effective Interest Rate

Our average effective interest rate on our total debt, including the effects of the interest rate swap agreements, during the years ended September 30, 2019, 2018 and 2017 was 4.8%, 4.6% and 4.6%, respectively.

Interest expense in the consolidated statement of operations included amortization of deferred debt issuance costs for the years ended ended September 30, 2019, 2018 and 2017 of $10.7 million, $18.1 million and $17.5 million, respectively.

Other Commitments

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings is recorded in equity in earnings of joint ventures. See Note 6, Joint Ventures and Variable Interest Entities, in the notes to our consolidated financial statements.

Other than normal property and equipment additions and replacements, expenditures to further the implementation of our various information technology systems, commitments under our incentive compensation programs, amounts we may expend to repurchase stock under our stock repurchase program and acquisitions from time to time and disposition costs, we currently do not have any significant capital expenditures or outlays planned except as described below. However, if we acquire additional businesses in the future or if we embark on other capital-intensive initiatives, additional working capital may be required.

Under our secured revolving credit facility and other facilities discussed in Other Debt and Other Items above, as of September 30, 2019, there was approximately $493.7 million outstanding under standby letters of credit primarily issued in connection with general and professional liability insurance programs and for contract performance guarantees. For those projects for which we have issued a performance guarantee, if the project subsequently fails to meet guaranteed performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

We recognized on our balance sheet the funded status of our pension benefit plans, measured as the difference between the fair value of plan assets and the projected benefit obligation. At September 30, 2019, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $483.9 million. The total amounts of employer contributions paid for the year ended September 30, 2019 were $14.5 million for U.S. plans and $28.1 million for non-U.S. plans. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In some countries, the funding requirements are mandatory while in other countries, they are discretionary. There is a required minimum contribution for one of our domestic plans; however, we may make additional discretionary contributions. In the future, such pension funding may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors. In addition, we have collective bargaining agreements with unions that require us to contribute to various third party multiemployer pension plans that we do not control or manage. In addition, we have collective bargaining agreements with unions that require us to contribute various third party multiemployer plans that we do not control or manage. For the year ended September 30, 2019, we contributed $52.3 million to multiemployer pension plans.

Commitments and Contingencies

We record amounts representing our probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. We rely in part on qualified actuaries to assist us in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against us, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations. Our reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. We do not record gain contingencies until they are realized. In the ordinary course of business, we may not be aware that we or our affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, we may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of our affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in some circumstances such as for warranties. We may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, we may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At September 30, 2019 and 2018, we were contingently liable in the amount of approximately $493.7 million and $515.1 million, respectively, in issued standby letters of credit and $4.8 billion and $5.3 billion, respectively, in issued surety bonds primarily to support project execution.

In the ordinary course of business, we enter into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

Our investment adviser jointly manages, sponsors and owns equity interest in the AECOM-Canyon Equity Fund, L.P. (the “Fund”), in which we have an ongoing capital commitment to fund investments. At September 30, 2019, we have capital commitments of $35 million to the Fund over the next 10 years.

In addition, in connection with the investment activities of AECOM Capital and the Fund, we provide guarantees of contractual obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

Department of Energy Deactivation, Demolition, and Removal Project

Washington Group International, an Ohio company, the former name of one of the Company's wholly-owned subsidiaries (AECOM E&C) executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues and remains uncompleted. In February 2011, AECOM E&C and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, required the DOE to pay all project costs up to $106 million, required AECOM E&C and the DOE to equally share in all project costs incurred from $106 million to $146 million, and required AECOM E&C to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, AECOM E&C has been required to perform work outside the scope of the Task Order Modification. In December 2014, AECOM E&C submitted claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope. AECOM E&C has incurred additional project costs outside the scope of the contract as a result of differing site and ground conditions and intends to submit additional formal claims against the DOE.

Due to significant delays and uncertainties about responsibilities for the scope of remaining work, final project completion costs and other associated costs have exceeded $100 million over the contracted and claimed amounts. AECOM E&C assets and liabilities, including the value of the above costs and claims, were measured at their fair value on October 17, 2014, the date the Company acquired AECOM E&C's parent company, which measurement has been reevaluated to account for developments pertaining to this matter. Deconstruction and decommissioning activities are completed and site restoration activities are completed. AECOM E&C increased its receivable during the quarter ended September 30, 2019. Such amount is included in the significant claims discussed in Note 4, Revenue Recognition, to the financial statements included in this report.

AECOM E&C can provide no certainty that it will recover the claims submitted against the DOE in December 2014, any future claims or any other project costs after December 2014 that AECOM E&C may be obligated to incur, which could have a material adverse effect on the Company's results of operations.

SR-91

One of the Company's wholly-owned subsidiaries, URS Corporation, a Nevada corporation, entered into a partial fixed cost and partial time and material design agreement in 2012 with a design build contractor for a state route highway construction project in Riverside County and Orange County, California. On April 1, 2017, URS Corporation filed an $8.2 million amended complaint in the Superior Court of California against the design build contractor for its failure to pay for services performed under the design agreement. On July 3, 2017, the design build contractor filed an amended cross-complaint against URS Corporation and the Company in Superior Court alleging breaches of contract, negligent interference and professional negligence pertaining to URS Corporation's performance of design services under the design agreement, seeking purported damages of $70 million. On May 4, 2018, the design build contractor dismissed its claims for negligent interference. On May 24, 2018, URS Corporation filed an $11.9 million second amended complaint in Superior Court against the design build contractor for its failure to pay for services performed under the design agreement. Jury trial commenced in Superior Court on July 1, 2019 and concluded on October 1, 2019. At the time of trial, URS was owed and claimed $4.9 million against the design build contractor, while the contractor counterclaimed for $103.7 million against URS Corporation and the Company. The jury issued a unanimouse verdict awarding URS Corporation $4.9 million and awarding the design build contractor $2.7 million.

URS Corporation and AECOM cannot provide assurances that URS Corporation will be successful in the recovery of the amounts owed to it under the design agreement or in their defense against the amounts alleged under the cross-complaint that they believe are without merit and that they intend to continue to vigorously defend against in any further proceedings. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex factual and legal issues; there is uncertainty regarding damages, including due to liability of and payments, by third parties; and post-trial proceedings are ongoing.

New York Department of Environmental Conservation

The following separate matters pertain to government environmental allegations against one of the Company's wholly-owned subsidiaries, AECOM USA, Inc.

- In September 2017, AECOM USA, Inc. was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.'s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL's maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc. cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stage of the government's claims and any negotiations of a consent order or other resolution.

- In December 2018, AECOM USA, Inc. was advised by DEC of allegations that, during AECOM USA, Inc.'s oversight of a remedial construction project in Poughkeepsie, New York, sheen escaped a containment boom line near the east bank of the Hudson River without proper notification to DEC and an unapproved dispersant was sprayed onto the Hudson River to control odors in violation of ECL. AECOM USA, Inc. denies these allegations but is working cooperatively with DEC to resolve the matter through a consent order.

Refinery Turnaround Project

AECOM E&C entered into an agreement to perform turnaround maintenance services during a planned shutdown at a refinery in Montana in December 2017. The turnaround project was completed in February 2019. Due to circumstances outside of AECOM E&C's control, including client directed changes and delays and the refinery's condition, AECOM E&C performed additional work outside of the contract over $90 million and is entitled to payment from the refinery owner of approximately $144 million. In March 2019, the refinery owner sent a letter to AECOM E&C alleging it incurred approximately $79 million in damages due to AECOM E&C's project performance. In April 2019, AECOM E&C filed and perfected a $132 million construction lien against the refinery owner for unpaid labor and materials costs. In August 2019, following a subcontractor complaint filed in the Thirteen Judicial District Court of Montana asserting claims against the refinery owner and AECOM E&C, the refinery owner crossclaimed against AECOM E&C and the subcontractor. In October 2019, following the subcontractor's dismissal of its claims, AECOM E&C removed the matter to federal court and cross claimed against the refinery owner. The Company's receivable relating to this claim is included within the significant claims discussed in Note 4, Revenue Recognition, to the financial statements included in this report.

AECOM E&C intends to vigorously prosecute and defend this matter; however, AECOM E&C cannot provide assurance that it will be successful in these efforts. The resolution of this matter and any potential range of loss cannot be reasonably determined or estimated at this time, primarily because the matter raises complex legal issues that AECOM E&C is continuing to assess.

Contractual Obligations and Commitments

The following summarizes our contractual obligations and commercial commitments as of September 30, 2019:

Contractual Obligations and Commitments	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
			(in millions)		
Debt	$ 3,439.1	$ 117.2	$ 533.6	$ 466.3	$ 2,322.0
Interest on debt	987.8	201.7	379.7	267.0	139.4
Operating leases	1,242.4	236.2	364.3	236.1	405.8
Pension funding obligations(1)	41.3	41.3	—	—	—
Total contractual obligations and commitments	$ 5,710.6	$ 596.4	$ 1,277.6	$ 969.4	$ 2,867.2

(1) Represents expected fiscal 2020 contributions to fund our defined benefit pension and other postretirement plans. Contributions beyond one year have not been included as amounts are not determinable.

New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company adopted the new standard on October 1, 2018, using the modified retrospective method, which resulted in an adjustment to retained earnings of $7.0 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 4.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The new guidance will be effective for the Company's fiscal year beginning October 1, 2019 with early adoption permitted. The new guidance must be adopted using a modified retrospective transition approach and provides for some practical expedients. The Company will apply the guidance of the new standard as of the date of adoption, and will not recast prior periods. While the Company expects to expand its current disclosures as a result of adopting the new standard, it does not expect adoption to have a material impact on the consolidated results of operations. The Company expects to record approximately $0.7 billion of leased assets and $1.0 billion of lease liabilities related to its operating leases and an adjustment to retained earnings of $0.1 billion related to transition upon adoption.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the Company's fiscal year starting October 1, 2020. The Company is currently evaluating the impact that the new guidance will have on its consolidated financial statements.

In August 2016, the FASB issued new accounting guidance clarifying how entities should classify cash receipts and cash payments on the statement of cash flows. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The Company adopted the new standard on October 1, 2018 and the adoption of the standard did not have a material impact on its statement of cash flows.

In October 2016, the FASB issued additional guidance regarding accounting for intra-entity transfers of assets other than inventory. The new guidance will require companies to account for the income tax consequences of intra-entity transfers of assets other than inventory in the period the transfer occurs. The Company adopted this guidance on October 1, 2018, and the adoption resulted in a $5.5 million reduction to other non-current assets and retained earnings.

In January 2017, the FASB issued new accounting guidance that changes the definition of a business to assist companies with evaluating when a set of transferred assets and activities is a business. This guidance requires the buyer to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of assets. The Company elected to adopt this guidance on July 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued new accounting guidance to simplify the test for goodwill impairment. This guidance eliminates step two from the goodwill impairment test. Under the new guidance, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value. However, the loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. The Company early adopted the new guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In March 2017, the FASB issued new guidance on how employers that sponsor defined benefit pension or other postretirement benefit plans present the net periodic benefit cost in the income statement. Under the new guidance, employers will present the service cost component of net periodic benefit cost in the same income statement line items as other employee compensation costs. The new guidance was effective for the Company on October 1, 2018. Adoption of the new guidance did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued new accounting guidance on derivatives and hedging. This guidance better aligns an entity's risk management activities and financial reporting for hedging relationships through change to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedging results. The Company early adopted the guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

Off-Balance Sheet Arrangements

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest entities. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings are recorded in equity in earnings of joint ventures. See Note 6 in the notes to our consolidated financial statements. We do not believe that we have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Market Risks

We are exposed to market risk, primarily related to foreign currency exchange rates and interest rate exposure of our debt obligations that bear interest based on floating rates. We actively monitor these exposures. Our objective is to reduce, where we deem appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign exchange rates and interest rates. In order to accomplish this objective, we sometimes enter into derivative financial instruments, such as forward contracts and interest rate hedge contracts. It is our policy and practice to use derivative financial instruments only to the extent necessary to manage our exposures. We do not use derivative financial instruments for trading purposes.

Foreign Exchange Rates

We are exposed to foreign currency exchange rate risk resulting from our operations outside of the U.S. We use foreign currency forward contracts from time to time to mitigate foreign currency risk. We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. The functional currency of our significant foreign operations is the respective local currency.

Interest Rates

Our Credit Agreement and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of September 30, 2019 and 2018, we had $1,182.2 million and $1,433.8 million, respectively, in outstanding borrowings under our term credit agreements and our revolving credit facility. Interest on amounts borrowed under these agreements is subject to adjustment based on specified levels of financial performance. The applicable margin that is added to the borrowing's base rate can range from 0.25% to 2.00%. For the year ended September 30, 2019, our weighted average floating rate borrowings were $2,163.6 million, or $1,521.4 million excluding borrowings with effective fixed interest rates due to interest rate swap agreements. If short term floating interest rates had increased by 1.00%, our interest expense for the year ended September 30, 2019 would have increased by $15.2 million. We invest our cash in a variety of financial instruments, consisting principally of money market securities or other highly liquid, short-term securities that are subject to minimal credit and market risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AECOM
Index to Consolidated Financial Statements
September 30, 2019

Audited Annual Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of AECOM

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AECOM (the "Company") as of September 30, 2019 and 2018, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended September 30, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 30, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 13, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Contract cost and claim recovery estimates

Description of the Matter	For the year ended September 30, 2019, contract revenues recognized by the Company were $20.2 billion. Contract revenues include $5.8 billion which relate to fixed price contracts. As described in Note 4 of the consolidated financial statements, the Company generally recognizes revenues for these contracts over time as performance obligations are satisfied. The Company generally measures its progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In addition, the Company's estimate of transaction price includes variable consideration associated with claims only to the extent that a significant reversal would not be probable. Recognition of revenue and profit over time as performance obligations are satisfied for long-term fixed price contracts is highly judgmental as it requires the Company to prepare estimates of total contract revenue and total contract costs, including costs to complete in-process contracts. These estimates are dependent upon a number of factors, including the accuracy of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. As of September 30, 2019, significant claims amounted to approximately $340 million and were included as contract assets and other non-current assets on the consolidated balance sheet. Revenue recognition relating to claims is highly judgmental as the amount has been disputed by the customer and it requires the Company to prepare estimates of amounts expected to be recovered. Changes in recovery estimates can have a material effect on the amount of revenue recognized. Auditing contract revenue recognition is complex and highly judgmental due to the variability and uncertainty associated with estimating the costs to complete and amounts expected to be recovered from claims. Changes in these estimates would have a significant effect on the amount of contract revenue recognized.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risk of material misstatement of contract revenue including those associated with cost to complete estimates for long-term fixed price contracts and estimates of amounts expected to be recovered from claims. For example, we tested controls over the Company's review of estimated direct and indirect costs to be incurred and estimates of claim recovery amounts. To evaluate the Company's determination of estimated costs to complete, we selected a sample of contracts and, among other things, inspected the executed contracts including any significant amendments; conducted interviews with and inspected questionnaires prepared by project personnel; tested key components of the cost to complete estimates, including materials, labor, and subcontractors costs; reviewed support for estimates of project contingencies; compared actual project margins to historical and expected results; and recalculated revenues recognized. To test revenue recognized relating to claims, we selected a sample of projects and evaluated the estimates made by management by reviewing documentation from management's specialists and external counsel to support the amount of the claim. We also tested management's estimation process by performing a lookback analysis to evaluate claims settled in the current year compared to management's prior year estimates.

	Valuation of goodwill
Description of the Matter	As of September 30, 2019, the Company’s goodwill was $5.3 billion. As discussed in Note 1 of the consolidated financial statements, in the fourth quarter of each fiscal year, the Company performs an annual goodwill impairment test for each reporting unit, and between annual tests if events occur or circumstances change which suggest that goodwill should be evaluated. As further discussed in Note 3, in the fourth quarter of fiscal year 2019, the Company recorded a $588.0 million goodwill impairment in one of its reporting units within its Construction Services segment. Auditing management’s annual goodwill impairment test is complex and highly judgmental due to the significant estimates required to determine the fair value of the reporting units. These fair value estimates are affected by significant assumptions including revenue growth rate, profitability, weighted average cost of capital, and terminal values, which reflect management’s expectations about future market or economic conditions.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company’s goodwill impairment review process including management’s review of the significant assumptions used to determine the fair value of the reporting units. To test the estimated fair value of its reporting units, with the support of a valuation specialist, we performed audit procedures that included, among others, assessing fair value methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to current industry and economic trends, historical operating results, contract backlog, changes to the Company’s business operations and other relevant factors. We performed a lookback analysis to evaluate the accuracy of management’s prior year revenue and profitability estimates. We performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting units that would result from changes in the assumptions. We also tested the reconciliation of the fair value of the reporting units to the market capitalization of the Company.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 1990.

Los Angeles, CA
November 13, 2019

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of AECOM

Opinion on Internal Control over Financial Reporting

We have audited AECOM's (the "Company") internal control over financial reporting as of September 30, 2019, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, AECOM maintained, in all material respects, effective internal control over financial reporting as of September 30, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the 2019 consolidated financial statements of the Company and our report dated November 13, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California
November 13, 2019

AECOM

Consolidated Balance Sheets
(in thousands, except share data)

	September 30, 2019	September 30, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 834,835	$ 642,168
Cash in consolidated joint ventures	245,519	244,565
Total cash and cash equivalents	1,080,354	886,733
Accounts receivable—net	3,517,072	3,307,851
Contract assets	2,260,580	2,160,970
Prepaid expenses and other current assets	627,550	585,152
Current assets held for sale	—	59,800
Income taxes receivable	49,089	126,816
TOTAL CURRENT ASSETS	7,534,645	7,127,322
PROPERTY AND EQUIPMENT—NET	559,399	614,062
DEFERRED TAX ASSETS—NET	245,331	159,396
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	405,225	310,661
GOODWILL	5,275,281	5,921,116
INTANGIBLE ASSETS—NET	233,018	319,892
OTHER NON-CURRENT ASSETS	208,692	228,682
TOTAL ASSETS	$ 14,461,591	$ 14,681,131
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 47,835	$ 8,353
Accounts payable	2,954,719	2,726,047
Accrued expenses and other current liabilities	2,390,418	2,267,046
Income taxes payable	59,541	39,802
Contract liabilities	939,891	931,431
Current liabilities held for sale	—	22,300
Current portion of long-term debt	69,350	134,698
TOTAL CURRENT LIABILITIES	6,461,754	6,129,677
OTHER LONG-TERM LIABILITIES	304,606	329,457
DEFERRED TAX LIABILITY-NET	4,292	47,273
PENSION BENEFIT OBLIGATIONS	505,834	412,604
LONG-TERM DEBT	3,285,755	3,483,746
TOTAL LIABILITIES	10,562,241	10,402,757
COMMITMENTS AND CONTINGENCIES (Note 18)		
AECOM STOCKHOLDERS' EQUITY:		
Common stock—authorized, 300,000,000 shares of $0.01 par value as of September 30, 2019 and 2018; issued and outstanding 157,482,983 and 156,983,356 shares as of September 30, 2019 and 2018, respectively	1,575	1,570
Additional paid-in capital	3,953,650	3,846,392
Accumulated other comprehensive loss	(864,197)	(703,330)
Retained earnings	599,548	948,148
TOTAL AECOM STOCKHOLDERS' EQUITY	3,690,576	4,092,780
Noncontrolling interests	208,774	185,594
TOTAL STOCKHOLDERS' EQUITY	3,899,350	4,278,374
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,461,591	$ 14,681,131

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Operations
(in thousands, except per share data)

	Fiscal Year Ended		
	September 30, 2019	September 30, 2018	September 30, 2017
Revenue	$ 20,173,329	$ 20,155,512	$ 18,203,402
Cost of revenue	19,359,884	19,504,863	17,519,682
Gross profit	813,445	650,649	683,720
Equity in earnings of joint ventures	80,990	81,133	141,582
General and administrative expenses	(148,123)	(135,787)	(133,309)
Restructuring costs	(95,446)	—	—
(Loss) gain on disposal activities	(10,381)	(2,949)	572
Impairment of long-lived assets, including goodwill	(615,400)	(168,178)	—
Acquisition and integration expenses	—	—	(38,709)
Income from operations	25,085	424,868	653,856
Other income	16,789	20,135	6,636
Interest expense	(225,994)	(267,519)	(231,310)
(Loss) income before income tax (benefit) expense	(184,120)	177,484	429,182
Income tax (benefit) expense	(130)	(19,643)	7,706
Net (loss) income	(183,990)	197,127	421,476
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(77,060)	(60,659)	(82,086)
Net (loss) income attributable to AECOM	$ (261,050)	$ 136,468	$ 339,390
Net (loss) income attributable to AECOM per share:			
Basic	$ (1.66)	$ 0.86	$ 2.18
Diluted	$ (1.66)	$ 0.84	$ 2.13
Weighted average shares outstanding:			
Basic	157,044	159,101	155,728
Diluted	157,044	162,261	159,135

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Comprehensive (Loss) Income
(in thousands)

	Fiscal Year Ended		
	September 30, 2019	September 30, 2018	September 30, 2017
Net (loss) income	$ (183,990)	$ 197,127	$ 421,476
Other comprehensive (loss) income, net of tax:			
Net unrealized (loss) gain on derivatives, net of tax	(13,972)	1,693	4,605
Foreign currency translation adjustments	(46,628)	(82,717)	65,389
Pension adjustments, net of tax	(100,367)	79,523	87,061
Other comprehensive (loss) income, net of tax	(160,967)	(1,501)	157,055
Comprehensive (loss) income, net of tax	(344,957)	195,626	578,531
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	(76,960)	(61,827)	(82,220)
Comprehensive (loss) income attributable to AECOM, net of tax	$ (421,917)	$ 133,799	$ 496,311

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholder's Equity
BALANCE AT SEPTEMBER 30, 2016	1,539	3,604,519	(857,582)	618,445	3,366,921	185,568	3,552,489
Net income	—	—	—	339,390	339,390	82,086	421,476
Cumulative effect of accounting standard adoption	—	—	—	3,805	3,805	—	3,805
Other comprehensive income	—	—	156,921	—	156,921	134	157,055
Issuance of stock	41	66,624	—	—	66,665	—	66,665
Repurchases of stock	(7)	(25,071)	—	—	(25,078)	—	(25,078)
Proceeds from exercise of options	2	4,876	—	—	4,878	—	4,878
Stock based compensation	—	83,774	—	—	83,774	—	83,774
Acquisition of noncontrolling interests	—	(1,150)	—	—	(1,150)	—	(1,150)
Other transactions with noncontrolling interests	—	—	—	—	—	9,808	9,808
Contributions from noncontrolling interests	—	—	—	—	—	2,282	2,282
Distributions to noncontrolling interests	—	—	—	—	—	(61,318)	(61,318)
BALANCE AT SEPTEMBER 30, 2017	1,575	3,733,572	(700,661)	961,640	3,996,126	218,560	4,214,686
Net income	—	—	—	136,468	136,468	60,659	197,127
Other comprehensive loss	—	—	(2,669)	—	(2,669)	1,168	(1,501)
Issuance of stock	42	68,069	—	—	68,111	—	68,111
Repurchases of stock under stock repurchase program	(40)	—	—	(149,960)	(150,000)	—	(150,000)
Repurchases of stock	(8)	(31,093)	—	—	(31,101)	—	(31,101)
Proceeds from exercise of options	1	2,749	—	—	2,750	—	2,750
Stock based compensation	—	73,095	—	—	73,095	—	73,095
Other transactions with noncontrolling interests	—	—	—	—	—	(5,012)	(5,012)
Contributions from noncontrolling interests	—	—	—	—	—	7,729	7,729
Distributions to noncontrolling interests	—	—	—	—	—	(97,510)	(97,510)
BALANCE AT SEPTEMBER 30, 2018	1,570	3,846,392	(703,330)	948,148	4,092,780	185,594	4,278,374
Net loss	—	—	—	(261,050)	(261,050)	77,060	(183,990)
Cumulative effect of accounting standard adoption	—	—	—	(12,452)	(12,452)	—	(12,452)
Other comprehensive loss	—	—	(160,867)	—	(160,867)	(100)	(160,967)
Issuance of stock	44	66,517	—	—	66,561	—	66,561
Repurchases of stock	(39)	(23,071)	—	(75,098)	(98,208)	—	(98,208)
Stock based compensation	—	63,812	—	—	63,812	—	63,812
Other transactions with noncontrolling interests	—	—	—	—	—	16,208	16,208
Contributions from noncontrolling interests	—	—	—	—	—	5,069	5,069
Distributions to noncontrolling interests	—	—	—	—	—	(75,057)	(75,057)
BALANCE AT SEPTEMBER 30, 2019	$ 1,575	$ 3,953,650	$ (864,197)	$ 599,548	$ 3,690,576	$ 208,774	$ 3,899,350

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended		
	September 30, 2019	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (183,990)	$ 197,127	$ 421,476
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	261,185	267,570	278,631
Equity in earnings of unconsolidated joint ventures	(80,990)	(81,133)	(141,582)
Distribution of earnings from unconsolidated joint ventures	65,954	118,712	137,031
Non-cash stock compensation	63,812	73,095	83,774
Prepayment premium on redemption of unsecured senior notes	—	34,504	—
Impairment of long-lived assets, including goodwill	615,400	168,178	—
Foreign currency translation	(19,099)	(48,270)	6,007
Write-off of debt issuance costs	—	7,048	—
Deferred income tax (benefit) expense	(98,015)	36,746	(49,856)
Loss (gain) on disposal activities	10,381	2,949	(572)
Other	5,899	(472)	(15,062)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable and contract assets	(316,487)	(381,787)	(432,769)
Prepaid expenses and other assets	(16,576)	(75,980)	(21,780)
Accounts payable	251,410	474,950	292,496
Accrued expenses and other current liabilities	239,781	16,848	(53,126)
Contract liabilities	7,559	2,729	234,116
Other long-term liabilities	(48,399)	(39,887)	(68,714)
Income taxes payable	19,791	1,626	26,584
Net cash provided by operating activities	777,616	774,553	696,654
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for business acquisitions, net of cash acquired	—	—	(103,075)
Proceeds from purchase price adjustment on business acquisition	—	2,203	—
Cash acquired from consolidation of joint venture	—	7,630	—
Proceeds from disposal of businesses, net of cash disposed	46,490	19,537	2,200
Investment in unconsolidated joint ventures	(141,769)	(91,030)	(59,684)
Return of investment in unconsolidated joint ventures	22,750	105,769	35,407
Proceeds from sale of investments	12,365	7,174	900
Payments for purchase of investments	(3,223)	(23,492)	—
Proceeds from disposal of property and equipment	17,291	26,401	7,895
Payments for capital expenditures	(100,664)	(113,279)	(86,354)
Net cash used in investing activities	(146,760)	(59,087)	(202,711)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings under credit agreements	7,700,774	8,529,014	5,953,249
Repayments of borrowings under credit agreements	(7,984,624)	(8,040,262)	(7,071,602)
Issuance of unsecured senior notes	—	—	1,000,000
Redemption of unsecured senior notes	—	(800,000)	(179,208)
Prepayment premium on redemption of unsecured senior notes	—	(34,504)	—
Cash paid for debt issuance costs	—	(12,181)	(13,041)
Proceeds from issuance of common stock	30,448	35,233	30,093
Proceeds from exercise of stock options	—	2,750	4,878
Payments to repurchase common stock	(98,208)	(179,466)	(25,078)
Net distributions to noncontrolling interests	(69,988)	(89,781)	(59,036)
Other financing activities	(11,681)	(35,671)	(26,745)
Net cash used in financing activities	(433,279)	(624,868)	(386,490)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(3,956)	(6,227)	2,764
NET INCREASE IN CASH AND CASH EQUIVALENTS	193,621	84,371	110,217
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	886,733	802,362	692,145
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,080,354	$ 886,733	$ 802,362
SUPPLEMENTAL CASH FLOW INFORMATION:			
Common stock issued in acquisitions	$ —	$ —	$ 36,611
Debt assumed from acquisitions	$ —	$ —	$ 31,353
Interest paid	$ (222,263)	$ (271,842)	$ (226,090)
Net income taxes refund received (taxes paid)	$ 2,500	$ (40,589)	$ (11,540)

See accompanying Notes to Consolidated Financial Statements.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Organization—AECOM and its consolidated subsidiaries provide planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government. The Company also provides construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. In addition, the Company provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world.

Fiscal Year—The Company reports results of operations based on 52 or 53-week periods ending on the Friday nearest September 30. For clarity of presentation, all periods are presented as if the year ended on September 30. Fiscal years 2019, 2018 and 2017 each contained 52 weeks and ended on September 27, September 28, and September 29, respectively.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States (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 revenues and expenses during the reporting period. The more significant estimates affecting amounts reported in the consolidated financial statements relate to revenues under long-term contracts and self-insurance accruals. Actual results could differ from those estimates.

Principles of Consolidation and Presentation—The consolidated financial statements include the accounts of all majority-owned subsidiaries and joint ventures in which the Company is the primary beneficiary. All inter-company accounts have been eliminated in consolidation. Also see Note 6 regarding joint ventures and variable interest entities.

Government Contract Matters—The Company's federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subjects the Company to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of the Company's federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of the Company's overhead rates, operating systems and cost proposals to ensure that the Company accounted for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines the Company has not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Cash and Cash Equivalents—The Company's cash equivalents include highly liquid investments which have an initial maturity of three months or less.

Allowance for Doubtful Accounts—The Company records its accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of its clients. The factors the Company considers in its contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;

- Historical collection and delinquency trends;
- Client credit worthiness; and
- General economic conditions.

Derivative Financial Instruments—The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income in stockholders' equity and reclassified into income in the same period or periods during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument, if any, is recognized in current income. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

The net gain or loss on the effective portion of a derivative instrument that is designated as an economic hedge of the foreign currency translation exposure generated by the re-measurement of certain assets and liabilities denominated in a non-functional currency in a foreign operation is reported in the same manner as a foreign currency translation adjustment. Accordingly, any gains or losses related to these derivative instruments are recognized in current income.

Derivatives that do not qualify as hedges are adjusted to fair value through current income.

Fair Value of Financial Instruments—The Company determines the fair values of its financial instruments, including short-term investments, debt instruments and derivative instruments, and pension and post-retirement plan assets based on inputs or assumptions that market participants would use in pricing an asset or a liability. The Company categorizes its instruments using a valuation hierarchy for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturities of these instruments. The carrying amount of the revolving credit facility approximates fair value because the interest rates are based upon variable reference rates.

The Company's fair value measurement methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Company believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine fair value could result in a different fair value measurement at the reporting date.

Property and Equipment—Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Typically, estimated useful lives range from ten to forty-five years for buildings, three to ten years for furniture and fixtures and three to twelve years for computer systems and equipment. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining terms of the underlying lease agreement.

Long-Lived Assets—Long-lived assets to be held and used are reviewed for impairment whenever events or circumstances indicate that the assets may not be recoverable. The carrying amount of an asset to be held and used is not recoverable if it exceeds the sum of the undiscounted cash flows expected from the use and eventual disposition of the asset. For assets to be held and used, impairment losses are recognized based upon the excess of the asset's carrying amount over the fair value of the asset. For long-lived assets to be disposed, impairment losses are recognized at the lower of the carrying amount or fair value less cost to sell.

Goodwill and Acquired Intangible Assets—Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, the Company performs an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In its assessment, the Company determines whether identifiable intangible assets exist, which typically include backlog and customer relationships. Intangible assets are amortized over the period in which the contractual or economic benefits of the intangible assets are expected to be realized.

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. The Company's impairment tests are performed at the operating segment level as they represent the Company's reporting units.

During the impairment test, the Company estimates the fair value of the reporting unit using income and market approaches, and compares that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit. See also Note 3.

Pension Plans—The Company has certain defined benefit pension plans. The Company calculates the market-related value of assets, which is used to determine the return-on-assets component of annual pension expense and the cumulative net unrecognized gain or loss subject to amortization. This calculation reflects the Company's anticipated long-term rate of return and amortization of the difference between the actual return (including capital, dividends, and interest) and the expected return over a five-year period. Cumulative net unrecognized gains or losses that exceed 10% of the greater of the projected benefit obligation or the fair market related value of plan assets are subject to amortization.

Insurance Reserves—The Company maintains insurance for certain insurable business risks. Insurance coverage contains various retention and deductible amounts for which the Company accrues a liability based upon reported claims and an actuarially determined estimated liability for certain claims incurred but not reported. It is generally the Company's policy not to accrue for any potential legal expense to be incurred in defending the Company's position. The Company believes that its accruals for estimated liabilities associated with professional and other liabilities are sufficient and any excess liability beyond the accrual is not expected to have a material adverse effect on the Company's results of operations or financial position.

Foreign Currency Translation—The Company's functional currency is generally the U.S. dollar, except for foreign operations where the functional currency is generally the local currency. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders' equity.

The Company uses foreign currency forward contracts from time to time to mitigate foreign currency risk. The Company limits exposure to foreign currency fluctuations in most of its contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, the Company generally does not need to hedge foreign currency cash flows for contract work performed.

Noncontrolling Interests—Noncontrolling interests represent the equity investments of the minority owners in the Company's joint ventures and other subsidiary entities that the Company consolidates in its financial statements.

Income Taxes—The Company files a consolidated U.S. federal corporate income tax return and combined / consolidated state tax returns and separate company state tax returns. The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. In determining the need for a valuation allowance, management reviews both positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Based upon management's assessment of all available evidence, the Company has concluded that it is more likely than not that the deferred tax assets, net of valuation allowance, will be realized.

2. New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company adopted the new standard on October 1, 2018, using the modified retrospective method, which resulted in an adjustment to retained earnings of $7.0 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 4.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The new guidance is effective for the Company's fiscal year beginning October 1, 2019. The new guidance must be adopted using a modified retrospective transition approach and provides for some practical expedients. The Company will apply the guidance of the new standard as of the date of adoption, and will not recast prior periods. While the Company expects to expand its current disclosures as a result of adopting the new standard, it does not expect adoption to have a material impact on the consolidated results of operations. The Company expects to record approximately $0.7 billion of leased assets and $1.0 billion of lease liabilities related to its operating leases and an adjustment to retained earnings of $0.1 billion related to transition upon adoption.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the Company's fiscal year starting October 1, 2020. The Company is currently evaluating the impact that the new guidance will have on its consolidated financial statements.

In August 2016, the FASB issued new accounting guidance clarifying how entities should classify cash receipts and cash payments on the statement of cash flows. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The Company adopted the new standard on October 1, 2018 and the adoption of the standard did not have a material impact on its statement of cash flows.

In October 2016, the FASB issued additional guidance regarding accounting for intra-entity transfers of assets other than inventory. The new guidance will require companies to account for the income tax consequences of intra-entity transfers of assets other than inventory in the period the transfer occurs. The Company adopted this guidance on October 1, 2018, and the adoption resulted in a $5.5 million reduction to other non-current assets and retained earnings.

In January 2017, the FASB issued new accounting guidance that changes the definition of a business to assist companies with evaluating when a set of transferred assets and activities is a business. This guidance requires the buyer to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of assets. The Company elected to adopt this guidance on July 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued new accounting guidance to simplify the test for goodwill impairment. This guidance eliminates step two from the goodwill impairment test. Under the new guidance, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value. However, the loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. The Company early adopted the new guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In March 2017, the FASB issued new guidance on how employers that sponsor defined benefit pension or other postretirement benefit plans present the net periodic benefit cost in the income statement. Under the new guidance, employers will present the service cost component of net periodic benefit cost in the same income statement line items as other employee compensation costs. The new guidance was effective for the Company on October 1, 2018. Adoption of the new guidance did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued new accounting guidance on derivatives and hedging. This guidance better aligns an entity's risk management activities and financial reporting for hedging relationships through change to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedging results. The Company early adopted the guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

3. Business Acquisitions, Goodwill, and Intangible Assets

The Company completed one acquisition during the year ended September 30, 2018 for a total consideration of $5.6 million, which was accounted for under the acquisition method. Acquired tangible and intangible assets and liabilities were recognized on the acquisition date based upon their fair values. The determination of fair values of assets and liabilities acquired requires the Company to make estimates and use valuation techniques when market value is not readily available. Transaction costs associated with business acquisitions are expensed as they are incurred.

In the fourth quarter of fiscal 2019, the Company recorded a goodwill impairment in its self-perform at-risk construction businesses in its Construction Services segment. Total goodwill impairment was $588.0 million, which was recorded within Impairment of long-lived assets, including goodwill. Fair value was estimated using Level 3 inputs, such as forecasted cash flows, and Level 2 inputs, such as observed non-active market prices. The Company observed a reduction in the estimated fair value of the impaired reporting unit in connection with its continuing review of at-risk construction projects and reduction in its self-perform at-risk construction exposure. The Company identified incremental unfavorable trends in its cash flow expectations compared to prior periods, which resulted in a quantitative impairment assessment.

In the second quarter of fiscal 2018, management approved a plan to sell non-core oil and gas assets in North America, included in the Company's Construction Services segment (the Disposal Group). The Company classified the related assets and liabilities of the Disposal Group as held for sale in the consolidated balance sheet. In the third quarter of fiscal 2018, the Company sold a portion of the assets in the Disposal Group and recognized a $2.1 million loss on disposal. The remaining portion of the Disposal Group was sold in the third quarter of fiscal 2019 and the Company recognized a $7.4 million loss on disposal.

The Company recorded losses related to the remeasurement of the Disposal Group based on estimated fair value less costs to sell resulting in total asset impairments of $168.2 million, recorded in Impairment of assets held for sale, including goodwill in the second quarter of fiscal 2018. Fair value was estimated using Level 3 inputs, such as forecasted cash flows, and Level 2 inputs, including bid prices from potential buyers.

The changes in the carrying value of goodwill by reportable segment for the fiscal years ended September 30, 2019 and 2018 were as follows:

	Fiscal Year 2019				
	September 30, 2018	Disposal	Impairment	Foreign Exchange Impact	September 30, 2019
			(in millions)		
Design and Consulting Services	$ 3,189.2	$ (5.8)	$ —	$ (22.2)	$ 3,161.2
Construction Services	1,008.9	—	(588.0)	(3.3)	417.6
Management Services	1,723.0	(12.5)	—	(14.0)	1,696.5
Total	$ 5,921.1	$ (18.3)	$ (588.0)	$ (39.5)	$ 5,275.3

	Fiscal Year 2018				
	September 30, 2017	Measurement Period Adjustment	Impairment	Foreign Exchange Impact	September 30, 2018
			(in millions)		
Design and Consulting Services	$ 3,218.9	$ —	$ —	$ (29.7)	$ 3,189.2
Construction Services	1,049.9	91.0	(125.4)	(6.6)	1,008.9
Management Services	1,724.1	—	—	(1.1)	1,723.0
Total	$ 5,992.9	$ 91.0	$ (125.4)	$ (37.4)	$ 5,921.1

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of September 30, 2019 and 2018, included in intangible assets—net, in the accompanying consolidated balance sheets, were as follows:

	September 30, 2019			September 30, 2018			Amortization
	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Period (years)
				(in millions)			
Backlog and customer relationships	$ 1,284.2	$ (1,051.2)	$ 233.0	$ 1,285.1	$ (966.0)	$ 319.1	1 - 11
Trademark / tradename	18.3	(18.3)	—	18.3	(17.5)	0.8	0.3 - 2
Total	$ 1,302.5	$ (1,069.5)	$ 233.0	$ 1,303.4	$ (983.5)	$ 319.9	

Amortization expense of acquired intangible assets included within cost of revenue was $86.0 million, $96.7 million, and $102.7 million for the years ended September 30, 2019, 2018 and 2017, respectively. The following table presents estimated amortization expense of existing intangible assets for the succeeding years:

Fiscal Year	(in millions)
2020	$ 68.9
2021	56.1
2022	43.4
2023	39.0
2024	20.2
Thereafter	5.4
Total	$ 233.0

4. Revenue Recognition

On October 1, 2018, the Company adopted FASB Accounting Standards Codification (ASC) 606 on a modified retrospective basis, which amended the accounting standards for revenue recognition. As a result, the new guidance was applied retrospectively to contracts which were not completed as of October 1, 2018. Contracts completed prior to October 1, 2018 were accounted for using the guidance in effect at that time. The cumulative effect of applying the new guidance was recorded as a reduction to retained earnings at October 1, 2018 of $7.0 million, net of tax. Consistent with the modified retrospective transition approach, the comparative period was not adjusted to conform with current period presentation. The adjustment was primarily related to segmenting or combining contracts by performance obligations identified under the criteria of the new standard. Revenue recognized during the year ended September 30, 2019 increased $4.8 million, net of tax, due to the adoption of the new standard primarily in the Construction Services segment.

The new accounting guidance establishes principles for recognizing revenue upon the transfer of control of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company generally recognizes revenues over time as performance obligations are satisfied. The Company generally measures its progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and, in accordance with GAAP, are included in the Company’s revenue and cost of revenue. These subcontractor and other direct costs for the years ended September 30, 2019, 2018 and 2017 were $10.3 billion, $10.7 billion and $9.2 billion, respectively.

Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Additionally, the Company is required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties, and liquidated damages. Variable consideration is included in the estimate of the transaction price only to the extent that a significant reversal would not be probable. Management continuously monitors factors that may affect the quality of its estimates, and material changes in estimates are disclosed accordingly.

The following summarizes the Company’s major contract types:

Cost Reimbursable Contracts

Cost reimbursable contracts include cost-plus fixed fee, cost-plus fixed rate, and time-and-materials price contracts. Under cost-plus contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a negotiated fee or rate. The Company recognizes revenue based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Under time-and-materials price contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for materials and other direct incidental expenditures incurred in connection with its performance under the contract. The Company may apply a practical expedient to recognize revenue in the amount in which it has the right to invoice if its right to consideration is equal to the value of performance completed to date.

Guaranteed Maximum Price Contracts (GMP)

GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. As with cost-plus contracts, clients are provided a disclosure of all the project costs, and a lump sum or percentage fee is separately identified. The Company provides clients with a guaranteed price for the overall project (adjusted for change orders issued by clients) and a schedule including the expected completion date. Cost overruns or costs associated with project delays in completion could generally be the Company’s responsibility. For many of the Company’s commercial or residential GMP contracts, the final price is generally not established until the Company has subcontracted a substantial percentage of the trade contracts with terms consistent with the master contract, and it has negotiated additional contractual limitations, such as waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages. Revenue is recognized for GMP contracts as project costs are incurred relative to total estimated project costs.

Fixed-Price Contracts

Fixed price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, the Company performs all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognized for fixed-price contracts using the input method measured on a cost-to-cost basis.

The following tables present the Company's revenues disaggregated by revenue sources:

	Fiscal Year Ended		
	September 30, 2019	September 30, 2018	September 30, 2017
	(in millions)		
Cost reimbursable	$ 10,414.2	$ 9,474.8	$ 8,737.6
Guaranteed maximum price	3,956.3	4,722.0	4,186.8
Fixed price	5,802.8	5,958.7	5,279.0
Total revenue	$ 20,173.3	$ 20,155.5	$ 18,203.4

	Fiscal Year Ended		
	September 30, 2019	September 30, 2018	September 30, 2017
	(in millions)		
Americas	$ 16,191.1	$ 15,951.4	$ 14,202.5
Europe, Middle East, Africa	2,213.1	2,727.0	2,648.2
Asia Pacific	1,769.1	1,477.1	1,352.7
Total revenue	$ 20,173.3	$ 20,155.5	$ 18,203.4

Revenues in Europe, Middle East, Africa and Asia Pacific are primarily reported in the Company's Design and Consulting Services segment. As of September 30, 2019, the Company had allocated $23.6 billion of transaction price to unsatisfied or partially satisfied performance obligations, of which approximately 60% is expected to be satisfied within the next twelve months.

The Company's timing of revenue recognition may not be consistent with its rights to bill and collect cash from its clients. Those rights are generally dependent upon advance billing terms, milestone billings based on the completion of certain phases of work or when services are performed. The Company's accounts receivable represent amounts billed to clients that have yet to be collected and represent an unconditional right to cash from its clients. Contract assets represent the amount of contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the balance sheet date. Contract liabilities represent billings as of the balance sheet date, as allowed under the terms of a contract, but not yet recognized as contract revenue pursuant to the Company's revenue recognition policy.

Net accounts receivable consisted of the following:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
	(in millions)	
Billed	$ 2,931.7	$ 2,697.7
Contract retentions	641.5	661.7
Total accounts receivable—gross	3,573.2	3,359.4
Allowance for doubtful accounts	(56.1)	(51.6)
Total accounts receivable—net	$ 3,517.1	$ 3,307.8

Substantially all contract assets as of September 30, 2019 and 2018 are expected to be billed and collected within twelve months, except for claims. Significant claims recorded in contract assets and other non-current assets were approximately $340 million and $266 million as of September 30, 2019 and 2018, respectively, and included amounts related to the Department of Energy Deactivation, Demolition, and Removal Project and the Refinery Turnaround Project discussed further in Note 18. Contract retentions represent amounts invoiced to clients where payments have been withheld from progress payments until the contracted work has been completed and approved by the client. These retention agreements vary from project to project and could be outstanding for several months or years.

Allowances for doubtful accounts have been determined through specific identification of amounts considered to be uncollectible and potential write-offs, plus a non-specific allowance for other amounts for which some potential loss has been determined to be probable based on current and past experience.

Other than the U.S. government, no single client accounted for more than 10% of the Company's outstanding receivables at September 30, 2019 and 2018.

The Company sold trade receivables and contract assets to financial institutions, of which $364.5 million and $334.2 million were outstanding as of September 30, 2019 and 2018, respectively. The Company does not retain financial or legal obligations for these receivables that would result in material losses. The Company's ongoing involvement is limited to the remittance of customer payments to the financial institutions with respect to the sold trade receivables.

5. Property and Equipment

Property and equipment, at cost, consists of the following:

	Fiscal Year Ended September 30, 2019	Fiscal Year Ended September 30, 2018	Useful Lives (years)
	(in millions)		
Building and land	$ 44.7	$ 75.2	10 - 45
Leasehold improvements	394.9	399.2	1 - 20
Computer systems and equipment	788.2	741.2	3 - 12
Furniture and fixtures	138.3	132.5	3 - 10
Total	1,366.1	1,348.1	
Accumulated depreciation and amortization	(806.7)	(734.0)	
Property and equipment, net	$ 559.4	$ 614.1	

Depreciation expense for the fiscal years ended September 30, 2019, 2018 and 2017 were $164.5 million, $158.5 million, and $157.1 million, respectively. Depreciation is calculated using primarily the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements and capitalized leases, the lesser of the remaining term of the lease or its estimated useful life.

6. Joint Ventures and Variable Interest Entities

The Company's joint ventures provide architecture, engineering, program management, construction management, operations and maintenance services and invests in real estate, public-private partnership (P3) and infrastructure projects. Joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is typically controlled by a joint venture executive committee, comprised of representatives from the joint venture partners. The joint venture executive committee normally provides management oversight and controls decisions which could have a significant impact on the joint venture.

Some of the Company's joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. For consolidated joint ventures of this type, the Company records the entire amount of the services performed and the costs associated with these services, including the services provided by the other joint venture partners, in the Company's result of operations. For certain of these joint ventures where a fee is added by an unconsolidated joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

The Company also has joint ventures that have their own employees and operating expenses, and to which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria further discussed below.

The Company follows guidance on the consolidation of variable interest entities (VIEs) that requires companies to utilize a qualitative approach to determine whether it is the primary beneficiary of a VIE. The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the joint venture's economic performance, including powers granted to the joint venture's program manager, powers contained in the joint venture governing board and, to a certain extent, a company's economic interest in the joint venture. The Company analyzes its joint ventures and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary or the joint venture is not a VIE and the Company holds the majority voting interest with no significant participative rights available to the other partners; or

- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary or the joint venture is not a VIE and the Company does not hold the majority voting interest.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the joint venture's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

Contractually required support provided to the Company's joint ventures is discussed in Note 18.

Summary of financial information of the consolidated joint ventures is as follows:

	September 30, 2019	September 30, 2018
	(in millions)	
Current assets	$ 956.0	$ 1,013.7
Non-current assets	166.8	192.7
Total assets	$ 1,122.8	$ 1,206.4
Current liabilities	$ 646.9	$ 724.2
Non-current liabilities	12.3	12.7
Total liabilities	659.2	736.9
Total AECOM equity	255.6	284.2
Noncontrolling interests	208.0	185.3
Total owners' equity	463.6	469.5
Total liabilities and owners' equity	$ 1,122.8	$ 1,206.4

Total revenue of the consolidated joint ventures was $2,463.6 million, $2,525.0 million, and $1,933.5 million for the years ended September 30, 2019, 2018 and 2017, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

Summary of financial information of the unconsolidated joint ventures, as derived from their unaudited financial statements, is as follows:

	September 30, 2019	September 30, 2018
	(in millions)	
Current assets	$ 1,914.5	$ 1,903.3
Non-current assets	1,004.3	938.3
Total assets	$ 2,918.8	$ 2,841.6
Current liabilities	$ 1,443.8	$ 1,658.5
Non-current liabilities	183.4	224.3
Total liabilities	1,627.2	1,882.8
Joint ventures' equity	1,291.6	958.8
Total liabilities and joint ventures' equity	$ 2,918.8	$ 2,841.6
AECOM's investment in joint ventures	$ 405.2	$ 310.7

	Twelve Months Ended	
	September 30, 2019	September 30, 2018
	(in millions)	
Revenue	$ 4,463.3	$ 5,571.9
Cost of revenue	4,285.9	5,325.4
Gross profit	$ 177.4	$ 246.5
Net income	$ 176.8	$ 238.6

Summary of AECOM's equity in earnings of unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	September 30, 2019	September 30, 2018	September 30, 2017
	(in millions)		
Pass through joint ventures	$ 31.6	$ 34.1	$ 36.6
Other joint ventures	49.4	47.0	105.0
Total	$ 81.0	$ 81.1	$ 141.6

Included in equity of earnings above, the Company recorded a gain of $52 million from a sale of its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture that invested in a real estate development in New Jersey, in fiscal year ended September 30, 2017.

7. Pension Benefit Obligations

In the U.S., the Company sponsors various qualified defined benefit pension plans. Benefits under these plans generally are based on the employee's years of creditable service and compensation; however, all U.S. defined benefit plans are closed to new participants and have frozen accruals.

The Company also sponsors various non-qualified plans in the U.S.; all of these plans are frozen. Outside the U.S., the Company sponsors various pension plans, which are appropriate to the country in which the Company operates, some of which are government mandated.

The following tables provide reconciliations of the changes in the U.S. and international plans' benefit obligations, reconciliations of the changes in the fair value of assets for the last three years ended September 30, and reconciliations of the funded status as of September 30 of each year.

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in benefit obligation:						
Benefit obligation at beginning of year	$ 633.1	$ 1,188.8	$ 683.0	$ 1,333.5	$ 720.0	$ 1,406.2
Service cost	—	0.5	4.9	1.1	4.3	1.3
Participant contributions	0.2	0.3	0.2	0.4	0.1	0.4
Interest cost	23.8	29.7	20.7	32.0	19.2	28.3
Benefits and expenses paid	(36.0)	(41.2)	(37.8)	(53.7)	(37.9)	(48.3)
Actuarial (gain) loss	80.7	206.5	(38.5)	(87.7)	(22.7)	(98.6)
Plan settlements	(1.3)	(3.7)	—	(3.0)	—	—
Plan amendments	—	5.2	0.6	—	—	—
Plan curtailments	—	—	—	(0.1)	—	—
Foreign currency translation (gain) loss	—	(74.8)	—	(33.7)	—	44.2
Benefit obligation at end of year	$ 700.5	$ 1,311.3	$ 633.1	$ 1,188.8	$ 683.0	$ 1,333.5

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in plan assets						
Fair value of plan assets at beginning of year	$ 455.5	$ 965.9	$ 470.4	$ 993.1	$ 456.9	$ 973.2
Actual return on plan assets	26.2	180.3	11.1	29.3	39.0	9.6
Employer contributions	14.5	28.1	11.6	27.8	12.3	25.8
Participant contributions	0.2	0.3	0.2	0.4	0.1	0.4
Benefits and expenses paid	(36.0)	(41.2)	(37.8)	(53.7)	(37.9)	(48.3)
Plan settlements	(1.3)	(3.7)	—	(3.0)	—	—
Foreign currency translation gain (loss)	—	(60.9)	—	(28.0)	—	32.4
Fair value of plan assets at end of year	$ 459.1	$ 1,068.8	$ 455.5	$ 965.9	$ 470.4	$ 993.1

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Reconciliation of funded status:						
Funded status at end of year	$ (241.4)	$ (242.5)	$ (177.6)	$ (222.9)	$ (212.6)	$ (340.4)
Contribution made after measurement date	N/A	N/A	N/A	N/A	N/A	N/A
Net amount recognized at end of year	$ (241.4)	$ (242.5)	$ (177.6)	$ (222.9)	$ (212.6)	$ (340.4)

The following table sets forth the amounts recognized in the consolidated balance sheets as of September 30, 2019, 2018 and 2017:

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Amounts recognized in the consolidated balance sheets:						
Other non-current assets	$ 2.7	$ 28.3	$ 2.5	$ 19.1	$ 2.3	$ 13.9
Accrued expenses and other current liabilities	(9.1)	—	(9.5)	—	(10.1)	—
Pension benefit obligations	(235.0)	(270.8)	(170.6)	(242.0)	(204.8)	(354.3)
Net amount recognized in the balance sheet	$ (241.4)	$ (242.5)	$ (177.6)	$ (222.9)	$ (212.6)	$ (340.4)

The following table details the reconciliation of amounts in the consolidated statements of stockholders' equity for the fiscal years ended September 30, 2019, 2018 and 2017:

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Reconciliation of amounts in consolidated statements of stockholders' equity:						
Prior service (cost) credit	$ (0.7)	$ (1.2)	$ (0.8)	$ 4.1	$ (0.2)	$ 4.4
Net loss	(150.7)	(233.0)	(72.5)	(186.4)	(94.6)	(263.7)
Total recognized in accumulated other comprehensive loss	$ (151.4)	$ (234.2)	$ (73.3)	$ (182.3)	$ (94.8)	$ (259.3)

The components of net periodic benefit cost other than the service cost component are included in other income (expense) in the consolidated statement of operations. The following table details the components of net periodic benefit cost for the Company's pension plans for fiscal years ended September 30, 2019, 2018 and 2017:

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Components of net periodic benefit cost:						
Service costs	$ —	$ 0.5	$ 4.9	$ 1.1	$ 4.3	$ 1.3
Interest cost on projected benefit obligation	23.8	29.7	20.7	32.0	19.2	28.3
Expected return on plan assets	(27.5)	(38.1)	(31.5)	(43.1)	(31.0)	(41.5)
Amortization of prior service costs (credits)	0.1	(0.1)	0.1	(0.1)	—	(0.2)
Amortization of net loss	3.6	4.1	4.0	8.2	4.3	13.0
Settlement loss recognized	0.2	0.8	—	0.3	—	—
Net periodic benefit cost	$ 0.2	$ (3.1)	$ (1.8)	$ (1.6)	$ (3.2)	$ 0.9

The amount of applicable deferred income taxes included in other comprehensive income arising from a change in net prior service cost and net gain/loss was $29.7 million, $19.1 million, and $27.6 million in the years ended September 30, 2019, 2018 and 2017, respectively.

Amounts included in accumulated other comprehensive loss as of September 30, 2019 that are expected to be recognized as components of net periodic benefit cost during fiscal 2020 are (in millions):

	U.S.	Int'l
Amortization of prior service credit	$ (0.1)	$ (0.1)
Amortization of net actuarial losses	(5.0)	(8.3)
Total	$ (5.1)	$ (8.4)

The table below provides additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets.

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Projected benefit obligation	$ 679.5	$ 1,141.9	$ 610.4	$ 1,002.6	$ 658.4	$ 1,158.3
Accumulated benefit obligation	679.5	1,132.7	610.4	991.9	658.4	1,145.7
Fair value of plan assets	454.8	871.2	451.5	760.7	466.4	804.2

Funding requirements for each pension plan are determined based on the local laws of the country where such pension plan resides. In certain countries, the funding requirements are mandatory while in other countries, they are discretionary. The Company currently intends to contribute $26.6 million to the international plans in fiscal 2020. The required minimum contributions for U.S. plans are not significant. In addition, the Company may make discretionary contributions. The Company currently intends to contribute $14.7 million to U.S. plans in fiscal 2020.

The table below provides the expected future benefit payments, in millions:

Year Ending September 30,	U.S.	Int'l
2020	$ 43.1	$ 46.6
2021	42.7	42.8
2022	41.1	43.9
2023	41.3	45.6
2024	41.3	46.5
2025-2029	203.2	250.7
Total	$ 412.7	$ 476.1

The underlying assumptions for the pension plans are as follows:

	Fiscal Year Ended					
	September 30, 2019		September 30, 2018		September 30, 2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Weighted-average assumptions to determine benefit obligation:						
Discount rate	3.00 %	1.81 %	4.15 %	2.91 %	3.64 %	2.67 %
Salary increase rate	N/A	2.52 %	N/A	2.79 %	N/A	2.76 %
Weighted-average assumptions to determine net periodic benefit cost:						
Discount rate	4.15 %	2.91 %	3.60 %	2.67 %	3.41 %	2.35 %
Salary increase rate	N/A	2.79 %	N/A	2.76 %	N/A	2.61 %
Expected long-term rate of return on plan assets	7.00 %	4.43 %	7.00 %	4.73 %	7.00 %	5.10 %

Pension costs are determined using the assumptions as of the beginning of the plan year. The funded status is determined using the assumptions as of the end of the plan year.

The following table summarizes the Company's target allocation for 2019 and pension plan asset allocation, both U.S. and international, as of September 30, 2019 and 2018:

	Target Allocations		Percentage of Plan Assets as of September 30, 2019		2018	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Asset Category:						
Equities	45 %	37 %	45 %	36 %	40 %	38 %
Debt	42	36	45	31	50	36
Cash	3	6	1	3	1	7
Property and other	10	21	9	30	9	19
Total	100 %	100 %	100 %	100 %	100 %	100 %

The Company's domestic and foreign plans seek a competitive rate of return relative to an appropriate level of risk depending on the funded status and obligations of each plan and typically employ both active and passive investment management strategies. The Company's risk management practices include diversification across asset classes and investment styles and periodic rebalancing toward asset allocation targets. The target asset allocation selected for each plan reflects a risk/return profile that the Company believes is appropriate relative to each plan's liability structure and return goals.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio and the diversification of the portfolio. This resulted in the selection of a 7.00% and 4.43% weighted-average long-term rate of return on assets assumption for the fiscal year ended September 30, 2019 for U.S. and non-U.S. plans, respectively.

As of September 30, 2019, the fair values of the Company's pension plan assets by major asset categories were as follows:

	Total Carrying Value as of September 30, 2019	Fair Value Measurement as of September 30, 2019: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at NAV
			(in millions)		
Cash and cash equivalents	$ 41.0	$ 26.4	$ 14.6	$ —	$ —
Equity and debt securities	115.5	115.5	—	—	—
Investment funds					
Diversified and equity funds	192.8	179.0	13.8	—	—
Fixed income funds	95.7	22.0	73.7	—	—
Common collective funds	897.0	—	—	—	897.0
Assets held by insurance company	26.8	—	—	26.8	—
Derivative instruments	159.1	—	159.1	—	—
Total	$ 1,527.9	$ 342.9	$ 261.2	$ 26.8	$ 897.0

As of September 30, 2018, the fair values of the Company's pension plan assets by major asset categories were as follows:

	Total Carrying Value as of September 30, 2018	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at NAV
		Fair Value Measurement as of September 30, 2018			
			(in millions)		
Cash and cash equivalents	$ 71.7	$ 37.1	$ 34.6	$ —	$ —
Equity and debt securities	153.4	153.4	—	—	—
Investment funds					
Diversified and equity funds	152.0	82.4	69.6	—	—
Fixed income funds	55.3	3.6	51.7	—	—
Hedge funds	15.0	—	—	15.0	—
Common collective funds	951.0	—	—	—	951.0
Assets held by insurance company	30.0	—	—	30.0	—
Derivative instruments	(7.0)	—	(7.0)	—	—
Total	$ 1,421.4	$ 276.5	$ 148.9	$ 45.0	$ 951.0

Changes for the year ended September 30, 2019 in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2018 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2019 Ending balance
				(in millions)			
Level 3 Assets	$ 45.0	$ 0.4	$ (0.1)	$ (17.0)	$ —	$ (1.5)	$ 26.8

Changes for the year ended September 30, 2018, in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2017 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2018 Ending balance
				(in millions)			
Level 3 Assets	$ 45.3	$ 0.4	$ —	$ 0.2	$ —	$ (0.9)	$ 45.0

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

For equity investment funds not traded on an active exchange, or if the closing price is not available, the trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These funds are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Fixed income investment funds categorized as Level 2 are valued by the trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics.

Hedge funds categorized as Level 3 are valued based on valuation models that include significant unobservable inputs and cannot be corroborated using verifiable observable market data. Hedge funds are valued by independent administrators. Depending on the nature of the assets, the general partners or independent administrators use both the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. As of September 30, 2019, there were no material changes to the valuation techniques.

Common collective funds are valued based on net asset value (NAV) per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date. Accordingly, these NAV-based investments have been excluded from the fair value hierarchy. These collective investment funds have minimal redemption notice periods and are redeemable daily at the NAV, less transaction fees, without significant restrictions. There are no significant unfunded commitments related to these investments.

Multiemployer Pension Plans

The Company participates in over 200 construction-industry multiemployer pension plans. Generally, the plans provide defined benefits to substantially all employees covered by collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. The Company's aggregate contributions to these multiemployer plans were $52.3 million and $49.8 million for the years ended September 30, 2019 and 2018, respectively. At September 30, 2019 and 2018, none of the plans in which the Company participates are individually significant to its consolidated financial statements.

8. Debt

Debt consisted of the following:

	September 30, 2019	September 30, 2018
	(in millions)	
2014 Credit Agreement	$ 1,182.2	$ 1,433.8
2014 Senior Notes	800.0	800.0
2017 Senior Notes	1,000.0	1,000.0
URS Senior Notes	248.1	247.9
Other debt	208.8	191.8
Total debt	3,439.1	3,673.5
Less: Current portion of debt and short-term borrowings	(117.2)	(143.1)
Less: Unamortized debt issuance costs	(36.1)	(46.7)
Long-term debt	$ 3,285.8	$ 3,483.7

The following table presents, in millions, scheduled maturities of the Company's debt as of September 30, 2019:

Fiscal Year	
2020	$ 117.2
2021	216.1
2022	317.5
2023	450.9
2024	15.4
Thereafter	2,322.0
Total	$ 3,439.1

2014 Credit Agreement

The Company entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of subsidiaries of the Company (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the Company and the Guarantors pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit the ability of the Company and the ability of some of its subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to the Company's acquisition of URS.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving the Company's international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (1) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (2) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (3) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (4) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (5) revise covenants, including the Maximum Consolidated Leverage Ratio so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for the Company's AECOM Capital business.

On March 31, 2017, the Credit Agreement was amended to (1) expand the ability of restricted subsidiaries to borrow under "Incremental Term Loans;" (2) revise the definition of "Working Capital" as used in "Excess Cash Flow;" (3) revise the definitions for "Consolidated EBITDA" and "Consolidated Funded Indebtedness" to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (4) amend provisions relating to the Company's ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (1) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (2) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (3) increase the capacity of the Company's revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (4) reduce the Company's interest rate borrowing costs as follows: (a) the term loan B facility, at the Company's election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (US) term loan A facility, at the Company's election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at the Company's election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of the Company's fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); (5) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio steps down to 4.0.

Under the Credit Agreement, the Company is subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. The Company's Consolidated Leverage Ratio was 3.4 at September 30, 2019. The Company's Consolidated Interest Coverage Ratio was 4.9 at September 30, 2019. As of September 30, 2019, the Company was in compliance with the covenants of the Credit Agreement.

At September 30, 2019 and 2018, outstanding standby letters of credit totaled $22.8 million and $28.7 million, respectively, under the Company's revolving credit facilities. As of September 30, 2019 and 2018, the Company had $1,327.2 million and $1,321.3 million, respectively, available under its revolving credit facility.

2014 Senior Notes

On October 6, 2014, the Company completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, the Company completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, the Company redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of September 30, 2019, the estimated fair value of the 2024 Notes was approximately $866.0 million. The fair value of the 2024 Notes as of September 30, 2019 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

At any time prior to July 15, 2024, the Company may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2024 Notes as of September 30, 2019.

2017 Senior Notes

On February 21, 2017, the Company completed a private placement offering of $1,000,000,000 aggregate principal amount of its unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under its Credit Agreement. On June 30, 2017, the Company completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of September 30, 2019, the estimated fair value of the 2017 Senior Notes was approximately $1,041.3 million. The fair value of the 2017 Senior Notes as of September 30, 2019 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes is payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, the Company may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a “make whole” premium as of the redemption date, and accrued and unpaid interest to the redemption date.

In addition, at any time and from time to time prior to March 15, 2020, the Company may redeem up to 35% of the original aggregate principal amount of the 2017 Senior Notes with the proceeds of one or more qualified equity offerings, at a redemption price equal to 105.125%, plus accrued and unpaid interest. Furthermore, at any time on or after December 15, 2026, the Company may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2017 Senior Notes as of September 30, 2019.

URS Senior Notes

In connection with the URS acquisition, the Company assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, the Company redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement. The 2022 URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC as successor in interest to URS) and are fully and unconditionally guaranteed on a joint-and-several basis by some former URS domestic subsidiary guarantors.

As of September 30, 2019, the estimated fair value of the 2022 URS Senior Notes was approximately $256.0 million. The carrying value of the 2022 URS Senior Notes on the Company’s Consolidated Balance Sheets as of September 30, 2019 was $248.1 million. The fair value of the 2022 URS Senior Notes as of September 30, 2019 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2022 URS Senior Notes.

As of September 30, 2019, the Company were in compliance with the covenants relating to the 2022 URS Senior Notes.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. The Company's unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At September 30, 2019 and 2018, these outstanding standby letters of credit totaled $470.9 million and $486.4 million, respectively. As of September 30, 2019, the Company had $473.2 million available under these unsecured credit facilities.

Effective Interest Rate

The Company's average effective interest rate on its total debt, including the effects of the interest rate swap agreements, during the years ended September 30, 2019, 2018 and 2017 was 4.8%, 4.6% and 4.6%, respectively.

Interest expense in the consolidated statements of operations for the year ended September 30, 2019 included amortization of deferred debt issuance costs for the year ended September 30, 2019, 2018 and 2017 was $10.7 million, $18.1 million and $17.5 million, respectively.

9. Derivative Financial Instruments and Fair Value Measurements

The Company uses certain interest rate derivative contracts to hedge interest rate exposures on the Company's variable rate debt. The Company enters into foreign currency derivative contracts with financial institutions to reduce the risk that its cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. The Company's hedging program is not designated for trading or speculative purposes.

The Company recognizes derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. The Company records changes in the fair value (i.e., gains or losses) of the derivatives that have been designated as accounting hedges in the accompanying consolidated statements of operations as cost of revenue, interest expense or to accumulated other comprehensive loss in the accompanying consolidated balance sheets.

Cash Flow Hedges

The Company uses interest rate swap agreements designated as cash flow hedges to fix the variable interest rates on portions of the Company's debt. The Company also uses foreign currency contracts designated as cash flow hedges to hedge forecasted revenue transactions denominated in currencies other than the U.S. dollar. The Company initially reports any gain on the effective portion of a cash flow hedge as a component of accumulated other comprehensive loss. Depending on the type of cash flow hedge, the gain is subsequently reclassified to either interest expense when the interest expense on the variable rate debt is recognized, or to cost of revenue when the hedged revenues are recorded. If the hedged transaction becomes probable of not occurring, any gain or loss related to interest rate swap agreements or foreign currency contracts would be recognized in other income (expense). Further, the Company excludes the change in the time value of the foreign currency contracts from the assessment of hedge effectiveness. The Company records the premium paid or time value of a contract on the date of purchase as an asset. Thereafter, the Company recognizes any change to this time value in cost of revenue.

The notional principal in U.S. dollar (USD), Canadian dollar (CAD), and Australian dollar (AUD), fixed rates and related expiration dates of the Company's outstanding interest rate swap agreements were as follows:

September 30, 2019			
Notional Amount Currency	Notional Amount (in millions)	Fixed Rate	Expiration Date
AUD	200.0	2.19 %	February 2021
CAD	400.0	2.49 %	September 2022
USD	200.0	2.60 %	February 2023

September 30, 2018			
Notional Amount Currency	Notional Amount (in millions)	Fixed Rate	Expiration Date
AUD	200.0	2.19 %	February 2021
CAD	400.0	2.49 %	September 2022
USD	200.0	2.60 %	February 2023

The notional principal of outstanding foreign currency contracts to purchase AUD was AUD 23.2 million (or $17.4 million) at September 30, 2019. The notional principal of outstanding foreign currency contracts to purchase AUD was AUD 65.2 million (or $49.1 million) at September 30, 2018.

Other Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts which are not designated as accounting hedges to hedge intercompany transactions and other monetary assets or liabilities denominated in currencies other than the functional currency of a subsidiary. Gains and losses on these contracts were not material for the years ended September 30, 2019, 2018 and 2017.

Fair Value Measurements

The Company's non-pension financial assets and liabilities recorded at fair values relate to derivative instruments and were not material at September 30, 2019 or 2018.

See Note 17 for accumulated balances and reporting period activities of derivatives related to reclassifications out of accumulated other comprehensive income or loss for the years ended September 30, 2019, 2018 and 2017. Amounts recognized in accumulated other comprehensive loss from the Company's foreign currency options were immaterial for all years presented. Amounts reclassified from accumulated other comprehensive loss into income from the foreign currency options were immaterial for all years presented. Additionally, there were no material losses recognized in income due to amounts excluded from effectiveness testing from the Company's interest rate swap agreements.

10. Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash investments and trade receivables. The Company's cash balances and short-term investments are maintained in accounts held by major banks and financial institutions located primarily in the U.S., Canada, Europe, Australia, Middle East and Hong Kong. If the Company extends significant credit to clients in a specific geographic area or industry, the Company may experience disproportionately high levels of default if those clients are adversely affected by factors particular to their geographic area or industry. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, including, in large part, governments, government agencies and quasi-government organizations, and their dispersion across many different industries and geographies. See Note 4 regarding the Company's foreign revenues. In order to mitigate credit risk, the Company continually reviews the credit worthiness of its major private clients.

11. Leases

The Company and its subsidiaries are lessees in non-cancelable leasing agreements for office buildings and equipment. The related payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset. For leases with renewal options where the renewal is reasonably assured, the lease term, including the renewal period is used to determine the appropriate lease classification and to compute periodic rental expense. The following table presents, in millions, amounts payable under non-cancelable operating lease commitments during the following fiscal years:

Year Ending September 30,	
2020	$ 236.2
2021	198.3
2022	166.0
2023	131.1
2024	105.0
Thereafter	405.8
Total	$ 1,242.4

Rent expense for leases for the years ended September 30, 2019, 2018 and 2017 was approximately $258.1 million, $268.5 million, and $265.9 million, respectively. When the Company is required to restore leased facilities to original condition, provisions are made over the period of the lease.

12. Stockholders' Equity

Common Stock Units—Common stock units are only redeemable for common stock. In the event of liquidation of the Company, holders of stock units are entitled to no greater rights than holders of common stock. See also Note 13.

Accelerated Share Repurchase—In August 2018, the Company entered into an accelerated share repurchase (ASR) with JPMorgan Chase Bank, National Association (JPMorgan) to repurchase $150 million of its common stock. During the quarter ended September 30, 2018, JPMorgan delivered 4.0 million shares to the Company, at which point the Company's shares outstanding were reduced and accounted for as a reduction to retained earnings. The initial share delivery represented the minimum amount of shares JPMorgan was contractually obligated to provide under the ASR agreement. The ASR completed on October 11, 2018, which resulted in the delivery of an additional 0.6 million shares to the Company from JPMorgan.

13. Share-Based Payments

Defined Contribution Plans—Substantially all permanent domestic employees are eligible to participate in defined contribution plans provided by the Company. Under these plans, participants may make contributions into a variety of funds, including a fund that is fully invested in Company stock. Employees are not required to allocate any funds to Company stock; however, the Company does provide an annual Company match in AECOM shares. Employees may generally reallocate their account balances on a daily basis; however, employees classified as insiders are restricted under the Company's insider trading policy. Compensation expense relating to these employer contributions related to AECOM stock under defined contribution plans for fiscal years ended September 30, 2019, 2018 and 2017 was $32.3 million, $32.3 million, and $32.9 million, respectively.

Stock Incentive Plans—Under the 2016 Stock Incentive Plan, the Company has up to 11.6 million securities remaining available for future issuance as of September 30, 2019. Stock options may be granted to employees and non-employee directors with an exercise price not less than the fair market value of the stock on the date of grant. Unexercised options expire seven years after date of grant.

During the three years in the period ended September 30, 2019, option activity was as follows:

	Number of Options (in millions)	Weighted Average Exercise Price
Balance, September 30, 2016	0.9	30.36
Granted	—	—
Exercised	(0.2)	26.42
Cancelled	—	—
Balance, September 30, 2017	0.7	31.11
Granted	—	—
Exercised	(0.1)	27.79
Cancelled	—	—
Balance, September 30, 2018	0.6	31.62
Granted	—	—
Exercised	—	—
Cancelled	(0.5)	(31.62)
Balance, September 30, 2019	0.1	31.62
Exercisable as of September 30, 2017	0.1	27.79
Exercisable as of September 30, 2018	—	N/A
Exercisable as of September 30, 2019	0.1	31.62

The aggregate intrinsic value of stock options exercised during the years ended September 30, 2018 and 2017 was $0.9 million and $1.2 million, respectively.

The fair value of the Company's employee stock option awards is estimated on the date of grant. The expected term of awards granted represents the period of time the awards are expected to be outstanding. The risk-free interest rate is based on U.S. Treasury bond rates with maturities equal to the expected term of the option on the grant date. The Company uses historical data as a basis to estimate the probability of forfeitures. No stock options were granted during the years ended September 30, 2019 and 2018.

The Company grants stock units to employees under its Performance Earnings Program (PEP), whereby units are earned and issued dependent upon meeting established cumulative performance objectives and vest over a three-year service period. Additionally, the Company issues restricted stock units to employees which are earned based on service conditions. The grant date fair value of PEP awards and restricted stock unit awards is that day's closing market price of the Company's common stock. The weighted average grant date fair value of PEP awards was $27.53, $37.69, and $38.15 during the years ended September 30, 2019, 2018 and 2017, respectively. The weighted average grant date fair value of restricted stock unit awards was $27.73, $36.83, and $37.96 during the years ended September 30, 2019, 2018 and 2017, respectively. Total compensation expense related to these share-based payments including stock options was $63.8 million, $73.1 million, and $83.8 million during the years ended September 30, 2019, 2018 and 2017, respectively. Unrecognized compensation expense related to total share-based payments outstanding as of September 30, 2019 and 2018 was $74.6 million and $94.3 million, respectively, to be recognized on a straight-line basis over the awards' respective vesting periods which are generally three years.

14. Income Taxes

Income (loss) before income taxes included (loss) income from domestic operations of $(255.6) million, $317.9 million, and $322.2 million for fiscal years ended September 30, 2019, 2018 and 2017 and income (loss) from foreign operations of $71.5 million, $(140.4) million, and $107.0 million for fiscal years ended September 30, 2019, 2018 and 2017.

Income tax (benefit) expense was comprised of:

	Fiscal Year Ended September 30, 2019	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017
	(in millions)		
Current:			
Federal	$ 9.2	$ (122.4)	$ 10.3
State	45.4	19.0	17.9
Foreign	43.2	47.1	29.3
Total current income tax expense (benefit)	97.8	(56.3)	57.5
Deferred:			
Federal	(67.0)	14.5	(8.3)
State	(41.7)	39.0	10.4
Foreign	10.8	(16.8)	(51.9)
Total deferred income tax (benefit) expense	(97.9)	36.7	(49.8)
Total income tax (benefit) expense	$ (0.1)	$ (19.6)	$ 7.7

The major elements contributing to the difference between the U.S. federal statutory rate of 21% for fiscal year ended September 30, 2019 and 24.5% and 35% for fiscal years ended September 30, 2018 and 2017, respectively, and the effective tax rate are as follows:

	Fiscal Year Ended September 30, 2019		September 30, 2018		September 30, 2017	
	Amount	%	Amount	%	Amount	%
	(in millions)					
Tax at federal statutory rate	$ (38.7)	21.0 %	$ 43.5	24.5 %	$ 150.3	35.0 %
State income tax, net of federal benefit	9.0	(4.9)	17.8	10.0	24.3	5.7
Impairment of goodwill, nondeductible for tax	82.7	(44.9)	33.9	19.1	—	—
Foreign residual income	28.9	(15.7)	10.3	5.8	(9.2)	(2.1)
Nondeductible costs	9.2	(5.0)	3.5	1.9	5.8	1.4
Change in uncertain tax positions	6.0	(3.3)	(31.4)	(17.7)	9.5	2.2
Return to provision, primarily foreign tax credits	3.7	(2.0)	(18.5)	(10.4)	—	—
Income tax credits and incentives	(47.6)	25.8	(37.2)	(21.0)	(56.8)	(13.2)
Valuation allowance	(20.3)	11.0	58.7	33.1	(51.2)	(11.9)
Exclusion of tax on non-controlling interests	(16.3)	8.9	(14.9)	(8.4)	(28.2)	(6.6)
Foreign tax rate differential	(4.8)	2.6	(1.6)	(0.9)	(19.2)	(4.5)
Audit settlement	(4.6)	2.5	(27.7)	(15.6)	—	—
Tax exempt income	(3.9)	2.1	(7.4)	(4.2)	(17.9)	(4.2)
Impact of changes in tax law	(1.5)	0.8	(47.8)	(26.9)	—	—
Other items, net	(1.9)	1.2	(0.8)	(0.4)	0.3	—
Total income tax expense (benefit)	$ (0.1)	0.1 %	$ (19.6)	(11.1)%	$ 7.7	1.8 %

During fiscal 2018, the Company recorded a valuation allowance of $38.1 million against foreign tax credits related to deferred tax assets in the U.S. In its determination of the realizability of its deferred tax assets, the Company evaluated positive evidence consisting of forecasts of foreign tax credit utilization against future foreign source income, earnings trends over a sustainable period, positive economic conditions in the industries the Company operates in, possible prudent and feasible tax planning strategies (net of costs to implement the tax planning strategies) and actual usage of foreign tax credit carryforwards. The Company also evaluated negative evidence consisting of significant foreign tax credits and U.S. tax law changes that restrict the usage of foreign tax credits. This evaluation was conducted on a tax jurisdictional basis or legal entity basis, as applicable, and based on the weighing of all positive and negative evidence, a determination was made as to the realizability of the deferred tax assets on that same basis. During fiscal 2019, the Company revaluated the valuation allowance based on positive evidence and negative evidence including new positive evidence related to the issuance of regulations during the first quarter related to *The Tax Cuts and Jobs Act* (Tax Act) and forecasting the utilization of the foreign tax credits within the foreseeable future. Based on the weighing of all positive and negative evidence the Company determined that a valuation allowance was no longer needed and released the valuation allowance resulting in a tax benefit of $38.1 million.

During fiscal 2018, President Trump signed what is commonly referred to as *The Tax Cuts and Jobs Act* (the Tax Act) into law. The Tax Act reduced the Company's U.S. federal corporate tax rate from 35% to a blended tax rate of 24.5% for its fiscal year ending September 30, 2018 and 21% for fiscal years thereafter, required companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, created new taxes on foreign sourced earnings and eliminated or reduced deductions.

During fiscal 2018, the Company recorded a $32.0 million provisional tax benefit related to the remeasurement of its U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. In addition, the Company released the deferred tax liability and recorded a tax benefit related to foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued $64 million of tax expense related to the one-time transition tax. During fiscal 2019, the Company completed the calculation of the total foreign earnings and profits of foreign subsidiaries and recorded a tax benefit of $1.5 million.

During fiscal 2018, the Company effectively settled a U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded a benefit of $27.7 million related to various adjustments, in addition to the favorable settlement for R&D credits of $26.2 million recorded in the second quarter of 2018. The Company is currently under tax audit in several jurisdictions including the U.S and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in adjustments, but will not result in a material change in the liability for uncertain tax positions.

During fiscal 2018, the Company restructured certain operations in Canada which resulted in a release of a valuation allowance of $13.1 million. Certain operations in Canada continue to forecast losses and the valuation allowances could be reduced if the earnings trends reverse.

Generally, the Company would reverse its valuation allowance in a particular tax jurisdiction if the positive evidence examined, such as projected and sustainable earnings or a tax-planning strategy that allows for the usage of the deferred tax asset, is sufficient to overcome significant negative evidence, such as large net operating loss carryforwards or a cumulative history of losses in recent years. In the United States, the valued deferred tax assets have a restricted life or use under relevant tax law and, therefore, it is unlikely that the valuation allowance related to these assets will reverse. In addition, the Company is continually investigating tax planning strategies that, if prudent and feasible, may be implemented to realize a deferred tax asset that would otherwise expire unutilized. The identification and internal/external approval (as relevant) of such a prudent and feasible tax planning strategy could cause a reduction in the valuation allowance.

The deferred tax assets (liabilities) are as follows:

	Fiscal Year Ended	
	September 30, 2019	September 30, 2018
	(in millions)	
Deferred tax assets:		
Compensation and benefit accruals not currently deductible	$ 132.9	$ 108.3
Net operating loss carryforwards	228.2	252.4
Self-insurance reserves	12.9	13.5
Research and experimentation and other tax credits	120.5	178.1
Pension liability	105.1	88.2
Accrued liabilities	125.4	63.4
Other	28.8	27.8
Total deferred tax assets	753.8	731.7
Deferred tax liabilities:		
Unearned revenue	(106.9)	(121.1)
Depreciation and amortization	(78.5)	(135.9)
Acquired intangible assets	(49.6)	(56.0)
Investment in subsidiaries	(108.7)	(109.5)
Total deferred tax liabilities	(343.7)	(422.5)
Valuation allowance	(169.1)	(197.1)
Net deferred tax assets	$ 241.0	$ 112.1

As of September 30, 2019, the Company has available unused state and foreign net operating loss (NOL) carryforwards of $654.2 million and $945.8 million, respectively, which expire at various dates over the next several years; the federal NOL carryforwards and some foreign NOL carryforwards never expire. In addition, as of September 30, 2019, the Company has unused federal and state research and development credits of $77.6 million and $40.3 million, respectively, and California Enterprise Zone Tax Credits of $6.8 million which expire at various dates over the next several years.

As of September 30, 2019 and 2018, gross deferred tax assets were $753.8 million and $731.7 million, respectively. The Company has recorded a valuation allowance of $169.1 million and $197.1 million at September 30, 2019 and 2018, respectively, primarily related to foreign tax credits, state and foreign net operating loss carryforwards and credits and deferred tax assets related to certain pension obligations (primarily in the United Kingdom and Canada). The Company has performed an assessment of positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Although realization is not assured, based on the Company's assessment, the Company has concluded that it is more likely than not that the remaining gross deferred tax asset (exclusive of deferred tax liabilities) of $584.7 million will be realized and, as such, no additional valuation allowance has been provided. The net decrease in the valuation allowance of $28.0 million is primarily attributable to the release of a valuation allowance of $38.1 million for foreign tax credits and the utilization of $6.0 million of foreign net operating loss carryforwards in the current year, partially offset by increases in valuation allowances for unbenefitable losses.

Generally, the Company does not provide for U.S. taxes or foreign withholding taxes on gross book-tax differences in its non-U.S. subsidiaries because such basis differences of approximately $1.8 billion are able to and intended to be reinvested indefinitely. If these basis differences were distributed, foreign tax credits could become available under current law to partially or fully reduce the resulting U.S. income tax liability. There may also be additional U.S. or foreign income tax liability upon repatriation, although the calculation of such additional taxes is not practicable.

As of September 30, 2019 and 2018, the Company had a liability for unrecognized tax benefits, including potential interest and penalties, net of related tax benefit, totaling $75.4 million and $71.9 million, respectively. The gross unrecognized tax benefits as of September 30, 2019 and 2018 were $62.4 million and $60.0 million, respectively, excluding interest, penalties, and related tax benefit. Of the $62.4 million, approximately $45.2 million would be included in the effective tax rate if recognized. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Fiscal Year Ended	
	September 30, 2019	**September 30, 2018**
	(in millions)	
Balance at the beginning of the year	$ 60.0	$ 102.1
Gross increase in current period’s tax positions	3.4	4.0
Gross increase in prior years’ tax positions	0.8	2.2
Gross decrease in prior years’ tax positions	(1.0)	(14.4)
Decrease due to settlement with tax authorities	—	(31.9)
Decrease due to lapse of statute of limitations	—	(1.7)
Gross change due to foreign exchange fluctuations	(0.8)	(0.3)
Balance at the end of the year	$ 62.4	$ 60.0

The Company classifies interest and penalties related to uncertain tax positions within the income tax expense line in the accompanying consolidated statements of operations. As of September 30, 2019, the accrued interest and penalties were $20.3 million and $4.3 million, respectively, excluding any related income tax benefits. At September 30, 2018, the accrued interest and penalties were $15.5 million and $4.1 million, respectively, excluding any related income tax benefits.

The Company files income tax returns in numerous tax jurisdictions, including the U.S., and numerous U.S. states and non-U.S. jurisdictions around the world. The statute of limitations varies by jurisdiction in which the Company operates. Because of the number of jurisdictions in which the Company files tax returns, in any given year the statute of limitations in certain jurisdictions may expire without examination within the 12-month period from the balance sheet date.

While it is reasonably possible that the total amounts of unrecognized tax benefits could significantly increase or decrease within the next twelve months, an estimate of the range of possible change cannot be made.

15. Earnings Per Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding and potential common shares for the period. The Company includes as potential common shares the weighted average dilutive effects of equity awards using the treasury stock method. For the periods presented, equity awards excluded from the calculation of potential common shares were not significant. The computation of diluted loss per share for the year ended September 30, 2019 excludes 2.7 million of potential common shares due to their antidilutive effect.

The following table sets forth a reconciliation of the denominators of basic and diluted earnings per share:

	Fiscal Year Ended		
	September 30, 2019	**September 30, 2018**	**September 30, 2017**
		(in millions)	
Denominator for basic earnings per share	157.0	159.1	155.7
Potential common shares	—	3.2	3.4
Denominator for diluted earnings per share	157.0	162.3	159.1

16. Other Financial Information

Accrued expenses and other current liabilities consist of the following:

	Fiscal Year Ended September 30, 2019	Fiscal Year Ended September 30, 2018
	(in millions)	
Accrued salaries and benefits	$ 1,020.7	$ 1,035.9
Accrued contract costs	913.9	861.0
Other accrued expenses	455.8	370.1
	$ 2,390.4	$ 2,267.0

Accrued contract costs above include balances related to professional liability accruals of $573.4 million and $519.5 million as of September 30, 2019 and 2018, respectively. The remaining accrued contract costs primarily relate to costs for services provided by subcontractors and other non-employees. Liabilities recorded related to accrued contract losses were not material as of September 30, 2019 and 2018. The Company did not have material revisions to estimates for contracts where revenue is recognized using the percentage-of-completion method during the twelve months ended September 30, 2019. In the first quarter of fiscal 2019, the Company commenced a restructuring plan to improve profitability. The Company incurred restructuring expenses of $95.4 million, including personnel and other costs of $73.3 million and real estate costs of $22.1 million during the year ended September 30, 2019, of which $26.5 million was accrued and unpaid at September 30, 2019. In connection with this restructuring plan, the Company evaluated its real estate portfolio to better align with the ongoing business. The Company identified certain long-lived assets that were no longer recoverable, and recorded an impairment of $27.4 million in Impairment of long-lived assets, including goodwill during the fourth quarter of fiscal 2019. Fair value of the long-lived assets was determined primarily using Level 3 inputs, such as discounted cash flows.

During the twelve months ended September 30, 2016, the Company recorded revenue related to the expected accelerated recovery of a pension related entitlement from the federal government of approximately $50 million. The entitlement resulted from pension costs that are reimbursable through certain government contracts in accordance with Cost Accounting Standards. The accelerated recognition resulted from an amendment to freeze pension benefits under URS Federal Services, Inc. Employees Retirement Plan. During the year ended September 30, 2019, the Company entered into an agreement with the federal government to settle substantially all of the entitlement.

17. Reclassifications out of Accumulated Other Comprehensive Loss

The accumulated balances and reporting period activities for the years ended September 30, 2019, 2018 and 2017 related to reclassifications out of accumulated other comprehensive loss are summarized as follows (in millions):

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Gain on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2017	$ (281.9)	$ (418.4)	$ (0.4)	$ (700.7)
Other comprehensive income (loss) before reclassification	69.9	(83.8)	0.7	(13.2)
Amounts reclassified from accumulated other comprehensive loss	9.7	—	0.9	10.6
Balances at September 30, 2018	$ (202.3)	$ (502.2)	$ 1.2	$ (703.3)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2018	$ (202.3)	$ (502.2)	$ 1.2	$ (703.3)
Other comprehensive income (loss) before reclassification	(107.2)	(46.5)	(17.2)	(170.9)
Amounts reclassified from accumulated other comprehensive loss	6.8	—	3.2	10.0
Balances at September 30, 2019	$ (302.7)	$ (548.7)	$ (12.8)	$ (864.2)

18. Commitments and Contingencies

The Company records amounts representing its probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. The Company relies in part on qualified actuaries to assist it in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against it, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to the Company's claims administrators as of the respective balance sheet dates. The Company includes any adjustments to such insurance reserves in its consolidated results of operations. The Company's reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. The Company does not record gain contingencies until they are realized. In the ordinary course of business, the Company may not be aware that it or its affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, the Company may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of its affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in certain circumstances such as for warranties. The Company may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At September 30, 2019, the Company was contingently liable in the amount of approximately $493.7 million in issued standby letters of credit and $4.8 billion in issued surety bonds primarily to support project execution.

In the ordinary course of business, the Company enters into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

The Company's investment adviser jointly manages, sponsors and owns equity interest in the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which the Company has an ongoing capital commitment to fund investments. At September 30, 2019, the Company has capital commitments of $35 million to the Fund over the next 10 years.

In addition, in connection with the investment activities of AECOM Capital, the Company provides guarantees of certain obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

Department of Energy Deactivation, Demolition, and Removal Project

Washington Group International, an Ohio company, the former name of one of the Company's wholly-owned subsidiaries (AECOM E&C) executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues and remains uncompleted. In February 2011, AECOM E&C and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, required the DOE to pay all project costs up to $106 million, required AECOM E&C and the DOE to equally share in all project costs incurred from $106 million to $146 million, and required AECOM E&C to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, AECOM E&C has been required to perform work outside the scope of the Task Order Modification. In December 2014, AECOM E&C submitted claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope. AECOM E&C has incurred additional project costs outside the scope of the contract as a result of differing site and ground conditions and intends to submit additional formal claims against the DOE.

Due to significant delays and uncertainties about responsibilities for the scope of remaining work, final project completion costs and other associated costs have exceeded $100 million over the contracted and claimed amounts. AECOM E&C assets and liabilities, including the value of the above costs and claims, were measured at their fair value on October 17, 2014, the date the Company acquired AECOM E&C's parent company, which measurement has been reevaluated to account for developments pertaining to this matter. Deconstruction and decommissioning activities are completed and site restoration activities are completed. AECOM E&C increased its receivable during the quarter ended September 30, 2019. Such amount is included in the significant claims discussed in Note 4.

AECOM E&C can provide no certainty that it will recover the claims submitted against the DOE in December 2014, any future claims or any other project costs after December 2014 that AECOM E&C may be obligated to incur, which could have a material adverse effect on the Company's results of operations.

SR-91

One of the Company's wholly-owned subsidiaries, URS Corporation, a Nevada corporation, entered into a partial fixed cost and partial time and material design agreement in 2012 with a design build contractor for a state route highway construction project in Riverside County and Orange County, California. On April 1, 2017, URS Corporation filed an $8.2 million amended complaint in the Superior Court of California against the design build contractor for its failure to pay for services performed under the design agreement. On July 3, 2017, the design build contractor filed an amended cross-complaint against URS Corporation and the Company in Superior Court alleging breaches of contract, negligent interference and professional negligence pertaining to URS Corporation's performance of design services under the design agreement, seeking purported damages of $70 million. On May 4, 2018, the design build contractor dismissed its claims for negligent interference. On May 24, 2018, URS Corporation filed an $11.9 million second amended complaint in Superior Court against the design build contractor for its failure to pay for services performed under the design agreement. Jury trial commenced in Superior Court on July 1, 2019 and concluded on October 1, 2019. At the time of trial, URS was owed and claimed $4.9 million against the design build contractor, while the contractor counterclaimed for $103.7 million against URS Corporation and the Company. The jury issued a unanimous verdict awarding URS Corporation $4.9 million and awarding the design build contractor $2.7 million.

URS Corporation and AECOM cannot provide assurances that URS Corporation will be successful in the recovery of the amounts owed to it under the design agreement or in their defense against the amounts alleged under the cross-complaint that they believe are without merit and that they intend to continue to vigorously defend against in any further proceedings. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex factual and legal issues; there is uncertainty regarding damages, including due to liability of and payments, by third parties; and the post-trial proceedings are ongoing.

New York Department of Environmental Conservation

The following separate matters pertain to government environmental allegations against one of the Company's wholly-owned subsidiaries, AECOM USA, Inc.

- In September 2017, AECOM USA, Inc. was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.'s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL's maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc. cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stage of the government's claims and any negotiations of a consent order or other resolution.

- In December 2018, AECOM USA, Inc. was advised by DEC of allegations that, during AECOM USA, Inc.'s oversight of a remedial construction project in Poughkeepsie, New York, sheen escaped a containment boom line near the east bank of the Hudson River without proper notification to DEC and an unapproved dispersant was sprayed onto the Hudson River to control odors in violation of ECL. AECOM USA, Inc. denies these allegations but is working cooperatively with DEC to resolve the matter through a consent order.

Refinery Turnaround Project

AECOM E&C entered into an agreement to perform turnaround maintenance services during a planned shutdown at a refinery in Montana in December 2017. The turnaround project was completed in February 2019. Due to circumstances outside of AECOM E&C's control, including client directed changes and delays and the refinery's condition, AECOM E&C performed additional work outside of the original contract over $90 million. In March 2019, the refinery owner sent a letter to AECOM E&C alleging it incurred approximately $79 million in damages due to AECOM E&C's project performance. In April 2019, AECOM E&C filed and perfected a $132 million construction lien against the refinery owner for unpaid labor and materials costs. In August 2019, following a subcontractor complaint filed in the Thirteen Judicial District Court of Montana asserting claims against the refinery owner and AECOM E&C, the refinery owner crossclaimed against AECOM E&C and the subcontractor. In October 2019, following the subcontractor's dismissal of its claims, AECOM E&C removed the matter to federal court and cross claimed against the refinery owner for approximately $144 million. The Company's receivable relating to this claim is included within the significant claims discussed in Note 4, Revenue Recognition, to the financial statements included in this report.

AECOM E&C intends to vigorously prosecute and defend this matter; however, AECOM E&C cannot provide assurance that it will be successful in these efforts. The resolution of this matter and any potential range of loss cannot be reasonably determined or estimated at this time, primarily because the matter raises complex legal issues that AECOM E&C is continuing to assess.

19. Reportable Segments and Geographic Information

The Company's operations are organized into four reportable segments: Design and Consulting Services (DCS), Construction Services (CS), Management Services (MS), and AECOM Capital (ACAP). During the third quarter of fiscal 2017, operating activities of ACAP achieved a level of significance sufficient to warrant disclosure as a separate reportable segment. Prior to the third quarter of fiscal 2017, ACAP's operating results were included in the corporate segment, and comparable periods were reclassified to reflect the change. The Company's DCS reportable segment delivers planning, consulting, architectural, and engineering design services, program management and construction management for industrial, commercial, institutional and government clients worldwide. The Company's CS reportable segment provides construction, program and construction management services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. The Company's MS reportable segment provides program and facilities management, environmental management, training, logistics, consulting, systems engineering and technical assistance, and systems integration and information technology, primarily for agencies of the U.S. government. The Company's ACAP segment primarily invests in and develops real estate projects. These reportable segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how the Company manages its business. The Company has aggregated various operating segments into its reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	**Design and Consulting Services**	**Construction Services**	**Management Services**	**AECOM Capital**	**Corporate**	**Total**
			(in millions)			
Fiscal Year Ended September 30, 2019:						
Revenue	$ 8,268.2	$ 7,778.8	$ 4,118.1	$ 8.2	$ —	$ 20,173.3
Gross profit	545.9	55.4	203.9	8.2	—	813.4
Equity in earnings of joint ventures	18.0	36.5	8.8	17.7	—	81.0
General and administrative expenses	—	—	—	(4.9)	(143.2)	(148.1)
Restructuring costs	—	—	—	—	(95.4)	(95.4)
Gain (loss) on disposal activities	3.6	(7.4)	(6.6)	—	—	(10.4)
Impairment of long-lived assets, including goodwill	(15.2)	(590.5)	—	—	(9.7)	(615.4)
Operating income (loss)	552.3	(506.0)	206.1	21.0	(248.3)	25.1
Segment assets	7,136.3	3,804.0	2,648.7	197.8	674.8	14,461.6
Gross profit as a % of revenue	6.6 %	0.7 %	5.0 %			4.0 %
Fiscal Year Ended September 30, 2018:						
Revenue	$ 8,223.1	$ 8,238.9	$ 3,693.5	$ —	$ —	$ 20,155.5
Gross profit	439.2	40.4	171.0	—	—	650.6
Equity in earnings of joint ventures	15.8	21.5	28.6	15.2	—	81.1
General and administrative expenses	—	—	—	(11.2)	(124.5)	(135.7)
Loss on disposal activities	—	(2.9)	—	—	—	(2.9)
Impairment of assets held for sale, including goodwill	—	(168.2)	—	—	—	(168.2)
Operating income (loss)	455.0	(109.2)	199.6	4.0	(124.5)	424.9
Segment assets	7,013.8	4,212.0	2,701.2	140.6	613.5	14,681.1
Gross profit as a % of revenue	5.3 %	0.5 %	4.6 %			3.2 %
Fiscal Year Ended September 30, 2017:						
Revenue	$ 7,566.8	$ 7,295.6	$ 3,341.0	$ —	$ —	$ 18,203.4
Gross profit	394.8	92.9	196.0	—	—	683.7
Equity in earnings of joint ventures	16.4	22.4	45.1	57.7	—	141.6
General and administrative expenses	—	—	—	(8.7)	(124.7)	(133.4)
Gain on disposal activities	0.6	—	—	—	—	0.6
Acquisition and integration expenses	—	—	—	—	(38.7)	(38.7)
Operating income	411.8	115.3	241.1	49.0	(163.4)	653.8
Segment assets	6,992.6	4,114.5	2,704.6	199.1	386.2	14,397.0
Gross profit as a % of revenue	5.2 %	1.3 %	5.9 %			3.8 %

Geographic Information:

Long-Lived Assets	Fiscal Year Ended September 30, 2019	September 30, 2018	September 30, 2017
	(in millions)		
Americas	4,473.1	5,357.8	5,379.4
Europe, Middle East, Africa	1,797.2	1,759.5	1,781.1
Asia Pacific	412.5	369.2	382.9
Total	6,682.8	7,486.5	7,543.4

Long-lived assets consist of noncurrent assets excluding deferred tax assets.

20. Major Clients

Other than the U.S. federal government, no single client accounted for 10% or more of the Company's revenue in any of the past five fiscal years. Approximately 26%, 23%, and 22% of the Company's revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2019, 2018 and 2017, respectively. One of these contracts accounted for approximately 3%, 2%, and 3% of the Company's revenue in the years ended September 30, 2019, 2018 and 2017, respectively.

21. Quarterly Financial Information—Unaudited

In the opinion of management, the following unaudited quarterly data reflects all adjustments necessary for a fair statement of the results of operations. All such adjustments are of a normal recurring nature.

Fiscal Year 2019:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share data)			
Revenue	$ 5,037.5	$ 5,040.0	$ 4,980.2	$ 5,115.6
Cost of revenue	4,866.9	4,844.6	4,771.0	4,877.4
Gross profit	170.6	195.4	209.2	238.2
Equity in earnings of joint ventures	12.5	25.9	28.6	14.0
General and administrative expenses	(35.9)	(37.4)	(37.5)	(37.3)
Restructuring costs	(63.3)	(15.9)	—	(16.2)
Loss on disposal activities	—	—	(7.4)	(3.0)
Impairment of long-lived assets, including goodwill	—	—	—	(615.4)
Income (loss) from operations	83.9	168.0	192.9	(419.7)
Other income	3.6	4.3	4.8	4.1
Interest expense	(56.0)	(57.9)	(55.7)	(56.4)
Income (loss) before income tax (benefit) expense	31.5	114.4	142.0	(472.0)
Income tax (benefit) expense	(33.6)	20.9	36.6	(24.0)
Net income (loss)	65.1	93.5	105.4	(448.0)
Noncontrolling interest in income of consolidated subsidiaries, net of tax	(13.6)	(15.6)	(21.7)	(26.2)
Net income (loss) attributable to AECOM	$ 51.5	$ 77.9	$ 83.7	$ (474.2)
Net income (loss) attributable to AECOM per share:				
Basic	$ 0.33	$ 0.50	$ 0.53	$ (3.01)
Diluted	$ 0.32	$ 0.49	$ 0.52	$ (3.01)
Weighted average common shares outstanding:				
Basic	156.4	156.6	157.4	157.7
Diluted	159.6	158.4	159.8	157.7

Fiscal Year 2018:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share data)			
Revenue	$ 4,910.8	$ 4,790.9	$ 5,148.0	$ 5,305.8
Cost of revenue	4,774.6	4,649.7	4,962.8	5,117.8
Gross profit	136.2	141.2	185.2	188.0
Equity in earnings of joint ventures	29.7	13.1	12.8	25.5
General and administrative expenses	(34.7)	(30.2)	(35.1)	(35.7)
Loss on disposal activities	—	—	(2.1)	(0.8)
Impairment of assets held for sale, including goodwill	—	(168.2)	—	—
Income (loss) from operations	131.2	(44.1)	160.8	177.0
Other income	2.3	12.5	2.7	2.6
Interest expense	(56.2)	(100.5)	(55.3)	(55.5)
Income (loss) before income tax (benefit) expense	77.3	(132.1)	108.2	124.1
Income tax (benefit) expense	(47.1)	(24.4)	33.1	18.7
Net income (loss)	124.4	(107.7)	75.1	105.4
Noncontrolling interest in income of consolidated subsidiaries, net of tax	(13.1)	(12.0)	(14.2)	(21.4)
Net income (loss) attributable to AECOM	$ 111.3	(119.7)	$ 60.9	$ 84.0
Net income (loss) attributable to AECOM per share:				
Basic	$ 0.70	$ (0.75)	$ 0.38	$ 0.53
Diluted	$ 0.69	$ (0.75)	$ 0.37	$ 0.52
Weighted average common shares outstanding:				
Basic	157.9	159.5	160.4	158.6
Diluted	161.8	159.5	163.2	161.8

22. Condensed Consolidating Financial Information

In connection with the registration of the Company’s 2014 Senior Notes that were declared effective by the SEC on September 29, 2015, AECOM became subject to the requirements of Rule 3-10 of Regulation S-X regarding financial statements of guarantors and issuers of guaranteed securities. Both the 2014 Senior Notes and the 2017 Senior Notes are fully and unconditionally guaranteed on a joint and several basis by certain of AECOM’s directly and indirectly 100% owned subsidiaries (the Subsidiary Guarantors). Other than customary restrictions imposed by applicable statutes, there are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to AECOM in the form of cash dividends, loans or advances.

The following condensed consolidating financial information, which is presented for AECOM, the Subsidiary Guarantors on a combined basis and AECOM’s non-guarantor subsidiaries on a combined basis, is provided to satisfy the disclosure requirements of Rule 3-10 of Regulation S-X.

Condensed Consolidating Balance Sheets
(in millions)
September 30, 2019

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Total cash and cash equivalents	$ 129.3	$ 315.6	$ 635.5	$ —	$ 1,080.4
Accounts receivable and contract assets—net	—	2,651.8	3,125.9	—	5,777.7
Intercompany receivable	1,164.7	163.9	176.0	(1,504.6)	—
Prepaid expenses and other current assets	52.5	270.1	304.8	—	627.4
Income taxes receivable	13.7	—	35.4	—	49.1
TOTAL CURRENT ASSETS	1,360.2	3,401.4	4,277.6	(1,504.6)	7,534.6
PROPERTY AND EQUIPMENT—NET	193.0	179.1	187.3	—	559.4
DEFERRED TAX ASSETS—NET	152.8	45.6	142.1	(95.2)	245.3
INVESTMENTS IN CONSOLIDATED SUBSIDIARIES	5,740.8	1,611.2	—	(7,352.0)	—
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	9.9	41.6	353.7	—	405.2
GOODWILL	—	3,193.4	2,081.9	—	5,275.3
INTANGIBLE ASSETS—NET	—	172.3	60.7	—	233.0
OTHER NON-CURRENT ASSETS	33.1	43.5	132.2	—	208.8
TOTAL ASSETS	$ 7,489.8	$ 8,688.1	$ 7,235.5	$ (8,951.8)	$ 14,461.6
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term debt	$ 21.8	$ —	$ 26.0	$ —	$ 47.8
Accounts payable	50.2	1,946.1	958.4	—	2,954.7
Accrued expenses and other current liabilities	108.0	1,012.1	1,270.3	—	2,390.4
Income taxes payable	23.6	—	36.0	—	59.6
Intercompany payable	116.1	873.9	649.5	(1,639.5)	—
Contract liabilities	—	318.8	621.1	—	939.9
Current portion of long-term debt	12.6	14.8	42.0	—	69.4
TOTAL CURRENT LIABILITIES	332.3	4,165.7	3,603.3	(1,639.5)	6,461.8
OTHER LONG-TERM LIABILITIES	130.7	288.2	391.4	—	810.3
DEFERRED TAX LIABILITY—NET	—	—	99.5	(95.2)	4.3
NOTE PAYABLE INTERCOMPANY—NON CURRENT	872.6	—	467.5	(1,340.1)	—
LONG-TERM DEBT	2,468.9	290.1	526.8	—	3,285.8
TOTAL LIABILITIES	3,804.5	4,744.0	5,088.5	(3,074.8)	10,562.2
TOTAL AECOM STOCKHOLDERS' EQUITY	3,685.3	3,944.1	1,938.2	(5,877.0)	3,690.6
Noncontrolling interests	—	—	208.8	—	208.8
TOTAL STOCKHOLDERS' EQUITY	3,685.3	3,944.1	2,147.0	(5,877.0)	3,899.4
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,489.8	$ 8,688.1	$ 7,235.5	$ (8,951.8)	$ 14,461.6

Condensed Consolidating Balance Sheets
(in millions)
September 30, 2018

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Total cash and cash equivalents	$ 22.0	$ 270.9	$ 593.8	$ —	$ 886.7
Accounts receivable and contract assets—net	—	2,544.7	2,924.1	—	5,468.8
Intercompany receivable	951.1	84.9	157.9	(1,193.9)	—
Prepaid expenses and other current assets	52.9	331.6	200.7	—	585.2
Current assets held for sale	—	—	59.8	—	59.8
Income taxes receivable	84.6	—	42.2	—	126.8
TOTAL CURRENT ASSETS	1,110.6	3,232.1	3,978.5	(1,193.9)	7,127.3
PROPERTY AND EQUIPMENT—NET	202.6	217.3	194.2	—	614.1
DEFERRED TAX ASSETS—NET	134.0	—	150.0	(124.6)	159.4
INVESTMENTS IN CONSOLIDATED SUBSIDIARIES	6,364.1	1,912.0	—	(8,276.1)	—
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	13.4	49.6	247.7	—	310.7
GOODWILL	—	3,392.7	2,528.4	—	5,921.1
INTANGIBLE ASSETS—NET	—	218.6	101.3	—	319.9
OTHER NON-CURRENT ASSETS	49.9	45.6	133.1	—	228.6
TOTAL ASSETS	$ 7,874.6	$ 9,067.9	$ 7,333.2	$ (9,594.6)	$ 14,681.1
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term debt	$ 8.4	$ —	$ —	$ —	$ 8.4
Accounts payable	53.6	1,616.7	1,055.7	—	2,726.0
Accrued expenses and other current liabilities	58.8	1,035.6	1,172.7	—	2,267.1
Income taxes payable	10.4	—	29.4	—	39.8
Intercompany payable	105.5	830.8	416.9	(1,353.2)	—
Contract liabilities	1.5	316.1	613.8	—	931.4
Current liabilities held for sale	—	—	22.3	—	22.3
Current portion of long-term debt	43.3	27.0	64.4	—	134.7
TOTAL CURRENT LIABILITIES	281.5	3,826.2	3,375.2	(1,353.2)	6,129.7
OTHER LONG-TERM LIABILITIES	131.6	249.0	361.5	—	742.1
DEFERRED TAX LIABILITY—NET	—	63.1	108.9	(124.7)	47.3
NOTE PAYABLE INTERCOMPANY—NON CURRENT	800.9	—	487.5	(1,288.4)	—
LONG-TERM DEBT	2,627.8	291.4	564.5	—	3,483.7
TOTAL LIABILITIES	3,841.8	4,429.7	4,897.6	(2,766.3)	10,402.8
TOTAL AECOM STOCKHOLDERS' EQUITY	4,032.8	4,638.2	2,250.1	(6,828.3)	4,092.8
Noncontrolling interests	—	—	185.5	—	185.5
TOTAL STOCKHOLDERS' EQUITY	4,032.8	4,638.2	2,435.6	(6,828.3)	4,278.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,874.6	$ 9,067.9	$ 7,333.2	$ (9,594.6)	$ 14,681.1

Condensed Consolidating Statements of Operations
(in millions)

	For the Fiscal Year Ended September 30, 2019				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	$ —	$ 10,978.7	$ 9,282.4	$ (87.8)	$ 20,173.3
Cost of revenue	—	10,594.7	8,853.0	(87.8)	19,359.9
Gross profit	—	384.0	429.4	—	813.4
Equity in earnings from subsidiaries	82.0	(54.4)	—	(27.6)	—
Equity in earnings of joint ventures	—	3.6	77.4	—	81.0
General and administrative expenses	(143.3)	—	(4.8)	—	(148.1)
Restructuring costs	(95.4)	—	—	—	(95.4)
Loss on disposal activities	(6.6)	—	(3.8)	—	(10.4)
Impairment of long-lived assets, including goodwill	(9.6)	(200.2)	(405.6)	—	(615.4)
(Loss) income from operations	(172.9)	133.0	92.6	(27.6)	25.1
Other income	5.0	48.4	20.4	(57.0)	16.8
Interest expense	(202.8)	(22.0)	(58.2)	57.0	(226.0)
(Loss) income before income tax (benefit) expense	(370.7)	159.4	54.8	(27.6)	(184.1)
Income tax (benefit) expense	(109.6)	92.1	17.4	—	(0.1)
Net (loss) income	(261.1)	67.3	37.4	(27.6)	(184.0)
Noncontrolling interests in income of consolidated subsidiaries, net of tax	—	—	(77.1)	—	(77.1)
Net (loss) income attributable to AECOM	$ (261.1)	$ 67.3	$ (39.7)	$ (27.6)	$ (261.1)

	For the Fiscal Year Ended September 30, 2018				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	$ —	$ 11,052.9	$ 9,212.9	$ (110.3)	$ 20,155.5
Cost of revenue	—	10,757.2	8,858.0	(110.3)	19,504.9
Gross profit	—	295.7	354.9	—	650.6
Equity in earnings from subsidiaries	460.9	207.2	—	(668.1)	—
Equity in earnings of joint ventures	—	37.2	43.9	—	81.1
General and administrative expenses	(124.4)	—	(11.3)	—	(135.7)
Impairment on assets held for sale, including goodwill	—	—	(168.2)	—	(168.2)
Loss on disposal activities	—	—	(2.9)	—	(2.9)
Income from operations	336.5	540.1	216.4	(668.1)	424.9
Other income	12.0	34.5	12.7	(39.1)	20.1
Interest expense	(242.9)	(25.1)	(38.6)	39.1	(267.5)
Income before income tax (benefit) expense	105.6	549.5	190.5	(668.1)	177.5
Income tax (benefit) expense	(31.1)	98.8	(87.4)	—	(19.7)
Net income	136.7	450.7	277.9	(668.1)	197.2
Noncontrolling interests in income of consolidated subsidiaries, net of tax	—	—	(60.7)	—	(60.7)
Net income attributable to AECOM	$ 136.7	$ 450.7	$ 217.2	$ (668.1)	$ 136.5

Condensed Consolidating Statements of Operations
(in millions)

	For the Fiscal Year Ended September 30, 2017				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	$ —	$ 10,491.6	$ 7,764.1	$ (52.3)	$ 18,203.4
Cost of revenue	—	10,136.1	7,435.9	(52.3)	17,519.7
Gross profit	—	355.5	328.2	—	683.7
Equity in earnings from subsidiaries	439.3	222.4	—	(661.7)	—
Equity in earnings of joint ventures	—	43.8	97.8	—	141.6
General and administrative expenses	(124.7)	—	(8.7)	—	(133.4)
Acquisition and integration expenses	(38.7)	—	—	—	(38.7)
Gain on disposal activities	—	—	0.6	—	0.6
Income from operations	275.9	621.7	417.9	(661.7)	653.8
Other income	2.1	31.9	9.2	(36.5)	6.7
Interest expense	(203.7)	(31.1)	(33.0)	36.5	(231.3)
Income before income tax (benefit) expense	74.3	622.5	394.1	(661.7)	429.2
Income tax (benefit) expense	(264.9)	182.5	58.4	31.7	7.7
Net income	339.2	440.0	335.7	(693.4)	421.5
Noncontrolling interests in income of consolidated subsidiaries, net of tax	—	—	(82.1)	—	(82.1)
Net income attributable to AECOM	$ 339.2	$ 440.0	$ 253.6	$ (693.4)	$ 339.4

Consolidating Statements of Comprehensive Income (Loss)
(in millions)

	For the Fiscal Year Ended September 30, 2019				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net (loss) income	$ (261.1)	$ 67.3	$ 37.4	$ (27.6)	$ (184.0)
Other comprehensive loss, net of tax:					
Net unrealized loss on derivatives, net of tax	(7.4)	—	(6.6)	—	(14.0)
Foreign currency translation adjustments	—	—	(46.6)	—	(46.6)
Pension adjustments, net of tax	(15.8)	(41.2)	(43.4)	—	(100.4)
Other comprehensive loss, net of tax	(23.2)	(41.2)	(96.6)	—	(161.0)
Comprehensive (loss) income, net of tax	(284.3)	26.1	(59.2)	(27.6)	(345.0)
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	—	—	(76.9)	—	(76.9)
Comprehensive (loss) income attributable to AECOM, net of tax	$ (284.3)	$ 26.1	$ (136.1)	$ (27.6)	$ (421.9)

	For the Fiscal Year Ended September 30, 2018				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income	$ 136.7	$ 450.7	$ 277.9	$ (668.1)	$ 197.2
Other comprehensive income (loss), net of tax:					
Net unrealized gain (loss) on derivatives, net of tax	2.3	—	(0.6)	—	1.7
Foreign currency translation adjustments	—	—	(82.7)	—	(82.7)
Pension adjustments, net of tax	5.0	10.8	63.7	—	79.5
Other comprehensive income (loss), net of tax	7.3	10.8	(19.6)	—	(1.5)
Comprehensive income, net of tax	144.0	461.5	258.3	(668.1)	195.7
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	—	—	(61.9)	—	(61.9)
Comprehensive income attributable to AECOM, net of tax	$ 144.0	$ 461.5	$ 196.4	$ (668.1)	$ 133.8

	For the Fiscal Year Ended September 30, 2017				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income	$ 339.2	$ 440.0	$ 335.7	$ (693.4)	$ 421.5
Other comprehensive income (loss), net of tax:					
Net unrealized gain (loss) on derivatives, net of tax	4.9	—	(0.3)	—	4.6
Foreign currency translation adjustments	—	—	65.4	—	65.4
Pension adjustments, net of tax	7.1	13.8	66.1	—	87.0
Other comprehensive income, net of tax	12.0	13.8	131.2	—	157.0
Comprehensive income, net of tax	351.2	453.8	466.9	(693.4)	578.5
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	—	—	(82.2)	—	(82.2)
Comprehensive income attributable to AECOM, net of tax	$ 351.2	$ 453.8	$ 384.7	$ (693.4)	$ 496.3

Condensed Consolidating Statements of Cash Flows
(in millions)

	For the Fiscal Year Ended September 30, 2019				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	$ (16.7)	$ 572.7	$ 221.6	$ —	$ 777.6
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from disposal of business, net of cash disposed	11.7	(3.0)	37.8	—	46.5
Net investment in unconsolidated joint ventures	(4.2)	(25.8)	(89.0)	—	(119.0)
Net proceeds from sale of investment securities	—	—	9.1	—	9.1
Payments for capital expenditures, net of disposals	(32.9)	(24.3)	(26.2)	—	(83.4)
Net receipts from (investment in) intercompany notes	54.9	(52.4)	(29.7)	27.2	—
Other intercompany investing activities	291.9	211.0	—	(502.9)	—
Net cash provided by (used in) investing activities	321.4	105.5	(98.0)	(475.7)	(146.8)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	7,524.0	—	176.8	—	7,700.8
Repayments of borrowings under credit agreements	(7,734.1)	(28.6)	(221.9)	—	(7,984.6)
Proceeds from issuance of common stock	30.4	—	—	—	30.4
Payments to repurchase common stock	(98.2)	—	—	—	(98.2)
Net distributions to noncontrolling interests	—	—	(70.0)	—	(70.0)
Other financing activities	4.8	(0.8)	(15.7)	—	(11.7)
Net borrowings (repayments) on intercompany notes	75.7	26.4	(74.9)	(27.2)	—
Other intercompany financing activities	—	(630.5)	127.6	502.9	—
Net cash used in financing activities	(197.4)	(633.5)	(78.1)	475.7	(433.3)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	(3.8)	—	(3.8)
NET INCREASE IN CASH AND CASH EQUIVALENTS	107.3	44.7	41.7	—	193.7
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22.0	270.9	593.8	—	886.7
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 129.3	$ 315.6	$ 635.5	$ —	$ 1,080.4

	For the Fiscal Year Ended September 30, 2018				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	$ (205.5)	$ 640.9	$ 339.1	$ —	$ 774.5
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from purchase price adjustment to business acquisition	—	—	2.2	—	2.2
Cash acquired from consolidation of joint venture	—	—	7.6	—	7.6
Proceeds from disposal of business, net of cash disposed	—	—	19.5	—	19.5
Net investment in unconsolidated joint ventures	(6.1)	(9.1)	30.0	—	14.8
Net purchases of investments	—	—	(16.3)	—	(16.3)
Payments for capital expenditures, net of disposals	(29.3)	(39.1)	(18.5)	—	(86.9)
Net investment in intercompany notes	(54.3)	(778.8)	(5.6)	838.7	—
Other intercompany investing activities	528.2	1,022.1	—	(1,550.3)	—
Net cash provided by investing activities	438.5	195.1	18.9	(711.6)	(59.1)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	7,770.4	0.2	758.4	—	8,529.0
Repayments of borrowings under credit agreements	(7,820.0)	(18.0)	(202.2)	—	(8,040.2)
Redemption of unsecured senior notes	(800.0)	—	—	—	(800.0)
Prepayment penalty on unsecured senior notes	(34.5)	—	—	—	(34.5)
Cash paid for debt issuance costs	(12.2)	—	—	—	(12.2)
Proceeds from issuance of common stock	35.2	—	—	—	35.2
Proceeds from exercise of stock options	2.8	—	—	—	2.8
Payments to repurchase common stock	(179.5)	—	—	—	(179.5)
Net distributions to noncontrolling interests	—	—	(89.8)	—	(89.8)
Other financing activities	(3.6)	(22.4)	(9.7)	—	(35.7)
Net borrowings on intercompany notes	797.8	5.9	35.0	(838.7)	—
Other intercompany financing activities	—	(785.7)	(764.6)	1,550.3	—
Net cash used in financing activities	(243.6)	(820.0)	(272.9)	711.6	(624.9)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	(6.2)	—	(6.2)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10.6)	16.0	78.9	—	84.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32.6	254.9	514.9	—	802.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 22.0	$ 270.9	$ 593.8	$ —	$ 886.7

Condensed Consolidating Statements of Cash Flows
(in millions)

	For the Fiscal Year Ended September 30, 2017				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	$ (5.9)	$ 695.0	$ 7.6	$ —	$ 696.7
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for business acquisitions, net of cash acquired	—	—	(103.1)	—	(103.1)
Proceeds from disposal of business, net of cash disposed	—	—	2.2	—	2.2
Net investment in unconsolidated joint ventures	—	(2.7)	(21.6)	—	(24.3)
Net purchases of investments	—	—	0.9	—	0.9
Payments for capital expenditures, net of disposals	(21.7)	(30.6)	(26.1)	—	(78.4)
Net (investment in) receipts from intercompany notes	(4.6)	102.8	12.2	(110.4)	—
Other intercompany investing activities	139.0	(233.2)	—	94.2	—
Net cash provided by (used in) investing activities	112.7	(163.7)	(135.5)	(16.2)	(202.7)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	5,903.5	13.1	36.6	—	5,953.2
Repayments of borrowings under credit agreements	(6,956.3)	(51.1)	(64.2)	—	(7,071.6)
Issuance of unsecured senior notes	1,000.0	—	—	—	1,000.0
Redemption of unsecured senior notes	—	(179.2)	—	—	(179.2)
Cash paid for debt and equity issuance costs	(13.0)	—	—	—	(13.0)
Proceeds from issuance of common stock	30.1	—	—	—	30.1
Proceeds from exercise of stock options	4.9	—	—	—	4.9
Payments to repurchase common stock	(25.1)	—	—	—	(25.1)
Net distributions to noncontrolling interests	—	—	(59.0)	—	(59.0)
Other financing activities	(24.1)	(38.3)	35.6	—	(26.8)
Net borrowings (repayments) on intercompany notes	4.0	(16.3)	(98.1)	110.4	—
Other intercompany financing activities	—	(200.9)	295.1	(94.2)	—
Net cash provided by (used in) financing activities	(76.0)	(472.7)	146.0	16.2	(386.5)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	2.8	—	2.8
NET INCREASE IN CASH AND CASH EQUIVALENTS	30.8	58.6	20.9	—	110.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1.8	196.3	494.0	—	692.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 32.6	$ 254.9	$ 514.9	$ —	$ 802.4

23. Subsequent Events

On October 12, 2019, the Company entered into a purchase and sale agreement (the Purchase Agreement) with Maverick Purchaser Sub, LLC, an affiliate of American Securities LLC and Lindsay Goldberg LLC. Upon the terms and subject to the conditions set forth in the Purchase Agreement, the Company has agreed to transfer the assets and liabilities constituting its Management Services business to the Purchaser for a purchase price of $2.405 billion, subject to customary cash, debt and working capital adjustments. The Purchase Agreement was unanimously approved by the Board of Directors of the Company.

The purchase price includes contingent consideration of approximately $150 million attributable to certain claims related to prior work and engagements.

The consummation of the transaction is subject to regulatory approvals and other customary closing conditions, and is expected to occur in the first half of fiscal 2020.

AECOM Technology Corporation

Schedule II: Valuation and Qualifying Accounts

(amounts in millions)

	Balance at Beginning of Year	Additions Charged to Cost of Revenue	Deductions[(a)]	Other and Foreign Exchange Impact	Balance at the End of the Year
Allowance for Doubtful Accounts					
Fiscal Year 2019	$ 51.6	$ 26.6	$ (21.5)	$ (0.6)	$ 56.1
Fiscal Year 2018	$ 52.2	$ 18.3	$ (17.5)	$ (1.4)	$ 51.6
Fiscal Year 2017	$ 60.4	$ 13.1	$ (20.7)	$ (0.6)	$ 52.2

(a) Primarily relates to accounts written-off and recoveries

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on management's evaluation, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), our CEO and CFO have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), were effective as of September 30, 2019 to ensure that information required to be disclosed by us in this Annual Report on Form 10-K or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our CEO and CFO, assessed the effectiveness of our internal control over financial reporting as of September 30, 2019, the end of our fiscal year. Our management based its assessment on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our management's assessment included evaluation and testing of the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on our management's assessment, our management has concluded that our internal control over financial reporting was effective as of September 30, 2019. Our management communicated the results of its assessment to the Audit Committee of our Board of Directors.

Our independent registered public accounting firm, Ernst & Young LLP, audited our financial statements for the fiscal year ended September 30, 2019 included in this Annual Report on Form 10-K, and has issued an audit report with respect to the effectiveness of the Company's internal control over financial reporting, a copy of which is included earlier in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2019 identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

The Company expects to incur restructuring costs of $130 million to $160 million in fiscal year 2020 primarily related to costs associated with the sale of the Management Services business and expected exit of at-risk, self-perform construction. Total cash costs for the restructuring are expected to be between $160 and $180 million, including capital expenditures associated with real estate restructuring of approximately $40 million.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated by reference from our definitive proxy statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2019 year end.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from our definitive proxy statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2019 year end.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

Other than with respect to the information relating to our equity compensation plans, which is incorporated herein by reference to Part II, Item 5, “Equity Compensation Plans” of this Form 10-K, the information required by this item is incorporated by reference from our definitive proxy statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2019 year end.

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

Incorporated by reference from our definitive proxy statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2019 year end.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference from our definitive proxy statement for the 2020 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2019 year end.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The company's Consolidated Financial Statements at September 30, 2019 and 2018 and for each of the three years in the period ended September 30, 2019 and the notes thereto, together with the report of the independent auditors on those Consolidated Financial Statements are hereby filed as part of this report.

(2) Financial Statement Schedule II—Valuation and Qualifying Accounts for the Years Ended September 30, 2019, 2018 and 2017.

(3) See Exhibits and Index to Exhibits, below.

(b) Exhibits.

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
2.1	Purchase and Sale Agreement, dated as of October 12, 2019, by and between AECOM and Maverick Purchaser Sub, LLC	8-K	2.1	10/17/2019	
3.1	Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	10-K	3.1	11/21/2011	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	S-4	3.2	8/1/2014	
3.3	Certificate of Correction of Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	10-K	3.3	11/17/2014	
3.4	Certificate of Amendment to the Company's Certificate of Incorporation.	8-K	3.1	1/9/2015	
3.5	Certificate of Amendment to the Company's Certificate of Incorporation.	8-K	3.1	3/3/2017	
3.6	Amended and Restated Bylaws.	8-K	3.2	11/15/2018	
3.7	Certificate of Designations for Class C Preferred Stock.	Form 10	3.2	1/29/2007	
3.8	Certificate of Designations for Class E Preferred Stock.	Form 10	3.3	1/29/2007	
3.9	Certificate of Designations for Class F Convertible Preferred Stock.	Form 10	3.4	1/29/2007	
3.10	Certificate of Designations for Class G Convertible Preferred Stock.	Form 10	3.5	1/29/2007	
4.1	Form of Common Stock Certificate.	Form 10	4.1	1/29/2007	
4.2	Indenture, dated as of October 6, 2014, by and among AECOM Technology Corporation, the Guarantors party thereto, and U.S. Bank National Association, as trustee.	8-K	4.1	10/8/2014	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.3	First Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Technology Corporation, the guarantors party thereto and U.S. Bank National Association.	10-K	4.10	11/17/2014	
4.4	Second Supplemental Indenture, dated as of June 3, 2015, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	S-4	4.3	7/6/2015	
4.5	Third Supplemental Indenture, dated as of June 19, 2015, by and among AECOM, the guarantor party thereto and U.S. Bank National Association.	S-4	4.4	7/6/2015	
4.6	Fourth Supplemental Indenture, dated as of March 13, 2018, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	8-K	10.2	3/14/2018	
4.7†	Indenture, dated March 15, 2012, between URS Corporation, URS Fox U.S. LP and U.S. Bank National Association.	8-K	4.01	3/20/2012	
4.8†	First Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.02	3/20/2012	
4.9†	Second Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.03	3/20/2012	
4.10†	Third Supplemental Indenture, dated as of May 14, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.6	5/18/2012	
4.11†	Fourth Supplemental Indenture, dated as of September 24, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.2	9/26/2012	
4.12	Fifth Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Global II, LLC, URS Fox U.S. LP and U.S. Bank National Association.	10-K	4.8	11/17/2014	
4.13	Indenture, dated as of February 21, 2017, by and among AECOM, the Guarantors party thereto and U.S. Bank, National Association, as trustee.	8-K	4.1	2/21/2017	
4.14	First Supplemental Indenture, dated as of March 13, 2018, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	8-K	10.3	3/14/2018	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.15	Credit Agreement, dated as of October 17, 2014, among AECOM Technology Corporation and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, MUFG Union Bank, N.A., BNP Paribas, JPMorgan Chase Bank, N.A., and the Bank of Nova Scotia, as Co-Syndication Agents, and BBVA Compass, Credit Agricole Corporate and Investment Bank, HSBC Bank USA, National Association, Sumitomo Mitsui Banking Corporation and Wells Fargo Bank, National Association, as Co-Documentation Agents.	8-K	10.1	10/17/2014	
4.16	Amendment No. 1 to the Credit Agreement, dated as of July 1, 2015, by and among AECOM and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.	8-K	10.1	7/7/2015	
4.17	Amendment No. 2 to Credit Agreement, dated as of December 22, 2015, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	12/22/2015	
4.18	Amendment No. 3 to Credit Agreement and Amendment No. 1 to the Security Agreement, dated as of September 29, 2016, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	9/30/2016	
4.19	Amendment No. 4 to Credit Agreement dated as of March 31, 2017, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	4/6/2017	
4.20	Amendment No. 5 to Credit Agreement dated as of March 13, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	3/14/2018	
4.21	Amendment No. 6 to Credit Agreement, dated as of November 12, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L.C. Issuer	10-K	4.21	11/13/2018	
4.22	Description of Registrant's Securities				X
10.1#	AECOM Technology Corporation Change in Control Severance Policy for Key Executives	10-Q	10.1	2/7/2018	
10.2#	Employment Agreement between AECOM Technology Corporation and Randall A. Wotring, dated as of January 1, 2015.	10-Q	10.2	2/11/2015	
10.3#	Amended and Restated 2006 Stock Incentive Plan.	Schedule 14A	Annex B	1/21/2011	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
10.4#	Form of Stock Option Standard Terms and Conditions under 2006 Stock Incentive Plan.	8-K	10.1	12/5/2008	
10.5#	Form of Restricted Stock Unit Standard Terms and Conditions under 2006 Stock Incentive Plan.	8-K	10.2	12/21/2012	
10.6#	Standard Terms and Conditions for Performance Earnings Program under AECOM Technology Corporation 2006 Stock Incentive Plan.	8-K	10.3	12/5/2008	
10.7#	AECOM Amended & Restated 2016 Stock Incentive Plan.	Schedule 14A	Annex B	1/19/2017	
10.8#	Form Standard Terms and Conditions for Restricted Stock Units for Non-Employee Directors under the 2016 Stock Incentive.	10-Q	10.3	5/11/2016	
10.9#	Form Standard Terms and Conditions for Restricted Stock Units under the 2016 Stock Incentive Plan.	10-Q	10.4	5/11/2016	
10.10#	Form Standard Terms and Conditions for Performance Earnings Program under the 2016 Stock Incentive Plan.	10-Q	10.5	5/11/2016	
10.11#	Form Standard Terms and Conditions for Non-Qualified Stock Options under the 2016 Stock Incentive Plan.	10-Q	10.6	5/11/2016	
10.12#	Standard Terms and Conditions for Performance Earnings Program and Performance Criteria.	8-K	10.1	12/15/2016	
10.13#	AECOM Technology Corporation Executive Deferred Compensation Plan.	8-K	10.1	12/21/2012	
10.14#	First Amendment to the AECOM Executive Deferred Compensation Plan.	10-Q	10.3	2/10/2016	
10.15#	AECOM Technology Corporation Executive Incentive Plan.	Schedule 14A	Annex A	1/22/2010	
10.16#	Letter Agreement, dated as of March 6, 2014, by and among AECOM Technology Corporation and Michael S. Burke.	8-K	10.1	3/12/2014	
10.17#	Letter Agreement, dated as of May 8, 2018 between AECOM and Michael S. Burke.	10-Q	10.1	5/9/2018	
10.18#	Form of Special LTI Award Stock Option Terms and Conditions under the 2006 Stock Incentive Plan.	8-K	10.2	3/12/2014	
10.19#	AECOM Retirement & Savings Plan (amended and restated effective July 1, 2016).	10-Q	10.1	8/10/2016	
10.20#	AECOM Amended and Restated Employee Stock Purchase Plan.	DEF 14A	Annex A	1/23/2019	
10.21#	Change in Control Severance Agreement, dated as of August 23, 2019, by and between AECOM Management Services Inc. and John Vollmer.	8-K	10.1	8/23/2019	
10.22#	Retention and Completion Bonus Award Agreement, effective as of August 23, 2019, by and between AECOM and John Vollmer.	8-K	10.2	8/23/2019	
10.23#	Form Standard Terms and Conditions for Performance Earnings Program under the 2016 Stock Incentive Plan (Fiscal Year 2019)	10-Q	10.1	2/6/2019	
21.1	Subsidiaries of AECOM.				X

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
23.1	Consent of Independent Registered Public Accounting Firm.				X
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32*	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
95	Mine Safety Disclosure.				X
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.				X
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, formatted in Inline XBRL.				X

Management contract or compensatory plan or arrangement.

* Document has been furnished and not filed.

† Indicates a material agreement previously filed by URS Corporation, a public company acquired by AECOM on October 17, 2014.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AECOM

By: /s/ W. TROY RUDD

W. Troy Rudd

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: November 13, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the date indicated.

Signature	Title	Date
/s/ MICHAEL S. BURKE Michael S. Burke	Chairman and Chief Executive Officer (Principal Executive Officer)	November 13, 2019
/s/ W. TROY RUDD W. Troy Rudd	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	November 13, 2019
/s/ GAURAV KAPOOR Gaurav Kapoor	Senior Vice President, Global Controller (Principal Accounting Officer)	November 13, 2019
/s/ JAMES H. FORDYCE James H. Fordyce	Director	November 13, 2019
/s/ SENATOR WILLIAM H. FRIST, M.D. Senator William H. Frist, M.D.	Director	November 13, 2019
/s/ LINDA GRIEGO Linda Griego	Director	November 13, 2019
/S/ STEVEN A. KANDARIAN Steven A. Kandarian	Director	November 13, 2019
/s/ ROBERT J. ROUTS Robert J. Routs	Director	November 13, 2019
/s/ CLARENCE T. SCHMITZ Clarence T. Schmitz	Director	November 13, 2019
/s/ DOUGLAS W. STOTLAR Douglas W. Stotlar	Director	November 13, 2019
/s/ DANIEL R. TISHMAN Daniel R. Tishman	Director	November 13, 2019
/s/ GEN. JANET C. WOLFENBARGER, USAF RET. Gen. Janet C. Wolfenbarger, USAF Ret.	Director	November 13, 2019

Exhibit 4.22

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of September 30, 2019, AECOM (the "Company," "we," "us" or "our") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our common stock, par value $0.01 per share ("Common Stock").

The summary of the general terms and provisions of the Common Stock set forth below does not purport to be complete and is subject to and qualified by reference to the Company's Amended and Restated Certificate of Incorporation, as amended by the Certificates of Amendment thereto (as amended, the "Certificate"), and Amended and Restated Bylaws ("Bylaws"), each of which is incorporated by reference as exhibits to the Annual Report on Form 10-K. For additional information, please read the Certificate and Bylaws and the applicable provisions of the General Corporation Law of Delaware (the "DGCL").

Description of Common Stock

General. The Certificate authorizes us to issue 300,000,000 shares of Common Stock. Subject to the rights pertaining to any series of preferred stock, in the event of our liquidation, holders of our Common Stock are entitled to share ratably in our assets legally available for distribution after the payment of our debts. The shares of Common Stock have no preemptive, subscription, conversion or redemption rights. Subject to the rights of the holders of preferred stock, the holders of the Common Stock are entitled to receive dividends, when, as and if declared by our Board of Directors (the "Board"), from funds legally available for such dividend payments.

Delaware Law. We are subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date on which the person becomes an interested stockholder, unless (i) prior to the time that such stockholder becomes an interested stockholder, the Board of Directors approves such transaction or business combination, (ii) the stockholder acquires more than 85% of the outstanding voting stock of the corporation (excluding shares held by directors who are officers or held in employee stock plans) upon consummation of such transaction, or (iii) at or subsequent to the time such stockholder becomes an interested stockholder, the business combination is approved by the Board of Directors and by two-thirds of the outstanding voting stock of the corporation (excluding shares held by the interested stockholder) at a meeting of stockholders (and not by written consent). A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to such interested stockholder. For purposes of Section 203, "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's voting stock.

Certificate of Incorporation and Bylaws. Various provisions of our Certificate and Bylaws, which are summarized in the following paragraphs, may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

No Cumulative Voting. The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless our Certificate provides otherwise. Our Certificate does not expressly address cumulative voting.

No Stockholder Action by Written Consent; Calling of Special Meetings of Stockholders. Our Certificate prohibits stockholder action by written consent. Our Bylaws also provide that special meetings of our stockholders (i) may be called at any time by the Board or by a committee of the Board which has been duly designated by the Board and whose powers and authority, as expressly provided in a resolution of the Board, include the power to call such meetings, and (ii) must be called by the Chairman of the Board or the Secretary of the Company upon the request of one or more persons that own at least 25% of the outstanding shares of the Company that are entitled to vote on the matter(s) to be brought before the proposed special meeting as of the record date fixed in accordance with the Bylaws, provided the requesting stockholder(s) satisfy the requirements specified in the Bylaws.

Voting Rights. A majority of the outstanding shares entitled to vote on a matter, represented in person or by proxy, constitutes a quorum at any meeting of stockholders except as otherwise provided by applicable law or by the Certificate. Prior to the Company's 2020 annual meeting of stockholders, at any meeting of stockholders for the election of directors, when a quorum is present, a plurality of the votes of the shares of the Company present in person or represented by proxy at the meeting and entitled to vote on the election of directors at such meeting of stockholders is sufficient to elect directors. Commencing with the Company's 2020 annual meeting of stockholders, at any meeting of stockholders for the election of directors, including the 2020 annual meeting, each director will be elected by a majority of the votes cast; provided that, if the election is contested, the directors will be elected by a plurality of the votes cast. In all other matters, when a quorum is present at any meeting, the affirmative vote of the holders of a majority of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter at such meeting of stockholders shall decide any question brought before such meeting, unless the question is one upon which by express provision of applicable law or of the Certificate or the Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

Unless otherwise provided in the Certificate, each stockholder entitled to vote at any meeting of the stockholders shall be entitled to one vote (in person or by proxy) for each share held by such stockholder which has voting power upon the matter in question.

Proxy Access Provision of Our Bylaws. The Bylaws permit a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company's outstanding common stock continuously for at least three years to nominate and include in the Company's proxy materials director nominees not to exceed the greater of (i) 20% of the Board or (ii) two directors, provided that the stockholder(s) and the nominee(s) satisfy the procedural and eligibility requirements specified in the Bylaws.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary. To be timely, a stockholder's notice must be delivered or mailed and received at our principal executive offices not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting of stockholders. Our Bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders or make nominations for directors at an annual meeting of stockholders.

Annual Election of Directors. We do not have a classified board of directors. The full Board is subject to re-election at each annual meeting of our stockholders.

Limitations on Liability and Indemnification of Officers and Directors. The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. Our Certificate includes a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director, except for liability:

- for breach of duty of loyalty;
- for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law;
- under Section 174 of the DGCL (unlawful dividends); or
- for transactions from which the director derived improper personal benefit.

Our Bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL. We are also expressly authorized to carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in our Certificate and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders.

Authorized But Unissued Shares. Subject to the requirements of any stock exchange on which shares of our Common Stock may be listed, our authorized but unissued shares of Common Stock will be available for future issuance without the approval of holders of Common Stock. We may use these additional shares for a variety of corporate purposes, including future offerings to raise additional capital, corporate acquisitions and employee benefit plans.

Listing. The Common Stock is traded on the New York Stock Exchange under the trading symbol “ACM.”

AECOM Global, Inc., a Delaware Corporation
AECOM, C&E, Inc., a Delaware Corporation
AECOM Technical Services, Inc., a California Corporation
AECOM USA, Inc., a New York Corporation
AECOM Asia Company Limited*
AECOM Government Services, Inc., a Delaware Corporation
AECOM Canada Ltd*
AECOM South Africa Group Holdings Pty Ltd
AECOM Design Build Ltd*
AECOM Global Ireland Services Limited*
AECOM Energy & Construction, Inc., an Ohio Corporation
AECOM Infrastructure & Environment UK Limited*
Flint Energy Services, Inc., a Delaware Corporation
Flint Field Services Ltd*
Hunt Construction Group Inc., an Indiana Corporation
Oscar Faber PLC*
URS Corporation, a Nevada Corporation
URS Group Inc. a Delaware Corporation
URS Federal Services, Inc., a Delaware Corporation
URS Luxembourg LLP*
URS Corporation—Ohio, an Ohio Corporation
URS Global Holdings Inc., a Nevada Corporation
AECOM Intercontinental Holdings UK Limited*
URS E&C UK Limited*
Sellafield Limited*
Tishman Construction Corporation, a Delaware Corporation
Tishman Construction Corporation of New York, a Delaware Corporation

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* Foreign

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements (Form S-8 Nos. 333-167047, 333-142070, 333-199453, 333-208964, 333-209890, 333-216442 and 333-230214) pertaining to various stock incentive, purchase and retirement plans of AECOM of our reports dated November 13, 2019, with respect to the consolidated financial statements and schedule of AECOM and to the effectiveness of internal control over financial reporting of AECOM included in this Annual Report (Form 10-K) of AECOM for the year ended September 30, 2019.

/s/ ERNST & YOUNG LLP

Los Angeles, California
November 13, 2019

EXHIBIT 31.1

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, Michael S. Burke, certify that:

1. I have reviewed this Annual Report on Form 10-K of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2019

/s/ MICHAEL S. BURKE
Michael S. Burke
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, W. Troy Rudd, certify that:

1. I have reviewed this Annual Report on Form 10-K of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2019

/s/ W. TROY RUDD
W. Troy Rudd
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certification Pursuant to
18 U.S.C. Section 1350

In connection with the Annual Report of AECOM (the "Company") on Form 10-K for the fiscal year ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Michael S. Burke, Chief Executive Officer of the Company, and W. Troy Rudd, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL S. BURKE
Michael S. Burke
Chairman and Chief Executive Officer
November 13, 2019

/s/ W. TROY RUDD
W. Troy Rudd
Executive Vice President and Chief Financial Officer
November 13, 2019

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the Mine Act) by the federal Mine Safety and Health Administration (MSHA). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or as an independent contractor performing services or construction of such mine.

The following table provides information for the year ended September 30, 2019.

Mine(1)	Mine Act §104 Violations(2)	Mine Act §104(b) Orders(3)	Mine Act §104(d) Citations and Orders(4)	Mine Act §110(b)(2) Violations(5)	Mine Act §107(a) Orders(6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no)(7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no)(8)
Black Thunder Project	2	0	0	0	0	$ 0.00	0	No	No
Bayer Quantzite Quarry	0	0	0	0	0	$ 0.00	0	No	No

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.

(8) The following Pending Legal Action Table provides information for the year ended September 30, 2019.

Mine	Number Pending Legal Actions	Contests of Penalty Assessments	Legal Action Initiated in 2018	Legal Action Resolved in 2018
Black Thunder Project	0	0	0	0
Bayer Quantzite Quarry	0	0	0	0

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

FORM 10-K

(Mark one)

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

OR

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

For the transition period from to

Commission file number 0-52423

AECOM
(Exact name of Registrant as specified in its charter)

Delaware	**61-1088522**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1999 Avenue of the Stars, Suite 2600
Los Angeles, California 90067
(Address of principal executive offices, including zip code)

(213) 593-8000
(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes o No

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

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

Large accelerated filer ☒	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o Emerging growth company o

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

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

The aggregate market value of registrant's common stock held by non-affiliates on March 30, 2018 (the last business day of the registrant's most recently completed second fiscal quarter), based upon the closing price of a share of the registrant's common stock on such date as reported on the New York Stock Exchange was approximately $5.5 billion.

Number of shares of the registrant's common stock outstanding as of November 5, 2018: 156,351,525

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information by reference from the registrant's definitive proxy statement for the 2019 Annual Meeting of Stockholders, to be filed within 120 days of the registrant's fiscal 2018 year end.

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PART I

ITEM 1. BUSINESS

In this report, we use the terms "the Company," "we," "us" and "our" to refer to AECOM and its consolidated subsidiaries. Unless otherwise noted, references to years are for fiscal years. Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. For clarity of presentation, we present all periods as if the year ended on September 30. We refer to the fiscal year ended September 30, 2017 as "fiscal 2017" and the fiscal year ended September 30, 2018 as "fiscal 2018."

Overview

We are a leading fully integrated firm positioned to design, build, finance and operate infrastructure assets for governments, businesses and organizations throughout the world. We provide planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets. We also provide construction services, including building construction and energy, infrastructure and industrial construction. In addition, we provide program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world. According to *Engineering News-Record*'s (ENR's) 2018 Design Survey, we are the second largest general architectural and engineering design firm in the world, ranked by 2017 design revenue. In addition, we are ranked by ENR as the leading firm in a number of design end markets, including transportation and general building.

We were formed in 1980 as Ashland Technology Company, a Delaware corporation and a wholly-owned subsidiary of Ashland, Inc., an oil and gas refining and distribution company. Since becoming independent of Ashland Inc., we have grown by a combination of organic growth and strategic mergers and acquisitions from approximately 3,300 employees and $387 million in revenue in fiscal 1991, the first full fiscal year of independent operations, to approximately 87,000 employees at September 30, 2018 and $20.2 billion in revenue for fiscal 2018. We completed the initial public offering of our common stock in May 2007 and these shares are traded on the New York Stock Exchange.

As mentioned above, we have grown in part by strategic mergers and acquisitions. These acquisitions have included URS Corporation, a leading provider of engineering, construction, and technical services for public agencies and private sector companies around the world, acquired in October 2014; Hunt Construction Group, a leading commercial construction firm, acquired in July 2014; and Shimmick Construction Company, Inc., a leading heavy civil construction firm in California and the Western U.S., acquired in July 2017.

Our business strategy focuses on leveraging our competitive strengths, leadership positions in our core markets, and client relationships across all major geographies. We have created an integrated delivery platform with superior capabilities to design, build, finance and operate infrastructure assets around the world. By integrating and providing a broad range of services, we deliver maximum value to our clients at competitive costs. Also, by coordinating and consolidating our knowledge base, we believe we have the ability to export our leading edge technical skills to any region in the world in which our clients may need them.

We report our business through four segments, each of which is described in further detail below: Design and Consulting Services (DCS), Construction Services (CS), Management Services (MS), and AECOM Capital (ACAP). Such segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

- *Design and Consulting Services (DCS):* Planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government.

- *Construction Services (CS):* Construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas.

- *Management Services (MS):* Program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and other national governments around the world.

- *AECOM Capital (ACAP):* Investments in real estate, public-private partnership (P3) and infrastructure projects.

Our Design and Consulting Services Segment

Our DCS segment comprises a broad array of services, generally provided on a fee-for-service basis. These services include planning, consulting, architectural and engineering design, program management and construction management for industrial, commercial, institutional and government clients worldwide. For each of these services, our technical expertise includes civil, structural, process, mechanical, geotechnical systems and electrical engineering, architectural, landscape and interior design, urban and regional planning, project economics, cost consulting and environmental, health and safety work.

With our technical and management expertise, we are able to provide our clients a broad spectrum of services. For example, within our environmental management service offerings, we provide remediation, regulatory compliance planning and management, environmental modeling, environmental impact assessment and environmental permitting for major capital/infrastructure projects.

Our services may be sequenced over multiple phases. For example, in the area of program management and construction management services, our work for a client may begin with a small consulting or planning contract, and may later develop into an overall management role for the project or a series of projects, which we refer to as a program. Program and construction management contracts may employ small or large project teams and, in many cases, operate as an outsourcing arrangement with our staff located at the project site.

We provide the services in our DCS segment both directly and through joint ventures or similar partner arrangements to the following end markets or business sectors:

Transportation.

- *Transit and Rail.* Light rail, heavy rail (including high-speed, commuter and freight) and multimodal transit projects.

- *Marine, Ports and Harbors.* Wharf facilities and container port facilities for private and public port operators.

- *Highways, Bridges and Tunnels.* Interstate, primary and secondary urban and rural highway systems and bridge projects.

- *Aviation.* Landside terminal and airside facilities, runways and taxiways.

Facilities.

- *Government.* Emergency response services for the U.S. Department of Homeland Security, including the Federal Emergency Management Agency and engineering and program management services for agencies of the Department of Defense and Department of Energy.

- *Industrial.* Industrial facilities for a variety of niche end markets such as manufacturing, distribution, aviation, aerospace, communications, media, pharmaceuticals, renewable energy, chemical, and food and beverage facilities.

- *Urban Master Planning/Design.* Strategic planning and master planning services for new cities and major mixed use developments in India, China, Southeast Asia, the Middle East, North Africa, the United Kingdom and the United States.

- *Commercial and Leisure Facilities.* Corporate headquarters, high-rise office towers, historic buildings, hotels, leisure, sports and entertainment facilities and corporate campuses.

- *Educational.* College and university campuses.

- *Health Care.* Private and public health facilities.

- *Correctional.* Detention and correction facilities throughout the world.

Environmental.

- *Water and Wastewater.* Treatment facilities as well as supply, distribution and collection systems, stormwater management, desalinization, and other water re-use technologies.

- *Environmental Management.* Remediation, waste handling, testing and monitoring of environmental conditions and environmental construction management.

- *Water Resources.* Regional-scale floodplain mapping and analysis for public agencies, along with the analysis and development of protected groundwater resources for companies in the bottled water industry.

Energy/Power.

- *Demand Side Management.* Public K-12 schools and universities, health care facilities, and courthouses and other public buildings, as well as energy conservation systems for utilities.

- *Transmission and Distribution.* Power stations and electric transmissions and distribution and co-generation systems.

- *Alternative/Renewable Energy.* Production facilities such as ethanol plants, wind farms and micro hydropower and geothermal subsections of regional power grids.

- *Hydropower/Dams.* Hydroelectric power stations, dams, spillways, and flood control systems.

- *Solar.* Solar photovoltaic projects and environmental permitting services.

Our Construction Services Segment

Through our CS segment, we provide construction, program and construction management services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas.

We provide the services in our CS segment both directly and through joint ventures or similar partner arrangements, to the following end markets and business sectors:

Building. We provide construction, program and construction management services for large scale building and facility construction projects around the world including:

- Sports arenas;
- Modern office and residential towers;
- Hotel and gaming facilities;
- Meeting and exhibition spaces;
- Performance venues;
- Education facilities;
- Mass transit terminals; and
- Data centers.

Energy. We plan, design, engineer, construct, retrofit and maintain a wide range of power-generating facilities, as well as the systems that transmit and distribute electricity. We provide these services to utilities, industrial co-generators, independent power producers, original equipment manufacturers and government utilities including:

- Fossil fuel power generating facilities;
- Nuclear power generating facilities and decommissioning;
- Hydroelectric power generating facilities;
- Alternative and renewable energy sources, including biomass, geothermal, solar energy and wind systems;
- Transmission and distribution systems; and
- Emissions control systems.

We also provide a wide range of planning, design, engineering, construction, production, and operations and maintenance services across the oil and gas upstream, midstream and downstream supply chain. For downstream refining and processing operations, we design and construct gas treatment and processing, refining and petrochemical facilities, and provide asset management and maintenance services for oil sands production facilities, oil refineries and related chemical, energy, power and processing plants. For oil and gas production, we provide construction, fabrication and installation, commissioning and maintenance services for field production facilities, equipment and process modules, site infrastructure and off-site support facilities including:

- Construction of access roads and well pads, and field production facilities;
- Pipeline planning, design, construction, installation, maintenance and repair; and
- Equipment and process module fabrication, installation and maintenance.

Infrastructure and Industrial. We provide construction, design-build program and construction management services for large scale infrastructure projects around the world including design-build services. We also provide a wide range of engineering, procurement and construction services for industrial and process facilities and the expansion, modification and upgrade of existing facilities. We provide these services to local, state, federal and national governments as well as corporations including:

- Highways, bridges, airports, rail and other transit projects;
- Maritime and terminal facilities;
- Dams, water and waste water projects;
- Industrial production facilities; and
- Mines and mining facilities.

Our Management Services Segment

Through our MS segment, we are a major contractor to the U.S. federal government and we serve a wide variety of government departments and agencies, including the Department of Defense, the Department of Energy (DOE) and other U.S. federal agencies. We also serve departments and agencies of other national governments, such as the U.K. Nuclear Decommissioning Authority (NDA) and the U.K. Ministry of Defense. Our services range from program and facilities management, environmental management, training, logistics, consulting, systems engineering and technical assistance, and systems integration and information technology.

We provide a wide array of classified and unclassified services in our MS segment, both directly and through joint ventures or similar partner arrangements, including:

- Operation and maintenance of complex government installations, including military bases and test ranges;
- Network and communications engineering, software engineering, IT infrastructure design and implementation, cyber defense and cloud computing technologies;
- Deactivation, decommissioning and disposal of nuclear and high hazard waste;
- Management and operations and maintenance services for complex DOE and NDA programs and facilities;
- Testing and development of new components and platforms, as well as engineering and technical support for the modernization of aging weapon systems;
- Logistics support for government supply and distribution networks, including warehousing, packaging, delivery and traffic management;
- Acquisition support for new weapons platforms;
- Maintenance planning to extend the service life of weapons systems and other military equipment;
- Maintenance, modification and overhaul of military aircraft and ground vehicles;
- Safety analyses for high-hazard facilities and licensing for DOE sites;
- Threat assessments of public facilities and the development of force protection and security systems;
- Planning and conducting emergency preparedness exercises;
- First responder training for the military and other government agencies;
- Management and operations and maintenance of chemical agent and chemical weapon disposal facilities;

- Installation of monitoring technology to detect the movement of nuclear and radiological materials across national borders;
- Planning, design and construction of aircraft hangars, barracks, military hospitals and other government buildings; and
- Environmental remediation and restoration for the redevelopment of military bases and other government and commercial installations, including commercial reactor deactivation and demolition.

Our AECOM Capital Segment

ACAP was formed in 2013 and invests in and develops real estate, public-private partnership (P3) and infrastructure projects. ACAP typically partners with investors and experienced developers as co-general partners. ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations and maintenance services for ACAP funded projects. ACAP development activity is conducted through joint ventures or subsidiaries that may be consolidated or unconsolidated for financial reporting purposes depending on the extent and nature of our ownership interest. In addition, in connection with the investment activities of ACAP, AECOM provides guarantees of certain obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees. ACAP manages a diverse portfolio that includes numerous active investments and $250 million of committed capital. In the fourth quarter of our fiscal year 2018, we partnered with Canyon Partners to form a joint registered investment advisor focused on investing in co-general partner equity opportunities in development and value-add commercial real estate projects in the United States.

Our Clients

Our clients consist primarily of national, state, regional and local governments, public and private institutions and major corporations. The following table sets forth our total revenue attributable to these categories of clients for each of the periods indicated:

	Year Ended September 30, ($ in millions)					
	2018		2017		2016	
U.S. Federal Government						
DCS	$ 957.5	5%	$ 687.7	4%	$ 704.4	4%
CS	293.4	1	138.4	1	239.1	1
MS	3,424.3	17	3,122.3	17	3,032.8	18
Subtotal U.S. Federal Government	4,675.2	23	3,948.4	22	3,976.3	23
U.S. State and Local Governments	3,750.7	19	2,808.1	15	2,598.0	15
Non-U.S. Governments	2,200.6	11	1,980.4	11	1,641.5	9
Subtotal Governments	10,626.5	53	8,736.9	48	8,215.8	47
Private Entities (worldwide)	9,529.0	47	9,466.5	52	9,195.0	53
Total	$ 20,155.5	100%	$ 18,203.4	100%	$ 17,410.8	100%

Other than the U.S. federal government, no single client accounted for 10% or more of our revenue in any of the past five fiscal years. Approximately 23%, 22% and 23% of our revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2018, 2017 and 2016, respectively. One of these contracts accounted for approximately 2%, 3% and 3% of our revenue in the years ended September 30, 2018, 2017 and 2016, respectively. The work attributed to the U.S.

federal government includes our work for the Department of Defense, Department of Energy, Department of Justice and the Department of Homeland Security.

Contracts

The price provisions of the contracts we undertake can be grouped into several broad categories: cost-reimbursable contracts, guaranteed maximum price contracts, and fixed-price contracts.

Cost-Reimbursable Contracts

Cost-reimbursable contracts consist of two similar contract types: (1) cost-plus contracts and (2) time and material price contracts.

Cost-Plus Contracts. We enter into two major types of cost-plus contracts:

Cost-Plus Fixed Fee. Under cost-plus fixed fee contracts, we charge clients for our costs, including both direct and indirect costs, plus a fixed negotiated fee. The total estimated cost plus the fixed negotiated fee represents the total contract value. We recognize revenue based on the actual labor and other direct costs incurred, plus the portion of the fixed fee earned to date.

Cost-Plus Fixed Rate. Under cost-plus fixed rate contracts, we charge clients for our direct and indirect costs based upon a negotiated rate. We recognize revenue based on the actual total costs expended and the applicable fixed rate.

Some cost-plus contracts provide for award fees or a penalty based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, we may share award fees with subcontractors. We record accruals for fee-sharing as fees are earned. We generally recognize revenue to the extent of costs actually incurred plus a proportionate amount of the fee expected to be earned. We take the award fee or penalty on contracts into consideration when estimating revenue and profit rates, and record revenue related to the award fees when there is sufficient information to assess anticipated contract performance. On contracts that represent higher than normal risk or technical difficulty, we may defer all award fees until an award fee letter is received. Once an award fee letter is received, the estimated or accrued fees are adjusted to the actual award amount.

Some cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether we achieve above, at, or below target results. We originally recognize revenue on these contracts based upon expected results. These estimates are revised when necessary based upon additional information that becomes available as the contract progresses.

Time and Material Price Contracts. Time and material contracts are common for smaller scale engineering and consulting services. Under these types of contracts, we negotiate hourly billing rates and charge our clients based upon actual hours expended on a project. Unlike cost-plus contracts, however, there is no predetermined fee. In addition, any direct project expenditures are passed through to the client and are reimbursed. These contracts may also have a fixed-price element in the form of not-to-exceed or guaranteed maximum price provisions.

Guaranteed Maximum Price Contracts

Guaranteed maximum price contracts (GMP) are common for design-build and commercial and residential projects. GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. A contractor performing work pursuant to a cost-plus, GMP or fixed-price contract will enter into trade contracts directly. Both cost-plus and GMP contracts generally include an agreed lump sum or percentage fee which is called out and separately identified and the contracts are considered 'open' book providing the owner with full disclosure of the project costs. A fixed-price contract provides the owner with a single lump sum amount without specifically identifying the breakdown of fee or costs and is typically 'closed' book thereby providing the owner with little detail as to the project costs. In a GMP contract, unlike the cost-plus contract, we provide the owner with a guaranteed price for the overall construction (adjusted for change orders issued by the owner) and with a schedule which includes a completion date for the project. In addition, cost overruns in a GMP contract would generally be our responsibility and in the event our actions or inactions result in delays to the project, we may be responsible to the owner for costs associated with such delay. For many of our commercial and residential GMP contracts, the final price is generally not established until we have awarded a substantial percentage of the trade contracts and we have negotiated additional contractual limitations, such as mutual waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages.

Fixed-Price Contracts

There are typically two types of fixed-price contracts. Lump sum contracts involve performing all of the work under the contract for a specified lump sum fee and are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. In such cases, we will submit formal requests for adjustment of the lump sum via formal change orders or contract amendments. The second type, fixed-unit price, involves performing an estimated number of units of work at an agreed price per unit, with the total payment under the contract determined by the actual number of units delivered.

Our fixed-price contracts are typically negotiated and arise in the design or construction of a project with a specified scope rather than hard bid where the client primarily selects the lowest qualified bidder. Fixed-price contracts often arise in the areas of construction management and design-build services. Construction management services are typically in the form of general administrative oversight (in which we do not assume responsibility for construction means and methods). Under our design-build projects, we are typically responsible for the design or construction of a project with the fixed contract price negotiated after we have had the opportunity to secure specific bids from various subcontractors including a contingency fee. We may use our own design or a third party design.

Some of our fixed-price contracts require us to provide surety bonds or parent company guarantees to assure our clients that their project will be completed in accordance with the terms of the contracts as further disclosed in Note 18—Commitments and Contingencies. In such cases, we may require our primary subcontractors to provide similar performance bonds and guarantees and to be adequately insured, and we may flow down the terms and conditions set forth in our agreement on to our subcontractors. There may be risks associated with completing these projects profitably if we are not able to perform our services within the fixed-price contract terms.

For the year ended September 30, 2018, our revenue was comprised of 47%, 23%, and 30% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively.

Joint Ventures

Some of our larger contracts may operate under joint ventures or other arrangements under which we team with other reputable companies, typically companies with which we have worked for many years. This is often done where the scale of the project dictates such an arrangement or when we want to strengthen either our market position or our technical skills.

Backlog

Backlog represents revenue we expect to realize for work completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Backlog is expressed in terms of gross revenue and therefore may include significant estimated amounts of third party or pass-through costs to subcontractors and other parties. Backlog for our consolidated subsidiaries is comprised of contracted backlog and awarded backlog. Our contracted backlog includes revenue we expect to record in the future from signed contracts, and in the case of a public client, where the project has been funded. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. The net results of our unconsolidated joint ventures are recognized as equity earnings, and awarded and contracted backlog representing our proportionate share of work to be performed by unconsolidated joint ventures is not presented as revenue in our Consolidated Statements of Operations. For non-government contracts, our backlog includes future revenue at contract rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, we include revenue from such contracts in backlog to the extent of the remaining estimated amount. We calculate backlog without regard to possible project reductions or expansions or potential cancellations until such changes or cancellations occur. No assurance can be given that we will ultimately realize our full backlog. Backlog fluctuates due to the timing of when contracts are awarded and contracted and when contract revenue is recognized. Many of our contracts require us to provide services over more than one year. Our backlog for the year ended September 30, 2018 increased $6.6 billion, or 13.9%, to $54.1 billion as compared to $47.5 billion for the corresponding period last year, primarily due to the increase in our MS segment.

The following summarizes contracted and awarded backlog (in billions):

	September 30,	
	2018	2017
Contracted backlog:		
DCS segment	$ 9.2	$ 8.8
CS segment	9.3	12.3
MS segment	3.4	3.1
Total contracted backlog	$ 21.9	$ 24.2
Awarded backlog:		
DCS segment	$ 7.5	$ 7.3
CS segment	7.2	4.0
MS segment	14.5	8.7
Total awarded backlog	$ 29.2	$ 20.0
Unconsolidated joint venture backlog:		
CS segment	$ 2.0	$ 2.3
MS segment	1.0	1.0
Total unconsolidated joint venture backlog	$ 3.0	$ 3.3
Total backlog:		
DCS segment	$ 16.7	$ 16.1
CS segment	18.5	18.6
MS segment	18.9	12.8
Total backlog	$ 54.1	$ 47.5

Competition

The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. We have numerous competitors, ranging from small private firms to multi-billion dollar companies, some of which have greater financial resources or that are more specialized and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. The degree and type of competition we face is also influenced by the type and scope of a particular project. The technical and professional aspects of our services generally do not require large upfront capital expenditures and, therefore, provide limited barriers against new competitors.

We believe that we are well positioned to compete in our markets because of our reputation, our cost effectiveness, our long-term client relationships, our extensive network of offices, our employee expertise, and our broad range of services. In addition, as a result of our extensive national and international network, we are able to offer our clients localized knowledge and expertise, as well as the support of our worldwide professional staff.

Seasonality

We experience seasonal trends in our business. Our revenue is typically higher in the last half of the fiscal year. The fourth quarter of our fiscal year (July 1 to September 30) is typically our strongest quarter. We find that the U.S. federal government tends to authorize more work during the period preceding the end of our fiscal year, September 30. In addition, many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during their first quarter, when new funding becomes available. Further, our construction management revenue typically increases during the high construction season of the summer months. Within the United States, as well as other parts of the world, our business generally benefits from milder weather conditions in our fiscal fourth quarter, which allows for more productivity from our on-site civil services. Our construction and project management services also typically expand during the high construction season of the summer months. The first quarter of our fiscal year (October 1 to December 31) is typically our weakest quarter. The harsher weather conditions impact our ability to complete work in parts of North America and the holiday season schedule affects our productivity during this period. For these reasons, coupled with the number and significance of client contracts commenced and completed during a particular period, as well as the timing of expenses incurred for corporate initiatives, it is not unusual for us to experience seasonal changes or fluctuations in our quarterly operating results.

Risk Management and Insurance

Risk management is an integral part of our project management approach and our project execution process. We have an Office of Risk Management that reviews and oversees the risk profile of our operations. Also, pursuant to our internal delegations of authority, we have an internal process whereby a group of senior members of our risk management team evaluate risk through internal risk analyses of higher-risk projects, contracts or other business decisions. We maintain insurance covering professional liability and claims involving bodily injury and property damage. Wherever possible, we endeavor to eliminate or reduce the risk of loss on a project through the use of quality assurance/control, risk management, workplace safety and similar methods.

Regulations

Our business is impacted by environmental, health and safety, government procurement, anti-bribery and other government regulations and requirements. Below is a summary of some of the significant regulations that impact our business.

Environmental, Health and Safety. Our business involves the planning, design, program management, construction and construction management, and operations and maintenance at various project sites, including but not limited to pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including oil field and pipeline construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts with U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities.

These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental and health and safety laws and regulations, and some laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable national and state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire clean-up upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, comparable national and state laws or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury, or cessation of remediation activities.

Some of our business operations are covered by Public Law 85-804, which provides for indemnification by the U.S federal government against claims and damages arising out of unusually hazardous or nuclear activities performed at the request of the U.S. federal government. Should public policies and laws change, however, U.S. federal government indemnification may not be available in the case of any future claims or liabilities relating to hazardous activities that we undertake to perform.

Government Procurement. The services we provide to the U.S. federal government are subject to Federal Acquisition Regulation, the Truth in Negotiations Act, Cost Accounting Standards, the Services Contract Act, export controls rules and Department of Defense (DOD) security regulations, as well as many other laws and regulations. These laws and regulations affect how we transact business with our clients and, in some instances, impose additional costs on our business operations. A violation of specific laws and regulations could lead to fines, contract termination or suspension of future contracts. Our government clients can also terminate, renegotiate, or modify any of their contracts with us at their convenience; and many of our government contracts are subject to renewal or extension annually.

Anti-Bribery and other regulations. We are subject to the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. The U.K. Bribery Act of 2010 prohibits both domestic and international bribery, as well as bribery across both private and public sectors. In addition, an organization that "fails to prevent bribery" committed by anyone associated with the organization can be charged under the U.K. Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. To the extent we export technical services, data and products outside of the U.S., we are subject to U.S. and international laws and regulations governing international trade and exports, including but not limited to the International Traffic in Arms Regulations, the Export Administration Regulations and trade sanctions against embargoed countries. We provide services to the DOD and other defense-related entities that often require specialized professional qualifications and security clearances. In addition, as engineering design services professionals, we are subject to a variety of local, state, federal and foreign licensing and permit requirements and ethics rules.

Personnel

Our principal asset is our employees and large percentages of our employees have technical and professional backgrounds and undergraduate and/or advanced degrees. At the end of our fiscal 2018, we employed approximately 87,000 persons, of whom approximately 44,000 were employed in the United States. Over 10,000 of our domestic employees are covered by collective bargaining agreements or by specific labor agreements, which expire upon completion of the relevant project.

Raw Materials

We purchase most of the raw materials and components necessary to operate our business from numerous sources. However, the price and availability of raw materials and components may vary from year to year due to customer demand, production capacity, market conditions and material shortages. While we do not currently foresee the lack of availability of any particular raw materials in the near term, prolonged unavailability of raw materials necessary to our projects and services or significant price increases for those raw materials could have a material adverse effect on our business in the near term.

Government Contracts

Generally, our government contracts are subject to renegotiation or termination of contracts or subcontracts at the discretion of the U.S. federal, state or local governments, and national governments of other countries.

Trade Secrets and Other Intellectual Property

We rely principally on trade secrets, confidentiality policies and other contractual arrangements to protect much of our intellectual property.

Available Information

The reports we file with the Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy materials, including any amendments, are available free of charge on our website at *www.aecom.com* as soon as reasonably practicable after we electronically file such material with, or furnish it to the SEC. The SEC also maintains a web site (*www.sec.gov*) containing reports, proxy and information statements, and other information that we file with the SEC. Our Corporate Governance Guidelines and our Code of Ethics are available on our website at *www.aecom.com* under the "Investors" section. Copies of the information identified above may be obtained without charge from us by writing to AECOM, 1999 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

ITEM 1A. RISK FACTORS

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect our operations. Additional risks we do not yet know of or that we currently think are immaterial may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending. If economic conditions remain uncertain and/or weaken, our revenue and profitability could be adversely affected.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns, interest rate fluctuations and reductions in government and private industry spending that result in clients delaying, curtailing or canceling proposed and existing projects. For example, commodity price volatility has previously impacted our oil and gas business and business regions whose economies are substantially dependent on commodities prices such as the Middle East and has also impacted North American oil and gas clients' investment decisions.

In March 2018, President Trump signed proclamations to impose tariffs on steel and aluminum imports per the US Trade Expansion Act of 1962 increasing the price for steel and aluminum in the United States which could impact client spending. Where economies are weakening, our clients may demand more favorable pricing or other terms while their ability to pay our invoices or to pay them in a timely manner may be adversely affected. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects. If economic conditions remain uncertain and/or weaken and/or government spending is reduced, our revenue and profitability could be adversely affected.

We depend on long-term government contracts, some of which are only funded on an annual basis. If appropriations for funding are not made in subsequent years of a multiple-year contract, we may not be able to realize all of our anticipated revenue and profits from that project.

A substantial portion of our revenue is derived from contracts with agencies and departments of national, state and local governments. During fiscal 2018 and 2017, approximately 53% and 48%, respectively, of our revenue was derived from contracts with government entities.

Most government contracts are subject to the government's budgetary approval process. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year. In addition, public-supported financing such as state and local municipal bonds may be only partially raised to support existing infrastructure projects. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each fiscal year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, competing priorities for appropriation, changes in administration or control of legislatures and the timing and amount of tax receipts and the overall level of government expenditures. Similarly, the impact of an economic downturn on state and local governments may make it more difficult for them to fund infrastructure projects. If appropriations are not made in subsequent years on our government contracts, then we will not realize all of our potential revenue and profit from that contract.

If we are unable to win or renew government contracts during regulated procurement processes, our operations and financial results would be harmed.

Government contracts are awarded through a regulated procurement process. The federal government has awarded multi-year contracts with pre-established terms and conditions, such as indefinite delivery contracts, that generally require those contractors that have previously been awarded the indefinite delivery contract to engage in an additional competitive bidding process before a task order is issued. In addition, the federal government has also awarded federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result of these competitive pricing pressures, our profit margins on future federal contracts may be reduced and may require us to make sustained efforts to reduce costs in order to realize revenues and profits under government contracts. If we are not successful in reducing the amount of costs we incur, our profitability on government contracts will be negatively impacted. In addition, we may not be awarded government contracts because of existing government policies designed to protect small businesses and under-represented minority contractors. Our inability to win or renew government contracts during regulated procurement processes could harm our operations and reduce our profits and revenues.

Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue.

Most government contracts may be modified, curtailed or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenue and profits from that contract. In addition, for some assignments, the U.S. government may attempt to "insource" the services to government employees rather than outsource to a contractor. If a government terminates a contract due to our default, we could be liable for excess costs incurred by the government in obtaining services from another source.

Our contracts with governmental agencies are subject to audit, which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs.

Our books and records are subject to audit by the various governmental agencies we serve and their representatives. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. If such matters are not resolved in our favor, they could have a material adverse effect on our business. In addition, if one of our subsidiaries is charged with wrongdoing as a result of an audit, that subsidiary, and possibly our company as a whole, could be temporarily suspended or could be prohibited from bidding on and receiving future government contracts for a period of time. Furthermore, as a government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud actions, whistleblower lawsuits and other legal actions and liabilities to which purely private sector companies are not, the results of which could materially adversely impact our business. For example, a qui tam lawsuit related to our affiliate, URS Energy and Construction, was unsealed in 2016. Qui tam lawsuits typically allege that we have made false statements or certifications in connection with claims for payment, or improperly retained overpayments, from the government. These suits may remain under seal (and hence, be unknown to us) for some time while the government decides whether to intervene on behalf of the qui tam plaintiff.

We have not completed our accounting for the tax effects of the United States Tax Cuts and Jobs Act legislation and the final impact of this new tax legislation on our reported results may differ materially from our current estimates.

During the first quarter of 2018, President Trump signed the *Tax Cuts and Jobs Act* legislation into law (Tax Act). We have not completed our accounting for the tax effects of the Tax Act. We have made a reasonable estimate of the effects on our existing deferred tax balances and the one-time transition tax. We have not completed our assessment of the Tax Act on our plans to indefinitely reinvest foreign earnings and as such have not changed our prior conclusion that the earnings are indefinitely invested. The final impact of the Tax Act on our reported results in fiscal 2018 and beyond may differ from the estimates provided in this periodic report, possibly materially, due to, among other things, changes in interpretations and assumptions we have made, future guidance that may be issued, and other actions we may take as a result of the Tax Act that are different from that presently contemplated.

Our substantial leverage and significant debt service obligations could adversely affect our financial condition and our ability to fulfill our obligations and operate our business.

We had approximately $3.7 billion of indebtedness (excluding intercompany indebtedness) outstanding as of September 30, 2018, of which $1.6 billion was secured obligations (exclusive of

$28.7 million of outstanding undrawn letters of credit) and we have an additional $1.3 billion of availability under our Credit Agreement (after giving effect to outstanding letters of credit), all of which would be secured debt, if drawn. Our financial performance could be adversely affected by our substantial leverage. We may also incur significant additional indebtedness in the future, subject to various conditions.

This high level of indebtedness could have important negative consequences to us, including, but not limited to:

- we may have difficulty satisfying our obligations with respect to outstanding debt obligations;
- we may have difficulty obtaining financing in the future for working capital, acquisitions, capital expenditures or other purposes;
- we may need to use all, or a substantial portion, of our available excess cash flow to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities, including, but not limited to, working capital requirements, acquisitions, capital expenditures or other general corporate or business activities;
- our debt level increases our vulnerability to general economic downturns and adverse industry conditions;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and in our industry in general;
- our substantial amount of debt and the amount we must pay to service our debt obligations could place us at a competitive disadvantage compared to our competitors that have less debt;
- we may have increased borrowing costs;
- our clients, surety providers or insurance carriers may react adversely to our significant debt level;
- we may have insufficient funds, and our debt level may also restrict us from raising the funds necessary, to retire our debt instruments tendered to us upon maturity of our debt or the occurrence of a change of control, which would constitute an event of default under our debt instruments; and
- our failure to comply with the financial and other restrictive covenants in our debt instruments which, among other things, require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could have a material adverse effect on our business or prospects.

Our high level of indebtedness requires that we use a substantial portion of our cash flow from operations to pay principal of, and interest on, our indebtedness, which will reduce the availability of cash to fund working capital requirements, future acquisitions, capital expenditures or other general corporate or business activities.

In addition, a portion of our indebtedness bears interest at variable rates, including borrowings under our Credit Agreement. If market interest rates increase, debt service on our variable-rate debt will rise, which could adversely affect our cash flow, results of operations and financial position. Although we may employ hedging strategies such that a portion of the aggregate principal amount of our term loans carries a fixed rate of interest, any hedging arrangement put in place may not offer complete protection from this risk. Additionally, the remaining portion of borrowings under our Credit Agreement that is not hedged will be subject to changes in interest rates.

The agreements governing our debt contain a number of restrictive covenants which will limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest.

The Credit Agreement and the indentures governing our debt contain a number of significant covenants that impose operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect, and in many respects limit or prohibit, among other things, our ability and the ability of some of our subsidiaries to:

- incur additional indebtedness;
- create liens;
- pay dividends and make other distributions in respect of our equity securities;
- redeem or repurchase our equity securities;
- distribute excess cash flow from foreign to domestic subsidiaries;
- make investments or other restricted payments;
- sell assets;
- enter into transactions with affiliates; and
- effect mergers or consolidations.

In addition, our Credit Agreement also requires us to comply with a consolidated interest coverage ratio and consolidated leverage ratio. Our ability to comply with these ratios may be affected by events beyond our control.

These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans, and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under our debt instruments. If an event of default occurs, our creditors could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;
- require us to apply all of our available cash to repay the borrowings; or
- prevent us from making debt service payments on our borrowings.

If we were unable to repay or otherwise refinance these borrowings when due, the applicable creditors could sell the collateral securing some of our debt instruments, which constitutes substantially all of our domestic and foreign, wholly owned subsidiaries' assets.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Agreement are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. A 1.00% increase in such interest rates would increase total interest expense under our Credit Agreement for the year ended September 30, 2018 by $12.2 million, including the effect of our interest rate swaps. We may, from time to time, enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.

The Budget Control Act of 2011 could significantly reduce U.S. government spending for the services we provide.

Under the Budget Control Act of 2011, an automatic sequestration process, or across-the-board budget cuts (half of which were defense-related), was triggered when the Joint Select Committee on Deficit Reduction, a committee of twelve members of Congress, failed to agree on a deficit reduction plan for the U.S. federal budget. Although the Bipartisan Budget Act of 2013, and the subsequent Balanced Budget Acts of 2015 and 2018 have provided some sequester relief until the end of fiscal year 2019, the Budget Control Act of 2011 remains in place, extended through 2027 and absent additional legislative or other remedial action, the sequestration could require reduced U.S. federal government spending from fiscal 2020 through fiscal 2027. A significant reduction in federal government spending or a change in budgetary priorities could reduce demand for our services, cancel or delay federal projects, and result in the closure of federal facilities and significant personnel reductions, which could have a material adverse effect on our results of operations and financial condition.

Our operations worldwide expose us to legal, political and economic risks in different countries as well as currency exchange rate fluctuations that could harm our business and financial results.

During fiscal 2018, revenue attributable to our services provided outside of the United States to non-U.S. clients was approximately 27% of our total revenue. There are risks inherent in doing business internationally, including:

- imposition of governmental controls and changes in laws, regulations or policies;
- political and economic instability, such as in the Middle East and Africa;
- civil unrest, acts of terrorism, force majeure, war, or other armed conflict;
- changes in U.S. and other national government trade policies affecting the markets for our services;
- changes in regulatory practices, tariffs and taxes, such as Brexit;
- potential non-compliance with a wide variety of laws and regulations, including anti-corruption, export control and anti-boycott laws and similar non-U.S. laws and regulations;
- changes in labor conditions;
- logistical and communication challenges; and
- currency exchange rate fluctuations, devaluations and other conversion restrictions.

Any of these factors could have a material adverse effect on our business, results of operations or financial condition.

In addition, Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt have cut diplomatic ties and restricted business with Qatar by closing off access to that country with an air, sea and land traffic embargo. During the economic embargo, products cannot be shipped directly to Qatar from the UAE, Saudi Arabia or Bahrain and financial services may be limited. Our Qatarian business is a significant part of our Middle East operations with approximately several hundred employees. The economic embargo may make it difficult to complete ongoing Qatarian projects and could reduce future demand for our services.

We operate in many different jurisdictions and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act (FCPA) and similar worldwide anti-corruption laws, including the U.K. Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls which may fall within the purview of the FCPA, its books and records provisions or its anti-bribery provisions. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. Our continued expansion outside the U.S., including in developing countries, could increase the risk of such violations in the future. In addition, from time to time, government investigations of corruption in construction-related industries affect us and our peers. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition.

We work in international locations where there are high security risks, which could result in harm to our employees and contractors or material costs to us.

Some of our services are performed in high-risk locations, such as the Middle East, Africa, and Southwest Asia, where the country or location is suffering from political, social or economic problems, or war or civil unrest. In those locations where we have employees or operations, we may incur material costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk. Acts of terrorism and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets.

Many of our project sites are inherently dangerous workplaces. Failure to maintain safe work sites and equipment could result in environmental disasters, employee deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation.

Our project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On some project sites, we may be responsible for safety and, accordingly, we have an obligation to implement effective safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. As a result, our failure to maintain adequate safety standards and equipment could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations.

Cybersecurity threats and information technology systems outages could adversely harm our business.

We develop, install and maintain information technology systems for our clients and employees. We may experience errors, outages, or delays of service in our information technology systems, which could significantly disrupt our operations, impact our clients and employees, damage our reputation, and result in litigation and regulatory fines or penalties. Client contracts for the performance of information technology services, primarily with the federal government, as well as various privacy and securities laws pertaining to client and employee usage, require us to manage and protect sensitive and proprietary information. For example, the European's Union General Data Protection Regulation, which became effective in May 2018, extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of the company's location.

We face threats to our information technology systems, including unauthorized access, computer hackers, computer viruses, malicious code, cyber-attacks, phishing and other cybersecurity problems and system disruptions, including possible unauthorized access to our and our clients' proprietary information. We rely on industry-accepted security measures and technology to securely maintain all proprietary information on our information technology systems. In the ordinary course of business, we have been targeted by malicious cyber-attacks. Anyone who circumvents our security measures could misappropriate proprietary information, including information regarding us, our employees and/or our clients, or cause interruptions in our operations. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and to prevent, detect and respond to cybersecurity incidents, there can be no assurance that our efforts will prevent these threats. As these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect and respond against system disruptions and security breaches.

We also rely in part on third-party software and information technology vendors to run our critical accounting, project management and financial information systems. We depend on our software and information technology vendors to provide long-term software and hardware support for our information systems. Our software and information technology vendors may decide to discontinue further development, integration or long-term software and hardware support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense, as well as disrupting the management of our business operations.

Any of these events could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, while we maintain insurance, that specifically cover these attacks, our coverage may not sufficiently cover all types of losses or claims that may arise.

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

Because we have grown in part through acquisitions, goodwill and intangible assets-net represent a substantial portion of our assets. Under generally accepted accounting principles in the United States (GAAP), we are required to test goodwill carried in our Consolidated Balance Sheets for possible impairment on an annual basis based upon a fair value approach and whenever events occur that indicate impairment could exist. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a reporting unit's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of our business, a significant sustained decline in our market capitalization and other factors. For example, in the year ended September 30, 2018, we recorded an impairment of assets held for sale, which included a goodwill impairment charge of $125.4 million related to the anticipated disposition of non-core oil and gas businesses.

In addition, if we experience a decrease in our stock price and market capitalization over a sustained period, we could have to record an impairment charge in the future. The amount of any impairment could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the charge is taken.

Our business and operating results could be adversely affected by losses under fixed-price or guaranteed maximum price contracts.

Fixed-price contracts require us to either perform all work under the contract for a specified lump-sum or to perform an estimated number of units of work at an agreed price per unit, with the total payment determined by the actual number of units performed. In addition, we may enter guaranteed maximum price contracts where we guarantee a price or delivery date. For the year ended September 30, 2018, our revenue was comprised of 47%, 23%, and 30% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively. Fixed-price contracts expose us to a number of risks not inherent in cost-reimbursable contracts, including underestimation of costs, ambiguities in specifications, unforeseen increases in or failures in estimating the cost of raw materials, equipment or labor, problems with new technologies, delays beyond our control, fluctuations in profit margins, failures of subcontractors to perform and economic or other changes that may occur during the contract period. In March 2018, President Trump signed proclamations to impose tariffs on steel and aluminum imports increasing the prices for steel and aluminum in the United States which could affect the profitability of our fixed-price construction projects. Losses under fixed-price or guaranteed contracts could be substantial and adversely impact our results of operations.

Our failure to meet contractual schedule or performance requirements that we have guaranteed could adversely affect our operating results.

In some circumstances, we can incur liquidated or other damages if we do not achieve project completion by a scheduled date. If we or an entity for which we have provided a guarantee subsequently fails to complete the project as scheduled and the matter cannot be satisfactorily resolved with the client, we may be responsible for cost impacts to the client resulting from any delay or the cost to complete the project. Our costs generally increase from schedule delays and/or could exceed our projections for a particular project. In addition, project performance can be affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions and other factors. Material performance problems for existing and future contracts could cause actual results of operations to differ from those anticipated by us and also could cause us to suffer damage to our reputation within our industry and client base.

We may not be able to maintain adequate surety and financial capacity necessary for us to successfully bid on and win contracts.

In line with industry practice, we are often required to provide surety bonds, standby letters of credit or corporate guarantees to our clients that indemnify the customer should our affiliate fail to perform its obligations under the terms of a contract. As of September 30, 2018 and 2017, we were contingently liable for $5.3 billion and $5.7 billion, respectively, in issued surety bonds primarily to support project execution and we had outstanding letters of credit totaling $515.1 million and $503.8 million, respectively. A surety may issue a performance or payment bond to guarantee to the client that our affiliate will perform under the terms of a contract. If our affiliate fails to perform under the terms of the contract, then the client may demand that the surety or another corporate affiliate provide the contracted services. In addition, we would typically have obligations to indemnify the surety for any loss incurred in connection with the bond. If a surety bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate surety bond or letter of credit, we may not be able to pursue that project, which in turn could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

We conduct a portion of our operations through joint venture entities, over which we may have limited control.

Approximately 15% of our fiscal 2018 revenue was derived from our operations through joint ventures or similar partnership arrangements, where control may be shared with unaffiliated third parties. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners and we typically have joint and several liability with our joint venture partners under the applicable contracts for joint venture projects. These factors could potentially adversely impact the business and operations of a joint venture and, in turn, our business and operations.

Operating through joint ventures in which we are minority holders results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. Sales of our services provided to our unconsolidated joint ventures were approximately 2% of our fiscal 2018 revenue. We generally do not have control of these unconsolidated joint ventures. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to these joint ventures, which could have a material adverse effect on our financial condition and results of operations and could also affect our reputation in the industries we serve.

We participate in joint ventures where we provide guarantees and may be adversely impacted by the failure of the joint venture or its participants to fulfill their obligations.

We have investments in and commitments to joint ventures with unrelated parties, including in connection with construction services, government services, and the investment activities of ACAP. For example, real estate and infrastructure joint ventures are inherently risky and may result in future losses since real estate markets are impacted by economic trends and government policies that we do not control. These joint ventures from time to time may borrow money to help finance their activities and in some circumstances, we are required to provide guarantees of obligations of our affiliated entities. In addition, in connection with the investment activities of ACAP, we provide guarantees of obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees. If these entities are not able to honor their obligations under the guarantees, we may be required to expend additional resources or suffer losses, which could be significant.

AECOM Capital's real estate development and investment activities are inherently risky and may result in a future loss.

AECOM Capital's real estate business involves managing, sponsoring, investing and developing commercial real estate projects (Real Estate Joint Ventures) that are inherently risky and may result in future losses since real estate markets are significantly impacted by economic trends and government policies that we do not control. Our registered investment adviser jointly manages, sponsors and owns an equity interest with its co-partner in the AECOM-Canyon Equity Fund, L.P. (the "Fund"), which invests and develops Real Estate Joint Ventures on behalf of its investors. Real Estate Joint Ventures rely on substantial amounts of third party borrowing to finance their development activities including completion guarantees, repayment guarantees, environmental indemnities and other lender required credit support guarantees that may be provided by AECOM or an affiliate to secure the Real Estate Joint Venture financing. Although the Fund and the Real Estate Venture have reserves that will be used to share Real Estate Joint Venture cost overruns, if such reserves are depleted, then AECOM may be required to make support payments to fund non-budgeted cost overruns on behalf of the Fund (but not on behalf of the Fund's co-partner or any unaffiliated Real Estate Joint Venture limited partners). Some of the Fund's limited partners may be permitted to make additional equity co-investments in certain Real Estate Joint Ventures for which AECOM will provide support payments, after additional specific reserves have been depleted, on behalf of the limited partner co-investor in the event of a Real Estate Joint Venture cost overrun. AECOM's provision of lender guarantees is contingent upon the Real Estate Joint Venture meeting AECOM's underwriting criteria, including an affiliate of AECOM acting as either the construction manager at risk or the owner's representative for the project, no material adverse change in AECOM's financial condition, and the guarantee not violating a covenant under a material AECOM agreement.

Misconduct by our employees, partners or consultants or our failure to comply with laws or regulations applicable to our business could cause us to lose customers or lose our ability to contract with government agencies.

As a government contractor, misconduct, fraud or other improper activities caused by our employees', partners' or consultants' failure to comply with laws or regulations could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with procurement regulations, environmental regulations, regulations regarding the protection of sensitive government information, legislation regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, and anti-corruption, anti-competition, export control and other applicable laws or regulations. Our failure to comply with applicable laws or regulations, misconduct by any of our employees or consultants or our failure to make timely and accurate certifications to government agencies regarding misconduct or potential misconduct could subject us to fines and penalties, loss of government granted eligibility, cancellation of contracts and suspension or debarment from contracting with government agencies, any of which may adversely affect our business.

We may be required to contribute additional cash to meet our significant underfunded benefit obligations associated with pension benefit plans we manage or multiemployer pension plans in which we participate.

We have defined benefit pension plans for employees in the United States, United Kingdom, Canada, Australia, and Ireland. At September 30, 2018, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $400.5 million. In the future, our pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors that may require us to make additional cash contributions to our pension plans and recognize further increases in our net pension cost to satisfy our funding requirements. If we are forced or elect to make up all or a portion of the deficit for unfunded benefit plans, our results of operations could be materially and adversely affected.

A multiemployer pension plan is typically established under a collective bargaining agreement with a union to cover the union-represented workers of various unrelated companies. Our collective bargaining agreements with unions will require us to contribute to various multiemployer pension plans; however, we do not control or manage these plans. For the year ended September 30, 2018, we contributed $49.8 million to multiemployer pension plans. Under the Employee Retirement Income Security Act, an employer who contributes to a multiemployer pension plan, absent an applicable exemption, may also be liable, upon termination or withdrawal from the plan, for its proportionate share of the multiemployer pension plan's unfunded vested benefit. If we terminate or withdraw from a multiemployer plan, absent an applicable exemption (such as for some plans in the building and construction industry), we could be required to contribute a significant amount of cash to fund the multiemployer plan's unfunded vested benefit, which could materially and adversely affect our financial results; however, since we do not control the multiemployer plans, we are unable to estimate any potential contributions that could be required.

New legal requirements could adversely affect our operating results.

Our business and results of operations could be adversely affected by the passage of new climate change, defense, environmental, infrastructure and other laws, policies and regulations. Growing concerns about climate change and greenhouse gases, such as those adopted under the United Nations COP-21 Paris Agreement or the EPA Clean Power Plan, may result in the imposition of additional environmental regulations for our clients' fossil fuel projects. For example, legislation, international protocols, regulation or other restrictions on emissions regulations could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services. In addition, relaxation or repeal of laws and regulations, or changes in governmental policies regarding environmental, defense, infrastructure or other industries we serve could result in a decline in demand for our services, which could in turn negatively impact our revenues. We cannot predict when or whether any of these various proposals may be enacted or what their effect will be on us or on our customers.

We may be subject to substantial liabilities under environmental laws and regulations.

Our services are subject to numerous environmental protection laws and regulations that are complex and stringent. Our business involves in part the planning, design, program management, construction and construction management, and operations and maintenance at various sites, including but not limited to, pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts with U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. We also own and operate several properties in the U.S. and Canada that have been used for the storage and maintenance of equipment and upon which hydrocarbons or other wastes may have been disposed or released. Past business practices at companies that we have acquired may also expose us to future unknown environmental liabilities.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire cleanup upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act and the Energy Reorganization Act of 1974, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability.

Demand for our oil and gas services fluctuates.

Demand for our oil and natural gas services fluctuates, and we depend on our customers' willingness to make future expenditures to explore for, develop and produce oil and natural gas in the U.S. and Canada. For example, the past volatility in the price of oil and natural gas has significantly decreased existing and future projects. Our customers' willingness to undertake future projects depends largely upon prevailing industry conditions that are influenced by numerous factors over which we have no control, such as the anticipated future prices for natural gas and crude oil.

Failure to successfully integrate acquisitions could harm our operating results.

We have grown in part as a result of acquisitions. We cannot assure that suitable acquisitions or investment opportunities will continue to be identified or that any of these transactions can be consummated on favorable terms or at all. Any future acquisitions will involve various inherent risks, such as:

- our ability to accurately assess the value, strengths, weaknesses, liabilities and potential profitability of acquisition candidates;
- the potential loss of key personnel of an acquired business;
- increased burdens on our staff and on our administrative, internal control and operating systems, which may hinder our legal and regulatory compliance activities;
- liabilities related to pre-acquisition activities of an acquired business and the burdens on our staff and resources to comply with, conduct or resolve investigations into such activities;
- post-acquisition integration challenges; and
- post-acquisition deterioration in an acquired business that could result in lower or negative earnings contribution and/or goodwill impairment charges.

Furthermore, during the acquisition process and thereafter, our management may need to assume significant transaction-related responsibilities, which may cause them to divert their attention from our existing operations. If our management is unable to successfully integrate acquired companies, our operating results could be harmed. In addition, even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of the acquisition, including the synergies, cost savings, or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all.

We may be unable to successfully integrate or realize the anticipated benefits of acquisitions or do so within the intended timeframe.

We have been, and will continue to be, required to devote significant management attention and resources to integrating the business practices and operations of the acquired companies with our business. Difficulties we may encounter as part of the integration process include the following:

- the consequences of a change in tax treatment, including the costs of integration and compliance and the possibility that the full benefits anticipated from the acquisition will not be realized;
- any delay in the integration of management teams, strategies, operations, products and services;
- diversion of the attention of each company's management as a result of the acquisition;

- differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the ability to retain key employees;
- the ability to create and enforce uniform standards, controls, procedures, policies and information systems;
- the challenge of integrating complex systems, technology, networks and other assets into those of ours in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate beyond current estimates;
- the ability to deduct or claim tax attributes or benefits such as operating losses, business or foreign tax credits; and
- the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies.

Any of these factors could adversely affect our ability to maintain relationships with customers, suppliers, employees and other constituencies or our ability to achieve the anticipated benefits of the acquisition or could reduce our earnings or otherwise adversely affect our business and financial results.

If we are unable to continue to access credit on acceptable terms, our business may be adversely affected.

The changing nature of the global credit markets could make it more difficult for us to access funds, refinance our existing indebtedness, enter into agreements for uncommitted debt bond facilities and new indebtedness, replace our existing revolving and term credit agreements or obtain funding through the issuance of our securities. We use credit facilities to support our working capital and other needs. There is no guarantee that we can continue to renew our credit facility on terms as favorable as those in our existing credit facility and, if we are unable to do so, our costs of borrowing and our business may be adversely affected.

Our ability to grow and to compete in our industry will be harmed if we do not retain the continued services of our key technical and management personnel and identify, hire, and retain additional qualified personnel.

There is strong competition for qualified technical and management personnel in the sectors in which we compete. We may not be able to continue to attract and retain qualified technical and management personnel, such as engineers, architects and project managers, who are necessary for the development of our business or to replace qualified personnel in the timeframe demanded by our clients. In addition, we may occasionally enter into contracts before we have hired or retained appropriate staffing for that project. Also, some of our personnel hold government granted eligibility that may be required to obtain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. In addition, we rely heavily upon the expertise and leadership of our senior management. If we are unable to retain executives and other key personnel, the roles and responsibilities of those employees will need to be filled, which may require that we devote time and resources to identify, hire and integrate new employees. Loss of the services of, or failure to recruit, key technical and management personnel could limit our ability to successfully complete existing projects and compete for new projects.

Our revenue and growth prospects may be harmed if we or our employees are unable to obtain government granted eligibility or other qualifications we and they need to perform services for our customers.

A number of government programs require contractors to have government granted eligibility, such as security clearance credentials. Depending on the project, eligibility can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain the necessary eligibility, we may not be able to win new business, and our existing customers could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue or profit anticipated from such contract.

Our industry is highly competitive and we may be unable to compete effectively, which could result in reduced revenue, profitability and market share.

We are engaged in a highly competitive business. The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. These competitors may have greater financial and other resources than we do. Others are smaller and more specialized, and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. In addition, the technical and professional aspects of some of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors.

The degree and type of competition we face is also influenced by the type and scope of a particular project. Our clients make competitive determinations based upon qualifications, experience, performance, reputation, technology, customer relationships and ability to provide the relevant services in a timely, safe and cost-efficient manner. Increased competition may result in our inability to win bids for future projects and loss of revenue, profitability and market share.

If we extend a significant portion of our credit to clients in a specific geographic area or industry, we may experience disproportionately high levels of collection risk and nonpayment if those clients are adversely affected by factors particular to their geographic area or industry.

Our clients include public and private entities that have been, and may continue to be, negatively impacted by the changing landscape in the global economy. While outside of the U.S. federal government, no one client accounted for over 10% of our revenue for fiscal 2018, we face collection risk as a normal part of our business where we perform services and subsequently bill our clients for such services, or when we make equity investments in majority or minority controlled large-scale client projects and other long-term capital projects before the project completes operational status or completes its project financing. In the event that we have concentrated credit risk from clients in a specific geographic area or industry, continuing negative trends or a worsening in the financial condition of that specific geographic area or industry could make us susceptible to disproportionately high levels of default by those clients. Such defaults could materially adversely impact our revenues and our results of operations.

Our services expose us to significant risks of liability and our insurance policies may not provide adequate coverage.

Our services involve significant risks of professional and other liabilities that may substantially exceed the fees that we derive from our services. In addition, we sometimes contractually assume liability to clients on projects under indemnification or guarantee agreements. We cannot predict the magnitude of potential liabilities from the operation of our business. In addition, in the ordinary course of our business, we frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for our clients. We may be deemed to be responsible for these professional judgments and recommendations if they are later determined to be inaccurate. Any unfavorable legal ruling against us could result in substantial monetary damages or even criminal violations.

Our professional liability policies cover only claims made during the term of the policy. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse effect on our business.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits.

If we do not have adequate indemnification for our services related to nuclear materials, it could adversely affect our business and financial condition.

We provide services to the Department of Energy and the nuclear energy industry in the ongoing maintenance and modification, as well as the decontamination and decommissioning, of nuclear energy plants. Indemnification provisions under the Price-Anderson Act available to nuclear energy plant operators and Department of Energy contractors do not apply to all liabilities that we might incur while performing services as a radioactive materials cleanup contractor for the Department of Energy and the nuclear energy industry. If the Price-Anderson Act's indemnification protection does not apply to our services or if our exposure occurs outside the U.S., our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

We also provide services to the United Kingdom's Nuclear Decommissioning Authority (NDA) relating to clean-up and decommissioning of the United Kingdom's public sector nuclear sites. Indemnification provisions under the Nuclear Installations Act 1965 available to nuclear site licensees, the Atomic Energy Authority, and the Crown, and contractual indemnification from the NDA do not apply to all liabilities that we might incur while performing services as a clean-up and decommissioning contractor for the NDA. If the Nuclear Installations Act 1965 and contractual indemnification protection does not apply to our services or if our exposure occurs outside the United Kingdom, our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

Our backlog of uncompleted projects under contract is subject to unexpected adjustments and cancellations and, thus may not accurately reflect future revenue and profits.

At September 30, 2018, our contracted backlog was approximately $21.9 billion, our awarded backlog was approximately $29.2 billion and our unconsolidated joint venture backlog was approximately $3.0 billion for a total backlog of $54.1 billion. Our contracted backlog includes revenue we expect to record in the future from signed contracts and, in the case of a public sector client, where the project has been funded. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. We cannot guarantee that future revenue will be realized from either category of backlog or, if realized, will result in profits. Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time, projects are delayed, scaled back or canceled. These types of backlog reductions adversely affect the revenue and profits that we ultimately receive from contracts reflected in our backlog.

We have submitted claims to clients for work we performed beyond the initial scope of some of our contracts. If these clients do not approve these claims, our results of operations could be adversely impacted.

We typically have pending claims submitted under some of our contracts for payment of work performed beyond the initial contractual requirements for which we have already recorded revenue. In general, we cannot guarantee that such claims will be approved in whole, in part, or at all. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we have used working capital in projects to cover cost overruns pending the resolution of the relevant claims. If these claims are not approved, our revenue may be reduced in future periods.

In conducting our business, we depend on other contractors, subcontractors and equipment and material providers. If these parties fail to satisfy their obligations to us or other parties or if we are unable to maintain these relationships, our revenue, profitability and growth prospects could be adversely affected.

We depend on contractors, subcontractors and equipment and material providers in conducting our business. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. Also, to the extent that we cannot acquire equipment and materials at reasonable costs, or if the amount we are required to pay exceeds our estimates, our ability to complete a project in a timely fashion or at a profit may be impaired. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized; we could be held responsible for such failures and/or we may be required to purchase the supplies or services from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the supplies or services are needed.

We also rely on relationships with other contractors when we act as their subcontractor or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract. In addition, due to "pay when paid" provisions that are common in subcontracts in many countries, including the U.S., we could experience delays in receiving payment if the prime contractor experiences payment delays.

If clients use our reports or other work product without appropriate disclaimers or in a misleading or incomplete manner, or if our reports or other work product are not in compliance with professional standards and other regulations, our business could be adversely affected.

The reports and other work product we produce for clients sometimes include projections, forecasts and other forward-looking statements. Such information by its nature is subject to numerous risks and uncertainties, any of which could cause the information produced by us to ultimately prove inaccurate. While we include appropriate disclaimers in the reports that we prepare for our clients, once we produce such written work product, we do not always have the ability to control the manner in which our clients use such information. As a result, if our clients reproduce such information to solicit funds from investors for projects without appropriate disclaimers and the information proves to be incorrect, or if our clients reproduce such information for potential investors in a misleading or incomplete manner, our clients or such investors may threaten to or file suit against us for, among other things, securities law violations. For example, in August 2016, AECOM Australia and other parties entered into a settlement related to, among other things, alleged deficiencies in AECOM Australia's traffic forecast. If we were found to be liable for any claims related to our client work product, our business could be adversely affected.

In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties.

Failure to adequately protect, maintain, or enforce our rights in our intellectual property may adversely limit our competitive position.

Our success depends, in part, upon our ability to protect our intellectual property. We rely on a combination of intellectual property policies and other contractual arrangements to protect much of our intellectual property where we do not believe that trademark, patent or copyright protection is appropriate or obtainable. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information and/or the infringement of our patents and copyrights. Further, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to adequately protect, maintain, or enforce our intellectual property rights may adversely limit our competitive position.

Negotiations with labor unions and possible work actions could divert management attention and disrupt operations. In addition, new collective bargaining agreements or amendments to agreements could increase our labor costs and operating expenses.

We regularly negotiate with labor unions and enter into collective bargaining agreements. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to us. We may reach agreements in collective bargaining that increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions could divert management attention and disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union-initiated work actions, including strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could disrupt our operations and adversely affect our operating results.

Our charter documents contain provisions that may delay, defer or prevent a change of control.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following:

- ability of our Board of Directors to authorize the issuance of preferred stock in series without stockholder approval;
- vesting of exclusive authority in our Board of Directors to determine the size of the board (subject to limited exceptions) and to fill vacancies;
- advance notice requirements for stockholder proposals and nominations for election to our Board of Directors; and
- prohibitions on our stockholders from acting by written consent.

Changes in tax laws could increase our worldwide tax rate and materially affect our results of operations.

Many international legislative and regulatory bodies have proposed and/or enacted legislation and begun investigations of the tax practices of multinational companies and, in the European Union (EU), the tax policies of EU member states. Since 2013, the European Commission (EC) has been investigating tax rulings granted by tax authorities in a number of EU member states with respect to specific multinational corporations to determine whether such rulings comply with EU rules on state aid, as well as more recent investigations of the tax regimes of EU member states. If the EC determines that a tax ruling or tax regime violates the state aid restrictions, the tax authorities of the affected EU member state may be required to collect back taxes for the period of time covered by the ruling. Due to the large scale of our U.S. and international business activities, many of these proposed and enacted changes to the taxation of our activities could increase our worldwide effective tax rate and harm results of operations. Tax changes including limitations on the ability to defer U.S. taxation on earnings outside of the U.S. could increase our worldwide effective tax rate and harm results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate offices are located in approximately 31,500 square feet of space at 1999 Avenue of the Stars, Los Angeles, California. Our other offices, including smaller administrative or project offices, consist of an aggregate of approximately 11.1 million square feet worldwide. Virtually all of our offices are leased. See Note 11 in the notes to our consolidated financial statements for information regarding our lease obligations. We believe our current properties are adequate for our business operations and are not currently underutilized. We may add additional facilities from time to time in the future as the need arises.

ITEM 3. LEGAL PROCEEDINGS

As a government contractor, we are subject to various laws and regulations that are more restrictive than those applicable to non-government contractors. Intense government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting and, from time to time, we receive inquiries, subpoenas, and similar demands related to our ongoing business with government entities. Violations can result in civil or criminal liability as well as suspension or debarment from eligibility for awards of new government contracts or option renewals.

We are involved in various investigations, claims and lawsuits in the normal conduct of our business. We are not always aware if we or our affiliates are under investigation or the status of such matters. Although the outcome of our legal proceedings cannot be predicted with certainty and no assurances can be provided, in the opinion of our management, based upon current information and discussions with counsel, with the exception of the matters noted in Note 18, Commitments and Contingencies, to the financial statements contained in this report to the extent stated therein, none of the investigations, claims and lawsuits in which we are involved is expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or our ability to conduct business. See Note 18, Commitments and Contingencies, to the financial statements contained in this report for a discussion of certain matters to which we are a party. The information set forth in such note is incorporated by reference into this Item 3. From time to time, we establish reserves for litigation when we consider it probable that a loss will occur.

ITEM 4. MINE SAFETY DISCLOSURES

The Company does not act as the owner of any mines, but we may act as a mining operator as defined under the Federal Mine Safety and Health Act of 1977 where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or an independent contractor performing services or construction of such mine. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.

PART II

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

Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol "ACM." According to the records of our transfer agent, there were 2,213 stockholders of record as of November 5, 2018.

Unregistered Sales of Equity Securities

None.

Equity Compensation Plans

The following table presents certain information about shares of AECOM common stock that may be issued under our equity compensation plans as of September 30, 2018:

Plan Category	Column A Number of securities to be issued upon exercise of outstanding options, warrants, and rights(1)	Column B Weighted-average exercise price of outstanding options, warrants, and rights	Column C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column A)
Equity compensation plans not approved by stockholders:	N/A	N/A	N/A
Equity compensation plans approved by stockholders:			
AECOM Stock Incentive Plans	6,746,743(1)	$ 31.62(2)	12,613,859
AECOM Employee Stock Purchase Plan(3)	N/A	N/A	1,863,622
Total	6,746,743	$ 31.62	14,477,481

(1) Includes 638,570 shares issuable upon the exercise of stock options, 3,853,214 shares issuable upon the vesting of Restricted Stock Units and 2,254,959 shares issuable if specified performance targets are met under Performance Earnings Program Awards (PEP).

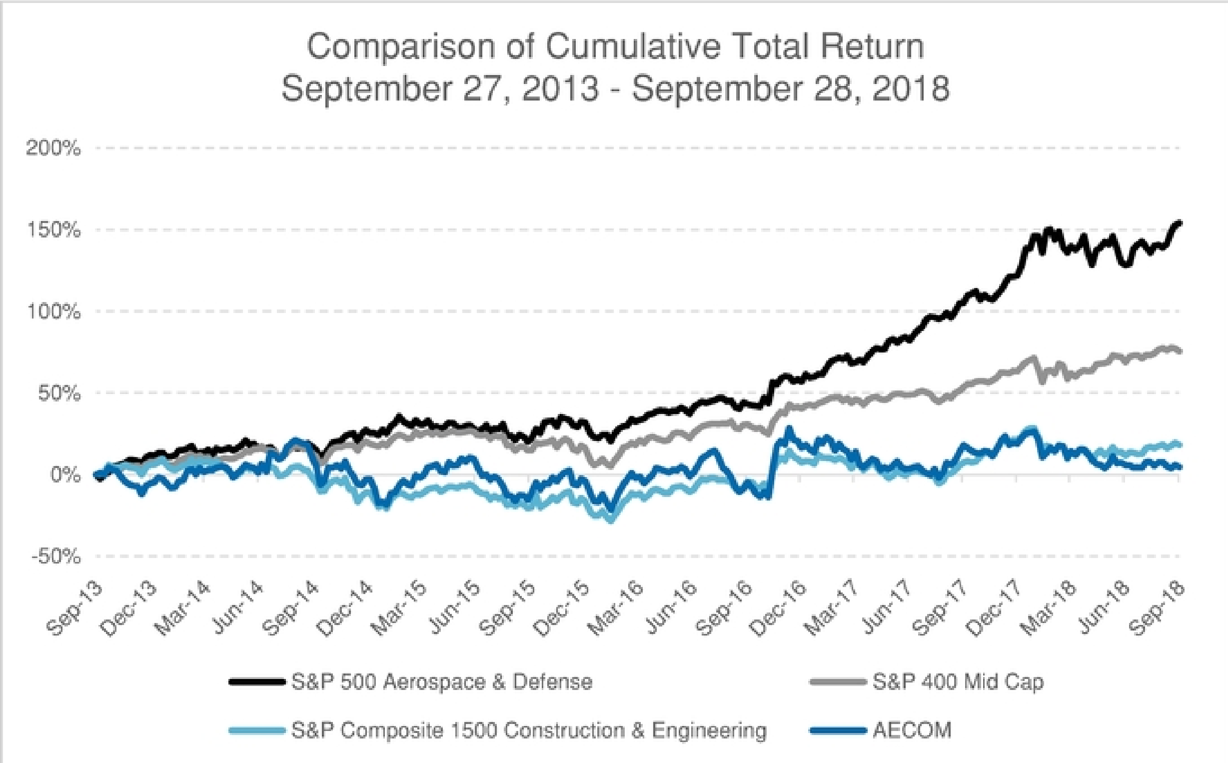
(2) Weighted-average exercise price of outstanding options only.

(3) Amounts only reflected in column (c) and include all shares available for future issuance and subject to outstanding rights.

Performance Measurement Comparison[1]

The following chart compares the cumulative total stockholder return of AECOM stock (ACM) with the cumulative total return of the S&P MidCap 400, the S&P Composite 1500 Construction & Engineering, the S&P 500 Aerospace & Defense and the PHLX Oil Service Sector indices from September 27, 2013 to September 28, 2018. We removed the PHLX Oil Service Sector indices due to our plan to sell non-core oil and gas assets in North America.

We believe the S&P 400 MidCap, on which we are listed, is an appropriate independent broad market index, since it measures the performance of similar mid-sized companies in numerous sectors. In addition, we believe the S&P Composite 1500 Construction & Engineering and the S&P 500 Aerospace & Defense indices are appropriate third party published industry indices since they measure the performance of engineering and construction and defense services.



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(1) This section is not "soliciting material," is not deemed "filed" with the SEC and is not incorporated by reference in any of our filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Stock Repurchase Program

On September 21, 2017, the Company's Board of Directors announced a new capital allocation policy that authorized the repurchase of up to $1.0 billion in AECOM common stock. Stock repurchases can be made through open market purchases or other methods, including pursuant to a Rule 10b5-1 plan. From August 2011 through October 2018, the Company purchased a total of 32.0 million shares at an average price of $25.29 per share, for a total cost of $810.1 million. A summary of the repurchase activity for the three months ended September 30, 2018 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs
	(Amounts in Millions, Except Per Share Amounts			
July 1 - 31, 2018	—	$ —	—	$ —
August 1 - 31, 2018	3,978,780	32.34	3,978,780	871,300,000
September 1 - 30, 2018	—	—	—	—
Total	3,978,780	32.34	3,978,780	$ 871,300,000

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ITEM 6. SELECTED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data along with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes, which are included in this Form 10-K. We derived the selected consolidated financial data from our audited consolidated financial statements.

	Year Ended September 30,				
	2018	2017	2016	2015	2014
	(in millions, except share data)				
Consolidated Statement of Operations Data:					
Revenue	$ 20,156	$ 18,203	$ 17,411	$ 17,990	$ 8,357
Cost of revenue	19,505	17,519	16,768	17,455	7,954
Gross profit	651	684	643	535	403
Equity in earnings of joint ventures	81	142	104	106	58
General and administrative expenses	(136)	(134)	(115)	(114)	(81)
Impairment of assets held for sale, including goodwill	(168)	—	—	—	—
Acquisition and integration expenses	—	(39)	(214)	(398)	(27)
Gain (loss) on disposal activities	(3)	1	(43)	—	—
Income from operations	425	654	375	129	353
Other income	20	7	8	19	3
Interest expense	(268)	(232)	(258)	(299)	(41)
Income (loss) before income tax expense	177	429	125	(151)	315
Income tax (benefit) expense	(20)	8	(38)	(80)	82
Net income (loss)	197	421	163	(71)	233
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(61)	(82)	(67)	(84)	(3)
Net income (loss) attributable to AECOM	$ 136	$ 339	$ 96	$ (155)	$ 230
Net income (loss) attributable to AECOM per share:					
Basic	$ 0.86	$ 2.18	$ 0.62	$ (1.04)	$ 2.36
Diluted	$ 0.84	$ 2.13	$ 0.62	$ (1.04)	$ 2.33
Weighted average shares outstanding: (in millions)					
Basic	159	156	155	150	97
Diluted	162	159	156	150	99

	Year Ended September 30,				
	2018	2017	2016	2015	2014
	(in millions, except employee data)				
Other Data:					
Depreciation and amortization(1)	$ 268	$ 279	$ 399	$ 599	$ 95
Amortization expense of acquired intangible assets(2)	97	103	202	391	24
Capital expenditures, net of disposals	87	78	137	69	63
Contracted backlog	$ 21,863	$ 24,234	$ 23,710	$ 24,468	$ 11,349
Number of full-time and part-time employees	87,000	87,000	87,000	92,000	43,300

(1) Includes amortization of deferred debt issuance costs.

(2) Included in depreciation and amortization above.

	As of September 30,				
	2018	2017	2016	2015	2014
			(in millions)		
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 887	$ 802	$ 692	$ 684	$ 574
Working capital	998	1,104	696	1,410	978
Total assets	14,681	14,397	13,670	14,014	6,123
Long-term debt excluding current portion	3,484	3,702	3,702	4,447	940
AECOM Stockholders' equity	4,093	3,996	3,367	3,408	2,187

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

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect the Company's current beliefs, expectations or intentions regarding future events. These statements include forward-looking statements with respect to the Company, including the Company's business and operations, and the engineering and construction industry. Statements that are not historical facts, without limitation, including statements that use terms such as "anticipates," "believes," "expects," "estimates," "intends," "may," "plans," "potential," "projects," and "will" and that relate to our future revenues, expenditures and business trends; future accounting estimates; future conversions of backlog; future capital allocation priorities including share repurchases, trade receivables, debt pay downs; future post-retirement expenses; future tax benefits and expenses; future compliance with regulations; future legal claims and insurance coverage; future effectiveness of our disclosure and internal controls over financial reporting; and other future economic and industry conditions, are forward-looking statements. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this Annual Report should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Although management believes that the assumptions underlying the forward-looking statements are reasonable, these assumptions and the forward-looking statements are subject to various factors, risks and uncertainties, many of which are beyond our control, including, but not limited to, the fact that our business is cyclical and vulnerable to economic downturns and client spending reductions; we are dependent on long-term government contracts and subject to uncertainties related to government contract appropriations; governmental agencies may modify, curtail or terminate our contracts; government contracts are subject to audits and adjustments of contractual terms; we may experience losses under fixed-price contracts; we have not completed our accounting for the tax effects of the United States Tax Cuts and Jobs Act legislation; we have limited control over operations run through our joint venture entities; we may be liable for misconduct by our employees or consultants or our failure to comply with laws or regulations applicable to our business; we may not maintain adequate surety and financial capacity; we are highly leveraged and may not be able to service our debt and guarantees; we have exposure to political and economic risks in different countries where we operate as well as currency exchange rate fluctuations; we may not be able to retain and recruit key technical and management personnel; we may be subject to legal claims; we may have inadequate insurance coverage; we are subject to environmental law compliance and may not have adequate nuclear indemnification; there may be unexpected adjustments and cancellations related to our backlog; we are dependent on partners and third parties who may fail to satisfy their obligations; we may not be able to manage pension costs; AECOM Capital's real estate development and investment activities are inherently risky; we may face cybersecurity issues and data loss; as well as other additional risks and factors discussed in this Annual Report on Form 10-K and any subsequent reports we file with the SEC. Accordingly, actual results could differ materially from those contemplated by any forward-looking statement.

All subsequent written and oral forward-looking statements concerning the Company or other matters attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. You are cautioned not to place undue reliance on these forward-looking statements, which speak only to the date they are made. The Company is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise. Please review "Part I, Item 1A—Risk Factors" in this Annual Report for a discussion of the factors, risks and uncertainties that could affect our future results.

Our fiscal year consists of 52 or 53 weeks, ending on the Friday closest to September 30. For clarity of presentation, we present all periods as if the year ended on September 30. We refer to the fiscal year ended September 30, 2017 as "fiscal 2017" and the fiscal year ended September 30, 2018 as "fiscal 2018."

Overview

We are a leading fully integrated firm positioned to design, build, finance and operate infrastructure assets for governments, businesses and organizations throughout the world. We provide planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets. We also provide construction services, including building construction and energy, infrastructure and industrial construction. In addition, we provide program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world.

Our business focuses primarily on providing fee-based planning, consulting, architectural and engineering design services and, therefore, our business is labor intensive. We primarily derive income from our ability to generate revenue and collect cash from our clients through the billing of our employees' time spent on client projects and our ability to manage our costs. AECOM Capital primarily derives its income from real estate development sales.

We report our business through four segments: Design and Consulting Services (DCS), Construction Services (CS), Management Services (MS), and AECOM Capital (ACAP). Such segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long-term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

Our DCS segment delivers planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government. DCS revenue is primarily derived from fees from services that we provide, as opposed to pass-through costs from subcontractors.

Our CS segment provides construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. CS revenue typically includes a significant amount of pass-through costs from subcontractors.

Our MS segment provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world. MS revenue typically includes a significant amount of pass-through costs from subcontractors.

Our ACAP segment invests in real estate, public-private partnership (P3) and infrastructure projects. ACAP typically partners with investors and experienced developers as co-general partners. In addition, ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations and maintenance services for ACAP funded projects.

Our revenue is dependent on our ability to attract and retain qualified and productive employees, identify business opportunities, integrate and maximize the value of our recent acquisitions, allocate our labor resources to profitable and high growth markets, secure new contracts and renew existing client agreements. Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending, which may result in clients delaying, curtailing or canceling proposed and existing projects. Moreover, as a professional services company, maintaining the high quality of the work generated by our employees is integral to our revenue generation and profitability.

Our costs consist primarily of the compensation we pay to our employees, including salaries, fringe benefits, the costs of hiring subcontractors, other project-related expenses and sales, general and administrative costs.

During our first quarter ended December 31, 2017, President Trump signed the *Tax Cuts and Jobs Act* legislation that went into law (the Tax Act). The Tax Act reduces our U.S. federal corporate tax rate from 35% to a blended tax rate of 24.5% for our fiscal year ending September 30, 2018 and 21% for fiscal years thereafter, requires companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, creates new taxes on certain foreign sourced earnings, and eliminates or reduces certain deductions. We have not completed our accounting for the tax effects of the Tax Act. We have made a reasonable estimate of the effects on our existing deferred tax balances and the one-time transition tax but we have not made any estimate of the impact on our indefinite reinvestment of earnings of certain of our foreign subsidiaries.

In December 2015, the federal legislation referred to as the Fixing America's Surface Transportation Act (the FAST Act) was authorized. The FAST Act is a five-year federal program expected to provide infrastructure spending on roads, bridges, and public transit and rail systems. While client spending patterns are likely to remain uneven, we expect that the passage of the FAST Act will continue to positively impact our transportation services business.

The U.S. federal government has proposed significant legislative and executive infrastructure initiatives that, if enacted, could have a positive impact to our infrastructure business.

As part of our capital allocation commitments, we repurchased common stocks under our $1 billion authorization and we intend to deploy future free cash flow towards ongoing debt reduction and stock repurchases.

In March 2018, President Trump signed proclamations to impose tariffs on steel and aluminum imports per the US Trade Expansion Act of 1962, increasing the price for steel and aluminum in the United States, which could impact client spending and affect the profitability of our fixed-price construction projects.

We expect to sell remaining non-core oil and gas assets in North America from our Construction Services business segment within the next twelve months.

We expect to incur approximately $80 to $90 million in restructuring costs in the first half of fiscal year 2019, and we expect to evaluate our geographic exposure as part of a proposed plan to exit more than 30 countries, subject to applicable laws, to improve profitability and reduce our risk profile.

We expect to benefit from the return on AECOM Capital asset sales in fiscal year 2019.

We cannot determine if future climate change and greenhouse gas laws and policies, such as the United Nation's COP-21 Paris Agreement, will have a material impact on our business or our clients' business; however, we expect future environmental laws and policies could negatively impact demand for our services related to fossil fuel projects and positively impact demand for our services related to environmental, infrastructure, nuclear and alternative energy projects.

Acquisitions

The aggregate value of all consideration for our acquisitions consummated during the years ended September 30, 2018, 2017 and 2016 was $5.6 million, $164.4 million and $5.5 million, respectively.

All of our acquisitions have been accounted for as business combinations and the results of operations of the acquired companies have been included in our consolidated results since the dates of the acquisitions.

Components of Income and Expense

	Year Ended September 30,				
	2018	2017	2016	2015	2014
			(in millions)		
Other Financial Data:					
Revenue	$ 20,156	$ 18,203	$ 17,411	$ 17,990	$ 8,357
Cost of revenue	19,505	17,519	16,768	17,455	7,954
Gross profit	651	684	643	535	403
Equity in earnings of joint ventures	81	142	104	106	58
General and administrative expenses	(136)	(134)	(115)	(114)	(81)
Impairment of assets held for sale, including goodwill	(168)	—	—	—	—
Acquisition and integration expenses	—	(39)	(214)	(398)	(27)
(Loss) gain on disposal activities	(3)	1	(43)	—	—
Income from operations	$ 425	$ 654	$ 375	$ 129	$ 353

Revenue

We generate revenue primarily by providing planning, consulting, architectural and engineering design services to commercial and government clients around the world. Our revenue consists of both services provided by our employees and pass-through fees from subcontractors and other direct costs. We generally utilize a cost-to-cost approach in applying the percentage-of-completion method of revenue recognition. Under this approach, revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred.

Cost of Revenue

Cost of revenue reflects the cost of our own personnel (including fringe benefits and overhead expense) associated with revenue.

Amortization Expense of Acquired Intangible Assets

Included in our cost of revenue is amortization of acquired intangible assets. We have ascribed value to identifiable intangible assets other than goodwill in our purchase price allocations for companies we have acquired. These assets include, but are not limited to, backlog and customer relationships. To the extent we ascribe value to identifiable intangible assets that have finite lives, we amortize those values over the estimated useful lives of the assets. Such amortization expense, although non-cash in the period expensed, directly impacts our results of operations. It is difficult to predict with any precision the amount of expense we may record relating to acquired intangible assets.

Equity in Earnings of Joint Ventures

Equity in earnings of joint ventures includes our portion of fees charged by our unconsolidated joint ventures to clients for services performed by us and other joint venture partners along with earnings we receive from our return on investments in unconsolidated joint ventures.

General and Administrative Expenses

General and administrative expenses include corporate expenses, including personnel, occupancy, and administrative expenses.

Acquisition and Integration Expenses

Acquisition and integration expenses are comprised of transaction costs, professional fees, and personnel costs, including due diligence and integration activities, primarily related to business acquisitions.

Goodwill Impairment

See Critical Accounting Policies and Consolidated Results below.

Income Tax (Benefit) Expense

As a global enterprise, income tax (benefit)/expense and our effective tax rates can be affected by many factors, including changes in our worldwide mix of pre-tax losses/earnings, the effect of non-controlling interest in income of consolidated subsidiaries, the extent to which the earnings are indefinitely reinvested outside of the United States, our acquisition strategy, tax incentives and credits available to us, changes in judgment regarding the realizability of our deferred tax assets, changes in existing tax laws and our assessment of uncertain tax positions. Our tax returns are routinely audited by the taxing authorities and settlements of issues raised in these audits can also sometimes affect our effective tax rate.

Geographic Information

For geographic financial information, please refer to Note 19 in the notes to our consolidated financial statements found elsewhere in the Form 10-K.

Critical Accounting Policies

Our financial statements are presented in accordance with accounting principles generally accepted in the United States (GAAP). Highlighted below are the accounting policies that management considers significant to understanding the operations of our business.

Revenue Recognition

We generally utilize a cost-to-cost approach in applying the percentage-of-completion method of revenue recognition, under which revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. Recognition of revenue and profit under this method is dependent upon a number of factors, including the accuracy of a variety of estimates, including engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Due to uncertainties inherent in the estimation process, it is possible that actual completion costs may vary from estimates. If estimated total costs on contracts indicate a loss, we recognize that estimated loss within cost of revenue in the period the estimated loss first becomes known.

Claims Recognition

Claims are amounts in excess of the agreed contract price (or amounts not included in the original contract price) that we seek to collect from customers or others for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved contracts as to both scope and price or other causes of unanticipated additional costs. We record contract revenue related to claims only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. In such cases, we record revenue only to the extent that contract costs relating to the claim have been incurred. The amounts recorded, if material, are disclosed in the notes to the financial statements. Costs attributable to claims are treated as costs of contract performance as incurred.

Government Contract Matters

Our federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subject us to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of our federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of our overhead rates, operating systems and cost proposals to ensure that we account for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines we have not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Allowance for Doubtful Accounts

We record accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of our clients. The factors we consider in our contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;
- Historical collection and delinquency trends;
- Client credit worthiness; and
- General economic conditions.

Unbilled Accounts Receivable and Billings in Excess of Costs on Uncompleted Contracts

Unbilled accounts receivable represents the contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the period end.

Billings in excess of costs on uncompleted contracts represent the billings to date, as allowed under the terms of a contract, but not yet recognized as contract revenue using the percentage-of-completion accounting method.

Investments in Unconsolidated Joint Ventures

We have noncontrolling interests in joint ventures accounted for under the equity method. Fees received for and the associated costs of services performed by us and billed to joint ventures with respect to work done by us for third-party customers are recorded as our revenues and costs in the period in which such services are rendered. In certain joint ventures, a fee is added to the respective billings from both ourselves and the other joint venture partners on the amounts billed to the third-party customers. These fees result in earnings to the joint venture and are split with each of the joint venture partners and paid to the joint venture partners upon collection from the third-party customer. We record our allocated share of these fees as equity in earnings of joint ventures.

Additionally, our ACAP segment invests in and develops real estate, public-private partnership (P3) and infrastructure projects.

Income Taxes

We provide for income taxes in accordance with principles contained in ASC Topic 740, Income Taxes. Under these principles, we recognize the amount of income tax payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in our financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the new rate is enacted. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance if it is more likely than not that a portion will not be realized.

We measure and recognize the amount of tax benefit that should be recorded for financial statement purposes for uncertain tax positions taken or expected to be taken in a tax return. With respect to uncertain tax positions, we evaluate the recognized tax benefits for recognition, measurement, derecognition, classification, interest and penalties, interim period accounting and disclosure requirements. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns.

Valuation Allowance. Deferred income taxes are provided on the liability method whereby deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities, as well as for tax attributes such as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and tax rates on the date of enactment of such changes to laws and tax rates.

Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some portion or all of the deferred tax assets may not be realized. The evaluation of the recoverability of the deferred tax asset requires the Company to weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax assets will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. Whether a deferred tax asset may be realized requires considerable judgment by us. In considering the need for a valuation allowance, we consider a number of factors including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Whether a deferred tax asset will ultimately be realized is also dependent on varying factors, including, but not limited to, changes in tax laws and audits by tax jurisdictions in which we operate.

If future changes in judgment regarding the realizability of our deferred tax assets lead us to determine that it is more likely than not that we will not realize all or part of our deferred tax asset in the future, we will record an additional valuation allowance. Conversely, if a valuation allowance exists and we determine that the ultimate realizability of all or part of the net deferred tax asset is more likely than not to be realized, then the amount of the valuation allowance will be reduced. This adjustment will increase or decrease income tax expense in the period of such determination.

Undistributed Non-U.S. Earnings. The results of our operations outside of the United States are consolidated for financial reporting; however, earnings from investments in non-U.S. operations are included in domestic U.S. taxable income only when actually or constructively received. No deferred taxes have been provided on the undistributed gross book-tax basis differences of our non-U.S. operations of approximately $1.7 billion because we have the ability to and intend to permanently reinvest these basis differences overseas. If we were to repatriate these basis differences, additional taxes could be due at that time.

We continually explore initiatives to better align our tax and legal entity structure with the footprint of our non-U.S. operations and we recognize the tax impact of these initiatives, including changes in assessment of its uncertain tax positions, indefinite reinvestment exception assertions and realizability of deferred tax assets, earliest in the period when management believes all necessary internal and external approvals associated with such initiatives have been obtained, or when the initiatives are materially complete.

Goodwill and Acquired Intangible Assets

Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, we perform an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In our assessment, we determine whether identifiable intangible assets exist, which typically include backlog and customer relationships.

We test goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. Our impairment tests are performed at the operating segment level as they represent our reporting units.

During the impairment test, we estimate the fair value of the reporting unit using income and market approaches, and compare that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit.

During the fourth quarter, we conduct our annual goodwill impairment test. The impairment evaluation process includes, among other things, making assumptions about variables such as revenue growth rates, profitability, discount rates, and industry market multiples, which are subject to a high degree of judgment.

Material assumptions used in the impairment analysis included the weighted average cost of capital (WACC) percent and terminal growth rates. For example, as of September 30, 2018, a 1% increase in the WACC rate represents a $600 million decrease to the fair value of our reporting units. As of September 30, 2018, a 1% decrease in the terminal growth rate represents a $300 million decrease to the fair value of our reporting units.

Pension Benefit Obligations

A number of assumptions are necessary to determine our pension liabilities and net periodic costs. These liabilities and net periodic costs are sensitive to changes in those assumptions. The assumptions include discount rates, long-term rates of return on plan assets and inflation levels limited to the United Kingdom and are generally determined based on the current economic environment in each host country at the end of each respective annual reporting period. We evaluate the funded status of each of our retirement plans using these current assumptions and determine the appropriate funding level considering applicable regulatory requirements, tax deductibility, reporting considerations and other factors. Based upon current assumptions, we expect to contribute $27.2 million to our international plans in fiscal 2019. Our required minimum contributions for our U.S. qualified plans are not significant. In addition, we may make additional discretionary contributions. We currently expect to contribute $14.3 million to our U.S. plans (including benefit payments to nonqualified plans and postretirement medical plans) in fiscal 2019. If the discount rate was reduced by 25 basis points, plan liabilities would increase by approximately $70.8 million. If the discount rate and return on plan assets were reduced by 25 basis points, plan expense would decrease by approximately $0.6 million and increase by approximately $3.4 million, respectively. If inflation increased by 25 basis points, plan liabilities in the United Kingdom would increase by approximately $36.6 million and plan expense would increase by approximately $2.1 million.

At each measurement date, all assumptions are reviewed and adjusted as appropriate. With respect to establishing the return on assets assumption, we consider the long term capital market expectations for each asset class held as an investment by the various pension plans. In addition to expected returns for each asset class, we take into account standard deviation of returns and correlation between asset classes. This is necessary in order to generate a distribution of possible returns which reflects diversification of assets. Based on this information, a distribution of possible returns is generated based on the plan's target asset allocation.

Capital market expectations for determining the long term rate of return on assets are based on forward-looking assumptions which reflect a 20-year view of the capital markets. In establishing those capital market assumptions and expectations, we rely on the assistance of our actuaries and our investment consultants. We and the plan trustees review whether changes to the various plans' target asset allocations are appropriate. A change in the plans' target asset allocations would likely result in a change in the expected return on asset assumptions. In assessing a plan's asset allocation strategy, we and the plan trustees consider factors such as the structure of the plan's liabilities, the plan's funded status, and the impact of the asset allocation to the volatility of the plan's funded status, so that the overall risk level resulting from our defined benefit plans is appropriate within our risk management strategy.

Between September 30, 2017 and September 30, 2018, the aggregate worldwide pension deficit decreased from $553.0 million to $400.5 million due to rising global asset prices. If the various plans do not experience future investment gains to reduce this shortfall, the deficit will be reduced by additional contributions.

Accrued Professional Liability Costs

We carry professional liability insurance policies or self-insure for our initial layer of professional liability claims under our professional liability insurance policies and for a deductible for each claim even after exceeding the self-insured retention. We accrue for our portion of the estimated ultimate liability for the estimated potential incurred losses. We establish our estimate of loss for each potential claim in consultation with legal counsel handling the specific matters and based on historic trends taking into account recent events. We also use an outside actuarial firm to assist us in estimating our future claims exposure. It is possible that our estimate of loss may be revised based on the actual or revised estimate of liability of the claims.

Foreign Currency Translation

Our functional currency is the U.S. dollar. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders' equity.

We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. However, we will use foreign exchange derivative financial instruments from time to time to mitigate foreign currency risk. The functional currency of all significant foreign operations is the respective local currency.

Fiscal year ended September 30, 2018 compared to the fiscal year ended September 30, 2017

Consolidated Results

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017	Change $	Change %
	($ in millions)			
Revenue	$ 20,155.5	$ 18,203.4	$ 1,952.1	10.7%
Cost of revenue	19,504.9	17,519.7	1.985.2	11.3
Gross profit	650.6	683.7	(33.1)	(4.8)
Equity in earnings of joint ventures	81.1	141.6	(60.5)	(42.7)
General and administrative expenses	(135.7)	(133.4)	(2.3)	1.7
Impairment of assets held for sale, including goodwill	(168.2)	—	(168.2)	NM*
Acquisition and integration expenses	—	(38.7)	38.7	(100.0)
(Loss) gain on disposal activities	(2.9)	0.6	(3.5)	NM*
Income from operations	424.9	653.8	(228.9)	(35.0)
Other income	20.1	6.7	13.4	200.0
Interest expense	(267.5)	(231.3)	(36.2)	15.7
Income before income tax (benefit) expense	177.5	429.2	(251.7)	(58.6)
Income tax (benefit) expense	(19.7)	7.7	(27.4)	(355.8)
Net income	197.2	421.5	(224.3)	(53.2)
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(60.7)	(82.1)	21.4	(26.1)
Net income attributable to AECOM	$ 136.5	$ 339.4	$ (202.9)	(59.8)%

* NM—Not meaningful

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017
Revenue	100.0%	100.0%
Cost of revenue	96.8	96.2
Gross profit	3.2	3.8
Equity in earnings of joint ventures	0.4	0.8
General and administrative expenses	(0.7)	(0.8)
Impairment of assets held for sale, including goodwill	(0.8)	0.0
Acquisition and integration expenses	0.0	(0.2)
(Loss) gain on disposal activities	0.0	0.0
Income from operations	2.1	3.6
Other income	0.1	0.0
Interest expense	(1.3)	(1.2)
Income before income tax (benefit) expense	0.9	2.4
Income tax (benefit) expense	(0.1)	0.1
Net income	1.0	2.3
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(0.3)	(0.4)
Net income attributable to AECOM	0.7%	1.9%

Revenue

Our revenue for the year ended September 30, 2018 increased $1,952.1 million, or 10.7%, to $20,155.5 million as compared to $18,203.4 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2018 was primarily attributable to increases in our DCS segment of $656.3 million, our CS segment of $943.3 million, and our MS segment of $352.5 million, as discussed further below.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the years ended September 30, 2018 and 2017 were $10.7 billion and $9.2 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue, increased to 53% during the year ended September 30, 2018 from 51% during the year ended September 30, 2017 due to increased building construction in our CS segment, as discussed below.

Gross Profit

Our gross profit for the year ended September 30, 2018 decreased $33.1 million, or 4.8%, to $650.6 million as compared to $683.7 million for the corresponding period last year. For the year ended September 30, 2018, gross profit, as a percentage of revenue, decreased to 3.2% from 3.8% in the year ended September 30, 2017.

Gross profit changes were due to the reasons noted in DCS, CS and MS segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the year ended September 30, 2018 was $81.1 million as compared to $141.6 million in the corresponding period last year.

During year ended September 30, 2017, ACAP completed a transaction to sell its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture which invested in a real estate development in New Jersey, for $133 million, which resulted in a gain of $52 million in our fiscal 2017. During the three months ended September 30, 2018, ACAP completed several real estate transactions that resulted in total gains of $15.2 million and net cash proceeds of $102.8 million. Additionally, the decrease from prior year was due to approximately $15 million in reduced equity in earnings from decreased volume at joint ventures in our MS segment.

General and Administrative Expenses

Our general and administrative expenses for the year ended September 30, 2018 increased $2.3 million, or 1.7%, to $135.7 million as compared to $133.4 million for the corresponding period last year. As a percentage of revenue, general and administrative expenses decreased to 0.7% for the year ended September 30, 2018 from 0.8% for the year ended September 30, 2017.

Impairment of Assets Held for Sale, Including Goodwill

Impairment of assets held for sale, including goodwill, was $168.2 million for the year ended September 30, 2018. The loss was due to the anticipated disposition of non-core oil and gas assets in North America from our CS segment after the second quarter of fiscal 2018. The anticipated disposition resulted in a remeasurement of the assets held for sale, which were recorded at their estimated fair values less costs to sell. Included in the impairment of assets held for sale was a goodwill impairment charge of

$125.4 million. Goodwill associated with the assets held for sale was originally recognized in the acquisition of URS Corporation in October 2014. Weak market demand for oil and gas services in the Canadian oil sands, primarily due to volatile commodity prices for Western Canada Select, resulted in lower fair value than previously measured at our annual impairment testing date as of September 30, 2017. A portion of the assets classified as held for sale at the end of the second quarter of fiscal 2018 were sold during the year ended September 30, 2018. We expect to sell the remaining assets held for sale within the next twelve months.

Loss / Gain on Disposal Activities

Loss on disposal activities in the accompanying statements of operations for the year ended September 30, 2018 was $2.9 million compared to gain on disposal activities of $0.6 million for the year ended September 30, 2017. The loss on disposal activities in the current period relates to incremental losses on the disposal of specific non-core oil and gas assets in North America from our CS segment previously classified as assets held for sale.

Other Income

Our other income for the year ended September 30, 2018 increased $13.4 million to $20.1 million as compared to $6.7 million for the year ended September 30, 2017.

The increase in other income for the year ended September 30, 2018 was primarily due to a $9.1 million gain realized in the quarter ended March 31, 2018 from a foreign exchange forward contract entered into as part of the refinancing of our credit agreement.

Interest Expense

Our interest expense for the year ended September 30, 2018 was $267.5 million as compared to $231.3 million for the year ended September 30, 2017.

The increase in interest expense for the year ended September 30, 2018 was primarily due to a $34.5 million prepayment premium of our $800 million unsecured 5.750% Senior Notes due 2022 at a price of 104.3% during the quarter ended March 31, 2018.

Income Tax Benefit / Expense

Our income tax benefit for the year ended September 30, 2018 was $19.6 million compared to income tax expense of $7.7 million for the year ended September 30, 2017. The increase in tax benefit for the current period compared to the corresponding period last year is due primarily to a $47.8 million net benefit related to one-time U.S. federal tax law changes, a benefit of $37.2 million related to income tax credits and incentives, a benefit of $31.4 million related to changes in uncertain tax positions primarily in the U.S. and Canada, a benefit of $27.7 million related to an audit settlement in the U.S., a benefit of $18.5 million related to return to provision adjustments in the U.S. primarily due to changes in foreign tax credits, a decrease in overall pre-tax income of $251.7 million, and a reduced U.S. federal corporate tax rate of 24.5% for our fiscal year ending September 30, 2018. These benefits were partially offset by valuation allowance increases resulting in tax expense of $58.7 million including $38.1 million related to foreign tax credits as a result of U.S. federal tax law changes and tax expense of $33.9 million related to the goodwill impairment charge in the second quarter of fiscal 2018 which was non-deductible for tax purposes.

During the first quarter of 2018, President Trump signed what is commonly referred to as *The Tax Cuts and Jobs Act* (the Tax Act) into law. The Tax Act reduced our U.S. federal corporate tax rate from 35% to a blended tax rate of 24.5% for our fiscal year ending September 30, 2018 and 21% for fiscal years thereafter, requires companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, creates new taxes on foreign sourced earnings and eliminates or reduces deductions.

Given the significance of the Tax Act, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which allows registrants to record provisional amounts during a one year "measurement period" similar to that used when accounting for business combinations. However, the measurement period is deemed to have ended earlier when the registrant has obtained, prepared and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared or analyzed.

During the fiscal year 2018, we recorded a $32.0 million provisional tax benefit related to the remeasurement of our U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. In addition, we released the deferred tax liability and recorded a tax benefit related to foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued current tax on these earnings as part of the one-time transition tax.

During the fiscal year 2018, we recorded a $64.0 million provisional amount for the one-time transition tax liability for our foreign subsidiaries. We have not yet completed our calculation of the total foreign earnings and profits of our foreign subsidiaries and accordingly this amount may change when we finalize the calculation of foreign earnings.

During the fourth quarter of 2018, we restructured certain operations in Canada which resulted in a release of a valuation allowance of $13.1 million. Other operations in Canada continue to have losses and the associated valuation allowances could be reduced if and when our current and forecast profits trend turns and sufficient evidence exists to support the release of the related valuation allowances (approximately $41 million). During the second quarter of 2017, valuation allowances in the amount of $59.9 million in the United Kingdom were released due to sufficient positive evidence.

During the fourth quarter of 2018, we effectively settled a U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded a benefit of $27.7 million related to various adjustments, in addition to the favorable settlement for R&D credits of $26.2 million recorded in the second quarter of 2018. We are currently under tax audit in several jurisdictions including the U.S and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in adjustments, but will not result in a material change in the liability for uncertain tax positions.

We regularly integrate and consolidate our business operations and legal entity structure, and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net Income Attributable to AECOM

The factors described above resulted in the net income attributable to AECOM of $136.5 million for the year ended September 30, 2018, as compared to the net income attributable to AECOM of $339.4 million for the year ended September 30, 2017.

Results of Operations by Reportable Segment

Design and Consulting Services

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Revenue	$ 8,223.1	$ 7,566.8	$ 656.3	8.7%
Cost of revenue	7,783.9	7,172.0	611.9	8.5
Gross profit	$ 439.2	$ 394.8	$ 44.4	11.2%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
Revenue	100.0%	100.0%
Cost of revenue	94.7	94.8
Gross profit	5.3%	5.2%

Revenue

Revenue for our DCS segment for the year ended September 30, 2018 increased $656.3 million, or 8.7%, to $8,223.1 million as compared to $7,566.8 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2018 was attributable to an increase in the Americas of $400 million, largely due to increased work performed on a residential housing storm disaster relief program. Additionally, the increase was due to increases in Asia Pacific (APAC) and Europe, Middle East and Africa (EMEA) of approximately $110 million and $40 million, respectively, and favorable impacts from foreign currency of $100 million.

Gross Profit

Gross profit for our DCS segment for the year ended September 30, 2018 increased $44.4 million, or 11.2%, to $439.2 million as compared to $394.8 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 5.3% of revenue for the year ended September 30, 2018 from 5.2% in the corresponding period last year.

The increases in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2018 were primarily due to increased revenues in the Americas, including the residential housing disaster relief program discussed above.

Construction Services

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Revenue	$ 8,238.9	$ 7,295.6	$ 943.3	12.9%
Cost of revenue	8,198.5	7,202.7	995.8	13.8
Gross profit	$ 40.4	$ 92.9	$ (52.5)	(56.5)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017
Revenue	100.0%	100.0%
Cost of revenue	99.5	98.7
Gross profit	0.5%	1.3%

Revenue

Revenue for our CS segment for the year ended September 30, 2018 increased $943.3 million, or 12.9%, to $8,238.9 million as compared to $7,295.6 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2018 was primarily attributable to approximately $400 million in increased revenue due to the construction of residential high-rise buildings in the city of New York. Additionally, the increase was due to the inclusion of approximately $500 million of revenue from entities acquired during fiscal 2018 and the fourth quarter of fiscal 2017.

Gross Profit

Gross profit for our CS segment for the year ended September 30, 2018 decreased $52.5 million, or 56.5%, to $40.4 million as compared to $92.9 million for the corresponding period last year. As a percentage of revenue, gross profit decreased to 0.5% of revenue for the year ended September 30, 2018 from 1.3% in the corresponding period last year.

The decrease in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2018 were primarily due to losses in the oil and gas business in North America of approximately $50 million, and projects in the construction services business, partially offset by earnings from entities acquired in fiscal 2017 and the revenue increase in our residential high-rise construction business noted above.

Management Services

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017	Change $	Change %
	($ in millions)			
Revenue	$ 3,693.5	$ 3,341.0	$ 352.5	10.6%
Cost of revenue	3,522.5	3,145.0	377.5	12.0
Gross profit	$ 171.0	$ 196.0	$ (25.0)	(12.8)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017
Revenue	100.0%	100.0%
Cost of revenue	95.4	94.1
Gross profit	4.6%	5.9%

Revenue

Revenue for our MS segment for the year ended September 30, 2018 increased $352.5 million, or 10.6%, to $3,693.5 million as compared to $3,341.0 million for the corresponding period last year.

The increase in revenue for the year ended September 30, 2018 was primarily due to various projects with the U.S. government, including projects with the United States Army in the Middle East and with the United States Air Force.

Gross Profit

Gross profit for our MS segment for the year ended September 30, 2018 decreased $25.0 million, or 12.8%, to $171.0 million as compared to $196.0 million for the corresponding period last year. As a percentage of revenue, gross profit decreased to 4.6% of revenue for the year ended September 30, 2018 from 5.9% in the corresponding period last year.

The decrease in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2018 were primarily due to a benefit recorded in the first quarter of fiscal 2017 of $35 million from the favorable settlement of a federal lawsuit, net of legal fees, and $23 million of incentive fees earned on contracts with the Department of Energy, which did not repeat in the current year. These decreases were partially offset by the benefits of approximately $15 million from an increase in anticipated recoveries on a contract with the Department of Energy recorded in the year ended September 30, 2018. Additionally, the decreases were offset by increased gross profits from projects with the United States Army in the Middle East and with the United States Air Force, discussed above.

AECOM Capital

	Fiscal Year Ended		Change	
	September 30, 2018	September 30, 2017	$	%
	($ in millions)			
Equity in earnings of joint ventures	$ 15.2	$ 57.7	$ (42.5)	(73.7)%
General and administrative expenses	(11.2)	(8.7)	(2.5)	28.7%

During the three months ended June 30, 2017, ACAP completed a transaction to sell its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture which invested in a real estate development in New Jersey, for $133 million, which resulted in a gain of $52 million in fiscal 2017. During the three months ended September 30, 2018, ACAP completed several real estate transactions that resulted in total gains of $15.2 million and net cash proceeds of $102.8 million.

Fiscal year ended September 30, 2017 compared to the fiscal year ended September 30, 2016

Consolidated Results

	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016	Change $	Change %
	($ in millions)			
Revenue	$ 18,203.4	$ 17,410.8	$ 792.6	4.6%
Cost of revenue	17,519.7	16,768.0	751.7	4.5
Gross profit	683.7	642.8	40.9	6.4
Equity in earnings of joint ventures	141.6	104.0	37.6	36.2
General and administrative expenses	(133.4)	(115.1)	(18.3)	15.9
Acquisition and integration expenses	(38.7)	(213.6)	174.9	(81.9)
Gain (loss) on disposal activities	0.6	(42.6)	43.2	(101.4)
Income from operations	653.8	375.5	278.3	74.1
Other income	6.7	8.2	(1.5)	(18.3)
Interest expense	(231.3)	(258.1)	26.8	(10.4)
Income before income tax expense	429.2	125.6	303.6	241.7
Income tax expense (benefit)	7.7	(37.9)	45.6	(120.3)
Net income	421.5	163.5	258.0	157.8
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(82.1)	(67.4)	(14.7)	21.8
Net income attributable to AECOM	$ 339.4	$ 96.1	$ 243.3	253.2%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016
Revenue	100.0%	100.0%
Cost of revenue	96.2	96.3
Gross profit	3.8	3.7
Equity in earnings of joint ventures	0.8	0.6
General and administrative expenses	(0.8)	(0.7)
Acquisition and integration expenses	(0.2)	(1.2)
Gain (loss) on disposal activities	0.0	(0.2)
Income from operations	3.6	2.2
Other income	—	—
Interest expense	(1.2)	(1.5)
Income before income tax expense	2.4	0.7
Income tax expense (benefit)	0.1	(0.2)
Net income	2.3	0.9
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(0.4)	(0.3)
Net income attributable to AECOM	1.9%	0.6%

Revenue

Our revenue for the year ended September 30, 2017 increased $792.6 million, or 4.6%, to $18,203.4 million as compared to $17,410.8 million for the year ended September 30, 2016.

The increase in revenue for the year ended September 30, 2017 was primarily attributable to an increase in our CS segment of $924.5 million, partially offset by a decrease in our DCS segment of $89.0 million and a decrease in our MS segment of $42.9 million, as discussed further below.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the years ended September 30, 2017 and 2016 were $9.2 billion and $8.4 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue, increased to 51% during the year ended September 30, 2017 from 48% during the year ended September 30, 2016 due to increased building construction in our CS segment, as discussed below.

Gross Profit

Our gross profit for the year ended September 30, 2017 increased $40.9 million, or 6.4%, to $683.7 million as compared to $642.8 million for the year ended September 30, 2016. For the year ended September 30, 2017, gross profit, as a percentage of revenue, increased to 3.8% from 3.7% in the year ended September 30, 2016.

Billings in excess of costs on uncompleted contracts includes a margin fair value liability associated with long-term contracts acquired in connection with the acquisition of URS on October 17, 2014. Revenue and the related income from operations related to the margin fair value liability recognized during the year ended September 30, 2017 was $6.3 million, compared with $37.2 million during the year ended September 30, 2016. This amount was offset by a decrease in amortization of intangible assets of $83.6 million during the year ended September 30, 2017, compared with $183.3 million during the year ended September 30, 2016.

Gross profit changes were also due to the reasons noted in DCS, CS and MS Reportable Segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the year ended September 30, 2017 was $141.6 million as compared to $104.0 million in the year ended September 30, 2016.

The increase in earnings of joint ventures for the year ended September 30, 2017 was primarily due to the sale of ACAP's 50% equity interest in Provost Square I LLC for $133 million, which resulted in a gain of $52 million in our fiscal 2017 third quarter, partially offset by decreased earnings from a United Kingdom nuclear cleanup joint venture for which our work was substantially completed in the second quarter of fiscal 2016.

General and Administrative Expenses

Our general and administrative expenses for the year ended September 30, 2017 increased $18.3 million, or 15.9%, to $133.4 million as compared to $115.1 million for the year ended September 30, 2016. As a percentage of revenue, general and administrative expenses increased to 0.8% for the year ended September 30, 2017 from 0.7% for the year ended September 30, 2016.

The increase in our general and administrative expenses was primarily due to increased personnel costs.

Acquisition and Integration Expenses

Acquisition and integration expenses, resulting from business acquisitions, were comprised of the following (in millions):

	Fiscal Year Ended September 30,	
	2017	2016
Severance and personnel costs	$ 32.0	$ 23.4
Professional services, real estate-related, and other expenses	6.7	190.2
Total	$ 38.7	$ 213.6

Our cost savings and acquisition and integration expenses associated with the URS integration are complete.

Gain / Loss on Disposal Activities

Gain on disposal activities in the accompanying statements of operations for the year ended September 30, 2017 was $0.6 million compared to loss on disposal activities of $42.6 million for the year ended September 30, 2016. Losses recorded in fiscal 2016 related to the disposition of non-core energy-related businesses, equipment and other assets that did not repeat in fiscal 2017.

Other Income

Our other income for the year ended September 30, 2017 decreased $1.5 million to $6.7 million as compared to $8.2 million for the year ended September 30, 2016.

Other income is primarily comprised of interest income.

Interest Expense

Our interest expense for the year ended September 30, 2017 was $231.3 million as compared to $258.1 million for the year ended September 30, 2016.

The decrease in interest expense for the year ended September 30, 2017 was primarily due to the write-off of capitalized debt issuance costs related to the amendment of our credit agreement in September 2016 and a reduction in our debt balance.

Income Tax Expense / Benefit

Our income tax expense for the year ended September 30, 2017 was $7.7 million compared to income tax benefit of $37.9 million for the year ended September 30, 2016. The effective tax rate was 1.8% and (30.2)% for the years ended September 30, 2017 and 2016, respectively.

The increase in income tax expense for the year ended September 30, 2017 compared to the prior year is due primarily to the tax impact of an increase in overall pre-tax income of $303.6 million, the retroactive extension of the federal research credit in the first quarter of 2016, and the tax impacts from changes in the mix of geographical income. In addition, valuation allowance releases and other benefits recorded each year contributed to the decrease in the overall tax expense in both years. As described further below, three one-time benefits totaling $106.3 million were recognized during 2017 including the release of valuation allowances, indefinitely reinvesting a portion of our non-U.S. undistributed earnings that U.S. tax had previously been provided for, and foreign tax credits expected to be realized in the foreseeable future. In addition, two one-time benefits totaling $36.2 million related to valuation allowances were released during 2016.

In the fourth quarter of 2017, we executed international restructuring transactions that resulted in a distribution of current year earnings and profits and the associated foreign tax credits. The distribution resulted in the recognition of a benefit of $25.2 million related to excess foreign tax credits expected to be realized in the foreseeable future. These current year earnings had previously been forecasted to qualify for the indefinite reinvestment exception. Our change in assertion for these investments is a one-time event and does not impact our past or future assertions regarding intent and ability to reinvest indefinitely.

In the third quarter of 2017, we recapitalized one of our European subsidiaries which resulted in us indefinitely reinvesting a portion of our non-U.S. undistributed earnings that U.S. tax had previously been provided for and released the associated $21.2 million deferred tax liability. These non-U.S. earnings are now intended to be reinvested indefinitely outside of the U.S to meet the current and future cash needs of our European operations.

In the second quarter of 2017, valuation allowances in the amount of $59.9 million in the United Kingdom were released due to sufficient positive evidence. We evaluated the positive evidence against any negative evidence and determined that it is more likely than not that the deferred tax assets will be realized. This positive evidence includes an improvement in earnings, the use of net operating losses on a taxable basis, and better management of pension liabilities due to positive effects of pension asset management and stabilization of interest rates.

In the third quarter of 2016, valuation allowances in the amount of $23.3 million in the United Kingdom were released due to sufficient positive evidence. We evaluated the positive evidence against any negative evidence and determined the valuation allowances were no longer necessary. This positive evidence includes reaching a position of cumulative income over a three-year period and the use of net operating losses on a taxable basis. In addition, our United Kingdom affiliate has strong projected earnings in the United Kingdom.

Also in the third quarter of 2016, our Australian affiliate made an election in Australia to combine the tax results of the URS Australia business with the AECOM Australia business. This election resulted in the ability to utilize the URS Australia businesses' deferred tax assets against the combined future earnings of the Australian group and accordingly, the valuation allowance of $12.9 million was released.

On December 18, 2015, President Obama signed *The Protecting Americans from Tax Hikes Act* into law. This legislation extended various temporary tax provisions expiring on December 31, 2015, including the permanent extension of the United States federal research credit. We recognized a discrete net benefit in the first quarter of 2016 for $10.1 million attributable to the retroactive impact of the extended provisions.

Some operations in Canada continue to have losses and the associated valuation allowances could be reduced if and when our current and forecast profits trend turns and sufficient evidence exists to support the release of the related valuation allowance (approximately $26 million).

We regularly integrate and consolidate our business operations and legal entity structure and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net Income Attributable to AECOM

The factors described above resulted in the net income attributable to AECOM of $339.4 million for the year ended September 30, 2017, as compared to the net income attributable to AECOM of $96.1 million for the year ended September 30, 2016.

Results of Operations by Reportable Segment

Design and Consulting Services

	Fiscal Year Ended		Change	
	September 30, 2017	September 30, 2016	$	%
	($ in millions)			
Revenue	$ 7,566.8	$ 7,655.8	$ (89.0)	(1.2)%
Cost of revenue	7,172.0	7,273.3	(101.3)	(1.4)
Gross profit	$ 394.8	$ 382.5	$ 12.3	3.2%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended	
	September 30, 2017	September 30, 2016
Revenue	100.0%	100.0%
Cost of revenue	94.8	95.0
Gross profit	5.2%	5.0%

Revenue

Revenue for our DCS segment for the year ended September 30, 2017 decreased $89.0 million, or 1.2%, to $7,566.8 million as compared to $7,655.8 million for the year ended September 30, 2016.

The decrease in revenue for the year ended September 30, 2017 was primarily attributable to decreases in the Americas of $110 million and a negative foreign currency impact of $70 million mostly due to the strengthening of the U.S. dollar against the British pound. These decreases were offset by an increase in the Asia Pacific (APAC) region of $100 million.

Gross Profit

Gross profit for our DCS segment for the year ended September 30, 2017 increased $12.3 million, or 3.2%, to $394.8 million as compared to $382.5 million for the year ended September 30, 2016. As a percentage of revenue, gross profit increased to 5.2% of revenue for the year ended September 30, 2017 from 5.0% in the year ended September 30, 2016.

The increase in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2017 was primarily due to decreased intangible amortization expense, net of the margin fair value adjustment, of $47 million, primarily from URS, partially offset by decreased project performance in the Europe, Middle East and Africa (EMEA) region.

Construction Services

	Fiscal Year Ended		Change	
	September 30, 2017	September 30, 2016	$	%
	($ in millions)			
Revenue	$ 7,295.6	$ 6,371.1	$ 924.5	14.5%
Cost of revenue	7,202.7	6,345.7	857.0	13.5
Gross profit	$ 92.9	$ 25.4	$ 67.5	265.7%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016
Revenue	100.0%	100.0%
Cost of revenue	98.7	99.6
Gross profit	1.3%	0.4%

Revenue

Revenue for our CS segment for the year ended September 30, 2017 increased $924.5 million, or 14.5%, to $7,295.6 million as compared to $6,371.1 million for the year ended September 30, 2016.

The increase in revenue for the year ended September 30, 2017 was primarily attributable to approximately $700 million in increased revenue due to the construction of sports arenas in the Americas and the construction of residential high-rise buildings in the city of New York. Additionally, the increase was due to the inclusion of approximately $220 million of revenue from an entity acquired at the end of fiscal 2016.

Gross Profit

Gross profit for our CS segment for the year ended September 30, 2017 increased $67.5 million, or 265.7%, to $92.9 million as compared to $25.4 million for the year ended September 30, 2016. As a percentage of revenue, gross profit increased to 1.3% of revenue for the year ended September 30, 2017 from 0.4% in the year ended September 30, 2016.

The increase in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2017 was primarily due to increased profitability in our building construction businesses due to the increases in revenue noted above. The increase was also due to improved profitability in our oil and gas business.

Management Services

	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016	Change $	Change %
		($ in millions)		
Revenue	$ 3,341.0	$ 3,383.9	$ (42.9)	(1.3)%
Cost of revenue	3,145.0	3,149.0	(4.0)	(0.1)
Gross profit	$ 196.0	$ 234.9	$ (38.9)	(16.6)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2016
Revenue	100.0%	100.0%
Cost of revenue	94.1	93.1
Gross profit	5.9%	6.9%

Revenue

Revenue for our MS segment for the year ended September 30, 2017 decreased $42.9 million, or 1.3%, to $3,341.0 million as compared to $3,383.9 million for the year ended September 30, 2016.

The decrease in revenue for the year ended September 30, 2017 was primarily due to the expected accelerated recovery of a pension related entitlement from the federal government of approximately $50 million recorded in the year ended September 30, 2016, which did not repeat in 2017.

Gross Profit

Gross profit for our MS segment for the year ended September 30, 2017 decreased $38.9 million, or 16.6%, to $196.0 million as compared to $234.9 million for the year ended September 30, 2016. As a percentage of revenue, gross profit decreased to 5.9% of revenue for the year ended September 30, 2017 from 6.9% in the year ended September 30, 2016.

The decrease in gross profit and gross profit as a percentage of revenue for the year ended September 30, 2017 was primarily due to favorable adjustments from the prior year that did not repeat in the current year. These adjustments included the expected accelerated recovery of a pension related entitlement from the federal government of approximately $50 million and favorable adjustments from an acquisition related environmental legal matter and a pension curtailment gain totaling approximately $17 million, net of noncontrolling interests ($20 million impact to gross profit). These decreases were partially offset by a benefit recorded in the three months ended December 31, 2016 of $35 million from the favorable settlement of a federal lawsuit, net of legal fees.

AECOM Capital

	Fiscal Year Ended		Change	
	September 30, 2017	September 30, 2016	$	%
	($ in millions)			
Equity in earnings of joint ventures	$ 57.7	$ —	$ 57.7	0.0%
General and administrative expenses	(8.7)	(6.0)	(2.7)	45.0%

During the three months ended June 30, 2017, AECOM Capital completed a transaction to sell its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture which invested in a real estate development in New Jersey, for $133 million, which resulted in net cash proceeds of $77 million and a gain of $52 million in fiscal 2017.

Liquidity and Capital Resources

Cash Flows

Our principal sources of liquidity are cash flows from operations, borrowings under our credit facilities, and access to financial markets. Our principal uses of cash are operating expenses, capital expenditures, working capital requirements, acquisitions, and repayment of debt. We believe our anticipated sources of liquidity including operating cash flows, existing cash and cash equivalents, borrowing capacity under our revolving credit facility and our ability to issue debt or equity, if required, will be sufficient to meet our projected cash requirements for at least the next 12 months. We sold non-core oil and gas assets in fiscal 2018 and we expect to sell additional non-core oil and gas assets in the next twelve months. We expect to incur approximately $80 to $90 million in restructuring costs in the first half of fiscal year 2019, and we also expect to evaluate our geographic exposure as part of a proposed plan to exit more than 30 countries, subject to applicable laws, to improve profitability and reduce our risk profile.

Generally, we do not provide for U.S. taxes or foreign withholding taxes on gross book-tax basis differences in our non-U.S. subsidiaries because such basis differences are able to and intended to be reinvested indefinitely. At September 30, 2018, we have not determined whether we will continue to indefinitely reinvest the earnings of some foreign subsidiaries and therefore we will continue to account for these undistributed earnings based on our existing accounting under ASC 740 and not accrue additional tax outside of the one-time transition tax required under the *Tax Cuts and Jobs Act* that was enacted on December 22, 2017. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation. Based on the available sources of cash flows discussed above, we anticipate we will continue to have the ability to permanently reinvest these remaining amounts.

At September 30, 2018, cash and cash equivalents were $886.7 million, an increase of $84.3 million, or 10.5%, from $802.4 million at September 30, 2017. The increase in cash and cash equivalents was primarily attributable to cash provided by operating activities and net borrowings under our credit agreements, partially offset by an early redemption of the 2014 5.75% Senior Notes due 2022 including a prepayment premium, capital expenditures net of proceeds from disposals, net distributions to noncontrolling interest, and repurchases of common stock.

Net cash provided by operating activities was $774.6 million for the year ended September 30, 2018, an increase from $696.7 million for the year ended September 30, 2017. The increase was primarily attributable to the timing of receipts and payments of working capital, which include accounts receivable, accounts payable, accrued expenses, and billings in excess of costs on uncompleted contracts. The sale of trade receivables to financial institutions during the year ended September 30, 2018 provided a net benefit of $39.1 million as compared to a net favorable impact of $0.3 million during the year ended September 30, 2017. We expect to continue to sell trade receivables in the future as long as the terms continue to remain favorable to us.

Net cash used in investing activities was $59.1 million for the year ended September 30, 2018 as compared to $202.7 million for the year ended September 30, 2017. This decrease in cash used was primarily attributable to a decrease in payments for business acquisitions of $103.1 million and an increase in net return on investments from unconsolidated joint ventures of $39.0 million.

Net cash used in financing activities was $624.9 million for the year ended September 30, 2018 as compared to $386.5 million for the year ended September 30, 2017. This change was primarily attributable to the repurchase of common stock under an accelerated stock repurchase agreement entered into in August 2018 for $150.0 million, an increase in net distributions made to noncontrolling interests of $30.7 million and an increase in net repayments of debt of $48.2 million which includes net repayments under credit agreements and redemption and issuance of unsecured senior notes.

Working Capital

Working capital, or current assets less current liabilities, decreased $106.2 million, or 9.6%, to $997.6 million at September 30, 2018 from $1,103.8 million at September 30, 2017. Net accounts receivable, which includes billed and unbilled costs and fees, net of billings in excess of costs on uncompleted contracts, increased $312.5 million, or 7.4%, to $4,537.4 million at September 30, 2018 from $4,224.9 million at September 30, 2017.

Days Sales Outstanding (DSO), which includes accounts receivable, net of billings in excess of costs on uncompleted contracts, and excludes the effects of recent acquisitions, was 78 days at September 30, 2018 compared to 77 days at September 30, 2017.

In Note 4, Accounts Receivable—Net, in the notes to our consolidated financial statements, a comparative analysis of the various components of accounts receivable is provided. Except for claims, substantially all unbilled receivables are expected to be billed and collected within twelve months.

Unbilled receivables related to claims are recorded only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. In such cases, revenue is recorded only to the extent that contract costs relating to the claim have been incurred. Award fees in unbilled receivables are accrued only when there is sufficient information to assess contract performance. On contracts that represent higher than normal risk or technical difficulty, award fees are generally deferred until an award fee letter is received.

Because our revenue depends to a great extent on billable labor hours, most of our charges are invoiced following the end of the month in which the hours were worked, the majority usually within 15 days. Other direct costs are normally billed along with labor hours. However, as opposed to salary costs, which are generally paid on either a bi-weekly or monthly basis, other direct costs are generally not paid until payment is received (in some cases, in the form of advances) from the customers.

Debt

Debt consisted of the following:

	September 30, 2018	September 30, 2017
	(in millions)	
2014 Credit Agreement	$ 1,433.8	$ 908.7
2014 Senior Notes	800.0	1,600.0
2017 Senior Notes	1,000.0	1,000.0
URS Senior Notes	247.9	247.7
Other debt	191.8	140.0
Total debt	3,673.5	3,896.4
Less: Current portion of debt and short-term borrowings	(143.1)	(142.0)
Less: Unamortized debt issuance costs	(46.7)	(52.3)
Long-term debt	$ 3,483.7	$ 3,702.1

The following table presents, in millions, scheduled maturities of our debt as of September 30, 2018:

Fiscal Year	
2019	$ 143.1
2020	92.5
2021	341.5
2022	304.9
2023	458.8
Thereafter	2,332.7
Total	$ 3,673.5

2014 Credit Agreement

We entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of our subsidiaries (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of our assets and the Guarantors' pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit our ability and the ability of some of our subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to our acquisition of URS.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving our international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (1) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (2) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (3) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (4) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (5) revise covenants, including the Maximum Consolidated Leverage Ratio so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for our AECOM Capital business.

On March 31, 2017, the Credit Agreement was amended to (1) expand the ability of restricted subsidiaries to borrow under "Incremental Term Loans"; (2) revise the definition of "Working Capital" as used in "Excess Cash Flow"; (3) revise the definitions for "Consolidated EBITDA" and "Consolidated Funded Indebtedness" to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (4) amend provisions relating to our ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (1) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (2) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (3) increase the capacity of our revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (4) reduce our interest rate borrowing costs as follows: (a) the term loan B facility, at our election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (US) term loan A facility, at our election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at our election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of our fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); (5) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio steps down to 4.0.

Under the Credit Agreement, we are subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. Our Consolidated Leverage Ratio was 3.9 at September 30, 2018. Our Consolidated Interest Coverage Ratio was 4.6 at September 30, 2018. As of September 30, 2018, we were in compliance with the covenants of the Credit Agreement.

At September 30, 2018 and 2017, outstanding standby letters of credit totaled $28.7 million and $58.1 million, respectively, under our revolving credit facilities. As of September 30, 2018 and 2017, we had $1,321.3 million and $991.9 million, respectively, available under our revolving credit facility.

2014 Senior Notes

On October 6, 2014, we completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, we completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, we redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of September 30, 2018, the estimated fair value of the 2024 Notes was approximately $844.0 million. The fair value of the 2024 Notes as of September 30, 2018 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

At any time prior to July 15, 2024, we may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2024 Notes as of September 30, 2018.

2017 Senior Notes

On February 21, 2017, we completed a private placement offering of $1,000,000,000 aggregate principal amount of our unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under our Credit Agreement. On June 30, 2017, we completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of September 30, 2018, the estimated fair value of the 2017 Senior Notes was approximately $965.0 million. The fair value of the 2017 Senior Notes as of September 30, 2018 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes will be payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, we may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a "make whole" premium as of the redemption date, and accrued and unpaid interest to the redemption date.

In addition, at any time and from time to time prior to March 15, 2020, we may redeem up to 35% of the original aggregate principal amount of the 2017 Senior Notes with the proceeds of one or more qualified equity offerings, at a redemption price equal to 105.125%, plus accrued and unpaid interest. Furthermore, at any time on or after December 15, 2026, we may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2017 Senior Notes as of September 30, 2018.

URS Senior Notes

In connection with the URS acquisition, we assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, we redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement. The 2022 URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC as successor in interest to URS) and are fully and unconditionally guaranteed on a joint-and-several basis by some former URS domestic subsidiary guarantors.

As of September 30, 2018, the estimated fair value of the 2022 URS Senior Notes was approximately $251.0 million. The carrying value of the 2022 URS Senior Notes on our Consolidated Balance Sheets as of September 30, 2018 was $247.9 million. The fair value of the 2022 URS Senior Notes as of September 30, 2018 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2022 URS Senior Notes.

As of September 30, 2018, we were in compliance with the covenants relating to the 2022 URS Senior Notes.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. Our unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At September 30, 2018 and 2017, these outstanding standby letters of credit totaled $486.4 million and $445.7 million, respectively. As of September 30, 2018, we had $480.3 million available under these unsecured credit facilities.

Effective Interest Rate

Our average effective interest rate on our total debt, including the effects of the interest rate swap agreements, during the years ended September 30, 2018, 2017 and 2016 was 4.6%, 4.6% and 4.4%, respectively.

Interest expense in the consolidated statements of operations for the year ended September 30, 2018 included a prepayment premium of $34.5 million to redeem the 2022 Notes. Additionally, amortization of deferred debt issuance costs for the year ended September 30, 2018 and 2017 was $18.1 million and $17.5 million, respectively.

Other Commitments

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings is recorded in equity in earnings of joint ventures. See Note 6 in the notes to our consolidated financial statements.

Other than normal property and equipment additions and replacements, expenditures to further the implementation of our various information technology systems, commitments under our incentive compensation programs, amounts we may expend to repurchase stock under our stock repurchase program and acquisitions from time to time, we currently do not have any significant capital expenditures or outlays planned except as described below. However, if we acquire additional businesses in the future or if we embark on other capital-intensive initiatives, additional working capital may be required.

Under our secured revolving credit facility and other facilities discussed in Other Debt above, as of September 30, 2018, there was approximately $515.1 million outstanding under standby letters of credit primarily issued in connection with general and professional liability insurance programs and for contract performance guarantees. For those projects for which we have issued a performance guarantee, if the project subsequently fails to meet guaranteed performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

We recognized on our balance sheet the funded status of our pension benefit plans, measured as the difference between the fair value of plan assets and the projected benefit obligation. At September 30, 2018, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $400.5 million. The total amounts of employer contributions paid for the year ended September 30, 2018 were $11.6 million for U.S. plans and $27.8 million for non-U.S. plans. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In some countries, the funding requirements are mandatory while in other countries, they are discretionary. There is a required minimum contribution for one of our domestic plans; however, we may make additional discretionary contributions. In the future, such pension funding may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors. In addition, we have collective bargaining agreements with unions that require us to contribute to various third party multiemployer pension plans that we do not control or manage. For the year ended September 30, 2018, we contributed $49.8 million to multiemployer pension plans.

Commitments and Contingencies

We record amounts representing our probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. We rely in part on qualified actuaries to assist us in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against us, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations. Our reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. We do not record gain contingencies until they are realized. In the ordinary course of business, we may not be aware that we or our affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, we may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of our affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in some circumstances such as for warranties. We may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, we may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At September 30, 2018 and 2017, we were contingently liable in the amount of approximately $515.1 million and $503.8 million, respectively, in issued standby letters of credit and $5.3 billion and $5.7 billion, respectively, in issued surety bonds primarily to support project execution.

In the ordinary course of business, we enter into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

In addition, in connection with the investment activities of AECOM Capital, we provide guarantees of contractual obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

Our investment adviser jointly manages, sponsors and owns equity interest in the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which we have an ongoing capital commitment to fund investments. At September 30, 2018, we have capital commitments of $35 million to the Fund over the next 10 years.

DOE Deactivation, Demolition, and Removal Project

Washington Group International, an Ohio company (WGI Ohio), an affiliate of URS, executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues and remains uncompleted. In February 2011, WGI Ohio and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, requires the DOE to pay all project costs up to $106 million, requires WGI Ohio and the DOE to equally share in all project costs incurred from $106 million to $146 million, and requires WGI Ohio to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, WGI Ohio has been required to perform work outside the scope of the Task Order Modification. In December 2014, WGI Ohio submitted claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope. WGI Ohio has incurred and continues to incur additional project costs outside the scope of the contract as a result of differing site and ground conditions and intends to submit additional formal claims against the DOE.

Due to significant delays and uncertainties about responsibilities for the scope of remaining work, final project completion costs and other associated costs have exceeded $100 million over the contracted and claimed amounts. WGI Ohio assets and liabilities, including the value of the above costs and claims, were measured at their fair value on October 17, 2014, the date AECOM acquired WGI Ohio's parent company, see Note 3, which measurement has been reevaluated to account for developments pertaining to this matter. Deconstruction and decommissioning activities are completed and site restoration activities are underway. WGI Ohio increased its receivable during the quarter ended June 30, 2018.

WGI Ohio can provide no certainty that it will recover the claims submitted against DOE in December 2014, any future claims or any other project costs after December 2014 that WGI Ohio may be obligated to incur including the remaining project completion costs, which could have a material adverse effect on our results of operations.

SR-91

One of our wholly-owned subsidiaries, URS Corporation, entered into a partial fixed cost and partial time and material design agreement in 2012 with a design build contractor for a state route highway construction project in Riverside County and Orange County, California. On April 1, 2017, URS Corporation filed an $8.2 million amended complaint in the Superior Court of California against the design build contractor for its failure to pay for services performed under the design agreement. On July 3, 2017, the design build contractor filed an amended cross-complaint against URS Corporation and AECOM in Superior Court alleging breaches of contract, negligent interference and professional negligence pertaining to URS Corporation's performance of design services under the design agreement, seeking purported damages of $70 million. On May 4, 2018, the design build contractor dismissed its claims for negligent interference. On May 24, 2018, URS Corporation filed an $11.9 million second amended complaint in Superior Court against the design build contractor for its failure to pay for services performed under the design agreement. URS Corporation and AECOM cannot provide assurances that URS Corporation will be successful in the recovery of the amounts owed to it under the design agreement or in their defense against the amounts alleged under the cross-complaint that they believe are without merit and that they intend to vigorously defend against. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time, primarily because the matter involves complex factual and legal issues; there is substantial uncertainty regarding any alleged damages, including due to liability of and payments, by third parties; and the matter is at a discovery stage of litigation.

New York Department of Environmental Conservation

The following matter is disclosed pursuant to Regulation S-K, Item 103, Instruction 5.C pertaining to a government authority environmental claim exceeding $100,000 against an AECOM affiliate. In September 2017, AECOM USA, Inc., one of our wholly-owned subsidiaries, was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.'s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL's maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc., cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time, primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stage of the government's claims and any negotiations of a consent order or other resolution.

Illinois Power Generating Company

Advatech, LLC, a joint venture 60% owned by AECOM Energy & Construction, Inc., executed a fixed-cost engineering, procurement and construction contract for a flue-gas-desulfurization system at a coal-fired power plant owned by Illinois Power Generating Company, a wholly-owned subsidiary of Dynegy, Inc. (Genco). On September 2, 2016, Genco terminated Advatech's contract for convenience and Advatech subsequently submitted its final contractual invoice of approximately $81 million. Advatech filed and perfected a mechanics lien on the Genco power plant property on October 17, 2016. On December 9, 2016, Genco filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas and its plan of reorganization was approved by the Bankruptcy Court on January 25, 2017 (the Bankruptcy Plan). Advatech's contractual invoice and mechanics lien were not extinguished per the terms of the Bankruptcy Plan and remain outstanding claims. On March 15, 2017, Advatech filed a demand for arbitration and on July 21, 2017 submitted a Statement of Claim seeking reimbursement of approximately $81 million for Genco's breach of contract and failure to reimburse Advatech for all of the cost of work performed under the contract.

Advatech intends to vigorously prosecute this matter and seeks to collect all claimed amounts under the terms of the contract; however, Advatech cannot provide assurance that it will be successful in these efforts. The resolution of this matter and any potential range of loss in excess of any current accrual cannot be reasonably determined or estimated at this time, primarily because the matter has not been fully arbitrated and presents unique regulatory, bankruptcy and contractual interpretation issues.

Contractual Obligations and Commitments

The following summarizes our contractual obligations and commercial commitments as of September 30, 2018:

Contractual Obligations and Commitments	Total	Less than One Year	One to Three Years (in millions)	Three to Five Years	More than Five Years
Debt	$3,673.5	$143.1	$434.0	$763.7	$2,332.7
Interest on debt	1,162.3	200.6	385.0	317.5	259.2
Operating leases	1,312.0	253.3	377.3	247.8	433.6
Pension funding obligations(1)	41.5	41.5	—		
Total contractual obligations and commitments	$6,189.3	$638.5	$1,196.3	$1,329.0	$3,025.5

(1) Represents expected fiscal 2019 contributions to fund our defined benefit pension and other postretirement plans. Contributions beyond one year have not been included as amounts are not determinable.

New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. Our evaluation of the impact of the new guidance on our consolidated financial statements, including the expected impact on our business processes, systems, and controls, and potential differences in the timing or method of revenue recognition for our contracts, is substantially complete. We adopted the new standard on October 1, 2018, using the modified retrospective method, which requires recognizing the net cumulative effects of adoption as an adjustment to retained earnings. Based on our current evaluation, we believe the impacts of adoption will be combining contracts that were previously segmented into a single performance obligation. However, we do not anticipate that adoption will have a material impact on our financial results and estimate the adjustment to retained earnings due to adoption will not be material.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The new guidance will be effective for our fiscal year beginning October 1, 2019 with early adoption permitted. The new guidance must be adopted using a modified retrospective transition approach and provides for some practical expedients. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In February 2016, the FASB issued new accounting guidance to clarify that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument under previous guidance does not, in and of itself, require redesignation of that hedging relationship provided that all other hedge accounting criteria continue to be met. We adopted the new guidance on October 1, 2017; and the adoption of this guidance did not have a material impact on our consolidated financial statements.

In March 2016, the FASB issued new accounting guidance which eliminates the requirement to apply the equity method of accounting retrospectively when a reporting entity obtains significant influence over a previously held investment. We adopted the new guidance on October 1, 2017; and the adoption of this guidance did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for our fiscal year starting October 1, 2020. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In August 2016, the FASB issued new accounting guidance clarifying how entities should classify cash receipts and cash payments on the statement of cash flows. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The new guidance will be effective for our fiscal year beginning October 1, 2018 and early adoption is permitted. We do not expect that the new guidance will have a material impact on our consolidated statement of cash flows.

In October 2016, the FASB issued additional guidance on how a single decision maker considers its indirect interests when performing the primary beneficiary analysis under the variable interest model. Under the new guidance, the single decision maker will consider its indirect interests on a proportionate basis. We adopted the new guidance on October 1, 2017 and the adoption of this guidance did not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued new accounting guidance that changes the definition of a business to assist companies with evaluating when a set of transferred assets and activities is a business. This guidance requires the buyer to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of assets. We elected to adopt this guidance on July 1, 2018, and the adoption of this guidance did not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued new accounting guidance to simplify the test for goodwill impairment. This guidance eliminates step two from the goodwill impairment test. Under the new guidance, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value. However, the loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. We early adopted the new guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on our consolidated financial statements.

In March 2017, the FASB issued new guidance on how employers that sponsor defined benefit pension or other postretirement benefit plans present the net periodic benefit cost in the income statement. Under the new guidance, employers will present the service cost component of net periodic benefit cost in the same income statement line items as other employee compensation costs. The new guidance was effective for us on October 1, 2018. Adoption of the new guidance did not have a material impact on our consolidated financial statements.

In August 2017, the FASB issued new accounting guidance on derivatives and hedging. This guidance better aligns an entity's risk management activities and financial reporting for hedging relationships through change to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedging results. We early adopted the guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on our consolidated financial statements.

In October 2017, the FASB issued additional guidance regarding accounting for intercompany transfers of assets other than inventory. The new guidance will require companies to account for the income tax consequences of intercompany transfers of assets other than inventory in the period the transfer occurs. We adopted this guidance on October 1, 2018, and estimate the adoption of this guidance will not have a material impact on our consolidated financial statements.

Off-Balance Sheet Arrangements

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest entities. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings are recorded in equity in earnings of joint ventures. See Note 6 in the notes to our consolidated financial statements. We do not believe that we have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Market Risks

We are exposed to market risk, primarily related to foreign currency exchange rates and interest rate exposure of our debt obligations that bear interest based on floating rates. We actively monitor these exposures. Our objective is to reduce, where we deem appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign exchange rates and interest rates. In order to accomplish this objective, we sometimes enter into derivative financial instruments, such as forward contracts and interest rate hedge contracts. It is our policy and practice to use derivative financial instruments only to the extent necessary to manage our exposures. We do not use derivative financial instruments for trading purposes.

Foreign Exchange Rates

We are exposed to foreign currency exchange rate risk resulting from our operations outside of the U.S. We use foreign currency forward contracts from time to time to mitigate foreign currency risk. We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. The functional currency of our significant foreign operations is the respective local currency.

Interest Rates

Our Credit Agreement and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of September 30, 2018 and 2017, we had $1,433.8 million and $908.7 million, respectively, in outstanding borrowings under our term credit agreements and our revolving credit facility. Interest on amounts borrowed under these agreements is subject to adjustment based on specified levels of financial performance. The applicable margin that is added to the borrowing's base rate can range from 0.25% to 2.00%. For the year ended September 30, 2018, our weighted average floating rate borrowings were $1,920.1 million, or $1,224.5 million excluding borrowings with effective fixed interest rates due to interest rate swap agreements. If short term floating interest rates had increased by 1.00%, our interest expense for the year ended September 30, 2018 would have increased by $12.2 million. We invest our cash in a variety of financial instruments, consisting principally of money market securities or other highly liquid, short-term securities that are subject to minimal credit and market risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AECOM
Index to Consolidated Financial Statements
September 30, 2018

Audited Annual Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of AECOM

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AECOM (the "Company") as of September 30, 2018 and 2017, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended September 30, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 30, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 13, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 1990.

Los Angeles, CA
November 13, 2018

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of AECOM

Opinion on Internal Control over Financial Reporting

We have audited AECOM's (the "Company") internal control over financial reporting as of September 30, 2018, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, AECOM maintained, in all material respects, effective internal control over financial reporting as of September 30, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the 2018 consolidated financial statements of the Company dated November 13, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

Los Angeles, CA
November 13, 2018

AECOM

Consolidated Balance Sheets

(in thousands, except share data)

	September 30, 2018	September 30, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 642,168	$ 665,871
Cash in consolidated joint ventures	244,565	136,491
Total cash and cash equivalents	886,733	802,362
Accounts receivable—net	5,468,821	5,127,743
Prepaid expenses and other current assets	585,152	696,718
Current assets held for sale	59,800	—
Income taxes receivable	126,816	55,399
TOTAL CURRENT ASSETS	7,127,322	6,682,222
PROPERTY AND EQUIPMENT—NET	614,062	621,357
DEFERRED TAX ASSETS—NET	159,396	171,331
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	310,661	364,223
GOODWILL	5,921,116	5,992,881
INTANGIBLE ASSETS—NET	319,892	415,096
OTHER NON-CURRENT ASSETS	228,682	149,846
TOTAL ASSETS	$ 14,681,131	$ 14,396,956
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 8,353	$ 1,221
Accounts payable	2,726,047	2,249,872
Accrued expenses and other current liabilities	2,267,046	2,245,519
Income taxes payable	39,802	38,176
Billings in excess of costs on uncompleted contracts	931,431	902,812
Current liabilities held for sale	22,300	—
Current portion of long-term debt	134,698	140,779
TOTAL CURRENT LIABILITIES	6,129,677	5,578,379
OTHER LONG-TERM LIABILITIES	329,457	322,199
DEFERRED TAX LIABILITY—NET	47,273	20,515
PENSION BENEFIT OBLIGATIONS	412,604	559,068
LONG-TERM DEBT	3,483,746	3,702,109
TOTAL LIABILITIES	10,402,757	10,182,270
COMMITMENTS AND CONTINGENCIES (Note 18)		
AECOM STOCKHOLDERS' EQUITY:		
Common stock—authorized, 300,000,000 shares of $0.01 par value as of September 30, 2018 and 2017; issued and outstanding 156,983,356 and 157,529,419 shares as of September 30, 2018 and 2017, respectively	1,570	1,575
Additional paid-in capital	3,846,392	3,733,572
Accumulated other comprehensive loss	(703,330)	(700,661)
Retained earnings	948,148	961,640
TOTAL AECOM STOCKHOLDERS' EQUITY	4,092,780	3,996,126
Noncontrolling interests	185,594	218,560
TOTAL STOCKHOLDERS' EQUITY	4,278,374	4,214,686
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,681,131	$ 14,396,956

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Operations

(in thousands, except per share data)

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
Revenue	$ 20,155,512	$ 18,203,402	$ 17,410,825
Cost of revenue	19,504,863	17,519,682	16,768,001
Gross profit	650,649	683,720	642,824
Equity in earnings of joint ventures	81,133	141,582	104,032
General and administrative expenses	(135,787)	(133,309)	(115,088)
Impairment of assets held for sale, including goodwill	(168,178)	—	—
Acquisition and integration expenses	—	(38,709)	(213,642)
(Loss) gain on disposal activities	(2,949)	572	(42,589)
Income from operations	424,868	653,856	375,537
Other income	20,135	6,636	8,180
Interest expense	(267,519)	(231,310)	(258,162)
Income before income tax (benefit) expense	177,484	429,182	125,555
Income tax (benefit) expense	(19,643)	7,706	(37,917)
Net income	197,127	421,476	163,472
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(60,659)	(82,086)	(67,363)
Net income attributable to AECOM	$ 136,468	$ 339,390	$ 96,109
Net income attributable to AECOM per share:			
Basic	$ 0.86	$ 2.18	$ 0.62
Diluted	$ 0.84	$ 2.13	$ 0.62
Weighted average shares outstanding:			
Basic	159,101	155,728	154,772
Diluted	162,261	159,135	156,073

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Comprehensive Income (Loss)

(in thousands)

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
Net income	$ 197,127	$ 421,476	$ 163,472
Other comprehensive (loss) income, net of tax:			
Net unrealized gain on derivatives, net of tax	1,693	4,605	5,987
Foreign currency translation adjustments	(82,717)	65,389	(65,224)
Pension adjustments, net of tax	79,523	87,061	(164,911)
Other comprehensive (loss) income, net of tax	(1,501)	157,055	(224,148)
Comprehensive income (loss), net of tax	195,626	578,531	(60,676)
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	(61,827)	(82,220)	(65,697)
Comprehensive income (loss) attributable to AECOM, net of tax	$ 133,799	$ 496,311	$ (126,373)

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Stockholders' Equity

(in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
BALANCE AT SEPTEMBER 30, 2015	$ 1,513	$ 3,518,999	$ (635,100)	$ 522,336	$ 3,407,748	$ 223,195	$ 3,630,943
Net income				96,109	96,109	67,363	163,472
Other comprehensive loss			(222,482)		(222,482)	(1,666)	(224,148)
Issuance of stock	21	28,065			28,086		28,086
Repurchases of stock	1	(25,893)			(25,892)		(25,892)
Proceeds from exercise of options	4	9,942			9,946		9,946
Stock based compensation		73,406			73,406		73,406
Other transactions with noncontrolling interests						(155)	(155)
Contributions from noncontrolling interests						2,006	2,006
Distributions to noncontrolling interests						(105,175)	(105,175)
BALANCE AT SEPTEMBER 30, 2016	1,539	3,604,519	(857,582)	618,445	3,366,921	185,568	3,552,489
Net income				339,390	339,390	82,086	421,476
Cumulative effect of accounting standard adoption				3,805	3,805		3,805
Other comprehensive income			156,921		156,921	134	157,055
Issuance of stock	41	66,624			66,665		66,665
Repurchases of stock	(7)	(25,071)			(25,078)		(25,078)
Proceeds from exercise of options	2	4,876			4,878		4,878
Stock based compensation		83,774			83,774		83,774
Acquisition of noncontrolling interests		(1,150)			(1,150)		(1,150)
Other noncontrolling interests						9,808	9,808
Contributions from noncontrolling interests						2,282	2,282
Distributions to noncontrolling interests						(61,318)	(61,318)
BALANCE AT SEPTEMBER 30, 2017	1,575	3,733,572	(700,661)	961,640	3,996,126	218,560	4,214,686
Net income				136,468	136,468	60,659	197,127
Other comprehensive loss			(2,669)		(2,669)	1,168	(1,501)
Issuance of stock	42	68,069			68,111		68,111
Repurchases of stock under stock repurchase program	(40)			(149,960)	(150,000)		(150,000)
Repurchases of stock	(8)	(31,093)			(31,101)		(31,101)
Proceeds from exercise of options	1	2,749			2,750		2,750
Stock based compensation		73,095			73,095		73,095
Other noncontrolling interests						(5,012)	(5,012)
Contributions from noncontrolling interests						7,729	7,729
Distributions to noncontrolling interests						(97,510)	(97,510)
BALANCE AT SEPTEMBER 30, 2018	$ 1,570	$ 3,846,392	$ (703,330)	$ 948,148	$ 4,092,780	$ 185,594	$ 4,278,374

See accompanying Notes to Consolidated Financial Statements.

AECOM

Consolidated Statements of Cash Flows

(in thousands)

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 197,127	$ 421,476	$ 163,472
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	267,570	278,631	398,730
Equity in earnings of unconsolidated joint ventures	(81,133)	(141,582)	(104,032)
Distribution of earnings from unconsolidated joint ventures	118,712	137,031	149,215
Non-cash stock compensation	73,095	83,774	73,406
Prepayment premium on redemption of unsecured senior notes	34,504	—	—
Impairment of assets held for sale, including goodwill	168,178	—	—
Foreign currency translation	(48,270)	6,007	(25,494)
Write-off of debt issuance costs	7,048	—	7,749
Deferred income tax expense (benefit)	36,746	(49,856)	(110,122)
Pension curtailment and settlement gains	—	—	(7,818)
Loss (gain) on disposal activities	2,949	(572)	42,589
Other	(472)	(15,062)	2,430
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(381,787)	(432,769)	337,291
Prepaid expenses and other assets	(75,980)	(21,780)	(16,257)
Accounts payable	474,950	292,496	16,616
Accrued expenses and other current liabilities	16,848	(53,126)	(154,096)
Billings in excess of costs on uncompleted contracts	2,729	234,116	(22,949)
Other long-term liabilities	(39,887)	(68,714)	53,411
Income taxes payable	1,626	26,584	10,014
Net cash provided by operating activities	774,553	696,654	814,155
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for business acquisitions, net of cash acquired	—	(103,075)	(5,534)
Proceeds from purchase price adjustment on business acquisition	2,203	—	—
Cash acquired from consolidation of joint venture	7,630	—	—
Proceeds from disposal of businesses, net of cash disposed	19,537	2,200	39,699
Investment in unconsolidated joint ventures	(91,030)	(59,684)	(76,707)
Return of investment in unconsolidated joint ventures	105,769	35,407	5,160
Proceeds from sales of investments	7,174	900	11,745
Payments for purchase of investments	(23,492)	—	(214)
Proceeds from disposal of property and equipment	26,401	7,895	54,622
Payments for capital expenditures	(113,279)	(86,354)	(191,386)
Net cash used in investing activities	(59,087)	(202,711)	(162,615)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings under credit agreements	8,529,014	5,953,249	4,706,225
Repayments of borrowings under credit agreements	(8,040,262)	(7,071,602)	(5,199,961)
Issuance of unsecured senior notes	—	1,000,000	—
Redemption of unsecured senior notes	(800,000)	(179,208)	—
Prepayment premium on redemption of unsecured senior notes	(34,504)	—	—
Cash paid for debt issuance costs	(12,181)	(13,041)	(10,447)
Proceeds from issuance of common stock	35,233	30,093	28,192
Proceeds from exercise of stock options	2,750	4,878	9,946
Payments to repurchase common stock under the share repurchase program	(150,000)	—	—
Payments to repurchase common stock	(29,466)	(25,078)	(25,892)
Net distributions to noncontrolling interests	(89,781)	(59,036)	(103,169)
Other financing activities	(35,671)	(26,745)	(42,873)
Net cash used in financing activities	(624,868)	(386,490)	(637,979)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(6,227)	2,764	(5,309)
NET INCREASE IN CASH AND CASH EQUIVALENTS	84,371	110,217	8,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	802,362	692,145	683,893
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 886,733	$ 802,362	$ 692,145
SUPPLEMENTAL CASH FLOW INFORMATION:			
Common stock issued in acquisitions	$ —	$ 36,611	$ —
Debt assumed from acquisitions	$ —	$ 31,353	$ 1,805
Interest paid	$ 271,842	$ 226,090	$ 216,125
Net income taxes paid	$ 40,589	$ 11,540	$ 13,109

See accompanying Notes to Consolidated Financial Statements.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Organization—AECOM and its consolidated subsidiaries design, build, finance and operate infrastructure assets for governments, businesses and organizations around the world. The Company provides planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government. The Company also provides construction services, including building construction and energy, infrastructure and industrial construction, primarily in the Americas. In addition, the Company provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world.

Fiscal Year—The Company reports results of operations based on 52 or 53-week periods ending on the Friday nearest September 30. For clarity of presentation, all periods are presented as if the year ended on September 30. Fiscal years 2018, 2017 and 2016 each contained 52 weeks and ended on September 28, September 29, and September 30, respectively.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States (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 revenues and expenses during the reporting period. The more significant estimates affecting amounts reported in the consolidated financial statements relate to revenues under long-term contracts and self-insurance accruals. Actual results could differ from those estimates.

Principles of Consolidation and Presentation—The consolidated financial statements include the accounts of all majority-owned subsidiaries and joint ventures in which the Company is the primary beneficiary. All inter-company accounts have been eliminated in consolidation. Also see Note 6 regarding joint ventures and variable interest entities.

Revenue Recognition—The Company generally utilizes a cost-to-cost approach in applying the percentage-of-completion method of revenue recognition. Under this approach, revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates made at the balance sheet date. Due to uncertainties inherent in the estimation process, actual completion costs may vary from estimates. If estimated total costs on contracts indicate a loss, the Company recognizes that estimated loss within cost of revenues in the period the estimated loss first becomes known. Liabilities recorded related to accrued contract losses were not material as of September 30, 2018 and 2017.

In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in the Company's revenue and cost of revenue. Because subcontractor services and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. These subcontractor and other direct costs for the years ended September 30, 2018, 2017 and 2016 were $10.7 billion, $9.2 billion and $8.4 billion, respectively.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Significant Accounting Policies (Continued)

Cost-Reimbursable Contracts

Cost-reimbursable contracts consists of two similar contract types: (1) cost-plus contracts and (2) time-and-materials price contracts.

Cost-Plus Contracts. The Company enters into two major types of cost-plus contracts:

Cost-Plus Fixed Fee. Under cost-plus fixed fee contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a fixed negotiated fee. The total estimated cost plus the fixed negotiated fee represents the total contract value. The Company recognizes revenue based on the actual labor and other direct costs incurred, plus the portion of the fixed fee it has earned to date.

Cost-Plus Fixed Rate. Under the Company's cost-plus fixed rate contracts, the Company charges clients for its direct and indirect costs based upon a negotiated rate. The Company recognizes revenue based on the actual total costs it has expended and the applicable fixed rate.

Certain cost-plus contracts provide for award fees or a penalty based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, the Company may share award fees with subcontractors. The Company records accruals for fee-sharing as fees are earned. The Company generally recognizes revenue to the extent of costs actually incurred plus a proportionate amount of the fee expected to be earned. The Company takes the award fee or penalty on contracts into consideration when estimating revenue and profit rates, and it records revenue related to the award fees when there is sufficient information to assess anticipated contract performance. On contracts that represent higher than normal risk or technical difficulty, the Company may defer all award fees until an award fee letter is received. Once an award fee letter is received, the estimated or accrued fees are adjusted to the actual award amount.

Certain cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether the Company achieves above, at, or below target results. The Company originally recognizes revenue on these contracts based upon expected results. These estimates are revised when necessary based upon additional information that becomes available as the contract progresses.

Time-and-Materials Price Contracts

Time-and-Materials Price Contracts. Under time-and-materials contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for its actual out-of-pocket costs of materials and other direct incidental expenditures that it incurs in connection with its performance under the contract. Profit margins on time-and-materials contracts fluctuate based on actual labor and overhead costs that it directly charges or allocates to contracts compared to negotiated billing rates. Many of the Company's time-and-materials contracts are subject to maximum contract values and, accordingly, revenue relating to these contracts is recognized as if these contracts were a fixed-price contract.

Guaranteed Maximum Price Contracts

Guaranteed Maximum Price. Guaranteed maximum price contracts (GMP) are common for design-build and commercial and residential projects. GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. A contractor performing work pursuant to a cost-plus, GMP or

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Significant Accounting Policies (Continued)

fixed-price contract will all enter into trade contracts directly. Both cost-plus and GMP contracts generally include an agreed lump sum or percentage fee which is called out and separately identified and the contracts are considered 'open' book providing the owner with full disclosure of the project costs. A fixed-price contract provides the owner with a single lump sum amount without specifically identifying the breakdown of fee or costs and is typically 'closed' book thereby providing the owner with little detail as to the project costs. In a GMP contract, unlike the cost-plus contract, the Company provides the owner with a guaranteed price for the overall construction (adjusted for change orders issued by the owner) and with a schedule which includes a completion date for the project. In addition, cost overruns in a GMP contract would generally be the Company's responsibility and in the event the Company's actions or inactions result in delays to the project, the Company may be responsible to the owner for costs associated with such delay. For many of the Company's commercial and residential GMP contracts, the final price is generally not established until the Company have awarded a substantial percentage of the trade contracts and it has negotiated additional contractual limitations, such as mutual waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages.

Fixed-Price Contracts

Fixed-Price. Fixed-price contracting is the predominant contracting method outside of the United States. There are typically two types of fixed-price contracts. The first and more common type, lump-sum, involves performing all of the work under the contract for a specified lump-sum fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. The second type, fixed-unit price, involves performing an estimated number of units of work at an agreed price per unit, with the total payment under the contract determined by the actual number of units delivered. The Company recognizes revenue on fixed-price contracts using the percentage-of-completion method described above. Prior to completion, recognized profit margins on any fixed-price contract depend on the accuracy of the Company's estimates and will increase to the extent that its actual costs are below the estimated amounts. Conversely, if the Company's costs exceed these estimates, its profit margins will decrease and the Company may realize a loss on a project. The Company recognizes anticipated losses on contracts in the period in which they become evident.

During the years ended September 30, 2018, 2017 and 2016, the types of contracts comprising the Company's revenue were as follows:

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
Cost reimbursable	47%	48%	53%
Guaranteed maximum price	23%	23%	15%
Fixed price	30%	29%	32%

Cost-reimbursable contracts include cost-plus and time-and-materials price contracts.

Contract Claims—Claims are amounts in excess of the agreed contract price (or amounts not included in the original contract price) that the Company seeks to collect from customers or others for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price or other causes of unanticipated additional costs. The Company records contract revenue related to claims only if it is probable that the claim will result in additional contract revenue and if the

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Significant Accounting Policies (Continued)

amount can be reliably estimated. In such cases, the Company records revenue only to the extent that contract costs relating to the claim have been incurred.

Government Contract Matters—The Company's federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subjects the Company to ongoing multiple audits by government agencies such as the Defense Contract Audit Agency (DCAA). In addition, most of the Company's federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of the Company's overhead rates, operating systems and cost proposals to ensure that the Company accounted for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines the Company has not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

Cash and Cash Equivalents—The Company's cash equivalents include highly liquid investments which have an initial maturity of three months or less.

Allowance for Doubtful Accounts—The Company records its accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of its clients. The factors the Company considers in its contract evaluations include, but are not limited to:

- Client type—federal or state and local government or commercial client;
- Historical contract performance;
- Historical collection and delinquency trends;
- Client credit worthiness; and
- General economic conditions.

Derivative Financial Instruments—The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income in stockholders' equity and reclassified into income in the same period or periods during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument, if any, is recognized in current income. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

The net gain or loss on the effective portion of a derivative instrument that is designated as an economic hedge of the foreign currency translation exposure generated by the re-measurement of certain assets and liabilities denominated in a non-functional currency in a foreign operation is reported in the same manner as a foreign currency translation adjustment. Accordingly, any gains or losses related to these derivative instruments are recognized in current income.

Derivatives that do not qualify as hedges are adjusted to fair value through current income.

Fair Value of Financial Instruments—The Company determines the fair values of its financial instruments, including short-term investments, debt instruments and derivative instruments, and pension and post-retirement plan assets based on inputs or assumptions that market participants would use in pricing an asset or a liability. The Company categorizes its instruments using a valuation hierarchy for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturities of these instruments. The carrying amount of the revolving credit facility approximates fair value because the interest rates are based upon variable reference rates.

The Company's fair value measurement methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Company believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine fair value could result in a different fair value measurement at the reporting date.

Property and Equipment—Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Typically, estimated useful lives range from ten to forty-five years for buildings, three to ten years for furniture and fixtures and three to twelve years for computer systems and equipment. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining terms of the underlying lease agreement.

Long-lived Assets—Long-lived assets to be held and used are reviewed for impairment whenever events or circumstances indicate that the assets may not be recoverable. The carrying amount of an asset to be held and used is not recoverable if it exceeds the sum of the undiscounted cash flows expected from the use and eventual disposition of the asset. For assets to be held and used, impairment losses are recognized based upon the excess of the asset's carrying amount over the fair value of the asset. For long-lived assets to be disposed, impairment losses are recognized at the lower of the carrying amount or fair value less cost to sell.

Goodwill and Acquired Intangible Assets—Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, the Company performs an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In its assessment, the Company

1. Significant Accounting Policies (Continued)

determines whether identifiable intangible assets exist, which typically include backlog and customer relationships. Intangible assets are amortized over the period in which the contractual or economic benefits of the intangible assets are expected to be realized.

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. The Company's impairment tests are performed at the operating segment level as they represent the Company's reporting units.

During the impairment test, the Company estimates the fair value of the reporting unit using income and market approaches, and compares that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit. See also Note 3.

Pension Plans—The Company has certain defined benefit pension plans. The Company calculates the market-related value of assets, which is used to determine the return-on-assets component of annual pension expense and the cumulative net unrecognized gain or loss subject to amortization. This calculation reflects the Company's anticipated long-term rate of return and amortization of the difference between the actual return (including capital, dividends, and interest) and the expected return over a five-year period. Cumulative net unrecognized gains or losses that exceed 10% of the greater of the projected benefit obligation or the market related value of plan assets are subject to amortization.

Insurance Reserves—The Company maintains insurance for certain insurable business risks. Insurance coverage contains various retention and deductible amounts for which the Company accrues a liability based upon reported claims and an actuarially determined estimated liability for certain claims incurred but not reported. It is generally the Company's policy not to accrue for any potential legal expense to be incurred in defending the Company's position. The Company believes that its accruals for estimated liabilities associated with professional and other liabilities are sufficient and any excess liability beyond the accrual is not expected to have a material adverse effect on the Company's results of operations or financial position.

Foreign Currency Translation—The Company's functional currency is generally the U.S. dollar, except for foreign operations where the functional currency is generally the local currency. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders' equity.

The Company uses foreign currency forward contracts from time to time to mitigate foreign currency risk. The Company limits exposure to foreign currency fluctuations in most of its contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, the Company generally does not need to hedge foreign currency cash flows for contract work performed.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Significant Accounting Policies (Continued)

Noncontrolling Interests—Noncontrolling interests represent the equity investments of the minority owners in the Company's joint ventures and other subsidiary entities that the Company consolidates in its financial statements.

Income Taxes—The Company files a consolidated U.S. federal corporate income tax return and combined / consolidated state tax returns and separate company state tax returns. The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. In determining the need for a valuation allowance, management reviews both positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Based upon management's assessment of all available evidence, the Company has concluded that it is more likely than not that the deferred tax assets, net of valuation allowance, will be realized.

2. New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company's evaluation of the impact of the new guidance on its consolidated financial statements, including the expected impact on its business processes, systems, and controls, and potential differences in the timing or method of revenue recognition for its contracts, is substantially complete. The Company adopted the new standard on October 1, 2018, using the modified retrospective method, which requires recognizing the net cumulative effects of adoption as an adjustment to retained earnings. Based on its current evaluation, the Company believes the impacts of adoption to be primarily related to combining contracts that were previously segmented into a single performance obligation. However, the Company does not anticipate that adoption will have a material impact on its financial results and estimates the adjustment to retained earnings due to adoption will not be material.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The new guidance will be effective for the Company's fiscal year beginning October 1, 2019 with early adoption permitted. The new guidance must be adopted using a modified retrospective transition approach and provides for some practical expedients. The Company is currently evaluating the impact that the new guidance will have on its consolidated financial statements.

2. New Accounting Pronouncements and Changes in Accounting (Continued)

In February 2016, the FASB issued new accounting guidance to clarify that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument under previous guidance does not, in and of itself, require redesignation of that hedging relationship provided that all other hedge accounting criteria continue to be met. The Company adopted the new guidance on October 1, 2017; and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued new accounting guidance which eliminates the requirement to apply the equity method of accounting retrospectively when a reporting entity obtains significant influence over a previously held investment. The Company adopted the new guidance on October 1, 2017; and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the Company's fiscal year starting October 1, 2020. The Company is currently evaluating the impact that the new guidance will have on its consolidated financial statements.

In August 2016, the FASB issued new accounting guidance clarifying how entities should classify cash receipts and cash payments on the statement of cash flows. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The new guidance will be effective for the Company in its fiscal year beginning October 1, 2018 and early adoption is permitted. The Company does not expect that the new guidance will have a material impact on its consolidated statement of cash flows.

In October 2016, the FASB issued additional guidance on how a single decision maker considers its indirect interests when performing the primary beneficiary analysis under the variable interest model. Under the new guidance, the single decision maker will consider its indirect interests on a proportionate basis. The Company adopted the new guidance on October 1, 2017 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued new accounting guidance that changes the definition of a business to assist companies with evaluating when a set of transferred assets and activities is a business. This guidance requires the buyer to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of assets. The Company elected to adopt this guidance on July 1, 2018, and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued new accounting guidance to simplify the test for goodwill impairment. This guidance eliminates step two from the goodwill impairment test. Under the new guidance, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value. However, the loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. The Company early adopted the new guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In March 2017, the FASB issued new guidance on how employers that sponsor defined benefit pension or other postretirement benefit plans present the net periodic benefit cost in the income

2. New Accounting Pronouncements and Changes in Accounting (Continued)

statement. Under the new guidance, employers will present the service cost component of net periodic benefit cost in the same income statement line items as other employee compensation costs. The new guidance was effective for the Company on October 1, 2018. Adoption of the new guidance did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued new accounting guidance on derivatives and hedging. This guidance better aligns an entity's risk management activities and financial reporting for hedging relationships through change to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedging results. The Company early adopted the guidance on January 1, 2018 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In October 2017, the FASB issued additional guidance regarding accounting for intercompany transfers of assets other than inventory. The new guidance will require companies to account for the income tax consequences of intercompany transfers of assets other than inventory in the period the transfer occurs. The Company adopted this guidance on October 1, 2018, and estimates the adoption of this guidance will not have a material impact on its consolidated financial statements.

3. Business Acquisitions, Goodwill, and Intangible Assets

The Company completed one acquisition during the year ended September 30, 2018 and two acquisitions during the year ended September 30, 2017 for a total consideration of $5.6 million and $164.4 million, respectively. The business combinations did not meet the quantitative thresholds to require separate disclosures based on the Company's consolidated net assets, investments and net income. The acquisitions were accounted for under the purchase method of accounting. As such, the purchase considerations were allocated to acquired tangible and intangible assets and liabilities based upon their fair values. The determination of fair values of assets and liabilities acquired requires the Company to make estimates and use valuation techniques when market value is not readily available. Transaction costs associated with business acquisitions are expensed as they are incurred.

On October 17, 2014, the Company completed the acquisition of the U.S. headquartered URS Corporation (URS), an international provider of engineering, construction, and technical services. In connection therewith, the Company acquired backlog and customer relationship intangible assets valued at $973.8 million representing the fair value of existing contracts and the underlying customer relationships that have lives ranging from 1 to 11 years (weighted average lives of approximately 3 years) in connection with the URS acquisition. Acquired accrued expenses and other current liabilities include URS project liabilities and approximately $240 million related to estimated URS legal settlements and uninsured legal damages; see Note 18, Commitments and Contingencies, including legal matters related to former URS affiliates.

Amortization of intangible assets relating to URS, included in cost of revenue, was $68.4 million and $83.6 million during the twelve months ended September 30, 2018 and 2017, respectively. Additionally, included in equity in earnings of joint ventures and noncontrolling interests was intangible amortization expense of $7.1 million and $(8.5) million, respectively, during the twelve months ended September 30, 2018 and $9.4 million and $(8.5) million, respectively, during the twelve months ended September 30, 2017 related to joint venture fair value adjustments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

Billings in excess of costs on uncompleted contracts includes a margin fair value liability associated with long-term contracts acquired. This margin fair value liability was $20.6 million at September 30, 2018 and $8.6 million at September 30, 2017, and is recognized as revenue on a percentage-of-completion basis as the applicable projects progress. Income from operations related to the margin fair value liability recognized during the twelve months ended September 30, 2018 and 2017 was $21.1 million and $6.3 million, respectively.

Acquisition and integration expenses, relating to business acquisitions, in the accompanying consolidated statements of operations are comprised of the following (in millions):

	Fiscal Year Ended Sept 30, 2017
Severance and personnel costs	$ 32.0
Professional services, real estate-related, and other expenses	6.7
Total	$ 38.7

Included in severance and personnel costs for the twelve months ended September 30, 2017 was $9.8 million of severance expense, which was substantially all paid as of September 30, 2018. All acquisition and integration expenses are classified within the Corporate segment, as presented in Note 19. Acquisition and integration expenses associated with the URS acquisition are complete.

In the second quarter of fiscal 2018, management approved a plan to sell non-core oil and gas assets in North America, included in the Company's Construction Services segment (the Disposal Group). The Company classified the related assets and liabilities of the Disposal Group as held for sale in the consolidated balance sheet. In the third quarter of fiscal 2018, the Company sold a portion of the assets in the Disposal Group and recognized a $2.1 million loss on disposal. The remaining unsold portion of the Disposal Group remains classified as held for sale. The Company recorded losses related to the remeasurement of the Disposal Group based on estimated fair value less costs to sell resulting in total asset impairments of $168.2 million, recorded in Impairment of assets held for sale, including goodwill. Fair value was estimated using Level 3 inputs, such as forecasted cash flows, and Level 2 inputs, including bid prices from potential buyers. In connection with the classification of the Disposal Group as held for sale, the Company tested the amount of goodwill and other intangible assets allocated to the Disposal Group for impairment. The Company recorded an impairment of goodwill during the year ended September 30, 2018 of $125.4 million and an impairment of intangible and other noncurrent assets of $42.8 million. As of September 30, 2018, current assets held for sale were primarily comprised of accounts receivable of $44.5 million and property, plant and equipment of $14.9 million. As of September 30, 2018, current liabilities held for sale were primarily comprised of accounts payable of $22.3 million. The Company expects to complete the sale of the remaining Disposal Group assets within the next twelve months.

Loss on disposal activities of $42.6 million in the accompanying statements of operations for the twelve months ended September 30, 2016 included losses on the disposition of non-core energy related businesses, equipment and other assets acquired with URS and reported within the Construction Services segment. Net assets related to the loss on disposal activities were $112.8 million at the date of disposal.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

The changes in the carrying value of goodwill by reportable segment for the fiscal years ended September 30, 2018 and 2017 were as follows:

	Fiscal Year 2018				
	September 30, 2017	Measurement Period Adjustment	Impairment	Foreign Exchange Impact	September 30, 2018
	(in millions)				
Design and Consulting Services	$ 3,218.9	$ —	$ —	$ (29.7)	$ 3,189.2
Construction Services	1,049.9	91.0	(125.4)	(6.6)	1,008.9
Management Services	1,724.1	—	—	(1.1)	1,723.0
Total	$ 5,992.9	$ 91.0	$ (125.4)	$ (37.4)	$ 5,921.1

	Fiscal Year 2017				
	September 30, 2016	Acquisitions	Disposed	Foreign Exchange Impact	September 30, 2017
	(in millions)				
Design and Consulting Services	$ 3,198.2	$ 3.8	$ (1.8)	$ 18.7	$ 3,218.9
Construction Services	915.2	123.3	—	11.4	1,049.9
Management Services	1,710.4	—	—	13.7	1,724.1
Total	$ 5,823.8	$ 127.1	$ (1.8)	$ 43.8	$ 5,992.9

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of September 30, 2018 and 2017, included in intangible assets—net, in the accompanying consolidated balance sheets, were as follows:

	September 30, 2018			September 30, 2017			
	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Amortization Period (years)
	(in millions)						
Backlog and customer relationships	$ 1,285.1	$ (966.0)	$ 319.1	$ 1,283.6	$ (870.2)	$ 413.4	1 - 11
Trademark / tradename	18.3	(17.5)	0.8	18.3	(16.6)	1.7	0.3 - 2
Total	$ 1,303.4	$ (983.5)	$ 319.9	$ 1,301.9	$ (886.8)	$ 415.1	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

Amortization expense of acquired intangible assets included within cost of revenue was $96.7 million, $102.7 million, and $202.4 million for the years ended September 30, 2018, 2017 and 2016, respectively. The following table presents estimated amortization expense of existing intangible assets for the succeeding years:

Fiscal Year	(in millions)
2019	$ 83.7
2020	69.8
2021	56.8
2022	44.0
2023	39.5
Thereafter	26.1
Total	$ 319.9

4. Accounts Receivable—Net

Net accounts receivable consisted of the following:

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017
	(in millions)	
Billed	$ 2,697.7	$ 2,317.8
Unbilled	2,161.0	2,293.5
Contract retentions	661.7	568.6
Total accounts receivable—gross	5,520.4	5,179.9
Allowance for doubtful accounts	(51.6)	(52.2)
Total accounts receivable—net	$ 5,468.8	$ 5,127.7

Billed accounts receivable represent amounts billed to clients that have yet to be collected. Unbilled accounts receivable represents the contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the period end. Substantially all unbilled receivables as of September 30, 2018 and 2017 are expected to be billed and collected within twelve months, except for claims. Significant claims recorded in unbilled receivables and other non-current assets were $266.0 million and $227.7 million as of September 30, 2018 and 2017, respectively, and included an amount related to the DOE Deactivation, Demolition, and Removal Project discussed further in Note 18. Contract retentions represent amounts invoiced to clients where payments have been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project. These retention agreements vary from project to project and could be outstanding for several months or years.

Allowances for doubtful accounts have been determined through specific identification of amounts considered to be uncollectible and potential write-offs, plus a non-specific allowance for other amounts for which some potential loss has been determined to be probable based on current and past experience.

Other than the U.S. government, no single client accounted for more than 10% of the Company's outstanding receivables at September 30, 2018 and 2017.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Accounts Receivable—Net (Continued)

The Company sold trade receivables to financial institutions, of which $334.2 million and $325.2 million were outstanding as of September 30, 2018 and 2017, respectively. The Company does not retain financial or legal obligations for these receivables that would result in material losses. The Company's ongoing involvement is limited to the remittance of customer payments to the financial institutions with respect to the sold trade receivables.

5. Property and Equipment

Property and equipment, at cost, consists of the following:

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	Useful Lives (years)
	(in millions)		
Building and land	$ 75.2	$ 63.6	10 - 45
Leasehold improvements	399.2	404.6	1 - 20
Computer systems and equipment	741.2	694.6	3 - 12
Furniture and fixtures	132.5	135.9	3 - 10
Total	1,348.1	1,298.7	
Accumulated depreciation and amortization	(734.0)	(677.3)	
Property and equipment, net	$ 614.1	$ 621.4	

Depreciation expense for the fiscal years ended September 30, 2018, 2017 and 2016 were $158.5 million, $157.1 million, and $171.7 million, respectively. Depreciation is calculated using primarily the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements and capitalized leases, the lesser of the remaining term of the lease or its estimated useful life.

6. Joint Ventures and Variable Interest Entities

The Company's joint ventures provide architecture, engineering, program management, construction management, operations and maintenance services and invests in real estate, public-private partnership (P3) and infrastructure projects. Joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is typically controlled by a joint venture executive committee, comprised of representatives from the joint venture partners. The joint venture executive committee normally provides management oversight and controls decisions which could have a significant impact on the joint venture.

Some of the Company's joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. For consolidated joint ventures of this type, the Company records the entire amount of the services performed and the costs associated with these services, including the services provided by the other joint venture partners, in the Company's result of operations. For certain of these joint ventures where a fee is added by an unconsolidated joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

6. Joint Ventures and Variable Interest Entities (Continued)

The Company also has joint ventures that have their own employees and operating expenses, and to which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria further discussed below.

The Company follows guidance on the consolidation of variable interest entities (VIEs) that requires companies to utilize a qualitative approach to determine whether it is the primary beneficiary of a VIE. The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the joint venture's economic performance, including powers granted to the joint venture's program manager, powers contained in the joint venture governing board and, to a certain extent, a company's economic interest in the joint venture. The Company analyzes its joint ventures and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary or the joint venture is not a VIE and the Company holds the majority voting interest with no significant participative rights available to the other partners; or

- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary or the joint venture is not a VIE and the Company does not hold the majority voting interest.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the joint venture's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

Contractually required support provided to the Company's joint ventures is discussed in Note 18.

Summary of financial information of the consolidated joint ventures is as follows:

	September 30, 2018	September 30, 2017
	(in millions)	
Current assets	$ 1,013.7	$ 832.1
Non-current assets	192.7	188.8
Total assets	$ 1,206.4	$ 1,020.9
Current liabilities	$ 724.2	$ 524.9
Non-current liabilities	12.7	12.4
Total liabilities	736.9	537.3
Total AECOM equity	284.2	274.7
Noncontrolling interests	185.3	208.9
Total owners' equity	469.5	483.6
Total liabilities and owners' equity	$ 1,206.4	$ 1,020.9

Total revenue of the consolidated joint ventures was $2,525.0 million, $1,933.5 million, and $1,935.2 million for the years ended September 30, 2018, 2017 and 2016, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Joint Ventures and Variable Interest Entities (Continued)

Summary of financial information of the unconsolidated joint ventures, as derived from their unaudited financial statements, is as follows:

	September 30, 2018	September 30, 2017
	(in millions)	
Current assets	$ 1,903.3	$ 1,912.2
Non-current assets	938.3	749.8
Total assets	$ 2,841.6	$ 2,662.0
Current liabilities	$ 1,658.5	$ 1,570.2
Non-current liabilities	224.3	185.1
Total liabilities	1,882.8	1,755.3
Joint ventures' equity	958.8	906.7
Total liabilities and joint ventures' equity	$ 2,841.6	$ 2,662.0
AECOM's investment in joint ventures	$ 310.7	$ 364.2

	Twelve Months Ended	
	September 30, 2018	September 30, 2017
	(in millions)	
Revenue	$ 5,571.9	$ 5,561.8
Cost of revenue	5,325.4	5,305.5
Gross profit	$ 246.5	$ 256.3
Net income	$ 238.6	$ 244.8

Summary of AECOM's equity in earnings of unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
		(in millions)	
Pass through joint ventures	$ 34.1	$ 36.6	$ 21.9
Other joint ventures	47.0	105.0	82.1
Total	$ 81.1	$ 141.6	$ 104.0

Included in equity of earnings above, the Company recorded a gain of $52 million from a sale of its 50% equity interest in Provost Square I LLC, an unconsolidated joint venture that invested in a real estate development in New Jersey, in fiscal year ended September 30, 2017.

7. Pension Benefit Obligations

In the U.S., the Company sponsors various qualified defined benefit pension plans. Benefits under these plans generally are based on the employee's years of creditable service and compensation; however, all U.S. defined benefit plans are closed to new participants and have frozen accruals.

7. Pension Benefit Obligations (Continued)

The Company also sponsors various non-qualified plans in the U.S.; all of these plans are frozen. Outside the U.S., the Company sponsors various pension plans, which are appropriate to the country in which the Company operates, some of which are government mandated.

The following tables provide reconciliations of the changes in the U.S. and international plans' benefit obligations, reconciliations of the changes in the fair value of assets for the last three years ended September 30, and reconciliations of the funded status as of September 30 of each year.

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in benefit obligation:						
Benefit obligation at beginning of year	$ 683.0	$ 1,333.5	$ 720.0	$ 1,406.2	$ 718.2	$ 1,239.2
Service cost	4.9	1.1	4.3	1.3	4.3	1.0
Participant contributions	0.2	0.4	0.1	0.4	0.1	0.5
Interest cost	20.7	32.0	19.2	28.3	22.0	39.2
Benefits and expenses paid	(37.8)	(53.7)	(37.9)	(48.3)	(37.4)	(41.9)
Actuarial (gain) loss	(38.5)	(87.7)	(22.7)	(98.6)	52.3	377.1
Plan settlements	—	(3.0)	—	—	(32.9)	(0.7)
Plan amendments	0.6	—	—	—	0.2	—
Plan curtailments	—	(0.1)	—	—	(6.8)	—
Foreign currency translation (gain) loss	—	(33.7)	—	44.2	—	(208.2)
Benefit obligation at end of year	$ 633.1	$ 1,188.8	$ 683.0	$ 1,333.5	$ 720.0	$ 1,406.2

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in plan assets						
Fair value of plan assets at beginning of year	$ 470.4	$ 993.1	$ 456.9	$ 973.2	$ 459.0	$ 925.8
Actual return on plan assets	11.1	29.3	39.0	9.6	49.6	215.9
Employer contributions	11.6	27.8	12.3	25.8	18.5	20.2
Participant contributions	0.2	0.4	0.1	0.4	0.1	0.5
Benefits and expenses paid	(37.8)	(53.7)	(37.9)	(48.3)	(37.4)	(41.9)
Plan settlements	—	(3.0)	—	—	(32.9)	(0.7)
Foreign currency translation gain (loss)	—	(28.0)	—	32.4	—	(146.6)
Fair value of plan assets at end of year	$ 455.5	$ 965.9	$ 470.4	$ 993.1	$ 456.9	$ 973.2

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Pension Benefit Obligations (Continued)

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Reconciliation of funded status:						
Funded status at end of year	$ (177.6)	$ (222.9)	$ (212.6)	$ (340.4)	$ (263.1)	$ (433.0)
Contribution made after measurement date	N/A	N/A	N/A	N/A	N/A	N/A
Net amount recognized at end of year	$ (177.6)	$ (222.9)	$ (212.6)	$ (340.4)	$ (263.1)	$ (433.0)

The following table sets forth the amounts recognized in the consolidated balance sheets as of September 30, 2018, 2017 and 2016:

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Amounts recognized in the consolidated balance sheets:						
Other non-current assets	$ 2.5	$ 19.1	$ 2.3	$ 13.9	$ 2.0	$ 5.3
Accrued expenses and other current liabilities	(9.5)	—	(10.1)	—	(9.3)	—
Pension benefit obligations	(170.6)	(242.0)	(204.8)	(354.3)	(255.8)	(438.3)
Net amount recognized in the balance sheet	$ (177.6)	$ (222.9)	$ (212.6)	$ (340.4)	$ (263.1)	$ (433.0)

The following table details the reconciliation of amounts in the consolidated statements of stockholders' equity for the fiscal years ended September 30, 2018, 2017 and 2016:

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Reconciliation of amounts in consolidated statements of stockholders' equity:						
Prior service (cost) credit	$ (0.8)	$ 4.1	$ (0.2)	$ 4.4	$ (0.2)	$ 4.4
Net loss	(72.5)	(186.4)	(94.6)	(263.7)	(129.6)	(343.3)
Total recognized in accumulated other comprehensive loss	$ (73.3)	$ (182.3)	$ (94.8)	$ (259.3)	$ (129.8)	$ (338.9)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Pension Benefit Obligations (Continued)

The following table details the components of net periodic benefit cost for the Company's pension plans for fiscal years ended September 30, 2018, 2017 and 2016:

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Components of net periodic (benefit) cost:						
Service costs	$ 4.9	$ 1.1	$ 4.3	$ 1.3	$ 4.3	$ 1.0
Interest cost on projected benefit obligation	20.7	32.0	19.2	28.3	22.0	39.2
Expected return on plan assets	(31.5)	(43.1)	(31.0)	(41.5)	(30.8)	(48.0)
Amortization of prior service credits	0.1	(0.1)	—	(0.2)	—	(0.2)
Amortization of net loss	4.0	8.2	4.3	13.0	4.0	5.4
Curtailment gain recognized	—	—	—	—	(6.8)	—
Settlement (gain) loss recognized	—	0.3	—	—	(0.9)	0.1
Net periodic (benefit) cost	$ (1.8)	$ (1.6)	$ (3.2)	$ 0.9	$ (8.2)	$ (2.5)

The amount of applicable deferred income taxes included in other comprehensive income arising from a change in net prior service cost and net gain/loss was $19.1 million, $27.6 million, and $26.2 million in the years ended September 30, 2018, 2017 and 2016, respectively.

Amounts included in accumulated other comprehensive loss as of September 30, 2018 that are expected to be recognized as components of net periodic benefit cost during fiscal 2019 are (in millions):

	U.S.	Int'l
Amortization of prior service credit	$ (0.1)	$ 0.2
Amortization of net actuarial losses	(3.6)	(4.1)
Total	$ (3.7)	$ (3.9)

The table below provides additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets.

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Projected benefit obligation	$ 610.4	$ 1,002.6	$ 658.4	$ 1,158.3	$ 694.8	$ 1,220.3
Accumulated benefit obligation	610.4	991.9	658.4	1,145.7	694.8	1,215.7
Fair value of plan assets	451.5	760.7	466.4	804.2	453.2	782.1

Funding requirements for each pension plan are determined based on the local laws of the country where such pension plan resides. In certain countries, the funding requirements are mandatory while in other countries, they are discretionary. The Company currently intends to contribute $27.2 million to the international plans in fiscal 2019. The required minimum contributions for U.S. plans are not significant.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Pension Benefit Obligations (Continued)

In addition, the Company may make discretionary contributions. The Company currently intends to contribute $14.3 million to U.S. plans in fiscal 2019.

The table below provides the expected future benefit payments, in millions:

Year Ending September 30,	U.S.	Int'l
2019	$ 42.9	$ 59.0
2020	42.6	54.9
2021	41.7	56.6
2022	41.7	58.4
2023	41.3	60.5
2024 - 2028	204.4	327.9
Total	$ 414.6	$ 617.3

The underlying assumptions for the pension plans are as follows:

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Weighted-average assumptions to determine benefit obligation:						
Discount rate	4.15%	2.91%	3.64%	2.67%	3.41%	2.35%
Salary increase rate	N/A	2.79%	N/A	2.76%	N/A	2.61%
Weighted-average assumptions to determine net periodic benefit cost:						
Discount rate	3.60%	2.67%	3.41%	2.35%	4.10%	3.80%
Salary increase rate	N/A	2.76%	N/A	2.61%	N/A	2.65%
Expected long-term rate of return on plan assets	7.00%	4.73%	7.00%	5.10%	6.72%	5.74%

Pension costs are determined using the assumptions as of the beginning of the plan year. The funded status is determined using the assumptions as of the end of the plan year.

The following table summarizes the Company's target allocation for 2018 and pension plan asset allocation, both U.S. and international, as of September 30, 2018 and 2017:

	Target Allocations		Percentage of Plan Assets as of September 30,			
			2018		2017	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Asset Category:						
Equities	40%	25%	40%	38%	43%	27%
Debt	51	35	50	36	47	38
Cash	1	10	1	7	1	2
Property and other	8	30	9	19	9	33
Total	100%	100%	100%	100%	100%	100%

7. Pension Benefit Obligations (Continued)

The Company's domestic and foreign plans seek a competitive rate of return relative to an appropriate level of risk depending on the funded status and obligations of each plan and typically employ both active and passive investment management strategies. The Company's risk management practices include diversification across asset classes and investment styles and periodic rebalancing toward asset allocation targets. The target asset allocation selected for each plan reflects a risk/return profile that the Company believes is appropriate relative to each plan's liability structure and return goals.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio and the diversification of the portfolio. This resulted in the selection of a 7.00% and 4.73% weighted-average long-term rate of return on assets assumption for the fiscal year ended September 30, 2018 for U.S. and non-U.S. plans, respectively.

As of September 30, 2018, the fair values of the Company's pension plan assets by major asset categories were as follows:

		Fair Value Measurement as of September 30, 2018			
	Total Carrying Value as of September 30, 2018	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at NAV
			(in millions)		
Cash and cash equivalents	$ 71.7	$ 37.1	$ 34.6	$ —	$ —
Equity and debt securities	153.4	153.4	—	—	—
Investment funds					
Diversified and equity funds	152.0	82.4	69.6	—	—
Fixed income funds	55.3	3.6	51.7	—	—
Hedge funds	15.0	—	—	15.0	—
Common collective funds	951.0	—	—	—	951.0
Assets held by insurance company	30.0	—	—	30.0	—
Derivative instruments	(7.0)	—	(7.0)	—	—
Total	$ 1,421.4	$ 276.5	$ 148.9	$ 45.0	$ 951.0

7. Pension Benefit Obligations (Continued)

As of September 30, 2017, the fair values of the Company's pension plan assets by major asset categories were as follows:

	Total Carrying Value as of September 30, 2017	Fair Value Measurement as of September 30, 2017: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measured at NAV
	(in millions)				
Cash and cash equivalents	$ 22.9	$ 13.1	$ 9.8	$ —	$ —
Equity and debt securities	7.9	6.2	1.7	—	—
Investment funds					
Diversified and equity funds	180.0	6.4	173.6	—	—
Fixed income funds	153.7	3.5	150.2	—	—
Hedge funds	14.0	—	—	14.0	—
Common collective funds	1,068.9	—	—	—	1,068.9
Assets held by insurance company	31.3	—	—	31.3	—
Derivative instruments	(15.2)	—	(15.2)	—	—
Total	$ 1,463.5	$ 29.2	$ 320.1	$ 45.3	$ 1,068.9

Changes for the year ended September 30, 2018 in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2017 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2018 Ending balance
	(in millions)						
Investment funds							
Hedge funds	$ 45.3	$ 0.4	$ —	$ 0.2	$ —	$ (0.9)	$ 45.0

Changes for the year ended September 30, 2017, in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2016 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2017 Ending balance
	(in millions)						
Investment funds							
Hedge funds	$ 43.3	$ (0.7)	$ —	$ 1.7	$ —	$ 1.0	$ 45.3

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Pension Benefit Obligations (Continued)

For equity investment funds not traded on an active exchange, or if the closing price is not available, the trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These funds are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Fixed income investment funds categorized as Level 2 are valued by the trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics.

Hedge funds categorized as Level 3 are valued based on valuation models that include significant unobservable inputs and cannot be corroborated using verifiable observable market data. Hedge funds are valued by independent administrators. Depending on the nature of the assets, the general partners or independent administrators use both the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. As of September 30, 2018, there were no material changes to the valuation techniques.

Common collective funds are valued based on net asset value (NAV) per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date. Accordingly, these NAV-based investments have been excluded from the fair value hierarchy. These collective investment funds have minimal redemption notice periods and are redeemable daily at the NAV, less transaction fees, without significant restrictions. There are no significant unfunded commitments related to these investments.

Multiemployer Pension Plans

The Company participates in over 200 construction-industry multiemployer pension plans. Generally, the plans provide defined benefits to substantially all employees covered by collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. The Company's aggregate contributions to these multiemployer plans were $49.8 million and $48.8 million for the years ended September 30, 2018 and 2017, respectively. At September 30, 2018 and 2017, none of the plans in which the Company participates are individually significant to its consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Debt

Debt consisted of the following:

	September 30, 2018	September 30, 2017
	(in millions)	
2014 Credit Agreement	$ 1,433.8	$ 908.7
2014 Senior Notes	800.0	1,600.0
2017 Senior Notes	1,000.0	1,000.0
URS Senior Notes	247.9	247.7
Other debt	191.8	140.0
Total debt	3,673.5	3,896.4
Less: Current portion of debt and short-term borrowings	(143.1)	(142.0)
Less: Unamortized debt issuance costs	(46.7)	(52.3)
Long-term debt	$ 3,483.7	$ 3,702.1

The following table presents, in millions, scheduled maturities of the Company's debt as of September 30, 2018:

Fiscal Year	
2019	$ 143.1
2020	92.5
2021	341.5
2022	304.9
2023	458.8
Thereafter	2,332.7
Total	$ 3,673.5

2014 Credit Agreement

The Company entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of subsidiaries of the Company (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the Company and the Guarantors pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit the ability of the Company and the ability of some of its subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates;

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Debt (Continued)

(v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to the Company's acquisition of URS.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving the Company's international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (1) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (2) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (3) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (4) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (5) revise covenants, including the Maximum Consolidated Leverage Ratio so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for the Company's AECOM Capital business.

On March 31, 2017, the Credit Agreement was amended to (1) expand the ability of restricted subsidiaries to borrow under "Incremental Term Loans"; (2) revise the definition of "Working Capital" as used in "Excess Cash Flow"; (3) revise the definitions for "Consolidated EBITDA" and "Consolidated Funded Indebtedness" to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (4) amend provisions relating to the Company's ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (1) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (2) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (3) increase the capacity of the Company's revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (4) reduce the Company's interest rate borrowing costs as follows: (a) the term loan B facility, at the Company's election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (US) term loan A facility, at the Company's election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at the Company's election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of the Company's fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); (5) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio steps down to 4.0.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Debt (Continued)

Under the Credit Agreement, the Company is subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. The Company's Consolidated Leverage Ratio was 3.9 at September 30, 2018. The Company's Consolidated Interest Coverage Ratio was 4.6 at September 30, 2018. As of September 30, 2018, the Company was in compliance with the covenants of the Credit Agreement.

At September 30, 2018 and 2017, outstanding standby letters of credit totaled $28.7 million and $58.1 million, respectively, under the Company's revolving credit facilities. As of September 30, 2018 and 2017, the Company had $1,321.3 million and $991.9 million, respectively, available under its revolving credit facility.

2014 Senior Notes

On October 6, 2014, the Company completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, the Company completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, the Company redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of September 30, 2018, the estimated fair value of the 2024 Notes was approximately $844.0 million. The fair value of the 2024 Notes as of September 30, 2018 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

At any time prior to July 15, 2024, the Company may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2024 Notes as of September 30, 2018.

2017 Senior Notes

On February 21, 2017, the Company completed a private placement offering of $1,000,000,000 aggregate principal amount of its unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under its Credit Agreement. On June 30, 2017, the Company completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Debt (Continued)

As of September 30, 2018, the estimated fair value of the 2017 Senior Notes was approximately $965.0 million. The fair value of the 2017 Senior Notes as of September 30, 2018 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes will be payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, the Company may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a "make whole" premium as of the redemption date, and accrued and unpaid interest to the redemption date.

In addition, at any time and from time to time prior to March 15, 2020, the Company may redeem up to 35% of the original aggregate principal amount of the 2017 Senior Notes with the proceeds of one or more qualified equity offerings, at a redemption price equal to 105.125%, plus accrued and unpaid interest. Furthermore, at any time on or after December 15, 2026, the Company may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2017 Senior Notes as of September 30, 2018.

URS Senior Notes

In connection with the URS acquisition, the Company assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, the Company redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement. The 2022 URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC as successor in interest to URS) and are fully and unconditionally guaranteed on a joint-and-several basis by some former URS domestic subsidiary guarantors.

As of September 30, 2018, the estimated fair value of the 2022 URS Senior Notes was approximately $251.0 million. The carrying value of the 2022 URS Senior Notes on the Company's Consolidated Balance Sheets as of September 30, 2018 was $247.9 million. The fair value of the 2022 URS Senior Notes as of September 30, 2018 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2022 URS Senior Notes.

8. Debt (Continued)

As of September 30, 2018, the Company were in compliance with the covenants relating to the 2022 URS Senior Notes.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. The Company's unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At September 30, 2018 and 2017, these outstanding standby letters of credit totaled $486.4 million and $445.7 million, respectively. As of September 30, 2018, the Company had $480.3 million available under these unsecured credit facilities.

Effective Interest Rate

The Company's average effective interest rate on its total debt, including the effects of the interest rate swap agreements, during the years ended September 30, 2018, 2017 and 2016 was 4.6%, 4.6% and 4.4%, respectively.

Interest expense in the consolidated statements of operations for the year ended September 30, 2018 included a prepayment premium of $34.5 million to redeem the 2022 Notes. Additionally, amortization of deferred debt issuance costs for the year ended September 30, 2018 and 2017 was $18.1 million and $17.5 million, respectively.

9. Derivative Financial Instruments and Fair Value Measurements

The Company uses certain interest rate derivative contracts to hedge interest rate exposures on the Company's variable rate debt. The Company enters into foreign currency derivative contracts with financial institutions to reduce the risk that its cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. The Company's hedging program is not designated for trading or speculative purposes.

The Company recognizes derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. The Company records changes in the fair value (i.e., gains or losses) of the derivatives that have been designated as accounting hedges in the accompanying consolidated statements of operations as cost of revenue, interest expense or to accumulated other comprehensive loss in the accompanying consolidated balance sheets.

Cash Flow Hedges

The Company uses interest rate swap agreements designated as cash flow hedges to fix the variable interest rates on portions of the Company's debt. The Company also uses foreign currency contracts designated as cash flow hedges to hedge forecasted revenue transactions denominated in currencies other than the U.S. dollar. The Company initially reports any gain on the effective portion of a cash flow hedge as a component of accumulated other comprehensive loss. Depending on the type of cash flow hedge, the gain is subsequently reclassified to either interest expense when the interest expense on the variable rate debt is recognized, or to cost of revenue when the hedged revenues are recorded. If the hedged transaction becomes probable of not occurring, any gain or loss related to interest rate swap agreements or foreign currency contracts would be recognized in other income (expense). Further, the Company excludes the

9. Derivative Financial Instruments and Fair Value Measurements (Continued)

change in the time value of the foreign currency contracts from the assessment of hedge effectiveness. The Company records the premium paid or time value of a contract on the date of purchase as an asset. Thereafter, the Company recognizes any change to this time value in cost of revenue.

The notional principal in U.S. dollar (USD), Canadian dollar (CAD), and Australian dollar (AUD), fixed rates and related expiration dates of the Company's outstanding interest rate swap agreements were as follows:

September 30, 2018			
Notional Amount Currency	Notional Amount (in millions)	Fixed Rate	Expiration Date
AUD	200.0	2.19%	February 2021
CAD	400.0	2.49%	September 2022
USD	200.0	2.60%	February 2023

September 30, 2017			
Notional Amount Currency	Notional Amount (in millions)	Fixed Rate	Expiration Date
USD	300.0	1.63%	June 2018
USD	300.0	1.54%	September 2018

The notional principal of outstanding foreign currency contracts to purchase AUD was AUD 65.2 million (or $49.1 million) at September 30, 2018. The notional principal of outstanding foreign currency contracts to purchase AUD was AUD 15.1 million (or $11.3 million) at September 30, 2017.

Other Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts which are not designated as accounting hedges to hedge intercompany transactions and other monetary assets or liabilities denominated in currencies other than the functional currency of a subsidiary. Gains and losses on these contracts were not material for the years ended September 30, 2018, 2017 and 2016.

Fair Value Measurements

The Company's non-pension financial assets and liabilities recorded at fair values relate to derivative instruments and were not material at September 30, 2018 or 2017.

See Note 17 for accumulated balances and reporting period activities of derivatives related to reclassifications out of accumulated other comprehensive income or loss for the years ended September 30, 2018, 2017 and 2016. Amounts recognized in accumulated other comprehensive loss from the Company's foreign currency options were immaterial for all years presented. Amounts reclassified from accumulated other comprehensive loss into income from the foreign currency options were immaterial for all years presented. Additionally, there were no material losses recognized in income due to amounts excluded from effectiveness testing from the Company's interest rate swap agreements.

During the year ended September 30, 2015, the Company entered into a contingent consideration arrangement in connection with a business acquisition. Under the arrangement, the Company agreed to pay cash to the sellers if certain financial performance thresholds are achieved in the future. The fair value of the contingent consideration liability, net of amounts paid, as of September 30, 2018 and 2017 was $11 million and $13 million, respectively. This liability is a Level 3 fair value measurement recorded within other accrued liabilities, and was valued based on estimated future net cash flows. Any future changes in the fair value of this contingent consideration liability will be recognized in earnings during the applicable period.

10. Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash investments and trade receivables. The Company's cash balances and short-term investments are maintained in accounts held by major banks and financial institutions located primarily in the U.S., Canada, Europe, Australia, Middle East and Hong Kong. If the Company extends significant credit to clients in a specific geographic area or industry, the Company may experience disproportionately high levels of default if those clients are adversely affected by factors particular to their geographic area or industry. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, including, in large part, governments, government agencies and quasi-government organizations, and their dispersion across many different industries and geographies. See Note 19 regarding the Company's foreign revenues. In order to mitigate credit risk, the Company continually reviews the credit worthiness of its major private clients.

11. Leases

The Company and its subsidiaries are lessees in non-cancelable leasing agreements for office buildings and equipment. The related payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset. For leases with renewal options where the renewal is reasonably assured, the lease term, including the renewal period is used to determine the appropriate lease classification and to compute periodic rental expense. The following table presents, in millions, amounts payable under non-cancelable operating lease commitments during the following fiscal years:

Year Ending September 30,	
2019	$ 253.3
2020	211.5
2021	165.8
2022	136.0
2023	111.8
Thereafter	433.6
Total	$ 1,312.0

Rent expense for leases for the years ended September 30, 2018, 2017 and 2016 was approximately $268.5 million, $265.9 million, and $383.7 million, respectively. When the Company is required to restore leased facilities to original condition, provisions are made over the period of the lease.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Stockholders' Equity

Common Stock Units—Common stock units are only redeemable for common stock. In the event of liquidation of the Company, holders of stock units are entitled to no greater rights than holders of common stock. See also Note 13.

Accelerated Share Repurchase—In August 2018, the Company entered into an accelerated share repurchase (ASR) with JPMorgan Chase Bank, National Association (JPMorgan) to repurchase $150 million of its common stock. During the quarter ended September 30, 2018, JPMorgan delivered 4.0 million shares to the Company, at which point the Company's shares outstanding were reduced and accounted for as a reduction to retained earnings. The initial share delivery represented the minimum amount of shares JPMorgan was contractually obligated to provide under the ASR agreement. The ASR completed on October 11, 2018, which resulted in the delivery of an additional 0.6 million shares to the Company from JPMorgan.

13. Share-Based Payments

Defined Contribution Plans—Substantially all permanent domestic employees are eligible to participate in defined contribution plans provided by the Company. Under these plans, participants may make contributions into a variety of funds, including a fund that is fully invested in Company stock. Employees are not required to allocate any funds to Company stock; however, the Company does provide an annual Company match in AECOM shares. Employees may generally reallocate their account balances on a daily basis; however, employees classified as insiders are restricted under the Company's insider trading policy. Compensation expense relating to these employer contributions related to AECOM stock under defined contribution plans for fiscal years ended September 30, 2018, 2017 and 2016 was $32.3 million, $32.9 million, and $26.8 million, respectively.

Stock Incentive Plans—Under the 2016 Stock Incentive Plan, the Company has up to 12.6 million securities remaining available for future issuance as of September 30, 2018. Stock options may be granted to employees and non-employee directors with an exercise price not less than the fair market value of the stock on the date of grant. Unexercised options expire seven years after date of grant.

13. Share-Based Payments (Continued)

During the three years in the period ended September 30, 2018, option activity was as follows:

	Number of Options (in millions)	Weighted Average Exercise Price
Balance, September 30, 2015	1.3	28.26
Granted	—	—
Exercised	(0.4)	23.96
Cancelled	—	—
Balance, September 30, 2016	0.9	30.36
Granted	—	—
Exercised	(0.2)	26.42
Cancelled	—	—
Balance, September 30, 2017	0.7	31.11
Granted	—	—
Exercised	(0.1)	27.79
Cancelled	—	—
Balance, September 30, 2018	0.6	31.62
Exercisable as of September 30, 2016	0.3	26.99
Exercisable as of September 30, 2017	0.1	27.79
Exercisable as of September 30, 2018	—	N/A

The following table summarizes information concerning outstanding and exercisable options as of September 30, 2018:

	Options Outstanding				Options Exercisable		
	Number Outstanding as of September 30, 2018 (in millions)	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)	Number Exercisable as of September 30, 2018 (in millions)	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
Exercise Price							
$31.62	0.6	5.43	$ 31.62	$ 0.7	—	—	—

The aggregate intrinsic value of stock options exercised during the years ended September 30, 2018, 2017 and 2016 was $0.9 million, $1.2 million, and $0.6 million, respectively.

The fair value of the Company's employee stock option awards is estimated on the date of grant. The expected term of awards granted represents the period of time the awards are expected to be outstanding. The risk-free interest rate is based on U.S. Treasury bond rates with maturities equal to the expected term of the option on the grant date. The Company uses historical data as a basis to estimate the probability of forfeitures. No stock options were granted during the years ended September 30, 2018 and 2017.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Share-Based Payments (Continued)

The Company grants stock units to employees under its Performance Earnings Program (PEP), whereby units are earned and issued dependent upon meeting established cumulative performance objectives and vest over a three-year service period. Additionally, the Company issues restricted stock units to employees which are earned based on service conditions. The grant date fair value of PEP awards and restricted stock unit awards is that day's closing market price of the Company's common stock. The weighted average grant date fair value of PEP awards was $37.69, $38.15, and $29.91 during the years ended September 30, 2018, 2017 and 2016, respectively. The weighted average grant date fair value of restricted stock unit awards was $36.83, $37.96, and $29.82 during the years ended September 30, 2018, 2017 and 2016, respectively. Total compensation expense related to these share-based payments including stock options was $73.1 million, $83.8 million, and $73.4 million during the years ended September 30, 2018, 2017 and 2016, respectively. Unrecognized compensation expense related to total share-based payments outstanding as of September 30, 2018 and 2017 was $94.3 million and $96.8 million, respectively, to be recognized on a straight-line basis over the awards' respective vesting periods which are generally three years.

14. Income Taxes

Income before income taxes included income from domestic operations of $317.9 million, $322.2 million, and $51.6 million for fiscal years ended September 30, 2018, 2017 and 2016 and income (loss) from foreign operations of $(140.4) million, $107.0 million, and $74.0 million for fiscal years ended September 30, 2018, 2017 and 2016.

Income tax (benefit) expense was comprised of:

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
		(in millions)	
Current:			
Federal	$ (122.4)	$ 10.3	$ 33.7
State	19.0	17.9	12.4
Foreign	47.1	29.3	26.1
Total current income tax expense	(56.3)	57.5	72.2
Deferred:			
Federal	14.5	(8.3)	(63.4)
State	39.0	10.4	(5.4)
Foreign	(16.8)	(51.9)	(41.3)
Total deferred income tax expense (benefit)	36.7	(49.8)	(110.1)
Total income tax (benefit) expense	$ (19.6)	$ 7.7	$ (37.9)

14. Income Taxes (Continued)

The major elements contributing to the difference between the U.S. federal statutory rate of 24.5% for fiscal year ended September 30, 2018 and 35% for fiscal years ended September 30, 2017 and 2016 and the effective tax rate are as follows:

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	Amount	%	Amount	%	Amount	%
	(in millions)					
Tax at federal statutory rate	$ 43.5	24.5%	$ 150.3	35.0%	$ 43.9	35.0%
State income tax, net of federal benefit	17.8	10.0	24.3	5.7	5.6	4.5
Valuation allowance	58.7	33.1	(51.2)	(11.9)	(54.8)	(43.6)
Impairment, nondeductible for tax	33.9	19.1	—	—	—	—
Foreign residual income	10.3	5.8	(9.2)	(2.1)	17.8	14.2
Nondeductible costs	3.5	1.9	5.8	1.4	6.1	4.8
Change in tax rates	0.1	0.1	—	—	34.6	27.6
Impact of changes in tax law	(47.8)	(26.9)	—	—	—	—
Income tax credits and incentives	(37.2)	(21.0)	(56.8)	(13.2)	(24.6)	(19.6)
Change in uncertain tax positions	(31.4)	(17.7)	9.5	2.2	(5.0)	(4.0)
Audit settlement	(27.7)	(15.6)	—	—	—	—
Return to provision, primarily foreign tax credits	(18.5)	(10.4)	—	—	—	—
Exclusion of tax on non-controlling interests	(14.9)	(8.4)	(28.2)	(6.6)	(24.7)	(19.7)
Tax exempt income	(7.4)	(4.2)	(17.9)	(4.2)	(17.6)	(14.0)
Foreign tax rate differential	(1.6)	(0.9)	(19.2)	(4.5)	(19.7)	(15.7)
Other items, net	(0.9)	(0.5)	0.3	—	0.5	0.3
Total income tax expense	$ (19.6)	(11.1)%	$ 7.7	1.8%	$ (37.9)	(30.2)%

During the first quarter of 2018, President Trump signed what is commonly referred to as *The Tax Cuts and Jobs Act* (the Tax Act) into law. The Tax Act reduced the Company's U.S. federal corporate tax rate from 35% to a blended tax rate of 24.5% for its fiscal year ending September 30, 2018 and 21% for fiscal years thereafter, requires companies to pay a one-time transition tax on accumulated earnings of foreign subsidiaries, creates new taxes on foreign sourced earnings and eliminates or reduces deductions. Given the significance of the Tax Act, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which allows registrants to record provisional amounts during a one year "measurement period" similar to that used when accounting for business combinations. However, the measurement period is deemed to have ended earlier when the registrant has obtained, prepared and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared or analyzed.

During the fiscal year 2018, the Company recorded a $32.0 million provisional tax benefit related to the remeasurement of its U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. In addition, the Company released the deferred tax liability and recorded a tax benefit related to foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely for $79.8 million and accrued $64 million of tax expense related to the one-time transition tax. The Company has not yet completed its calculation of the total

14. Income Taxes (Continued)

foreign earnings and profits of its foreign subsidiaries and accordingly this amount may change when the Company finalizes the calculation of foreign earnings.

During the fourth quarter of 2018, the Company recorded a valuation allowance of $38.1 million against foreign tax credits related to deferred tax assets in the U.S. In its determination of the realizability of its deferred tax assets, the Company evaluated positive evidence consisting of forecasts of foreign tax credit utilization against future foreign source income, earnings trends over a sustainable period, positive economic conditions in the industries the Company operates in, possible prudent and feasible tax planning strategies (net of costs to implement the tax planning strategies) and actual usage of foreign tax credit carryforwards. The Company also evaluated negative evidence consisting of significant foreign tax credits and U.S. tax law changes that restrict the usage of foreign tax credits. This evaluation was conducted on a tax jurisdictional basis or legal entity basis, as applicable, and based on the weighing of all positive and negative evidence, a determination was made as to the realizability of the deferred tax assets on that same basis.

During the fourth quarter of 2018, the Company restructured certain operations in Canada which resulted in a release of a valuation allowance of $13.1 million. Certain operations in Canada continue to forecast losses and the valuation allowances could be reduced if the earnings trends reverse. During the second quarter of 2017, valuation allowances in the amount of $59.9 million in the United Kingdom were released due to sufficient positive evidence obtained during that quarter.

Generally, the Company would reverse its valuation allowance in a particular tax jurisdiction if the positive evidence examined, such as projected and sustainable earnings or a tax-planning strategy that allows for the usage of the deferred tax asset, is sufficient to overcome significant negative evidence, such as large net operating loss carryforwards or a cumulative history of losses in recent years. In the United States, the valued deferred tax assets have a restricted life or use under relevant tax law and, therefore, it is unlikely that the valuation allowance related to these assets will reverse. In addition, the Company is continually investigating tax planning strategies that, if prudent and feasible, may be implemented to realize a deferred tax asset that would otherwise expire unutilized. The identification and internal/external approval (as relevant) of such a prudent and feasible tax planning strategy could cause a reduction in the valuation allowance.

During the fourth quarter of 2018, the Company effectively settled a U.S. federal income tax examination for URS pre-acquisition tax years 2012, 2013 and 2014 and recorded a benefit of $27.7 million related to various adjustments, in addition to the favorable settlement for R&D credits of $26.2 million recorded in the second quarter of 2018. The Company is currently under tax audit in several jurisdictions including the U.S and believe the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in adjustments, but will not result in a material change in the liability for uncertain tax positions.

In the fourth quarter of 2017, the Company executed international restructuring transactions that resulted in a distribution of current year earnings and profits and the associated foreign tax credits. The distribution resulted in the recognition of a benefit of $25.2 million related to excess foreign tax credits expected to be realized in the foreseeable future. These current year earnings had previously been forecasted to qualify for the indefinite reinvestment criterion. The Company's change in assertion for these investments was a one-time event and did not impact the Company's past or future assertions regarding intent and ability to reinvest indefinitely.

14. Income Taxes (Continued)

In the third quarter of 2017, the Company recapitalized one of its European subsidiaries which resulted in the Company indefinitely reinvesting a portion of its non-U.S. undistributed earnings that U.S. tax had previously been provided for and released the associated $21.2 million deferred tax liability. These non-U.S. earnings are now intended to be reinvested indefinitely outside of the U.S. to meet the Company's current and future cash needs of its European operations.

The deferred tax assets (liabilities) are as follows:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
	(in millions)	
Deferred tax assets:		
Compensation and benefit accruals not currently deductible	$ 108.3	$ 144.2
Net operating loss carryforwards	252.4	338.2
Self-insurance reserves	13.5	23.8
Research and experimentation and other tax credits	178.1	167.5
Pension liability	88.2	142.1
Accrued liabilities	63.4	160.7
Other	27.8	25.0
Total deferred tax assets	731.7	1,001.5
Deferred tax liabilities:		
Unearned revenue	(121.1)	(190.8)
Depreciation and amortization	(135.9)	(158.6)
Acquired intangible assets	(56.0)	(121.7)
Investment in subsidiaries	(109.5)	(241.2)
Total deferred tax liabilities	(422.5)	(712.3)
Valuation allowance	(197.1)	(138.4)
Net deferred tax assets	$ 112.1	$ 150.8

As of September 30, 2018, the Company has available unused federal, state and foreign net operating loss (NOL) carryforwards of $50.3 million, $707.0 million and $968.4 million, respectively, which expire at various dates over the next several years; the federal NOL carryforwards and some foreign NOL carryforwards never expire. In addition, as of September 30, 2018, the Company has unused federal and state research and development credits of $79.1 million and $33.4 million, respectively, foreign tax credits of $61.8 million, and California Enterprise Zone Tax Credits of $6.8 million which expire at various dates over the next several years.

As of September 30, 2018 and 2017, gross deferred tax assets were $731.7 million and $1,001.5 million, respectively. The Company has recorded a valuation allowance of $197.1 million and $138.4 million at September 30, 2018 and 2017, respectively, primarily related to foreign tax credits, state and foreign net operating loss carryforwards and credits and deferred tax assets related to certain pension obligations (primarily in the United Kingdom and Canada). The Company has performed an assessment of positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting

14. Income Taxes (Continued)

losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carryforward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Although realization is not assured, based on the Company's assessment, the Company has concluded that it is more likely than not that the remaining gross deferred tax asset (exclusive of deferred tax liabilities) of $534.6 million will be realized and, as such, no additional valuation allowance has been provided. The net increase in the valuation allowance of $58.7 million is primarily attributable to changes in valuation allowances of $36.3 million for foreign tax credits and increases in valuation allowances for unbenefitable losses, partially offset by the release of $13.1 million of valuation allowances for Canada and the utilization of $7.7 million of foreign net operating loss carryforwards in the current year.

Generally, the Company does not provide for U.S. taxes or foreign withholding taxes on gross book-tax differences in its non-U.S. subsidiaries because such basis differences of approximately $1.7 billion are able to and intended to be reinvested indefinitely. As of September 30, 2018, the Company has not completed its assessment of the Tax Act on its plans to indefinitely reinvest foreign earnings and as such has not changed its prior conclusion that the earnings are indefinitely reinvested. If these basis differences were distributed, foreign tax credits could become available under current law to partially or fully reduce the resulting U.S. income tax liability. There may also be additional U.S. or foreign income tax liability upon repatriation, although the calculation of such additional taxes is not practicable.

During the first quarter of 2017, the Company adopted a new accounting standard that amended certain aspects of the accounting for employee share-based payments and as a result recorded an adjustment of $3.8 million to equity to recognize net operating loss carryforwards attributable to excess tax benefits on stock compensation that had not been previously recognized to additional paid in capital.

As of September 30, 2018 and 2017, the Company had a liability for unrecognized tax benefits, including potential interest and penalties, net of related tax benefit, totaling $71.9 million and $109.5 million, respectively. The gross unrecognized tax benefits as of September 30, 2018 and 2017 were $60.0 million and $102.1 million, respectively, excluding interest, penalties, and related tax benefit. Of the $60.0 million, approximately $42.4 million would be included in the effective tax rate if recognized. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Fiscal Year Ended	
	September 30, 2018	September 30, 2017
	(in millions)	
Balance at the beginning of the year	$ 102.1	$ 87.9
Gross increase in current period's tax positions	4.0	10.8
Gross increase in prior years' tax positions	2.2	5.3
Gross decrease in prior years' tax positions	(14.4)	—
Decrease due to settlement with tax authorities	(31.9)	(1.0)
Decrease due to lapse of statute of limitations	(1.7)	(1.1)
Gross change due to foreign exchange fluctuations	(0.3)	0.2
Balance at the end of the year	$ 60.0	$ 102.1

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Income Taxes (Continued)

The Company classifies interest and penalties related to uncertain tax positions within the income tax expense line in the accompanying consolidated statements of operations. As of September 30, 2018, the accrued interest and penalties were $15.5 million and $4.1 million, respectively, excluding any related income tax benefits. At September 30, 2017, the accrued interest and penalties were $15.1 million and $4.1 million, respectively, excluding any related income tax benefits.

The Company files income tax returns in numerous tax jurisdictions, including the U.S., and numerous U.S. states and non-U.S. jurisdictions around the world. The statute of limitations varies by jurisdiction in which the Company operates. Because of the number of jurisdictions in which the Company files tax returns, in any given year the statute of limitations in certain jurisdictions may expire without examination within the 12-month period from the balance sheet date.

While it is reasonably possible that the total amounts of unrecognized tax benefits could significantly increase or decrease within the next twelve months, an estimate of the range of possible change cannot be made.

15. Earnings Per Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding and potential common shares for the period. The Company includes as potential common shares the weighted average dilutive effects of equity awards using the treasury stock method. For the periods presented, equity awards excluded from the calculation of potential common shares were not significant.

The following table sets forth a reconciliation of the denominators of basic and diluted earnings per share:

	Fiscal Year Ended		
	September 30, 2018	September 30, 2017	September 30, 2016
		(in millions)	
Denominator for basic earnings per share	159.1	155.7	154.8
Potential common shares	3.2	3.4	1.3
Denominator for diluted earnings per share	162.3	159.1	156.1

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Other Financial Information

Accrued expenses and other current liabilities consist of the following:

	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2017
	(in millions)	
Accrued salaries and benefits	$ 1,035.9	$ 1,018.5
Accrued contract costs	861.0	911.9
Other accrued expenses	370.1	315.1
	$ 2,267.0	$ 2,245.5

Accrued contract costs above include balances related to professional liability accruals of $519.5 million and $547.9 million as of September 30, 2018 and 2017, respectively. The remaining accrued contract costs primarily relate to costs for services provided by subcontractors and other non-employees. Liabilities recorded related to accrued contract losses were not material as of September 30, 2018 and 2017. The Company did not have material revisions to estimates for contracts where revenue is recognized using the percentage-of-completion method during the twelve months ended September 30, 2018.

During the twelve months ended September 30, 2016, the Company recorded revenue related to the expected accelerated recovery of a pension related entitlement from the federal government of approximately $50 million, which is included in accounts receivable-net at September 30, 2018 and 2017. The entitlement resulted from pension costs that are reimbursable through certain government contracts in accordance with Cost Accounting Standards. The accelerated recognition resulted from an amendment to freeze pension benefits under URS Federal Services, Inc. Employees Retirement Plan. The actual amount of reimbursement may vary from the Company's expectation.

17. Reclassifications out of Accumulated Other Comprehensive Loss

The accumulated balances and reporting period activities for the years ended September 30, 2018, 2017 and 2016 related to reclassifications out of accumulated other comprehensive loss are summarized as follows (in millions):

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2015	$ (204.0)	$ (420.1)	$ (11.0)	$ (635.1)
Other comprehensive income (loss) before reclassification	(171.5)	(63.6)	1.2	(233.9)
Amounts reclassified from accumulated other comprehensive loss	6.6	—	4.8	11.4
Balances at September 30, 2016	$ (368.9)	$ (483.7)	$ (5.0)	$ (857.6)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Reclassifications out of Accumulated Other Comprehensive Loss (Continued)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2016	$ (368.9)	$ (483.7)	$ (5.0)	$ (857.6)
Other comprehensive income (loss) before reclassification	73.8	65.3	2.3	141.4
Amounts reclassified from accumulated other comprehensive loss	13.2	—	2.3	15.5
Balances at September 30, 2017	$ (281.9)	$ (418.4)	$ (0.4)	$ (700.7)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2017	$ (281.9)	$ (418.4)	$ (0.4)	$ (700.7)
Other comprehensive income (loss) before reclassification	69.9	(83.8)	0.7	(13.2)
Amounts reclassified from accumulated other comprehensive loss	9.7	—	0.9	10.6
Balances at September 30, 2018	$ (202.3)	$ (502.2)	$ 1.2	$ (703.3)

18. Commitments and Contingencies

The Company records amounts representing its probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. The Company relies in part on qualified actuaries to assist it in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against it, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to the Company's claims administrators as of the respective balance sheet dates. The Company includes any adjustments to such insurance reserves in its consolidated results of operations. The Company's reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. The Company does not record gain contingencies until they are realized. In the ordinary course of business, the Company may not be aware that it or its affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, the Company may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of its affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in certain circumstances such as for warranties. The Company may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Commitments and Contingencies (Continued)

typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At September 30, 2018, the Company was contingently liable in the amount of approximately $515.1 million in issued standby letters of credit and $5.3 billion in issued surety bonds primarily to support project execution.

In the ordinary course of business, the Company enters into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

In addition, in connection with the investment activities of AECOM Capital, the Company provides guarantees of certain obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

The Company's investment adviser jointly manages, sponsors and owns equity interest in the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which the Company has an ongoing capital commitment to fund investments. At September 30, 2018, the Company has capital commitments of $35 million to the Fund over the next 10 years.

DOE Deactivation, Demolition, and Removal Project

Washington Group International, an Ohio company (WGI Ohio), an affiliate of URS, executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues and remains uncompleted. In February 2011, WGI Ohio and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, requires the DOE to pay all project costs up to $106 million, requires WGI Ohio and the DOE to equally share in all project costs incurred from $106 million to $146 million, and requires WGI Ohio to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, WGI Ohio has been required to perform work outside the scope of the Task Order Modification. In December 2014, WGI Ohio submitted claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope. WGI Ohio has incurred and continues to incur additional project costs outside the scope of the contract as a result of differing site and ground conditions and intends to submit additional formal claims against the DOE.

Due to significant delays and uncertainties about responsibilities for the scope of remaining work, final project completion costs and other associated costs have exceeded $100 million over the contracted and claimed amounts. WGI Ohio assets and liabilities, including the value of the above costs and claims, were measured at their fair value on October 17, 2014, the date AECOM acquired WGI Ohio's parent company, see Note 3, which measurement has been reevaluated to account for developments pertaining to this matter. Deconstruction and decommissioning activities are completed and site restoration activities are underway. WGI Ohio increased its receivable during the quarter ended June 30, 2018.

18. Commitments and Contingencies (Continued)

WGI Ohio can provide no certainty that it will recover the claims submitted against DOE in December 2014, any future claims or any other project costs after December 2014 that WGI Ohio may be obligated to incur including the remaining project completion costs, which could have a material adverse effect on the Company's results of operations.

SR-91

One of the Company's wholly-owned subsidiaries, URS Corporation, entered into a partial fixed cost and partial time and material design agreement in 2012 with a design build contractor for a state route highway construction project in Riverside County and Orange County, California. On April 1, 2017, URS Corporation filed an $8.2 million amended complaint in the Superior Court of California against the design build contractor for its failure to pay for services performed under the design agreement. On July 3, 2017, the design build contractor filed an amended cross-complaint against URS Corporation and AECOM in Superior Court alleging breaches of contract, negligent interference and professional negligence pertaining to URS Corporation's performance of design services under the design agreement, seeking purported damages of $70 million. On May 4, 2018, the design build contractor dismissed its claims for negligent interference. On May 24, 2018, URS Corporation filed an $11.9 million second amended complaint in Superior Court against the design build contractor for its failure to pay for services performed under the design agreement. URS Corporation and AECOM cannot provide assurances that URS Corporation will be successful in the recovery of the amounts owed to it under the design agreement or in their defense against the amounts alleged under the cross-complaint that they believe are without merit and that they intend to vigorously defend against. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time, primarily because the matter involves complex factual and legal issues; there is substantial uncertainty regarding any alleged damages, including due to liability of and payments, by third parties; and the matter is at a discovery stage of litigation.

New York Department of Environmental Conservation

The following matter is disclosed pursuant to Regulation S-K, Item 103, Instruction 5.C pertaining to a government authority environmental claim exceeding $100,000 against an AECOM affiliate. In September 2017, AECOM USA, Inc., one of the Company's wholly-owned subsidiaries, was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.'s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL's maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc., cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time, primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stage of the government's claims and any negotiations of a consent order or other resolution.

Illinois Power Generating Company

Advatech, LLC, a joint venture 60% owned by AECOM Energy & Construction, Inc., executed a fixed-cost engineering, procurement and construction contract for a flue-gas-desulfurization system at a

18. Commitments and Contingencies (Continued)

coal-fired power plant owned by Illinois Power Generating Company, a wholly-owned subsidiary of Dynegy, Inc. (Genco). On September 2, 2016, Genco terminated Advatech's contract for convenience and Advatech subsequently submitted its final contractual invoice of approximately $81 million. Advatech filed and perfected a mechanics lien on the Genco power plant property on October 17, 2016. On December 9, 2016, Genco filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas and its plan of reorganization was approved by the Bankruptcy Court on January 25, 2017 (the Bankruptcy Plan). Advatech's contractual invoice and mechanics lien were not extinguished per the terms of the Bankruptcy Plan and remain outstanding claims. On March 15, 2017, Advatech filed a demand for arbitration and on July 21, 2017 submitted a Statement of Claim seeking reimbursement of approximately $81 million for Genco's breach of contract and failure to reimburse Advatech for all of the cost of work performed under the contract.

Advatech intends to vigorously prosecute this matter and seeks to collect all claimed amounts under the terms of the contract; however, Advatech cannot provide assurance that it will be successful in these efforts. The resolution of this matter and any potential range of loss in excess of any current accrual cannot be reasonably determined or estimated at this time, primarily because the matter has not been fully arbitrated and presents unique regulatory, bankruptcy and contractual interpretation issues.

19. Reportable Segments and Geographic Information

The Company's operations are organized into four reportable segments: Design and Consulting Services (DCS), Construction Services (CS), Management Services (MS), and AECOM Capital (ACAP). During the third quarter of fiscal 2017, operating activities of ACAP achieved a level of significance sufficient to warrant disclosure as a separate reportable segment. Prior to the third quarter of fiscal 2017, ACAP's operating results were included in the corporate segment, and comparable periods were reclassified to reflect the change. The Company's DCS reportable segment delivers planning, consulting, architectural, environmental, and engineering design services to commercial and government clients worldwide. The Company's CS reportable segment provides construction services primarily in the Americas. The Company's MS reportable segment provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government. The Company's ACAP segment invests in real estate, public-private partnership (P3) and infrastructure projects. These reportable segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how the Company manages its business. The Company has aggregated various operating segments into its reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

During the first quarter of fiscal 2017, an operation and maintenance related entity previously reported within the CS segment was realigned within the MS segment to reflect present management oversight. Accordingly, approximately $130 million of revenue and $124 million of cost of revenue for the year ended September 30, 2016 were reclassified to conform to the current period presentation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Reportable Segments and Geographic Information (Continued)

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	Design and Consulting Services	Construction Services	Management Services	AECOM Capital	Corporate	Total
			(in millions)			
Fiscal Year Ended September 30, 2018:						
Revenue	$ 8,223.1	$ 8,238.9	$ 3,693.5	$ —	$ —	$ 20,155.5
Gross profit	439.2	40.4	171.0	—	—	650.6
Equity in earnings of joint ventures	15.8	21.5	28.6	15.2	—	81.1
General and administrative expenses	—	—	—	(11.2)	(124.5)	(135.7)
Impairment of assets held for sale, including goodwill	—	(168.2)	—	—	—	(168.2)
Loss on disposal activities	—	(2.9)	—	—	—	(2.9)
Operating income (loss)	455.0	(109.2)	199.6	4.0	(124.5)	424.9
Segment assets	7,013.8	4,212.0	2,701.2	140.6	613.5	14,681.1
Gross profit as a % of revenue	5.3%	0.5%	4.6%			3.2%
Fiscal Year Ended September 30, 2017:						
Revenue	$ 7,566.8	$ 7,295.6	$ 3,341.0	$ —	$ —	$ 18,203.4
Gross profit	394.8	92.9	196.0	—	—	683.7
Equity in earnings of joint ventures	16.4	22.4	45.1	57.7	—	141.6
General and administrative expenses	—	—	—	(8.7)	(124.7)	(133.4)
Acquisition and integration expenses	—	—	—	—	(38.7)	(38.7)
Gain on disposal activities	0.6	—	—	—	—	0.6
Operating income	411.8	115.3	241.1	49.0	(163.4)	653.8
Segment assets	6,992.6	4,114.5	2,704.6	199.1	386.2	14,397.0
Gross profit as a % of revenue	5.2%	1.3%	5.9%			3.8%
Fiscal Year Ended September 30, 2016:						
Revenue	$ 7,655.8	$ 6,371.1	$ 3,383.9	$ —	$ —	$ 17,410.8
Gross profit	382.5	25.4	234.9	—	—	642.8
Equity in earnings of joint ventures	8.9	18.2	76.9	—	—	104.0
General and administrative expenses	—	—	—	(6.0)	(109.1)	(115.1)
Acquisition and integration expenses	—	—	—	—	(213.6)	(213.6)
Loss on disposal activities	—	(42.6)	—	—	—	(42.6)
Operating income	391.4	1.0	311.8	(6.0)	(322.7)	375.5
Segment assets	6,655.7	3,556.2	2,692.7	179.1	586.2	13,669.9
Gross profit as a % of revenue	5.0%	0.4%	6.9%			3.7%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Reportable Segments and Geographic Information (Continued)

Geographic Information:

	Fiscal Year Ended					
	September 30, 2018		September 30, 2017		September 30, 2016	
	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets
	(in millions)					
United States	$ 14,753.4	4,844.1	$ 13,042.6	4,779.0	$ 12,567.0	4,763.9
Asia Pacific	1,440.6	369.2	1,352.7	382.9	1,278.3	394.0
Canada	1,212.3	513.7	1,159.9	600.4	866.5	615.7
Europe	1,984.1	1,362.3	1,869.9	1,362.8	1,904.2	1,368.4
Other foreign countries	765.1	397.2	778.3	418.3	794.8	412.5
Total	$ 20,155.5	7,486.5	$ 18,203.4	7,543.4	$ 17,410.8	7,554.5

The Company attributes revenue by geography based on the external customer's country of origin. Long-lived assets consist of noncurrent assets excluding deferred tax assets.

20. Major Clients

Other than the U.S. federal government, no single client accounted for 10% or more of the Company's revenue in any of the past five fiscal years. Approximately 23%, 22%, and 23% of the Company's revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2018, 2017 and 2016, respectively. One of these contracts accounted for approximately 2%, 3%, and 3% of the Company's revenue in the years ended September 30, 2018, 2017 and 2016, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Quarterly Financial Information—Unaudited

In the opinion of management, the following unaudited quarterly data reflects all adjustments necessary for a fair statement of the results of operations. All such adjustments are of a normal recurring nature.

Fiscal Year 2018:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share data)			
Revenue	$ 4,910.8	$ 4,790.9	$ 5,148.0	$ 5,305.8
Cost of revenue	4,774.6	4,649.7	4,962.8	5,117.8
Gross profit	136.2	141.2	185.2	188.0
Equity in earnings of joint ventures	29.7	13.1	12.8	25.5
General and administrative expenses	(34.7)	(30.2)	(35.1)	(35.7)
Impairment of assets held for sale, including goodwill	—	(168.2)	—	—
Loss on disposal activities	—	—	(2.1)	(0.8)
Income (loss) from operations	131.2	(44.1)	160.8	177.0
Other income	2.3	12.5	2.7	2.6
Interest expense	(56.2)	(100.5)	(55.3)	(55.5)
Income (loss) before income tax (benefit) expense	77.3	(132.1)	108.2	124.1
Income tax (benefit) expense	(47.1)	(24.4)	33.1	18.7
Net income (loss)	124.4	(107.7)	75.1	105.4
Noncontrolling interest in income of consolidated subsidiaries, net of tax	(13.1)	(12.0)	(14.2)	(21.4)
Net income (loss) attributable to AECOM	$ 111.3	$ (119.7)	$ 60.9	$ 84.0
Net income (loss) attributable to AECOM per share:				
Basic	$ 0.70	$ (0.75)	$ 0.38	$ 0.53
Diluted	$ 0.69	$ (0.75)	$ 0.37	$ 0.52
Weighted average common shares outstanding:				
Basic	157.9	159.5	160.4	158.6
Diluted	161.8	159.5	163.2	161.8

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Quarterly Financial Information—Unaudited (Continued)

Fiscal Year 2017:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share data)			
Revenue	$ 4,358.3	$ 4,427.2	$ 4,561.5	$ 4,856.4
Cost of revenue	4,188.3	4,258.8	4,386.3	4,686.3
Gross profit	170.0	168.4	175.2	170.1
Equity in earnings of joint ventures	21.4	21.8	66.5	31.9
General and administrative expenses	(32.6)	(29.9)	(34.0)	(36.9)
Acquisition and integration expenses	(15.4)	(20.0)	—	(3.3)
Gain on disposal activities	—	0.6	—	—
Income from operations	143.4	140.9	207.7	161.8
Other income	0.8	1.3	2.1	2.5
Interest expense	(53.6)	(61.8)	(61.6)	(54.3)
Income before income tax expense (benefit)	90.6	80.4	148.2	110.0
Income tax expense (benefit)	24.8	(35.4)	12.1	6.2
Net income	65.8	115.8	136.1	103.8
Noncontrolling interest in income of consolidated subsidiaries, net of tax	(18.6)	(13.4)	(34.8)	(15.3)
Net income attributable to AECOM	$ 47.2	$ 102.4	$ 101.3	$ 88.5
Net income attributable to AECOM per share:				
Basic	$ 0.31	$ 0.66	$ 0.65	$ 0.56
Diluted	$ 0.30	$ 0.65	$ 0.64	$ 0.55
Weighted average common shares outstanding:				
Basic	154.3	155.4	155.8	157.5
Diluted	158.0	158.7	158.8	161.1

22. Condensed Consolidating Financial Information

In connection with the registration of the Company's 2014 Senior Notes that were declared effective by the SEC on September 29, 2015, AECOM became subject to the requirements of Rule 3-10 of Regulation S-X regarding financial statements of guarantors and issuers of guaranteed securities. Both the 2014 Senior Notes and the 2017 Senior Notes are fully and unconditionally guaranteed on a joint and several basis by certain of AECOM's directly and indirectly 100% owned subsidiaries (the Subsidiary Guarantors). Other than customary restrictions imposed by applicable statutes, there are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to AECOM in the form of cash dividends, loans or advances.

The following condensed consolidating financial information, which is presented for AECOM, the Subsidiary Guarantors on a combined basis and AECOM's non-guarantor subsidiaries on a combined basis, is provided to satisfy the disclosure requirements of Rule 3-10 of Regulation S-X.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Balance Sheets
(in millions)
September 30, 2018

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Total cash and cash equivalents	$ 22.0	$ 270.9	$ 593.8	$ —	$ 886.7
Accounts receivable—net	—	2,544.7	2,924.1	—	5,468.8
Intercompany receivable	951.1	84.9	157.9	(1,193.9)	—
Prepaid expenses and other current assets	52.9	331.6	200.7	—	585.2
Current assets held for sale	—	—	59.8	—	59.8
Income taxes receivable	84.6	—	42.2	—	126.8
TOTAL CURRENT ASSETS	1,110.6	3,232.1	3,978.5	(1,193.9)	7,127.3
PROPERTY AND EQUIPMENT—NET	202.6	217.3	194.2	—	614.1
DEFERRED TAX ASSETS—NET	134.0	—	150.0	(124.6)	159.4
INVESTMENTS IN CONSOLIDATED SUBSIDIARIES	6,364.1	1,912.0	—	(8,276.1)	—
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	13.4	49.6	247.7	—	310.7
GOODWILL	—	3,392.7	2,528.4	—	5,921.1
INTANGIBLE ASSETS—NET	—	218.6	101.3	—	319.9
OTHER NON-CURRENT ASSETS	49.9	45.6	133.1	—	228.6
TOTAL ASSETS	$ 7,874.6	$ 9,067.9	$ 7,333.2	$ (9,594.6)	$ 14,681.1
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term debt	$ 8.4	$ —	$ —	$ —	$ 8.4
Accounts payable	53.6	1,616.7	1,055.7	—	2,726.0
Accrued expenses and other current liabilities	58.8	1,035.6	1,172.7	—	2,267.1
Income taxes payable	10.4	—	29.4	—	39.8
Intercompany payable	105.5	830.8	416.9	(1,353.2)	—
Billings in excess of costs on uncompleted contracts	1.5	316.1	613.8	—	931.4
Current liabilities held for sale	—	—	22.3	—	22.3
Current portion of long-term debt	43.3	27.0	64.4	—	134.7
TOTAL CURRENT LIABILITIES	281.5	3,826.2	3,375.2	(1,353.2)	6,129.7
OTHER LONG-TERM LIABILITIES	131.6	249.0	361.5	—	742.1
DEFERRED TAX LIABILITY—NET	—	63.1	108.9	(124.7)	47.3
NOTE PAYABLE INTERCOMPANY—NON CURRENT	800.9	—	487.5	(1,288.4)	—
LONG-TERM DEBT	2,627.8	291.4	564.5	—	3,483.7
TOTAL LIABILITIES	3,841.8	4,429.7	4,897.6	(2,766.3)	10,402.8
TOTAL AECOM STOCKHOLDERS' EQUITY	4,032.8	4,638.2	2,250.1	(6,828.3)	4,092.8
Noncontrolling interests	—	—	185.5	—	185.5
TOTAL STOCKHOLDERS' EQUITY	4,032.8	4,638.2	2,435.6	(6,828.3)	4,278.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,874.6	$ 9,067.9	$ 7,333.2	$ (9,594.6)	$ 14,681.1

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Balance Sheets
(in millions)
September 30, 2017

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Total cash and cash equivalents	$ 32.6	$ 254.9	$ 514.9	$ —	$ 802.4
Accounts receivable—net	—	2,426.4	2,701.3	—	5,127.7
Intercompany receivable	723.6	89.0	183.4	(996.0)	—
Prepaid expenses and other current assets	67.5	366.5	262.7	—	696.7
Income taxes receivable	4.3	—	51.1	—	55.4
TOTAL CURRENT ASSETS	828.0	3,136.8	3,713.4	(996.0)	6,682.2
PROPERTY AND EQUIPMENT—NET	160.2	215.0	246.2	—	621.4
DEFERRED TAX ASSETS—NET	239.7	61.7	164.5	(294.6)	171.3
INVESTMENTS IN CONSOLIDATED SUBSIDIARIES	6,606.2	2,812.8	—	(9,419.0)	—
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	7.2	69.7	287.3	—	364.2
GOODWILL	—	3,392.7	2,600.2	—	5,992.9
INTANGIBLE ASSETS—NET	—	271.6	143.5	—	415.1
OTHER NON-CURRENT ASSETS	8.7	47.4	93.8	—	149.9
TOTAL ASSETS	$ 7,850.0	$ 10,007.7	$ 7,248.9	$ (10,709.6)	$ 14,397.0
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term debt	$ 1.1	$ —	$ 0.1	$ —	$ 1.2
Accounts payable	33.8	1,301.7	914.4	—	2,249.9
Accrued expenses and other current liabilities	92.2	1,171.8	981.5	—	2,245.5
Income taxes payable	—	8.1	30.1	—	38.2
Intercompany payable	149.2	789.5	159.6	(1,098.3)	—
Billings in excess of costs on uncompleted contracts	3.4	341.7	557.7	—	902.8
Current portion of long-term debt	110.9	14.9	15.0	—	140.8
TOTAL CURRENT LIABILITIES	390.6	3,627.7	2,658.4	(1,098.3)	5,578.4
OTHER LONG-TERM LIABILITIES	102.3	290.7	488.3	—	881.3
DEFERRED TAX LIABILITY—NET	—	0.6	314.5	(294.6)	20.5
NOTE PAYABLE INTERCOMPANY—NON CURRENT	0.1	—	467.2	(467.3)	—
LONG-TERM DEBT	3,366.9	281.6	53.6	—	3,702.1
TOTAL LIABILITIES	3,859.9	4,200.6	3,982.0	(1,860.2)	10,182.3
TOTAL AECOM STOCKHOLDERS' EQUITY	3,990.1	5,807.1	3,048.3	(8,849.4)	3,996.1
Noncontrolling interests	—	—	218.6	—	218.6
TOTAL STOCKHOLDERS' EQUITY	3,990.1	5,807.1	3,266.9	(8,849.4)	4,214.7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,850.0	$ 10,007.7	$ 7,248.9	$ (10,709.6)	$ 14,397.0

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Operations
(in millions)

	For the Fiscal Year Ended September 30, 2018				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	$ —	$ 11,052.9	$ 9,212.9	$ (110.3)	$ 20,155.5
Cost of revenue	—	10,757.2	8,858.0	(110.3)	19,504.9
Gross profit	—	295.7	354.9	—	650.6
Equity in earnings from subsidiaries	460.9	207.2	—	(668.1)	—
Equity in earnings of joint ventures	—	37.2	43.9	—	81.1
General and administrative expenses	(124.4)	—	(11.3)	—	(135.7)
Impairment on assets held for sale, including goodwill	—	—	(168.2)	—	(168.2)
Loss on disposal activities	—	—	(2.9)	—	(2.9)
Income from operations	336.5	540.1	216.4	(668.1)	424.9
Other income	12.0	34.5	12.7	(39.1)	20.1
Interest expense	(242.9)	(25.1)	(38.6)	39.1	(267.5)
Income before income tax (benefit) expense	105.6	549.5	190.5	(668.1)	177.5
Income tax (benefit) expense	(31.1)	98.8	(87.4)	—	(19.7)
Net income	136.7	450.7	277.9	(668.1)	197.2
Noncontrolling interests in income of consolidated subsidiaries, net of tax	—	—	(60.7)	—	(60.7)
Net income attributable to AECOM	$ 136.7	$ 450.7	$ 217.2	$ (668.1)	$ 136.5

	For the Fiscal Year Ended September 30, 2017				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	$ —	$ 10,491.6	$ 7,764.1	$ (52.3)	$ 18,203.4
Cost of revenue	—	10,136.1	7,435.9	(52.3)	17,519.7
Gross profit	—	355.5	328.2	—	683.7
Equity in earnings from subsidiaries	439.3	222.4	—	(661.7)	—
Equity in earnings of joint ventures	—	43.8	97.8	—	141.6
General and administrative expenses	(124.7)	—	(8.7)	—	(133.4)
Acquisition and integration expenses	(38.7)	—	—	—	(38.7)
Gain on disposal activities	—	—	0.6	—	0.6
Income from operations	275.9	621.7	417.9	(661.7)	653.8
Other income	2.1	31.9	9.2	(36.5)	6.7
Interest expense	(203.7)	(31.1)	(33.0)	36.5	(231.3)
Income before income tax (benefit) expense	74.3	622.5	394.1	(661.7)	429.2
Income tax (benefit) expense	(264.9)	182.5	58.4	31.7	7.7
Net income	339.2	440.0	335.7	(693.4)	421.5
Noncontrolling interests in income of consolidated subsidiaries, net of tax	—	—	(82.1)	—	(82.1)
Net income attributable to AECOM	$ 339.2	$ 440.0	$ 253.6	$ (693.4)	$ 339.4

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Operations (in millions) (Continued)

	For the Fiscal Year Ended September 30, 2016				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	$ —	$ 10,182.1	$ 7,310.7	$ (82.0)	$ 17,410.8
Cost of revenue	—	9,864.3	6,985.7	(82.0)	16,768.0
Gross profit	—	317.8	325.0	—	642.8
Equity in earnings from subsidiaries	437.4	242.7	—	(680.1)	—
Equity in earnings of joint ventures	—	38.4	65.6	—	104.0
General and administrative expenses	(114.0)	(1.1)	—	—	(115.1)
Acquisition and integration expenses	(213.6)	—	—	—	(213.6)
Loss on disposal activities	—	—	(42.6)	—	(42.6)
Income from operations	109.8	597.8	348.0	(680.1)	375.5
Other income	0.8	34.7	12.7	(40.0)	8.2
Interest expense	(231.7)	(29.0)	(37.4)	40.0	(258.1)
(Loss) income before income tax (benefit) expense	(121.1)	603.5	323.3	(680.1)	125.6
Income tax (benefit) expense	(217.3)	118.7	23.4	37.3	(37.9)
Net income	96.2	484.8	299.9	(717.4)	163.5
Noncontrolling interests in income of consolidated subsidiaries, net of tax	—	—	(67.4)	—	(67.4)
Net income attributable to AECOM	$ 96.2	$ 484.8	$ 232.5	$ (717.4)	$ 96.1

Consolidating Statements of Comprehensive Income (Loss) (in millions)

	For the Fiscal Year Ended September 30, 2018				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income	$ 136.7	$ 450.7	$ 277.9	$ (668.1)	$ 197.2
Other comprehensive income (loss), net of tax:					
Net unrealized gain (loss) on derivatives, net of tax	2.3	—	(0.6)	—	1.7
Foreign currency translation adjustments	—	—	(82.7)	—	(82.7)
Pension adjustments, net of tax	5.0	10.8	63.7	—	79.5
Other comprehensive income (loss), net of tax	7.3	10.8	(19.6)	—	(1.5)
Comprehensive income, net of tax	144.0	461.5	258.3	(668.1)	195.7
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	—	—	(61.9)	—	(61.9)
Comprehensive income attributable to AECOM, net of tax	$ 144.0	$ 461.5	$ 196.4	$ (668.1)	$ 133.8

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Consolidating Statements of Comprehensive Income (Loss)
(in millions) (Continued)

	For the Fiscal Year Ended September 30, 2017				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income	$ 339.2	$ 440.0	$ 335.7	$ (693.4)	$ 421.5
Other comprehensive income (loss), net of tax:					
Net unrealized gain (loss) on derivatives, net of tax	4.9	—	(0.3)	—	4.6
Foreign currency translation adjustments	—	—	65.4	—	65.4
Pension adjustments, net of tax	7.1	13.8	66.1	—	87.0
Other comprehensive income, net of tax	12.0	13.8	131.2	—	157.0
Comprehensive income, net of tax	351.2	453.8	466.9	(693.4)	578.5
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	—	—	(82.2)	—	(82.2)
Comprehensive income attributable to AECOM, net of tax	$ 351.2	$ 453.8	$ 384.7	$ (693.4)	$ 496.3

	For the Fiscal Year Ended September 30, 2016				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income	$ 96.2	$ 484.8	$ 299.9	$ (717.4)	$ 163.5
Other comprehensive income (loss), net of tax:					
Net unrealized gain on derivatives, net of tax	2.6	—	3.4	—	6.0
Foreign currency translation adjustments	—	—	(65.3)	—	(65.3)
Pension adjustments, net of tax	(3.3)	(14.9)	(146.7)	—	(164.9)
Other comprehensive loss, net of tax	(0.7)	(14.9)	(208.6)	—	(224.2)
Comprehensive income (loss), net of tax	95.5	469.9	91.3	(717.4)	(60.7)
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	—	—	(65.7)	—	(65.7)
Comprehensive income (loss) attributable to AECOM, net of tax	$ 95.5	$ 469.9	$ 25.6	$ (717.4)	$ (126.4)

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Cash Flows
(in millions)

	For the Fiscal Year Ended September 30, 2018				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	$ (205.5)	$ 640.9	$ 339.1	$ —	$ 774.5
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from purchase price adjustment to business acquisition	—	—	2.2	—	2.2
Cash acquired from consolidation of joint venture	—	—	7.6	—	7.6
Proceeds from disposal of business, net of cash disposed	—	—	19.5	—	19.5
Net investment in unconsolidated joint ventures	(6.1)	(9.1)	30.0	—	14.8
Net purchases of investments	—	—	(16.3)	—	(16.3)
Payments for capital expenditures, net of disposals	(29.3)	(39.1)	(18.5)	—	(86.9)
Net investment in intercompany notes	(54.3)	(778.8)	(5.6)	838.7	—
Other intercompany investing activities	528.2	1,022.1	—	(1,550.3)	—
Net cash provided by investing activities	438.5	195.1	18.9	(711.6)	(59.1)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	7,770.4	0.2	758.4	—	8,529.0
Repayments of borrowings under credit agreements	(7,820.0)	(18.0)	(202.2)	—	(8,040.2)
Redemption of unsecured senior notes	(800.0)	—	—	—	(800.0)
Prepayment penalty on unsecured senior notes	(34.5)	—	—	—	(34.5)
Cash paid for debt issuance costs	(12.2)	—	—	—	(12.2)
Proceeds from issuance of common stock	35.2	—	—	—	35.2
Proceeds from exercise of stock options	2.8	—	—	—	2.8
Payments to repurchase common stock under the share repurchase program	(150.0)	—	—	—	(150.0)
Payments to repurchase common stock	(29.5)	—	—	—	(29.5)
Net distributions to noncontrolling interests	—	—	(89.8)	—	(89.8)
Other financing activities	(3.6)	(22.4)	(9.7)	—	(35.7)
Net borrowings on intercompany notes	797.8	5.9	35.0	(838.7)	—
Other intercompany financing activities	—	(785.7)	(764.6)	1,550.3	—
Net cash used in financing activities	(243.6)	(820.0)	(272.9)	711.6	(624.9)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	(6.2)	—	(6.2)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10.6)	16.0	78.9	—	84.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32.6	254.9	514.9	—	802.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 22.0	$ 270.9	$ 593.8	$ —	$ 886.7

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Cash Flows (in millions) (Continued)

	For the Fiscal Year Ended September 30, 2017				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	$ (5.9)	$ 695.0	$ 7.6	$ —	$ 696.7
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for business acquisitions, net of cash acquired	—	—	(103.1)	—	(103.1)
Proceeds from disposal of business, net of cash disposed	—	—	2.2	—	2.2
Net investment in unconsolidated joint ventures	—	(2.7)	(21.6)	—	(24.3)
Net purchases of investments	—	—	0.9	—	0.9
Payments for capital expenditures, net of disposals	(21.7)	(30.6)	(26.1)	—	(78.4)
Net (investment in) reciepts from intercompany notes	(4.6)	102.8	12.2	(110.4)	—
Other intercompany investing activities	139.0	(233.2)	—	94.2	—
Net cash provided by (used in) investing activities	112.7	(163.7)	(135.5)	(16.2)	(202.7)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	5,903.5	13.1	36.6	—	5,953.2
Repayments of borrowings under credit agreements	(6,956.3)	(51.1)	(64.2)	—	(7,071.6)
Issuance of unsecured senior notes	1,000.0	—	—	—	1,000.0
Redemption of unsecured senior notes	—	(179.2)	—	—	(179.2)
Cash paid for debt and equity issuance costs	(13.0)	—	—	—	(13.0)
Proceeds from issuance of common stock	30.1	—	—	—	30.1
Proceeds from exercise of stock options	4.9	—	—	—	4.9
Payments to repurchase common stock	(25.1)	—	—	—	(25.1)
Net distributions to noncontrolling interests	—	—	(59.0)	—	(59.0)
Other financing activities	(24.1)	(38.3)	35.6	—	(26.8)
Net borrowings (repayments) on intercompany notes	4.0	(16.3)	(98.1)	110.4	—
Other intercompany financing activities	—	(200.9)	295.1	(94.2)	—
Net cash provided by (used in) financing activities	(76.0)	(472.7)	146.0	16.2	(386.5)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	2.8	—	2.8
NET INCREASE IN CASH AND CASH EQUIVALENTS	30.8	58.6	20.9	—	110.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1.8	196.3	494.0	—	692.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 32.6	$ 254.9	$ 514.9	$ —	$ 802.4

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Cash Flows
(in millions) (Continued)

	For the Fiscal Year Ended September 30, 2016				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	$ (273.6)	$ 639.0	$ 448.8	$ —	$ 814.2
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for business acquisitions, net of cash acquired	—	(1.0)	(4.5)	—	(5.5)
Proceeds from disposal of businesses and property	—	—	39.7	—	39.7
Net investment in unconsolidated joint ventures	—	(3.1)	(68.4)	—	(71.5)
Net purchases of investments	—	—	11.5	—	11.5
Payments for capital expenditures, net of disposals	(82.0)	(59.5)	4.7	—	(136.8)
Net receipts from (investment in) intercompany notes	5.3	176.1	(13.5)	(167.9)	—
Other intercompany investing activities	791.2	140.3	—	(931.5)	—
Net cash provided by (used in) investing activities	714.5	252.8	(30.5)	(1,099.4)	(162.6)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	4,673.0	17.6	15.6	—	4,706.2
Repayments of borrowings under credit agreements	(5,124.1)	(22.8)	(53.1)	—	(5,200.0)
Cash paid for debt and equity issuance costs	(10.4)	—	—	—	(10.4)
Proceeds from issuance of common stock	28.2	—	—	—	28.2
Proceeds from exercise of stock options	9.9	—	—	—	9.9
Payments to repurchase common stock	(25.9)	—	—	—	(25.9)
Net distributions to noncontrolling interests	—	—	(103.2)	—	(103.2)
Other financing activities	7.9	(4.5)	(46.3)	—	(42.9)
Net borrowings (repayments) on intercompany notes	1.0	12.5	(181.4)	167.9	—
Other intercompany financing activities	—	(867.6)	(63.9)	931.5	—
Net cash used in financing activities	(440.4)	(864.8)	(432.3)	1,099.4	(638.1)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	(5.3)	—	(5.3)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	0.5	27.0	(19.3)	—	8.2
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1.3	169.3	513.3	—	683.9
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1.8	$ 196.3	$ 494.0	$ —	$ 692.1

AECOM Technology Corporation

Schedule II: Valuation and Qualifying Accounts

(amounts in millions)

	Balance at Beginning of Year	Additions Charged to Cost of Revenue	Deductions(a)	Other and Foreign Exchange Impact	Balance at the End of the Year
Allowance for Doubtful Accounts					
Fiscal Year 2018	$ 52.2	$ 18.3	$ (17.5)	$ (1.4)	$ 51.6
Fiscal Year 2017	$ 60.4	$ 13.1	$ (20.7)	$ (0.6)	$ 52.2
Fiscal Year 2016	$ 64.1	$ 16.4	$ (20.5)	$ 0.4	$ 60.4

(a) Primarily relates to accounts written-off and recoveries

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on management's evaluation, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), our CEO and CFO have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), were effective as of September 30, 2018 to ensure that information required to be disclosed by us in this Annual Report on Form 10-K or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our CEO and CFO, assessed the effectiveness of our internal control over financial reporting as of September 30, 2018, the end of our fiscal year. Our management based its assessment on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our management's assessment included evaluation and testing of the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on our management's assessment, our management has concluded that our internal control over financial reporting was effective as of September 30, 2018. Our management communicated the results of its assessment to the Audit Committee of our Board of Directors.

Our independent registered public accounting firm, Ernst & Young LLP, audited our financial statements for the fiscal year ended September 30, 2018 included in this Annual Report on Form 10-K, and has issued an audit report with respect to the effectiveness of the Company's internal control over financial reporting, a copy of which is included earlier in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2018 identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On November 13, 2018, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase corporate restructuring allowances and provide for additional flexibility under the covenants for non-core asset dispositions, among other changes, see Item 15. Exhibits and Financial Statement Schedules, Exhibit #4.21, Amendment No. 6 to Credit Agreement, dated as of November 13, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L.C. Issuer.

The Company commenced a restructuring plan to improve profitability and rationalize costs in the first quarter of fiscal year 2019. The Company expects to incur restructuring costs of $80 to $90 million in the first half of fiscal 2019 primarily related to personnel and real estate costs. Total cash costs for the restructuring are expected to be between $60 and $70 million.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated by reference from our definitive proxy statement for the 2019 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2018 year end.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from our definitive proxy statement for the 2019 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2018 year end.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

Other than with respect to the information relating to our equity compensation plans, which is incorporated herein by reference to Part II, Item 5, "Equity Compensation Plans" of this Form 10-K, the information required by this item is incorporated by reference from our definitive proxy statement for the 2019 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2018 year end.

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

Incorporated by reference from our definitive proxy statement for the 2019 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2018 year end.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference from our definitive proxy statement for the 2019 Annual Meeting of Stockholders, to be filed within 120 days of our fiscal 2018 year end.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The company's Consolidated Financial Statements at September 30, 2018 and 2017 and for each of the three years in the period ended September 30, 2018 and the notes thereto, together with the report of the independent auditors on those Consolidated Financial Statements are hereby filed as part of this report.

(2) Financial Statement Schedule II—Valuation and Qualifying Accounts for the Years Ended September 30, 2018, 2017 and 2016.

(3) See Exhibits and Index to Exhibits, below.

(b) Exhibits.

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	10-K	3.1	11/21/2011	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	S-4	3.2	8/1/2014	
3.3	Certificate of Correction of Amended and Restated Certificate of Incorporation of AECOM Technology Corporation.	10-K	3.3	11/17/14	
3.4	Certificate of Amendment to the Company's Certificate of Incorporation.	8-K	3.1	1/9/2015	
3.5	Certificate of Amendment to the Company's Certificate of Incorporation.	8-K	3.1	3/3/2017	
3.6	Amended and Restated Bylaws.	8-K	3.2	11/16/2017	
3.7	Certificate of Designations for Class C Preferred Stock.	Form 10	3.2	1/29/2007	
3.8	Certificate of Designations for Class E Preferred Stock.	Form 10	3.3	1/29/2007	
3.9	Certificate of Designations for Class F Convertible Preferred Stock.	Form 10	3.4	1/29/2007	
3.10	Certificate of Designations for Class G Convertible Preferred Stock.	Form 10	3.5	1/29/2007	
4.1	Form of Common Stock Certificate.	Form 10	4.1	1/29/2007	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.2	Indenture, dated as of October 6, 2014, by and among AECOM Technology Corporation, the Guarantors party thereto, and U.S. Bank National Association, as trustee.	8-K	4.1	10/8/2014	
4.3	First Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Technology Corporation, the guarantors party thereto and U.S. Bank National Association.	10-K	4.10	11/17/2014	
4.4	Second Supplemental Indenture, dated as of June 3, 2015, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	S-4	4.3	7/6/2015	
4.5	Third Supplemental Indenture, dated as of June 19, 2015, by and among AECOM, the guarantor party thereto and U.S. Bank National Association.	S-4	4.4	7/6/2015	
4.6	Fourth Supplemental Indenture, dated as of March 13, 2018, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	8-K	10.2	3/14/2018	
4.7†	Indenture, dated March 15, 2012, between URS Corporation, URS Fox U.S. LP and U.S. Bank National Association.	8-K	4.01	3/20/2012	
4.8†	First Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.02	3/20/2012	
4.9†	Second Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.03	3/20/2012	
4.10†	Third Supplemental Indenture, dated as of May 14, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.6	5/18/2012	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.11†	Fourth Supplemental Indenture, dated as of September 24, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.2	9/26/2012	
4.12	Fifth Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Global II, LLC, URS Fox U.S. LP and U.S. Bank National Association.	10-K	4.8	11/17/2014	
4.13	Indenture, dated as of February 21, 2017, by and among AECOM, the Guarantors party thereto and U.S. Bank, National Association, as trustee.	8-K	4.1	2/21/2017	
4.14	First Supplemental Indenture, dated as of March 13, 2018, by and among AECOM, the guarantors party thereto and U.S. Bank National Association.	8-K	10.3	3/14/2018	
4.15	Credit Agreement, dated as of October 17, 2014, among AECOM Technology Corporation and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, MUFG Union Bank, N.A., BNP Paribas, JPMorgan Chase Bank, N.A., and the Bank of Nova Scotia, as Co-Syndication Agents, and BBVA Compass, Credit Agricole Corporate and Investment Bank, HSBC Bank USA, National Association, Sumitomo Mitsui Banking Corporation and Wells Fargo Bank, National Association, as Co-Documentation Agents.	8-K	10.1	10/17/2014	
4.16	Amendment No. 1 to the Credit Agreement, dated as of July 1, 2015, by and among AECOM and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.	8-K	10.1	7/7/2015	
4.17	Amendment No. 2 to Credit Agreement, dated as of December 22, 2015, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	12/22/2015	

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Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
4.18	Amendment No. 3 to Credit Agreement and Amendment No. 1 to the Security Agreement, dated as of September 29, 2016, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	9/30/16	
4.19	Amendment No. 4 to Credit Agreement dated as of March 31, 2017, among the Company, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	4/6/2017	
4.20	Amendment No. 5 to Credit Agreement dated as of March 13, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L/C Issuer.	8-K	10.1	3/14/2018	
4.21	Amendment No. 6 to Credit Agreement, dated as of November 12, 2018, among AECOM, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender, and an L.C. Issuer				X
10.1#	AECOM Technology Corporation Change in Control Severance Policy for Key Executives	10-Q	10.1	2/8/2018	
10.2#	Employment Agreement, dated as of July 14, 2010, by and among AECOM Technology Corporation, Tishman Construction Corporation and Daniel R. Tishman.	8-K	2.2	7/14/2010	
10.3#	Employment Agreement between AECOM Technology Corporation and Randall A. Wotring, dated as of January 1, 2015.	10-Q	10.2	2/11/2015	
10.4#	Amended and Restated AECOM Technology Corporation Employee Stock Purchase Plan.	10-Q	10.1	5/11/16	
10.5#	Amended and Restated 2006 Stock Incentive Plan.	Schedule 14A	Annex B	1/21/2011	
10.6#	Form of Stock Option Standard Terms and Conditions under 2006 Stock Incentive Plan.	8-K	10.1	12/5/2008	
10.7#	Form of Restricted Stock Unit Standard Terms and Conditions under 2006 Stock Incentive Plan.	8-K	10.2	12/21/2012	

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
10.8#	Standard Terms and Conditions for Performance Earnings Program under AECOM Technology Corporation 2006 Stock Incentive Plan.	8-K	10.3	12/5/2008	
10.9#	AECOM Amended & Restated 2016 Stock Incentive Plan.	Schedule 14A	Annex B	1/19/2017	
10.10#	Form Standard Terms and Conditions for Restricted Stock Units for Non-Employee Directors under the 2016 Stock Incentive.	10-Q	10.3	5/11/16	
10.11#	Form Standard Terms and Conditions for Restricted Stock Units under the 2016 Stock Incentive Plan.	10-Q	10.4	5/11/16	
10.12#	Form Standard Terms and Conditions for Performance Earnings Program under the 2016 Stock Incentive Plan.	10-Q	10.5	5/11/16	
10.13#	Form Standard Terms and Conditions for Non-Qualified Stock Options under the 2016 Stock Incentive Plan.	10-Q	10.6	5/11/16	
10.14#	Standard Terms and Conditions for Performance Earnings Program and Performance Criteria.	8-K	10.1	12/15/16	
10.15#	AECOM Technology Corporation Executive Deferred Compensation Plan.	8-K	10.1	12/21/2012	
10.16#	First Amendment to the AECOM Executive Deferred Compensation Plan.	10-Q	10.3	2/10/2016	
10.17#	AECOM Technology Corporation Executive Incentive Plan.	Schedule 14A	Annex A	1/22/2010	
10.18#	Letter Agreement, dated as of March 6, 2014, by and among AECOM Technology Corporation and Michael S. Burke.	8-K	10.1	3/12/2014	
10.19#	Letter Agreement, dated as of May 8, 2018 between AECOM and Michael S. Burke.	10-Q	10.1	5/9/2018	
10.20#	Form of Special LTI Award Stock Option Terms and Conditions under the 2006 Stock Incentive Plan.	8-K	10.2	3/12/2014	
10.21#	AECOM Retirement & Savings Plan (amended and restated effective July 1, 2016).	10-Q	10.1	8/10/2016	
21.1	Subsidiaries of AECOM.				X

Exhibit Number	Exhibit Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423)		Filed Herewith
			Exhibit	Filing Date	
23.1	Consent of Independent Registered Public Accounting Firm.				X
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32*	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
95	Mine Safety Disclosure.				X
101.INS	XBRL Instance Document				X
101.SCH	XBRL Taxonomy Extension Schema				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase				X
101.LAB	XBRL Taxonomy Extension Labels Linkbase				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase				X

Management contract or compensatory plan or arrangement.

* Document has been furnished and not filed.

† Indicates a material agreement previously filed by URS Corporation, a public company acquired by AECOM on October 17, 2014.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AECOM

By: /s/ W. TROY RUDD

W. Troy Rudd
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: November 13, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the date indicated.

Signature	Title	Date
/s/ MICHAEL S. BURKE Michael S. Burke	Chairman and Chief Executive Officer (Principal Executive Officer)	November 13, 2018
/s/ W. TROY RUDD W. Troy Rudd	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	November 13, 2018
/s/ GAURAV KAPOOR Gaurav Kapoor	Senior Vice President, Global Controller (Principal Accounting Officer)	November 13, 2018
/s/ JAMES H. FORDYCE James H. Fordyce	Director	November 13, 2018
/s/ SENATOR WILLIAM H. FRIST, M.D. Senator William H. Frist, M.D.	Director	November 13, 2018
/s/ LINDA GRIEGO Linda Griego	Director	November 13, 2018

Signature	Title	Date
/s/ ROBERT J. ROUTS Robert J. Routs	Director	November 13, 2018
/s/ CLARENCE T. SCHMITZ Clarence T. Schmitz	Director	November 13, 2018
/s/ DOUGLAS W. STOTLAR Douglas W. Stotlar	Director	November 13, 2018
/s/ DANIEL R. TISHMAN Daniel R. Tishman	Director, AECOM Vice Chairman	November 13, 2018
/s/ GEN. JANET C. WOLFENBARGER, USAF RET. Gen. Janet C. Wolfenbarger, USAF Ret.	Director	November 13, 2018

Exhibit 4.21

Execution Version

AMENDMENT NO. 6 TO CREDIT AGREEMENT

This AMENDMENT NO. 6 TO CREDIT AGREEMENT (this "Amendment"), dated as of November 13, 2018, is entered into by and among AECOM (formerly known as AECOM Technology Corporation), a Delaware corporation (the "Company"), US STAR LP, a Delaware limited partnership (the "Canadian Borrower") and AECOM AUSTRALIA GROUP HOLDINGS PTY LTD (ACN 160 463 883), a company incorporated under the *Corporations Act 2001* (Cth) of Australia (the "Australian Borrower" and together with the Canadian Borrower, the "Foreign Borrowers"), certain subsidiaries of the Company as guarantors (the "Guarantors" and collectively with the Company and the Foreign Borrowers, the "Loan Parties") under the Credit Agreement (defined below), each Lender (as defined in the Credit Agreement) under the Credit Agreement that is a party hereto, and BANK OF AMERICA, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), Swing Line Lender and an L/C Issuer.

RECITALS

WHEREAS, the Company, the Administrative Agent and certain banks and financial institutions (the "Existing Lenders") are parties to that certain Syndicated Facility Agreement, dated as of October 17, 2014 (as previously amended, as amended hereby and as further amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement" and the Credit Agreement prior to giving effect to this Amendment being referred to as the "Existing Credit Agreement"), pursuant to which the Existing Lenders have extended certain revolving and term facilities to the Company;

WHEREAS, the Loan Parties have requested certain amendments to certain terms of the Existing Credit Agreement and certain other Loan Documents as provided herein, and the Administrative Agent and each of the undersigned Lenders have agreed to such requests, subject to the terms and conditions of this Amendment; and

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to such terms in the Credit Agreement, as amended by this Amendment.

2. Amendments to Credit Agreement, Schedules and Exhibits. Subject to the terms and conditions hereof and with effect from and after the Amendment Effective Date (defined below), the body of the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the amended pages to the Existing Credit Agreement attached hereto as Annex I.

3. Representations and Warranties. The Company and each other Loan Party hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(a) the execution, delivery and performance by each Loan Party of this Amendment have been duly authorized by all necessary corporate or other organizational action and do not and will not (i) contravene the terms of any of such Loan Party's Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (A) any Contractual Obligation to which the Company or any other Loan Party is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Company or any other Loan Party or its property is subject; or (iii) violate any Law, except, in the cases of clause (ii) and (iii) as could not reasonably be expected to have a Material Adverse Effect;

(b) this Amendment has been duly executed and delivered by each Loan Party, and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as may be limited by equitable principles and by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to creditors' rights generally;

(c) the representations and warranties of each Loan Party contained in Article V of the Credit Agreement and each other Loan Document are true and correct in all material respects (or, with respect to representations and warranties modified by materiality standards, in all respects) on and as of the Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or, with respect to representations and warranties modified by materiality standards, in all respects) as of such earlier date, and except that for purposes of this clause (c), the representations and warranties contained in Sections 5.05(a) and (b) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b) of the Credit Agreement, respectively;

(d) no Default exists either before or after the effectiveness of this Amendment on the Amendment Effective Date.

4. Effective Date.

(a) This Amendment will become effective on the date (the "Amendment Effective Date") on which the following conditions precedent are satisfied:

(i) the Administrative Agent and the Lenders shall have received, in form and substance reasonably satisfactory to them, each of the following:

(A) counterparts of this Amendment duly executed by (1) the Company, (2) the Foreign Borrowers, (3) the Guarantors, (4) the Administrative Agent, (5) the Lenders necessary to constitute Required Lenders, (6) the Lenders necessary to constitute Required Term A AUD Lenders and (7) the Lenders necessary to constitute Required Term A CAD Lenders;

(B) (1) the documentation and other information with respect to each Loan Party that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Act, or by a Lender's internal policies and (2) if a Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to that Borrower;

(C) a certificate of the chief financial officer or treasurer of the Company certifying that as of the Amendment Effective Date (after giving effect to transactions contemplated to occur on or prior to the Amendment Effective Date), (1) all of the representations and warranties in the Credit Agreement and the other Loan Documents are true and correct in all material respects (or, to the extent any such representation and warranty is modified by a materiality or Material Adverse Effect standard, in all respects) as of such date (except to the extent that such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects (or, to the extent any such representation and warranty is modified by a materiality or Material Adverse Effect standard, in all respects) as of such earlier date) and (2) no Default or Event of Default shall have occurred and be continuing, or would result from the occurrence of the Amendment Effective Date; and

(ii) there shall not have occurred since September 30, 2017 any event or condition that has had or would reasonably be expected either individually or in the aggregate, to have a Material Adverse Effect; and

(iii) all reasonable and documented costs and expenses of MLPFS and the Administrative Agent (including the reasonable and documented fees, disbursements and other out-of-pocket charges of counsel (including appropriate special and local counsel, including Canadian and Australian counsel) for the Administrative Agent) shall have been paid to the extent that the Company has received an invoice therefor at least three Business Days prior to the Amendment Effective Date (without prejudice to any post-closing settlement of such fees, costs and expenses to the extent not so invoiced), and all fees pursuant to any written letter between MLPFS or any other Lender or Arranger, on the one hand, and the Company on the other hand, or pursuant to the Credit Agreement shall have been paid.

(b) For purposes of determining compliance with the conditions specified in this Section 4, each Lender that has executed this Amendment and delivered it to the Administrative Agent shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required under this Section 4 to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to this Amendment being deemed effective by the Administrative Agent on the Amendment Effective Date specifying its objection thereto.

(c) From and after the Amendment Effective Date, the Credit Agreement is amended as set forth herein.

(d) Except as expressly amended and/or waived pursuant hereto, the Credit Agreement and each other Loan Document shall remain unchanged and in full force and effect and each is hereby ratified and confirmed in all respects, and any waiver contained herein shall be limited to the express purpose set forth herein and shall not constitute a waiver of any other condition or circumstance under or with respect to the Credit Agreement or any of the other Loan Documents.

(e) The Administrative Agent will notify the Company and the Lenders of the occurrence of the Amendment Effective Date.

5. No Novation; Reaffirmation. Neither the execution and delivery of this Amendment nor the consummation of any other transaction contemplated hereunder is intended to constitute a novation of the Credit Agreement or of any of the other Loan Documents or any obligations thereunder. The Company and each other Loan Party, (a) acknowledges and consents to all of the terms and conditions of this Amendment (including, without limitation, the amended pages to the Credit Agreement attached hereto as Annex I), (b) affirms all of its obligations under the Loan Documents, and (c) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge any Loan Party's obligations under the Loan Documents.

6. Lender Representation. Each Lender hereby agrees to, and makes, as of the Amendment Effective Date the representations and warranties set forth in Section 9.12 of the Credit Agreement, as amended by this Amendment.

7. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement and each other Loan Document are and shall remain in full force and effect. All references in any Loan Document to the "Credit Agreement" or "this Agreement" (or similar terms intended to reference the Credit Agreement) shall henceforth refer to the Credit Agreement as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto, each other Lender and each other Loan Party, and their respective successors and assigns.

(c) THIS AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 10.14 AND 10.15 OF THE CREDIT AGREEMENT RELATING TO GOVERNING LAW, VENUE AND WAIVER OF RIGHT TO TRIAL BY JURY, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.

(d) This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties required to be a party hereto. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended except in accordance with the provisions of Section 10.01 of the Credit Agreement.

(e) If any provision of this Amendment or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) The Company agrees to pay in accordance with Section 10.04 of the Credit Agreement all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates in connection with the preparation, execution, delivery, administration of this Amendment and the other instruments and documents to be delivered hereunder, including, without limitation, the reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities hereunder and thereunder.

(g) This Amendment shall constitute a “Loan Document” under and as defined in the Credit Agreement.

[*Signature Pages Follow.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

COMPANY:

AECOM

By: /s/ Troy Rudd
Name: Troy Rudd
Title: Executive Vice President and Chief Financial Officer

FOREIGN BORROWERS:

US STAR LP

By: AECOM BC 2 Holding ULC,
Its General Partner

By: /s/ Rosalind Liu
Name: Rosalind Liu
Title: Director

Signed for and on behalf of
AECOM AUSTRALIA GROUP HOLDINGS PTY LTD by a duly appointed attorney
in the presence of:

/s/ Beatrice Johnson
Signature of witness

/s/ Keenan Driscoll
Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

GUARANTORS:

AECOM GOVERNMENT SERVICES, INC.
AECOM TECHNICAL SERVICES, INC.
TISHMAN CONSTRUCTION CORPORATION
AECOM INTERNATIONAL DEVELOPMENT, INC.
AECOM NATIONAL SECURITY PROGRAMS, INC.
AECOM C&E, INC.
AECOM SERVICES, INC.
AECOM SPECIAL MISSIONS SERVICES, INC.
AECOM USA, INC.
EDAW, INC.
MT HOLDING CORP.
MCNEIL SECURITY, INC.
THE EARTH TECHNOLOGY CORPORATION (USA)
TISHMAN CONSTRUCTION CORPORATION OF NEW YORK

By: /s/ Charles Szurgot
Name: Charles Szurgot
Title: Assistant Secretary

AECOM GLOBAL II, LLC
WASHINGTON DEMILITARIZATION COMPANY, LLC
AECOM MANAGEMENT SERVICES, INC.
URS GROUP, INC.
URS HOLDINGS, INC.
WASHINGTON GOVERNMENT ENVIRONMENTAL SERVICES COMPANY LLC
AECOM ENERGY & CONSTRUCTION, INC.
URS CORPORATION
URS GLOBAL HOLDINGS, INC.
EG&G DEFENSE MATERIALS, INC.
CLEVELAND WRECKING COMPANY
LEAR SIEGLER LOGISTICS INTERNATIONAL, INC.
RUST CONSTRUCTORS INC.
AECOM E&C HOLDINGS, INC.
URS FS COMMERCIAL OPERATIONS, INC.
URS FEDERAL SERVICES INTERNATIONAL, INC.
AECOM INTERNATIONAL, INC.
AECOM NUCLEAR LLC
URS OPERATING SERVICES, INC.
URS RESOURCES, LLC
AECOM N&E TECHNICAL SERVICES LLC
URS CORPORATION — OHIO
AMAN ENVIRONMENTAL CONSTRUCTION, INC.
URS CORPORATION SOUTHERN
WGI GLOBAL INC.
AECOM INTERNATIONAL PROJECTS, INC.
E.C. DRIVER & ASSOCIATES, INC.
URS CONSTRUCTION SERVICES, INC.
B.P. BARBER & ASSOCIATES, INC.
FORERUNNER CORPORATION
URS ALASKA, LLC
AECOM GREAT LAKES, INC.
URS CORPORATION - NEW YORK
URS CORPORATION - NORTH CAROLINA
THE HUNT CORPORATION
HUNT CONSTRUCTION GROUP, INC.

By: /s/ Charles Szurgot
Name: Charles Szurgot
Title: Assistant Secretary

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Maurice E. Washington
Name: Maurice E. Washington
Title: Vice President

BANK OF AMERICA, N.A., as a Lender, L/C Issuer and Swing Line Lender

By: /s/ Brandon Weiss
Name: Brandon Weiss
Title: Vice President

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BANK OF AMERICA, N.A. AUSTRALIAN BRANCH, as a Lender

EXECUTED by Leonidas Zygouras as attorney for **BANK OF AMERICA, N.A. Australian Branch** under power of attorney dated 6 February 2018 in the presence of:	)))))	
/s/ Helmi Yuselvia Signature of witness	)))	
Helmi Yuselvia Name of witness (block letters)	)))))	Leonidas Zygouras By executing this deed the attorney states that the attorney has received no notice of revocation of the power of attorney

BANCO DE SABADELL, S.A., MIAMI BRANCH, as a Lender

By:	/s/Ignacio Alcaraz
Name:	Ignacio Alcaraz
Title:	Head of Structured Finance Americas

BMO Harris Bank N.A., as a Lender

By: /s/ Michael Gift
Name: Michael Gift
Title: Director

Bank of Montreal, as a Lender

By: /s/ Keri Stackhouse
Name: Keri Stackhouse
Title: Head Credit Structuring

THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ Michael Grad
Name: Michael Grad
Title: Director

BARCLAYS BANK PLC, as a Lender

By:	/s/ Patricia Oreta
Name:	Patricia Oreta
Title:	Director
	Executed in New York

BNP Paribas, as a Lender

By:	/s/ Pierre-Nicholas Rogers
Name:	Pierre-Nicholas Rogers
Title:	Managing Director

By:	/s/ Joseph Mack
Name:	Joseph Mack
Title:	Vice President

BOKF, NA, as a Lender

By:	/s/ Paul E. Johnson
Name:	Paul E. Johnson
Title:	Vice President

CAPITAL ONE, N.A., as a Lender

By: /s/ Timothy Miller
Name: Timothy Miller
Title: Vice President

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Cathay Bank, as a Lender

By:	/s/ Nancy A. Moore
Name:	Nancy A. Moore
Title:	Senior Vice President

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CITIBANK, N.A., as a Lender

By: /s/ Millie Schild
Name: Millie Schild
Title: VP and Director

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Compass Bank, as a Lender

By: /s/ Aaron Loyd
Name: Aaron Loyd
Title: Director

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CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By: /s/Jill Wong
Name: Jill Wong
Title: Director

By: /s/Gary Herzog
Name: Gary Herzog
Title: Managing Director

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Crédit Industriel et Commercial, New York Branch, as a Lender

By:	/s/ Clifford Abramsky
Name:	Clifford Abramsky
Title:	Managing Director

By:	/s/ Garry Weiss
Name:	Garry Weiss
Title:	Managing Director

FIFTH THIRD BANK, as a Lender

By: /s/ Peter Samboul
Name: Peter Samboul
Title: Director

HSBC Bank Canada, as a Lender

By: /s/ James Sanders
Name: James Sanders
Title: Director, Banking

By: /s/ Eric Striegler
Name: Eric Striegler
Title: Head of Multinationals

HSBC BANK USA N.A., as a Lender

By: /s/ Rumesha Ahmed
Name: Rumesha Ahmed
Title: Vice President

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JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/Ling Li
Name: Ling Li
Title: Executive Director

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Lloyds Bank plc, as a Lender

By:	/s/Erin Walsh
Name:	Erin Walsh
Title:	Assistant Vice President Transaction Execution Category A W004
By:	/s/Kamala Basdeo
Name:	Kamala Basdeo
Title:	Assistant Manager Transaction Execution Category A B002

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Mizuho Bank, Ltd., as a Lender

By:	/s/ Raymond Ventura
Name:	Raymond Ventura
Title:	Managing Director

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PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Scott W. Miller
Name: Scott W. Miller
Title: Vice President

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STATE BANK OF INDIA (CALIFORNIA), LOS ANGELES BRANCH,
as a Lender

By:	/s/ Nisha Susan Mathew
Name:	Nisha Susan Mathew
Title:	VP (Credit)

Sumitomo Mitsui Banking Corporation, as a Lender

By:	/s/ James D. Weinstein
Name:	James D. Weinstein
Title:	Managing Director

SUNTRUST BANK, as a Lender

By:	/s/ Christian Sumulong
Name:	Christian Sumulong
Title:	Vice President

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TD BANK, N.A., as a Lender

By:	/s/ Craig Welch
Name:	Craig Welch
Title:	Senior Vice President

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The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch, as a Lender

By:	/s/ Jeremy White
Name:	Jeremy White 045256 A
Title:	State Manager, Queensland

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By:	/s/ Marty McDonald
Name:	Marty McDonald
Title:	Vice President

Wells Fargo Bank, National Association, as a Lender

By:	/s/ Mark Felker
Name:	Mark Felker
Title:	Managing Director

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ANNEX I

Amended Pages to Credit Agreement Attached

Published CUSIP Number: 00766WAJ2
Revolving Loan Facility CUSIP Number: 00766WAK9
Term A US Loan Facility CUSIP Number: 00766WAQ6
Term A CAD Loan Facility CUSIP Number: 00766WAR4
Term A AUD Loan Facility CUSIP Number: 00766WAS2
Term B Loan Facility CUSIP Number: 00766WAT0

SYNDICATED FACILITY AGREEMENT
(as amended through Amendment No. ~~5~~6 to Credit Agreement dated as of ~~March~~November 13, 2018)

Dated as of October 17, 2014

among

AECOM
and
CERTAIN SUBSIDIARIES OF AECOM,

as Borrowers,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and
an L/C Issuer,

and

The Other Lenders Party Hereto

BMO HARRIS BANK N.A.,

CAPITAL ONE, NATIONAL ASSOCIATION,

CITIBANK, N.A.,

BBVA COMPASS,

FIFTH THIRD BANK,

HSBC BANK USA, NATIONAL ASSOCIATION,

MIZUHO BANK, LTD.,

MUFG UNION BANK, N.A.,

SUNTRUST BANK,

TD BANK, N.A.,

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Co-Documentation Agents

BANK OF AMERICA, N. A.,
JPMORGAN CHASE BANK, N.A.,
THE BANK OF NOVA SCOTIA,
BNP PARIBAS SECURITIES CORP., and

branch for Loans denominated in Canadian Dollars), office or Affiliate of it, or any successor administrative agent.

"Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Company and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied from time to time by the Administrative Agent.

"AECOM Capital" means AECOM Capital, Inc. and all existing or newly formed entities engaged in any similar line of business to AECOM Capital, Inc., including infrastructure public-private partnership, design-build-finance, real estate investment, development and related assets.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitments" means the Commitments of all the Lenders.

"Aggregate Revolving Credit Commitments" means the Revolving Credit Commitments of all the Revolving Credit Lenders, subject to adjustment pursuant to the provisions of this Agreement (including Sections 2.06 and 2.16).

"Alternative Currency" means each of Euro, Sterling, Yen, Canadian Dollars, Australian Dollars, New Zealand Dollars, HKD, Swiss Francs and each other currency (other than Dollars) that is approved in accordance with Section 1.06.

"Alternative Currency Equivalent" means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

"Alternative Currency Sublimit" means an amount equal to the lesser of the Aggregate Revolving Credit Commitments and $300,000,000. The Alternative Currency Sublimit is part of, and not in addition to, the Aggregate Revolving Credit Commitments.

"Amendment No. 2 Effective Date" means December 22, 2015.

"Amendment No. 3 Effective Date" means September 29, 2016.

"Amendment No. 4 Effective Date" means March 31, 2017.

"Amendment No. 5 Effective Date" means March 13, 2018.

"Amendment No. 6 Effective Date" means November 13, 2018.

"Anti-Corruption Laws" means the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 or other applicable Laws related to anti-corruption and money laundering in Australia.

"Availability Period" means, in respect of the Revolving Credit Facility, the period from and including the Closing Date to the earliest of (a) the Maturity Date for the Revolving Credit Facility, (b) the date of termination of all of the Revolving Credit Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Revolving Credit Lender to make Revolving Credit Loans and of the obligation of the applicable L/C Issuers to make L/C Credit Extensions pursuant to Section 8.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate", and (c) the Eurocurrency Rate (calculated in accordance with clause (vii) of the definition of Eurocurrency Rate) plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Revolving Credit Loan, a Swing Line Loan, a Term A US Loan or a Term B Loan that bears interest based on the Base Rate. All Base Rate Loans shall be denominated in Dollars.

"BBSY" has the meaning ascribed thereto in the definition of "Eurocurrency Rate".

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, if any.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BMO" means Bank of Montreal and its successors.

"BNP Paribas" means BNP Paribas and its successors.

"Borrower" and "Borrowers" each has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.02.

October 1, 2016	$50,000,000
October 1, 2017	$25,000,000
October 1, 2018	$100,000,000
October 1, 2019 and each October 1 thereafter	$25,000,000

plus

(vi) other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income of such Person for such period, including any impairment charges or the impact of purchase accounting, (excluding ~~(A) any such non-cash charge, writedown or item to the extent it represents an accrual or reserve for a cash expenditure for a future period and (B)~~ any such non-cash charge related to project writedowns or operations) less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period so long as such receipt of cash is not included in calculating Consolidated Net Income or Consolidated EBITDA in such later period); plus

(vii) all expenses and charges relating to non-controlling Equity Interests and equity income in non-wholly owned Restricted Subsidiaries; plus

(viii) any costs or expense incurred pursuant to (x) any management equity plan or stock option plan or (y) any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, in the case of this clause (y) to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Company or net cash proceeds of an issuance of Equity Interests of the Company (other than Disqualified Stock); plus

(ix) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not included in Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (b) below for any previous period and not otherwise added back in such period or any other period; plus

(x) cash distributions of income received from non-consolidated Joint Ventures and other non-consolidated Minority Investment entities, attributable to the ownership of such Person in such entities; plus

(xi) cost savings, expense reductions, operating improvements, integration savings and synergies, in each case, projected by the Company in good faith to be realized as a result, and within 18 months, of the Transactions, so long as the aggregate amount thereof does not exceed $18,000,000; plus

(xii) solely for the Measurement Period ending March 31, 2017, the amount of $44,000,000 representing the anticipated gain related to the sale of interests in a joint venture of AECOM Capital expected to close in the fiscal quarter ending June 30, 2017;

(b) decreased (without duplication) by the following to the extent included in calculating the Consolidated Net Income of such Person for such period:

(i) non-cash gains other than (A) non-cash gains to the extent they represent the reversal of an accrual or cash reserve for a potential cash item that reduced Consolidated EBITDA in any prior period and (B) non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase Consolidated EBITDA in such prior period; plus

(ii) earnings of non-consolidated Joint Ventures and other non-consolidated Minority Investment entities, attributable to the ownership of such Person in such entities; plus

(iii) cash payments corresponding to any non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income to the extent such items were included in Consolidated EBITDA in a prior period pursuant to clause (a)(vi) of this definition;

provided, that for purposes of calculating Consolidated EBITDA for any measurement period set forth below, Consolidated EBITDA for any period set forth below included in the four-fiscal quarter period ending on such date shall be deemed to equal the amount set forth below for such period:

Period:	Consolidated EBITDA
Fiscal quarter ending September 30, 2013	$383,528,000
Fiscal quarter ending December 31, 2013	$289,700,000
Fiscal quarter ending March 31, 2014	$227,400,000
Fiscal quarter ending June 30, 2014	$316,400,000

provided, further, that for purposes of calculating Consolidated EBITDA for any fiscal quarter in which the Closing Date occurs and any prior fiscal quarter for which an amount is not specified above, Consolidated EBITDA shall be determined based on the combined *pro forma* financial results of the Company and its Subsidiaries and of the Target and its Subsidiaries (and include actual results for the period of time following the Closing Date) in a manner reasonably satisfactory to the Company and the Administrative Agent.

"Consolidated Funded Indebtedness" means, as of any date of determination, for the Company and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP and without duplication, all (a) Indebtedness for borrowed money and all obligations evidenced by notes, bonds, debentures, loan agreements or similar instruments, (b) Indebtedness in respect of the deferred purchase price of property or services (which Indebtedness excludes, for the avoidance of doubt, trade accounts payable or similar obligations to a trade creditor in the ordinary course of business and any contingent earn-out obligation or other contingent obligation related to an acquisition or an Investment permitted

Lender whose consent is required fails to consent to any Applicant Borrower becoming a Designated Borrower pursuant to Section 2.15 so long as Revolving Credit Lenders constituting Required Revolving Lenders consent to such Designated Borrower.

"Non-Core Asset Dispositions" means the Disposition, or series of Dispositions, by the Company or any of its Restricted Subsidiaries of assets (including stock of Subsidiaries) in or related to the construction services segment of the Company and its Restricted Subsidiaries, in each case to the extent the Company has determined (in its reasonable discretion) that such assets (including stock of Subsidiaries) are non-core to the continuing operations of the Company and its Restricted Subsidiaries, taken as a whole, and none of which Dispositions (individually or in the aggregate) constitutes all or substantially all of the Company's assets.

"Non-Core Asset Disposition Related Transactions" means those intercompany Investments, intercompany Indebtedness (including Guarantees) and other transactions, in each case to the extent made in connection with, and in furtherance of, any or all of the Non-Core Asset Dispositions, so long as in connection therewith (i) no assets owned by a Loan Party prior thereto are, after giving effect to such transactions, owned by a non-Loan Party Restricted Subsidiary of the Company unless (x) such assets are to be Disposed of in a Non-Core Asset Disposition or (y) the aggregate book value of all assets of the Loan Parties after giving effect to such transactions (and any transactions effectuated substantially simultaneously therewith pursuant to Sections 7.04(a) or 7.05(d) that have the effect of transferring assets from Restricted Subsidiaries that are Loan Parties to Restricted Subsidiaries that are non-Loan Parties) constitutes 75% or more of the book value of all assets of the Company and its wholly-owned Restricted Subsidiaries on a consolidated basis as of the end of the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 6.01, (ii) no Guarantor prior to such transactions continues to be a Restricted Subsidiary of the Company but ceases to be a Guarantor after giving effect to such transactions unless the aggregate book value of all assets of the Loan Parties after giving effect to such transactions (and any transactions effectuated substantially simultaneously therewith pursuant to Sections 7.04(a) or 7.05(d) that have the effect of transferring assets from Restricted Subsidiaries that are Loan Parties to Restricted Subsidiaries that are non-Loan Parties) constitutes 75% or more of the book value of all assets of the Company and its wholly-owned Restricted Subsidiaries on a consolidated basis as of the end of the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 6.01and (iii) no Default or Event of Default is in existence and continuing at the time of, or would result from, the consummation of any Non-Core Asset Disposition Transaction.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-LIBOR Quoted Currency" means any currency other than a LIBOR Quoted Currency.

"Not Otherwise Applied" means, with reference to any calculation of the Cumulative Available Amount after the Amendment No. 5 Effective Date, that such amount is not then being utilized pursuant to Section 7.03(j) and has not been utilized pursuant to Section 7.06(e) after the Amendment No. 5 Effective Date (it being understood that with respect to any Investment made under Section 7.03(j), the amount thereof that has been repaid to the investor in cash as dividends or distributions received in connection with such Investment, or as a repayment of principal or a return of capital (up to the amount of the initial Investment), but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, shall be deemed not to be utilized at such time pursuant to such Section 7.03(j)). As of the Amendment No. 5 Effective Date, the entire Cumulative Available Amount is Not Otherwise Applied and, for the

Administrative Agent (A) in the case of a Repricing Transaction described in clause (a) of the definition thereof, for the ratable account of each of the Term B Lenders a prepayment premium of 1.00% of the aggregate principal amount of the Term B Loans so prepaid, refinanced, substituted or replaced and (B) in the case of a Repricing Transaction described in clause (b) of the definition thereof, for the ratable account of each of the Term B Lenders (including any Non-Consenting Lenders under the Term B Facility) to the amendment, a fee equal to 1.00% of the aggregate principal amount of the applicable Term B Loans outstanding immediately prior to such amendment. Such amounts shall be due and payable on the date of effectiveness of such Repricing Transaction.

(b) Mandatory.

(i) Following the end of each fiscal year of the Company, commencing with the fiscal year ending September 30, 2018, the Company shall prepay Loans in an aggregate amount equal to (A) the applicable ECF Prepayment Percentage of Excess Cash Flow for such fiscal year less (B) the aggregate principal amount of Term Loans, Incremental Term Loans and (to the extent accompanied by a permanent reduction of the Aggregate Revolving Credit Commitments in the same amount) Revolving Loans prepaid pursuant to Section 2.05(a)(i) or, solely with respect to prepayments made with Net Cash Proceeds resulting from Non-Core Asset Dispositions, pursuant to Section 2.05(b)(ii), in each case during such fiscal year or, without duplication, after the end of such fiscal year but prior to the date on which the prepayment described in this clause (i) is required (such prepayments to be applied as set forth in clauses (v) and (viii) below); provided that if all Term B Loans have been paid in full and the Term B Facility has been terminated on or prior to the date a prepayment under this clause (i) would have been required to have been made, no such prepayment shall be required for such fiscal year or any subsequent fiscal year. Each prepayment pursuant to this clause (i) shall be made no later than the date that is five Business Days after the date on which financial statements are required to be delivered pursuant to Section 6.01(a) with respect to the fiscal year for which Excess Cash Flow is being calculated.

(ii) If the Company or any of its Restricted Subsidiaries Disposes of any property (other than in the ordinary course of business, and other than any Disposition of any property permitted by Section 7.05(a), (b), (c), (d), (g), (h) or (o)) which, in any such case, results in the realization by such Person of Net Cash Proceeds, the Company shall prepay an aggregate principal amount of Loans equal to 100% of the Net Cash Proceeds received therefrom in excess of $50,000,000 in the aggregate for the Net Cash Proceeds received from all such Dispositions during the immediately preceding twelve month period immediately upon receipt thereof by such Person (such prepayments to be applied as set forth in clauses (v) and (viii) below); provided that, with respect to any Net Cash Proceeds realized under a Disposition described in this Section 2.05(b)(ii), at the election of the Company (as notified by the Company to the Administrative Agent on or prior to the date of such Disposition), and so long as no Event of Default shall have occurred and be continuing, the Company or such Restricted Subsidiary may reinvest all or any portion of such Net Cash Proceeds in operating assets so long as (A) within 365 days after receipt of such Net Cash Proceeds, such reinvestment shall have been consummated (or a definitive agreement to so reinvest shall have been executed), (B) if a definitive agreement to so reinvest has been executed within such 365-day period, then such reinvestment shall have been consummated within 180 days after such 365-day period (in each case, as certified by the Company in writing to the Administrative Agent), and (C) in the case of Dispositions by AECOM Capital or any Restricted Subsidiary of AECOM Capital, within two years after receipt of such Net Cash Proceeds such reinvestment shall have been consummated; and provided further, that any Net Cash Proceeds not subject to such definitive agreement or so reinvested shall be immediately applied to the prepayment of the Loans as set forth in this Section 2.05(b)(ii). Notwithstanding the foregoing, if the Company or any of its Restricted Subsidiaries realizes any Net Cash Proceeds resulting from a Non-Core Asset Disposition, the Company shall prepay an aggregate principal amount of Loans equal to 100% of the Net Cash Proceeds received therefrom immediately upon receipt thereof by such Person (such prepayments to be applied as set forth in clauses (v) and (viii) below), without regard to the foregoing $50,000,000 threshold or the reinvestment provisions set forth in this clause (ii).

(iii) Upon the occurrence of a Recovery Event with respect to the Company or any of its Restricted Subsidiaries which, in any such case, results in the realization by such Person of Net Cash Proceeds, the Company shall prepay an aggregate principal amount of Loans equal to 100% of the Net Cash Proceeds received therefrom in excess of $50,000,000 in the aggregate for the Net Cash Proceeds received from all such Recovery Events during the immediately preceding twelve month period immediately upon receipt thereof by such Person (such prepayments to be applied as set forth in clauses (v) and (viii) below); provided that, with respect to any Net Cash Proceeds realized under a Recovery Event described in this Section 2.05(b)(iii), at the election of the Company (as notified by the Company to the Administrative Agent within 45 days following the date of such Recovery Event), and so long as no Event of Default shall have occurred and be continuing, the Company or such Restricted Subsidiary may reinvest all or any portion of such Net Cash Proceeds in the replacement or restoration of any properties or assets in respect of which such Net Cash Proceeds were paid or operating assets so long as (A) within 365 days after receipt of such Net Cash Proceeds, such reinvestment shall have been consummated (or a definitive agreement to so reinvest shall have been executed), (B) if a definitive agreement (including, without limitation, a construction agreement) to so reinvest has been executed within such 365-day period, then such reinvestment shall have been consummated within 180 days after such 365-day period (in each case, as certified by the Company in writing to the Administrative Agent), and (C) in the case of Recovery Events with respect to AECOM Capital or any Restricted Subsidiary of AECOM Capital, within two years after receipt of such Net Cash Proceeds such reinvestment shall have been consummated; and provided further, that any Net Cash Proceeds not subject to such definitive agreement or so reinvested shall be immediately applied to the prepayment of the Loans as set forth in this Section 2.05(b)(iii).

(iv) Upon the incurrence or issuance by the Company or any of its Restricted Subsidiaries of any Indebtedness (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 7.02), the Company shall prepay an aggregate principal amount of Loans equal to 100% of all Net Cash Proceeds received therefrom immediately upon receipt thereof by the Company or such Restricted Subsidiary (such prepayments to be applied as set forth in clauses (v) and (viii) below).

(v) Each prepayment of Loans pursuant to the foregoing provisions of this Section 2.05(b) shall be applied, first, ratably to each of the Term A US Facility, the Term A CAD Facility, the Term A AUD Facility, and the Term B Facility and to the principal repayment installments thereof in direct order of maturity to the next four principal repayment installments of the applicable Term Facility (and, to the extent provided in the definitive loan documentation therefor in accordance with Section 2.16(a)(v)(A), of any Incremental Term Loans) and, thereafter, to the remaining principal repayment installments of the applicable Term Facility (and, to the extent provided in the definitive loan documentation therefor in accordance with Section 2.16(a)(v)(A), of any Incremental Term Loans) on a pro rata basis and, second, to the Revolving Credit Facility (without permanent reduction of the Revolving Credit Commitments) in the manner set forth in clause (viii) of this Section 2.05(b). Notwithstanding the foregoing, each prepayment of Loans made with Net Cash Proceeds resulting from Dispositions pursuant to Section 2.05(b)(ii) shall be applied, first, ratably to each of the Term A US Facility and the Term B Facility (and, to the extent provided in the definitive loan documentation therefor in accordance with Section 2.16(a)(v)(A), any Incremental Term Loans) on a pro rata basis, second, ratably to each of the Term A CAD Facility and the Term A AUD Facility (and, to the extent provided in the definitive loan documentation therefor in accordance with Section 2.16(a)(v)(A), any Incremental Term Loans) on a pro rata basis and, third, to the Revolving Credit Facility (without permanent reduction of the Revolving Credit Commitments) in the manner set forth in clause (viii) of this Section 2.05(b). Subject to Section 2.18, such prepayments shall be paid to the Lenders in accordance with their respective Applicable Percentages in respect of the relevant Facilities.

(vi) If the Administrative Agent notifies the Company at any time that the Total Revolving Credit Outstandings (that are not Cash Collateralized by the Company or another Borrower) at such time exceed an amount equal to 105% of the Aggregate Revolving Credit Commitments then in effect, then, within five Business Days after receipt of such notice, the Company shall prepay Revolving Credit Loans and/or Swing Line Loans and/or the Company shall Cash Collateralize the L/C Obligations under the Revolving Credit Facility in an aggregate amount sufficient to reduce the Total Revolving Credit Outstandings (that are not Cash Collateralized by the Company or another Borrower) as of such date of payment to an amount not to exceed 100% of the Aggregate Revolving Credit Commitments then in effect; provided, however, that, subject to the provisions of Section 2.17(a), the Company shall not be required to Cash Collateralize the L/C Obligations under the Revolving Credit Facility pursuant to this Section 2.05(b)(vi) unless after the prepayment in full of the Revolving Credit Loans and Swing Line Loans the Total Revolving Credit Outstandings exceed the Aggregate Revolving Credit Commitments then in effect. The Administrative Agent may, at any time and from time to time after the initial deposit of such Cash Collateral, request that additional Cash Collateral be provided in order to protect against the results of exchange rate fluctuations.

(vii) If the Administrative Agent notifies the Company at any time that the Outstanding Amount of all Revolving Credit Loans denominated in Hong Kong Dollars or New Zealand Dollars at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit then in effect, then, within five Business Days after receipt of such notice, the Borrowers shall prepay Revolving Credit Loans in an aggregate amount sufficient to reduce such Outstanding Amount as of such date of payment to an amount not to exceed 100% of the Alternative Currency Sublimit then in effect.

(viii) Except as otherwise provided in Section 2.18, prepayments of the Revolving Credit Facility made pursuant to this Section 2.05(b), first, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, second, shall be applied ratably to the outstanding Revolving Credit Loans, and, third, shall be used to Cash Collateralize the remaining L/C Obligations in full. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Company or any other Loan Party) to reimburse the applicable L/C Issuer or the Revolving Credit Lenders, as applicable.

(ix) [Reserved.]

Obligor nor any of its property has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction in which such Foreign Obligor is organized and existing in respect of its obligations under the Applicable Foreign Obligor Documents.

(b) The Applicable Foreign Obligor Documents are in proper legal form under the Laws of the jurisdiction in which such Foreign Obligor is organized and existing for the enforcement thereof against such Foreign Obligor under the Laws of such jurisdiction, and to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Obligor Documents. It is not necessary to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Obligor Documents that the Applicable Foreign Obligor Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which such Foreign Obligor is organized and existing or that any registration charge or stamp or similar tax be paid on or in respect of the Applicable Foreign Obligor Documents or any other document, except for (i) any such filing, registration, recording, execution or notarization as has been made or is not required to be made until the Applicable Foreign Obligor Document or any other document is sought to be enforced and (ii) any charge or tax as has been timely paid and except that in case of court proceedings in a Luxembourg court, or presentation of this Agreement or any other Loan Document to an official authority (autorité constituée) in Luxembourg, such court or autorité constituée may require registration of the Agreement or any other Loan Document or any agreements referred to therein, in which case such agreements will be subject to registration duties.

(c) There is no (i) with respect to the Australian Borrower or any other Foreign Obligor domiciled in Australia, ad volarem duty or (ii) with respect to each other Foreign Obligor, tax, levy, impost, duty, fee, assessment or other governmental charge, or any deduction or withholding, imposed by any Governmental Authority in or of the jurisdiction in which such Foreign Obligor is organized and existing either (A) on or by virtue of the execution or delivery of the Applicable Foreign Obligor Documents or (B) on any payment to be made by such Foreign Obligor pursuant to the Applicable Foreign Obligor Documents, except as has been disclosed to the Administrative Agent.

(d) The execution, delivery and performance of the Applicable Foreign Obligor Documents executed by such Foreign Obligor are, under applicable foreign exchange control regulations of the jurisdiction in which such Foreign Obligor is organized and existing, not subject to any notification or authorization except (i) such as have been made or obtained or (ii) such as cannot be made or obtained until a later date (provided that any notification or authorization described in clause (ii) shall be made or obtained as soon as is reasonably practicable).

5.23 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

5.24 Beneficial Ownership. As of the Amendment No. 6 Effective Date, the information included in the Beneficial Ownership Certification (if any) is true and correct in all respects.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Company and each other Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, 6.03 and 6.11) cause each of their respective Restricted Subsidiaries to:

As to any information contained in materials furnished pursuant to Section 6.02(c), the Company shall not be separately required to furnish such information under Section 6.01(a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Company to furnish the information and materials described in Sections 6.01(a) and (b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) (commencing with the delivery of the financial statements for the fiscal quarter ended December 31, 2014), a duly completed Compliance Certificate signed by the chief financial officer, treasurer, senior vice president, corporate finance, or controller of the Company (i) containing a calculation of the Cumulative Available Amount and the amount thereof Not Otherwise Applied at such time; (ii) containing a listing of each Unrestricted Subsidiary designated as of the date thereof; (iii) stating that the Company was in compliance with the Collateral and Guarantee Requirement and Section 6.12 as of such date; (iv) stating that such officer has reviewed the terms of the Loan Documents and has made, or has caused to be made under his supervision, a review in reasonable detail of the transactions and condition of the Company and its Subsidiaries during the accounting period covered by such financial statements and that such review has not disclosed the existence of any Default or Event of Default during or at the end of such accounting period and that such officer does not have knowledge of the existence, as at the date of such certificate, of any Default or Event of Default, or, if he does have knowledge that a Default or an Event of Default existed or exists, specifying the nature and period of existence thereof and what action the Company has taken, is taking, or proposes to take with respect thereto; and (v) setting forth the calculations required to establish whether the Company was in compliance with each of the financial covenants set forth in Section 7.11 on the date of such financial statements;

(b) upon the occurrence and during the continuance of an Event of Default, if requested by the Administrative Agent, copies of all final audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party or any of its Restricted Subsidiaries, or any audit of any of them;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Company, and copies of all annual, regular, periodic and special reports and registration statements which the Company may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Loan Party or of any of its Restricted Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement in excess of the Threshold Amount and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section 6.02;

(e) not later than five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of all notices, requests and other documents (including amendments, waivers and other modifications) so received under or pursuant to any instrument, indenture, loan or credit or similar agreement in excess of the Threshold Amount and, from time to time upon request by the Administrative Agent, such information and reports regarding such instruments, indentures and loan and credit and similar agreements as the Administrative Agent may reasonably request; and

(o) Indebtedness relating to insurance premium financings incurred in the ordinary course of business; ~~and~~

(p) other Indebtedness in an aggregate principal amount as of the date of any such incurrence not to exceed the greater of (i) $100,000,000 and (ii) 2.5% of Consolidated Net Worth as of the last day of the most recent fiscal year for which financial statements have been delivered at the time of incurrence thereof pursuant to Section 6.01 (or, prior to the first delivery thereof, the financial statements described in Section 5.05(b)); and

(q) Indebtedness owing by the Company or any Restricted Subsidiary to the Company or any Restricted Subsidiary, in each case to the extent incurred as (and in compliance with the requirements of) a Non-Core Asset Disposition Related Transaction.

Notwithstanding anything herein to the contrary, during a Collateral Release Period and upon the written election of the Company (which such election shall be effective upon notice from the Company to the Administrative Agent), the covenants provided in each of Sections 7.02(e), (f), (h), (i), (k), (l), (m) and (p) shall be replaced by a single basket permitting (x) Consolidated Priority Indebtedness in an aggregate amount not to exceed 10% of Consolidated Net Worth of the Company and its Restricted Subsidiaries as of the last day of the most recent fiscal year for which financial statements have been delivered pursuant to Section 6.01 (or, prior to the first delivery thereof, the financial statements described in Section 5.05(b)) and (y) Tax Arrangement Priority Indebtedness of the Company and its Restricted Subsidiaries in an aggregate amount not to exceed 10% of Consolidated Net Worth as of the last day of the most recent fiscal year for which financial statements have been delivered pursuant to Section 6.01 (or, prior to the first delivery thereof, the financial statements described in Section 5.05(b)) of the Company and its Restricted Subsidiaries, in each case subject to a *pro forma* Consolidated Leverage Ratio not to exceed 3.00 to 1.00.

7.03 Investments. Make or hold any Investments, except:

(a) Investments held by the Company and its Restricted Subsidiaries in the form of certain Cash Equivalents;

(b) advances to officers, directors and employees of the Company and Restricted Subsidiaries made in the ordinary course of business for travel, entertainment, relocation and analogous ordinary business purposes;

(c) Investments (i) by any Loan Party or any Restricted Subsidiary in any Loan Party (excluding any new Restricted Subsidiary that becomes a Loan Party pursuant to such Investment), so long as, in the case of an Investment made by a non-Loan Party in a Loan Party in the form of Indebtedness owing by such Loan Party, such Indebtedness is permitted to be incurred by the relevant Loan Party pursuant to Section 7.02(k)(iv), (ii) by any Restricted Subsidiary that is not a Loan Party in any other Restricted Subsidiary that is also not a Loan Party or (iii) by any Loan Party in any Restricted Subsidiary that is not a Loan Party so long as the aggregate amount of such Investments made by Loan Parties after the Closing Date in reliance on this clause (c)(iii) shall not at the time of incurrence thereof exceed the greater of (A) $200,000,000 and (B) 5.00% of Consolidated Net Worth as of the last day of the most recent fiscal year for which financial statements have been delivered at the time of incurrence thereof pursuant to Section 6.01 (or, prior to the first delivery thereof, the financial statements described in Section 5.05(b));

(l) Investments acquired by the Company or a Restricted Subsidiary as a result of a foreclosure by, or other transfer of title to, the Company or a Restricted Subsidiary with respect to a secured Investment;

(m) Investments consisting of Performance Contingent Obligations;

(n) Investments by Loan Parties in non-Loan Parties made in connection with the Corporate Restructuring, so long as (i) no Default or Event of Default exists at such time or would result therefrom, (ii) no such Investment shall result in the Existing AECOM Global II Loan ceasing to be ultimately owed to a Loan Party (other than as a result of any repayment thereof, including without limitation repayment by way of a capital contribution otherwise permitted under another provision of this Section 7.03) and (iii) to the extent applicable, the Loan Parties comply with the requirements of Section 6.12 within the time periods set forth therein after giving effect to each such transaction; ~~and~~

(o) so long as no Default or Event of Default exists at such time or would result therefrom, Investments (i) by the Canadian Borrower in one or more non-Loan Parties domiciled in Canada (or any province or territory thereof) made solely with the proceeds of (and not in excess of the principal amount of) the Term A CAD Facility, and (ii) by the Australian Borrower in one or more non-Loan Parties made solely with the proceeds of (and not in excess of the principal amount of) the Term A AUD Facility (and, for the avoidance of doubt, upon return of capital of any such Investment, the returned proceeds of the Term A AUD Facility may be reinvested in accordance with this clause (o)); and

(p) Investments made to effectuate or in connection with one or more Non-Core Asset Disposition Related Transactions, so long as in each case (i) no Default or Event of Default exists at such time or would result therefrom, (ii) no such Investment shall result in the Existing AECOM Global II Loan ceasing to be ultimately owed to a Loan Party (other than as a result of any repayment thereof, including without limitation repayment by way of a capital contribution otherwise permitted under another provision of this Section 7.03) and (iii) to the extent applicable, the Loan Parties comply with the requirements of Section 6.12 within the time periods set forth therein after giving effect to each such Investment.

7.04 Fundamental Changes. Merge, amalgamate, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:

(a) any Restricted Subsidiary may merge or amalgamate with (i) the Company, provided that the Company shall be the continuing or surviving Person, or (ii) any one or more other Restricted Subsidiaries, provided that (A) when any Loan Party is merging or amalgamating with another Restricted Subsidiary, either (x) such Loan Party shall be the continuing or surviving Person or (y) the aggregate book value of all assets of the Loan Parties after giving effect to such transactions (and any transactions effectuated substantially simultaneously therewith pursuant to the definition of Non-Core Asset Disposition Related Transactions or Section 7.05(d) that have the effect of transferring assets from Restricted Subsidiaries that are Loan Parties to Restricted Subsidiaries that are non-Loan Parties) constitutes 75% or more of the book value of all assets of the Company and its wholly-owned Restricted Subsidiaries on a consolidated basis as of the end of the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 6.01 and (B) when any wholly-owned Restricted Subsidiary is merged or amalgamated with any non-wholly owned Restricted Subsidiary, either (x) the wholly-owned Restricted Subsidiary shall be the continuing or surviving Person or (y) the aggregate book value of all assets of the Loan Parties after giving effect to such transactions (and any transactions effectuated substantially simultaneously therewith pursuant to the definition of Non-Core Asset Disposition Related Transactions or Section 7.05(d) that have the effect of transferring assets from Restricted Subsidiaries that are Loan Parties to Restricted Subsidiaries that are non-Loan Parties) constitutes 75% or more of the book value of all assets of the Company and its wholly-owned Restricted Subsidiaries on a consolidated basis as of the end of the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 6.01;

(b) any Loan Party may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Company or to another Loan Party;

(c) any Restricted Subsidiary that is not a Loan Party may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to the Company or any other Restricted Subsidiary;

(d) so long as no Default has occurred and is continuing or would result therefrom, each of the Company and any of its Restricted Subsidiaries may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided, however, that in each case, immediately after giving effect thereto (i) in the case of any such merger to which the Company is a party, the Company is the surviving Person, (ii) in the case of any such merger to which any Loan Party (other than the Company) is a party, such Loan Party is the surviving ~~corporation~~Person or the surviving Person becomes a Loan Party in accordance with the Collateral and Guarantee Requirement and Section 6.12 and (iii) in the case of any wholly-owned Restricted Subsidiary merging with a Person that is not a wholly-owned Restricted Subsidiary~~, the~~ prior to such merger, the surviving Person shall be (or become as a result thereof) a wholly-owned Restricted Subsidiary ~~shall be the surviving Person~~, except in the case of (ii) and (iii) above, a merger utilized to consummate a Disposition permitted by Section 7.05 (other than Section 7.05(e)); ~~and~~

(e) the Company or any Restricted Subsidiary may merge or consolidate with any other Person solely to effect a change in the state or form of organization of the Company or such Restricted Subsidiary; and

(f) the Company and its Restricted Subsidiaries may consummate any Disposition (including by way of merger) permitted by Section 7.05 (other than Section 7.05(e)(i)).

7.05 Dispositions. Make any Disposition ~~or enter into any agreement to make any Disposition~~, except:

(a) Dispositions of surplus, obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) Dispositions of equipment or property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Restricted Subsidiary to the Company or to a wholly-owned Restricted Subsidiary; provided that (i) if the transferor of such property is a Loan Party, either (x) the transferee thereof must be a Loan Party or (y) the aggregate book value of all assets of the Loan Parties after giving effect to such transactions (and any transactions effectuated substantially simultaneously therewith pursuant to the definition of Non-Core Asset Disposition Related Transactions or Section 7.04(a) that have the effect of transferring assets from Restricted Subsidiaries that are Loan Parties to Restricted Subsidiaries that are non-Loan Parties) constitutes 75% or more of the book value of all assets of the Company and its wholly-owned Restricted Subsidiaries on a consolidated basis as of the end of the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 6.01 and (ii) if the transferor of such property is a Loan Party other than a Foreign Obligor or the Canadian Borrower, either (x) the transferee thereof must be a Loan Party other than a Foreign Obligor or the Canadian Borrower or (y) or (y) the aggregate book value of all assets of the Loan Parties after giving effect to such transactions (and any transactions effectuated substantially simultaneously therewith pursuant to the definition of Non-Core Asset Disposition Related Transactions or Section 7.04(a) that have the effect of transferring assets from Restricted Subsidiaries that are Loan Parties to Restricted Subsidiaries that are non-Loan Parties) constitutes 75% or more of the book value of all assets of the Company and its wholly-owned Restricted Subsidiaries on a consolidated basis as of the end of the most recently ended fiscal year for which financial statements have been delivered pursuant to Section 6.01;

(e) (i) ~~(e)~~ Dispositions permitted by Section 7.04 ~~and~~(other than Section 7.04(f)) and (ii) Permitted Liens;

(f) Dispositions by the Company and its Restricted Subsidiaries required to comply with relevant antitrust Laws in connection with the Acquisition or any Permitted Acquisition;

(g) leases, subleases, licenses or sublicenses granted in the ordinary course of business, which could not reasonably be expected to have a Material Adverse Effect;

(h) the sale or other transfer of accounts receivable in connection with the securitization thereof and/or factoring arrangements, which sale is non-recourse to the extent customary in securitizations and/or factoring arrangements and consistent with past practice and, to the extent constituting Indebtedness of the Company or any Restricted Subsidiary, within the limits set forth in Section 7.02(f);

(i) so long as no Default shall have occurred and be continuing, or would result therefrom, other Dispositions ~~in an aggregate amount not to exceed $200,000,000 in any fiscal year; provided that any unused amount may be carried over for use in the next following fiscal year~~made after the Closing Date with an aggregate fair market value for all such Dispositions not to exceed ten percent (10%) of consolidated total assets of the Company and its Restricted Subsidiaries as of the last day of the most recent fiscal quarter for which financial statements have been delivered pursuant to Section 6.01 (compliance to be measured with respect to any Disposition on the date of such Disposition is made or, at the Company's election in writing, on the date of the agreement of the Company or any Restricted Subsidiary to make such Disposition);

(j) Dispositions of Cash and Cash Equivalents;

(k) Dispositions of assets within 365 days after the acquisition thereof if such assets are outside the principal business areas to which the assets acquired, taken as a whole, relate;

(l) in order to collect receivables in the ordinary course of business, resolve disputes that occur in the ordinary course of business or engage in transactions with government agencies in the ordinary course of business, Disposition of, discount or otherwise compromise of for less than the face value thereof, notes or accounts receivable, so long as no such Disposition, discount or other compromise gives rise to any Indebtedness, any Lien on any note or account receivable, or is made as part of any accounts receivable securitization program;

(m) Dispositions of shares of Equity Interests of any of its Subsidiaries in order to qualify members of the board of directors or equivalent governing body of any such Subsidiary if required by applicable Law; ~~and~~

(n) Dispositions of condemned property to the respective Governmental Authority that has condemned the same (whether by deed in lieu of condemnation or otherwise), and Dispositions of properties that have been subject to a casualty to the respective insurer of such property or its designee as part of an insurance settlement;

~~provided, however, that any Disposition pursuant to this Section 7.05 (other than pursuant to clauses (a), (d), (j) or (l)) shall be for no less than the fair market value of such property at the time of such Disposition.~~

(o) Dispositions by Loan Parties to non-Loan Parties made in connection with the Corporate Restructuring, so long as (i) no Default or Event of Default exists at such time or would result therefrom, (ii) no such Disposition shall result in the Existing AECOM Global II Loan ceasing to be ultimately owed to a Loan Party (other than as a result of any repayment thereof, including without limitation repayment by way of a capital contribution permitted by Section 7.03 other than ~~Section~~Sections 7.03(n) and (p)) and (iii) to the extent applicable, the Loan Parties comply with the requirements of Section 6.12 within the time periods set forth therein after giving effect to each such transaction~~.~~; and

(p) any Non-Core Asset Disposition, so long as (i) not less than 75% of the consideration for any Non-Core Asset Disposition shall be received at the time of consummation thereof by the Company (or the applicable selling Restricted Subsidiary) in the form of cash or Cash Equivalents, (ii) no Default or Event of Default exists at such time or would result therefrom, (iii) no Non-Core Asset Disposition shall result in the Existing AECOM Global II Loan ceasing to be ultimately owed to a Loan Party (other than as a result of any repayment thereof, including without limitation repayment by way of a capital contribution permitted by Section 7.03 other than Sections 7.03(n) and (p)) and (iv) to the extent applicable, the Loan Parties comply with the requirements of Section 6.12 within the time periods set forth therein after giving effect to any Non-Core Asset Disposition;

provided, however, that any Disposition pursuant to this Section 7.05 (other than pursuant to clauses (a), (d), (j) or (l)) shall be for no less than the fair market value of such property at the time of such Disposition (or, at Company's election in writing, on the date of the agreement of the Company or any Restricted Subsidiary to make such Disposition).

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, ~~or issue or sell any Equity Interests or accept any capital contributions,~~ except that:

(a) each Restricted Subsidiary may make Restricted Payments to any Loan Party and any other Person that owns a direct Equity Interest in such Restricted Subsidiary, either (i) ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made or (ii) on a non-pro rata basis either (A) where required by Organization Documents or agreements existing as of the Closing Date or (B) where the aggregate amount of all distributions to Persons other than the Company or a Restricted Subsidiary that are in excess of the pro rata share of such

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Company, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Company or such Restricted Subsidiary as would be obtainable by the Company or such Restricted Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (i) transactions between or among the Loan Parties, (ii) Investments and Restricted Payments permitted hereby and Dispositions between and among the Company and its Restricted Subsidiaries permitted hereby, (iii) customary fees paid to directors, and customary indemnities provided to directors, (iv) any payments pursuant to any of the Company's employee benefit plans, (v) the rights, privileges and preferences granted to the holders of any class of Preferred Stock of the Company arising under any related certificate of designation, investor rights agreement or regulatory side letter, each in form and substance reasonably satisfactory to the Required Lenders, (vi) so long as the Company is subject to the filing requirements of the SEC, any transaction that is otherwise permitted by any Company policy regarding such transactions to the extent such policy was approved by the Company's board of directors, and (vii) any payments or other transaction pursuant to any tax sharing agreement between the Company and any other Person with which the Company files a consolidated tax return or with which the Company is part of a consolidated group for tax purposes.

7.09 Burdensome Agreements. Enter into any Contractual Obligation (other than this Agreement, any other Loan Document or the Indenture governing the New Notes) that (a) limits the ability (i) of any Restricted Subsidiary to make Restricted Payments to the Company or any Guarantor or to otherwise transfer property to the Company or any Guarantor, (ii) of any Restricted Subsidiary to Guarantee the Indebtedness of the Borrowers or (iii) of the Company or any Restricted Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person in favor of the Administrative Agent, the Lenders, the L/C Issuers or the Swing Line Lender; provided, however, that this clause (iii) shall not prohibit (A) any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under any of Section 7.02(e), 7.02(f), 7.02(g), 7.02(h), 7.02(i), 7.02(j), 7.02(l), 7.02(m) or 7.02(o), in each case solely to the extent any such negative pledge relates to the property financed by, securing or otherwise the subject of such Indebtedness or (B) restrictions on the encumbrance of specific property encumbered to secure payment of particular permitted Indebtedness or to be sold pursuant to an executed agreement with respect to a sale of such assets; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person. The foregoing provision shall not apply to encumbrances or restrictions existing under or by reason of: (a) applicable law, rule, regulation or order (including agreements with regulatory authorities), (b) customary net worth, restrictions on cash or other deposits and non-assignment provisions of any lease, license or other contract, (c) customary restrictions (x) with respect to a Restricted Subsidiary or Subsidiaries pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the assets or Equity Interests of such Restricted Subsidiary or Subsidiaries or (y) set forth in any agreements relating to any Non-Core Asset Disposition or any Disposition under Section 7.05(i) permitted hereunder, (d) customary provisions in joint venture agreements, financing agreements related to Joint Ventures, and other similar agreements relating solely to the securities, assets and revenues of Joint Ventures or other business ventures, (e) restrictions on transfer (including negative pledge provisions) set forth in any agreements relating to any Investment permitted hereunder (including without limitation any such restrictions relating to any Investment in any investment fund pursuant to the provisions of any credit facility entered into by such fund), (f) any provisions existing under, by reason of or with respect to Indebtedness of any Foreign Subsidiary and applicable only to Foreign Subsidiaries, (g) any provisions of or relating to any Performance Contingent Obligation (including without limitation any completion guarantee), (h) any Contractual Obligation that is reasonably determined by the Company not to materially adversely affect the ability of the Company to perform its obligations under the Loan Documents, or (i) any Contractual Obligation existing on the Closing Date or otherwise permitted under

Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act and the Beneficial Ownership Regulation.

10.19 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Borrower in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Borrower in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Borrower (or to any other Person who may be entitled thereto under applicable law).

10.20 Release and Reinstatement of Collateral.

(a) Notwithstanding anything to the contrary contained in this Agreement, any Loan Document or any other document executed in connection herewith, if at any time (including after a Collateral Reinstatement Event shall have occurred) a Collateral Release Event shall have occurred and be continuing, then all Collateral (other than Cash Collateral) and the Collateral Documents (other than Collateral Documents Instruments entered into in connection with Cash Collateral) shall be released automatically and terminated without any further action. In connection with the foregoing, the Administrative Agent shall, at the Company's expense and at the Company's request, promptly execute and file in the appropriate location and deliver to Company such termination and full or partial release statements or confirmation thereof, as applicable, and do such other things as are reasonably necessary to release the liens to be released pursuant hereto promptly upon the effectiveness of any such release.

(b) Notwithstanding clause (a) above, if, after the occurrence of a Collateral Release Event, a Collateral Reinstatement Event shall occur, all Collateral and Collateral Documents shall, at the Company's sole cost and expense, be reinstated and all actions reasonably necessary, or reasonably requested by the Administrative Agent, to provide to the Administrative Agent for the benefit of the Secured Parties valid, perfected, first priority security interests (subject to Permitted Liens) in the Collateral to the extent required by the Loan Documents and otherwise to satisfy the Collateral and Guarantee Requirement (including without limitation the delivery of documentation and taking of actions of the type described in Section 6.12) shall be taken within 30 days of such event, which 30 day period may be extended by the Administrative Agent in its sole discretion; provided that for the avoidance of

EXHIBIT 21.1

AECOM Global, Inc., a Delaware Corporation
AECOM, C&E, Inc., a Delaware Corporation
AECOM Technical Services, Inc., a California Corporation
AECOM USA, Inc., a New York Corporation
AECOM Asia Company Limited*
AECOM Government Services, Inc., a Delaware Corporation
AECOM Canada Ltd*
AECOM South Africa Group Holdings Pty Ltd
AECOM Design Build Ltd*
AECOM Global Ireland Services Limited*
AECOM Energy & Construction, Inc., an Ohio Corporation
AECOM Infrastructure & Environment UK Limited*
Flint Energy Services, Inc., a Delaware Corporation
Flint Field Services Ltd*
Hunt Construction Group Inc., an Indiana Corporation
Oscar Faber PLC*
URS Corporation, a Nevada Corporation
URS Group Inc. a Delaware Corporation
URS Federal Services, Inc., a Delaware Corporation
URS Luxembourg LLP*
URS Corporation—Ohio, an Ohio Corporation
URS Global Holdings Inc., a Nevada Corporation
AECOM Intercontinental Holdings UK Limited*
URS E&C UK Limited*
Sellafield Limited*
Tishman Construction Corporation, a Delaware Corporation
Tishman Construction Corporation of New York, a Delaware Corporation

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* Foreign

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements (Form S-8 Nos. 333-167047, 333-142070, 333-199453, 333-208964, 333-209890 and 333-216442) pertaining to various stock incentive, purchase and retirement plans of AECOM of our reports dated November 13, 2018, with respect to the consolidated financial statements and schedule of AECOM and to the effectiveness of internal control over financial reporting of AECOM included in this Annual Report (Form 10-K) of AECOM for the year ended September 30, 2018.

/s/ ERNST & YOUNG LLP

Los Angeles, California
November 13, 2018

EXHIBIT 31.1

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, Michael S. Burke, certify that:

1. I have reviewed this Annual Report on Form 10-K of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2018

/s/ MICHAEL S. BURKE
Michael S. Burke
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, W. Troy Rudd, certify that:

1. I have reviewed this Annual Report on Form 10-K of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2018

/s/ W. TROY RUDD
W. Troy Rudd
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

**Certification Pursuant to
18 U.S.C. Section 1350**

In connection with the Annual Report of AECOM (the “Company”) on Form 10-K for the fiscal year ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Michael S. Burke, Chief Executive Officer of the Company, and W. Troy Rudd, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL S. BURKE

Michael S. Burke
Chairman and Chief Executive Officer
November 13, 2018

/s/ W. TROY RUDD

W. Troy Rudd
Executive Vice President and Chief Financial Officer
November 13, 2018

EXHIBIT 95

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the Mine Act) by the federal Mine Safety and Health Administration (MSHA). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or as an independent contractor performing services or construction of such mine.

The following table provides information for the year ended September 30, 2018.

Mine(1)	Mine Act §104 Violations(2)	Mine Act §104(b) Orders(3)	Mine Act §104(d) Citations and Orders(4)	Mine Act §110(b)(2) Violations(5)	Mine Act §107(a) Orders(6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no)(7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no)(8)
Black Thunder Project	3	0	0	0	0	$ 480	0	No	No
Monsanto Quarry	1	0	0	0	0	$ 350	0	No	No

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.

(8) The following Pending Legal Action Table provides information for the year ended September 30, 2018.

Mine	Number Pending Legal Actions	Contests of Penalty Assessments	Legal Action Initiated in 2018	Legal Action Resolved in 2018
Black Thunder Project	0	0	1	1
Monsanto Quarry	0	0	1	1

About AECOM

AECOM is the world's trusted infrastructure consulting firm, delivering professional services throughout the project lifecycle — from planning, design and engineering to program and construction management. On projects spanning transportation, buildings, water, new energy and the environment, our public- and private-sector clients trust us to solve their most complex challenges. Our teams are driven by a common purpose to deliver a better world through our unrivaled technical expertise and innovation, a culture of equity, diversity and inclusion, and a commitment to environmental, social and governance priorities. AECOM is a *Fortune 500* firm and its Professional Services business had revenue of $13.2 billion in fiscal year 2020. See how we are delivering sustainable legacies for generations to come at aecom.com and @AECOM.

aecom.com

Printed on recycled paper.