

REQUEST FOR BID

RFB COVER SHEET

Administrative Information

RFB Number	RFB0721005006	Title of RFB	Funding and Accounting Management Services	
Agency	Iowa Department of Administrative Services (DAS)			
Number of years of the initial term of the contract	1	Number of possible annual extensions	5	
Initial term to begin upon execution through April 30, 2022				
Available to other State agencies?			yes	
Available to Political Subdivisions?			yes	
State Issuing Officer: Karl Wendt Phone: 515-281-7073 E-mail: karl.wendt@iowa.gov				
PROCUREMENT TIMETABLE—Event or Action			Date/Time (Central Time)	
State Posts Notice of RFB on TSB website			April 26, 2021	
State Issues RFB			April 28, 2021	
RFB written questions, requests for clarification, and suggested changes from Respondents due			May 3, 2021	
Bids Due			May 12, 2021/12:00 P.M.	
Relevant Websites				
All bids must be submitted using the State of Iowa online bid tool found at vss.iowa.gov .				
Internet website where Addenda to this RFB will be posted http://bidopportunities.iowa.gov				
Internet website where contract terms and conditions are posted https://das.iowa.gov/sites/default/files/procurement/pdf/050116%20terms%20services.pdf				
Firm Bid Terms				
The minimum number of days following the deadline for submitting bids that the Respondent guarantees all bid terms, including price, will remain firm is 120 Days.				

SECTION 1 - INTRODUCTION

1.1 Bidder Instructions

Bidder is to download this document and save to computer. Once saved, type in responses to the required sections and save again. Finally upload the document to VSS with your bid. As an option, the Bidder may print, write in responses, scan, and attach response. If this document is not attached to the bid response in VSS, the Bidder's bid may be disqualified.

1.2 Purpose

The purpose of this Request for Bids (RFB) is to solicit bids from qualified providers to provide the goods and/or services described further in this RFB to the Lead Agency and any Participating Agencies. The Lead Agency intends to award a contract(s) beginning and ending on the dates listed in the VSS solicitation, and the Lead Agency may extend the contract(s) for up to the number of annual extensions identified in the VSS solicitation at the sole discretion of the Lead Agency. Any contract(s) resulting from the RFB shall not be an exclusive contract.

1.3 Request for Bid (RFB) Definitions

Definitions – For the purposes of this RFB and the resulting contract, the following terms shall mean:

“Agency” means the agency identified in the VSS solicitation that is issuing the RFB and any other agency that purchases from the Contract.

“Alternative Bid” means a response to a bid that does not meet the exact requirements of the specification but offers an alternative for consideration. An alternative bid is submitted with an intentional variation to a provision, specification, term or condition of the solicitation. This alternative, in the opinion of the bidder, achieves the same end result. Alternative bids may be rejected as non-responsive.

“Bid” means the Bidder's bid submitted in response to the RFB.

“Bidder” means a vendor submitting a bid in response to this RFB.

“Contract” means the contract(s) entered into with the successful Bidder(s).

“Lead Agency” means the agency facilitating the procurement and establishing the Contract.

“Participating Agency” means the agency utilizing the established contract.

“Political Subdivisions” means cities, counties, and educational institutions.

“Responsible Bidder” means a Bidder that has the capability in all respects to perform the requirements of the Contract. In determining whether a Bidder is a Responsible Bidder, the Agency may consider various factors including, but not limited to, the Bidder's competence and qualifications to provide the goods or services requested, the Bidder's integrity and reliability, the past performance of the Bidder relative to the quality of the goods or services offered by the Bidder and the best interest of the Agency and the State.

“Responsive Bid” means a Bid that complies with each of the provisions of this RFB, or is either an alternative bid or a bid with an exception, if accepted by the Agency.

“RFB” means this Request for Bids and any addenda hereto.

“State” means the State of Iowa, the Agency identified in the VSS solicitation, and all state agencies, boards, and commissions, and any political subdivisions making purchases from the Contract as permitted by this RFB.

1.4 Background Information

This RFB is designed to provide Bidders with the information necessary for the preparation of competitive Bids. The RFB process is for the Lead Agency’s and Participating Agencies’ benefit and process. It is not intended to be comprehensive. Each Bidder is responsible for determining all factors necessary for submission of a comprehensive Bid.

1.5 Objectives

The awarded contract will be made available to all State agencies for use as described in this RFB.

Our objectives are:

- Ensure compliance with approved grant activities
- Establish a subrecipient grant program for Iowa organizations
- Improve efficiency of subrecipient grant application reviews
- Improve efficiency of disbursement of subrecipient grant funds
- Ensure accurate reporting by subrecipients
- Submit activity and financial reports as required by the agency
- Ensure excellent customer service for subrecipients
- Adapt to increasing growth in the number of subrecipients served

1.6 Priorities

- The Bidder will provide subrecipient grant program development and implementation on behalf of State Agencies.
- The Bidder will provide grant application opportunities, technical assistance and claims reimbursement to subrecipients for approved subrecipient activities.

The state government subrecipient grant programs are programs approved by federal funding agencies and required to be administered by State of Iowa agencies.

SECTION 2 – ADMINISTRATIVE INFORMATION

2.1 Issuing Officer

The Issuing Officer identified in the VSS solicitation is the sole point of contact regarding the RFB from the date of issuance until selection of the successful Bidder.

2.2 Restriction on Communication

From the issue date of this RFB until announcement of the successful Bidder, Bidders may contact only the Issuing Officer. The Issuing Officer will respond only to electronic questions regarding the procurement process. Questions related to the interpretation of this RFB must be submitted as provided in the VSS solicitation. Oral questions related to the interpretation of this RFB will not be accepted. Bidders may be disqualified if they contact any State employee other than the Issuing Officer about the RFB except that Bidders may contact the State Targeted Small Business Office on issues related to the preference for Targeted Small Businesses.

The Agency assumes no responsibility for oral representations made by its officers or employees unless such representations are confirmed in writing and incorporated into the RFB through an addendum.

2.3 Amendment to the RFB

The Agency reserves the right to amend the RFB at any time using an addendum. The Bidder shall acknowledge receipt of all addenda in its Bid.

It is the Bidder's sole responsibility to check daily for addenda to posted documents.

2.4 Bid Amendment and/or Withdrawal

The Bidder may amend or withdraw and resubmit its Bid at any time before the Bids are due. The amendment must be submitted on Iowa VSS by the Bidder to the bid and received by the time set for the receipt of Bids.

2.5 Submission of Bids

The Agency must receive the electronic Bid on: Iowa VSS before the "Bids Due" date and time. **This is a mandatory requirement and will not be waived by the Agency. Any Bid received after this deadline will not be accepted.** It is the Bidder's responsibility to ensure the bid is received prior to the deadline. Email and faxed Bids will not be accepted.

Bidders must furnish all information necessary to enable the Agency to evaluate the Bid. Bids that fail to meet the mandatory requirements of the RFB may be rejected. Oral information provided by the Bidder shall not be considered part of the Bidder's Bid unless it is in writing.

2.6 Bid Opening

The Agency will open Bids after the deadline for submission of Bids has passed. However, the names of Bidders who submitted timely Bids will be publicly available after the Bid opening. See Iowa Code Section 72.3. The announcement of Bidders who timely submitted Bids does not mean that an individual Bid has been deemed technically compliant or accepted for evaluation.

2.7 Costs of Preparing the Bid

The costs of preparation and delivery of the Bid are solely the responsibility of the Bidder.

2.8 Rejection of Bids

The Agency reserves the right to reject any or all Bids, in whole and in part, received in response to this RFB at any time prior to the execution of a written Contract. Issuance of this RFB in no way constitutes a commitment by the Agency to award a Contract. This RFB is designed to provide Bidders with the information necessary to prepare a competitive Bid. This RFB process is for the Agency's benefit and is intended to provide the Agency with competitive information to assist in the selection of a Bidder to provide goods and/or services. It is not intended to be comprehensive and each Bidder is responsible for determining all factors necessary for submission of a comprehensive Bid.

2.9 Disqualification

The Agency will reject outright and will not evaluate Bids if the Bidder fails to deliver the Bid by the due date and time. The Agency may reject outright and may not evaluate Bids for any one of the following reasons:

- The Bidder acknowledges that a requirement of the RFB cannot be met.
- The Bidder's Bid materially changes a requirement of the RFB or the Bid is not compliant with the requirements of the RFB.
- The Bidder's Bid limits the rights of the Agency.
- The Bidder fails to include information necessary to substantiate that it will be able to meet a requirement of the RFB.
- The Bidder fails to timely respond to the Agency's request for information, documents, or references.
- The Bidder fails to include bid security, if required.
- The Bidder fails to include any signature, certification, authorization, stipulation, disclosure or guarantee requested.
- The Bidder presents the information requested by this RFB in a format inconsistent with the instructions of the RFB or otherwise fails to comply with the requirements of the RFB.
- The Bidder initiates unauthorized contact regarding the RFB with state employees.
- The Bidder provides misleading or inaccurate responses.
- The Bidder's Bid is materially unbalanced.
- There is insufficient evidence (including evidence submitted by the Bidder and evidence obtained by the Agency from other sources) to satisfy the Agency that the Bidder is properly responsive and responsible to satisfy the requirements of the RFB.
- The Bidder alters the language in Certification Letter or Authorization to Release Information Letter.
- The Respondent is a "scrutinized company" included on a "scrutinized company list" created by a public fund pursuant to Iowa Code section 12J.3.

2.10 Nonmaterial Variances

The Agency reserves the right to waive or permit cure of nonmaterial variances in the Bid if, in the judgment of the Agency, it is in the Agency's best interest to do so. Nonmaterial variances include minor informalities that do not affect responsiveness, that are merely a matter of form or format, that do not change the relative standing or otherwise prejudice other Bidders, that do not change the meaning or scope of the RFB, or that do not reflect a material change in the requirements of the RFB. In the event the Agency waives or permits cure of nonmaterial variances, such waiver or cure will not modify the RFB requirements or excuse the Bidder from full compliance with RFB

specifications or other contract requirements if the Bidder is awarded the contract. The determination of materiality is in the sole discretion of the Agency.

2.11 Reference Checks

The Agency reserves the right to contact any reference to assist in the evaluation of the Bid, to verify information contained in the Bid and to discuss the Bidder's qualifications and the qualifications of any subcontractor identified in the Bid.

2.12 Information from Other Sources

The Agency reserves the right to obtain and consider information from other sources concerning a Bidder, such as the Bidder's capability and performance under other contracts, the qualifications of any subcontractor identified in the Bid, the Bidder's financial stability, past or pending litigation, and other publicly available information.

2.13 Verification of Bid Contents

The content of a Bid submitted by a Bidder is subject to verification. If the Agency in its sole discretion determines that the content is in any way misleading or inaccurate, the Bidder may be disqualified.

2.14 Bid Clarification Process

The Agency reserves the right to contact a Bidder after the submission of Bids for the purpose of clarifying a Bid to ensure mutual understanding. This contact may include written questions, interviews, site visits, a review of past performance if the Bidder has provided goods and/or services to the State or any other political subdivision wherever located, or requests for corrective pages in the Bidder's Bid. The Agency will not consider information received if the information materially alters the content of the Bid or alters the type of goods and/or services the Bidder is offering to the Agency. An individual authorized to legally bind the Bidder shall sign responses to any request for clarification. Responses shall be submitted to the Agency within the time specified in the Agency's request. Failure to comply with requests for additional information may result in rejection of the Bid as non-compliant.

2.15 Disposition of Bids

All Bids become the property of the Agency and shall not be returned to the Bidder at the conclusion of the selection process, the contents of all Bids will be in the public domain and be available for inspection by interested parties except for information for which Bidder properly requests confidential treatment according to exceptions provided in *Iowa Code Chapter 22* or other applicable law.

2.16 Public Records and Requests for Confidential Treatment

The Agency's release of public records is governed by Iowa Code Chapter 22. Contractors are encouraged to familiarize themselves with Chapter 22 before submitting a Bid. The Agency will copy and produce public records upon request as required to comply with Chapter 22 and will treat all information submitted by a Contractor as non-confidential records unless Contractor requests specific parts of the Bid be treated as confidential at the time of the submission as set forth herein **AND the information is confidential under Iowa or other applicable law.**

2.17 Form 22 Request for Confidentiality

FORM 22 MUST BE COMPLETED AND INCLUDED WITH CONTRACTOR'S BID. COMPLETION AND SUBMITTAL OF FORM 22 IS REQUIRED WHETHER THE BID DOES OR DOES NOT CONTAIN INFORMATION FOR WHICH CONFIDENTIAL TREATMENT WILL BE REQUESTED. FAILURE TO SUBMIT A COMPLETED FORM 22 WILL RESULT IN THE BID CONSIDERED NON-RESPONSIVE AND NOT EVALUATED.

2.18 Copyrights

By submitting a Bid, the Bidder agrees that the Agency may copy the Bid for purposes of facilitating the evaluation of the Bid or to respond to requests for public records. The Bidder consents to such copying by submitting a Bid and warrants that such copying will not violate the rights of any third party. The Agency shall have the right to use ideas or adaptations of ideas that are presented in the Bids.

2.19 Release of Claims

By submitting a Bid, the Bidder agrees that it will not bring any claim or cause of action against the Agency based on any misunderstanding concerning the information provided herein or concerning the Agency's failure, negligent or otherwise, to provide the Bidder with pertinent information in this RFB.

2.20 Bidder Presentations

At the sole discretion of the State, Bidders may be required to make a presentation of the Bid. The presentation may occur at the Agency's offices or at the offices of the Bidder. The determination as to need for presentations, the location, order, and schedule of the presentations is at the sole discretion of the Agency. The presentation may include slides, graphics and other media selected by the Bidder to illustrate the Bidder's Bid. The presentation shall not materially change the information contained in the Bid.

2.21 Evaluation of Bids Submitted

Bids that are timely submitted and are not subject to disqualification will be reviewed in accordance with the RFB.

2.22 Preference

By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa. Preference application: Tied responses to solicitations, regardless of the type of solicitation, are decided in favor of Iowa products and Iowa-based businesses per 11 IAC 117.

2.23 Determination of Responsible Bidder & Responsive Bid

All Bids will be first evaluated to determine if they comply with the bid requirements (i.e. to determine if the Bidder is a Responsible Bidder submitting a Responsive Bid). To be deemed a Responsible Bidder and a Responsive Bid, the Bid must comply with the bid format instructions and answer "Yes" to all parts and include information demonstrating the Bidder will be able to comply with the bid requirements.

2.24 Evaluation Criteria

The Agency will evaluate the Responsive Bids submitted by Responsible Bidders to determine the lowest responsible bidder(s) and will award the Contract(s) to the Bidder(s) submitting the lowest responsible bid(s) based on price.

2.25 Award Notice and Acceptance Period

Notice of Intent to Award the Contract(s) will be sent to all Bidders submitting a timely Bid and will be posted on Iowa VSS. Negotiation and execution of the Contract(s) shall be completed no later than thirty (30) days from the date of the Notice of Intent to Award. If the apparent successful Bidder fails to negotiate and deliver an executed contract by that date, the Agency, in its sole discretion, may cancel the award and award the Contract to the remaining Bidder the Agency believes will provide the best value to the State.

2.26 Definition of Contract

The full execution of a written contract shall constitute the making of a contract for the goods and/or services requested by the RFB and no Bidder shall acquire any legal or equitable rights relative to the contract for goods and/or services until the contract has been fully executed by the successful Bidder and the Agency.

2.27 Choice of Law and Forum

This RFB and the Contract are to be governed by the laws of the state of Iowa. Changes in applicable laws and rules may affect the award process or the Contract. Bidders are responsible for ascertaining pertinent legal requirements and restrictions. Any and all litigation or actions commenced in connection with this RFB shall be brought in the appropriate Iowa forum.

2.28 Restrictions on Gifts and Activities

Iowa Code Chapter 68B restricts gifts which may be given or received by State employees and requires certain individuals to disclose information concerning their activities with State government. Bidders are responsible to determine the applicability of Chapter 68B to their activities and to comply with its requirements. In addition, pursuant to Iowa Code Section 722.1, it is a felony offense to bribe or attempt to bribe a public official.

2.29 Appeals

A Respondent whose proposal has been timely filed and who is aggrieved by the award of the department may appeal the decision by filing a written notice of appeal (in accordance with 11—Chapter 117.20, Iowa Administrative Code) to: The Director of the Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319-0104 and a copy to the Issuing Officer. The notice must be filed within five days of the date of the Intent to Award notice issued by the Department, exclusive of Saturdays, Sundays, and legal state holidays. The written notice may be filed by fax transmission to 515.725.2064. The notice of appeal must clearly and fully identify all issues being contested by reference to the page, section and line number(s) of the RFP and/or the notice of Intent to Award. A notice of appeal may not stay negotiations with the apparent successful Contractor.

2.30 Unit Price

If a discrepancy between the unit price and the item total exists, the unit price prevails.

2.31 Price Adjustments to Term Contract(s)

Bid prices shall remain firm the first year of the contract. Price adjustments may be taken into consideration during the contract renewal process. The State reserves the right to accept or reject any proposed price(s) changes. Requested price changes should be submitted to the Iowa Department of Administrative Services – Central Procurement, sixty (60) days prior to the contract anniversary date.

2.32 Registration

The successful Bidder will be required to register to do business in Iowa before payment can be made. For Bidder registration documents, go to:

https://vss.iowa.gov/webapp/VSS_ON/AltSelfService

2.33 Questions and Requests for Clarification

Bidders are invited to submit written questions and requests for clarifications regarding the RFB. The questions and requests for clarifications must be received by the Issuing Officer by the date on the cover page. Oral questions will not be permitted. If the questions and requests for clarifications pertain to a specific section of the RFB, the page and section number(s) must be referenced. Written responses to questions and requests for clarifications will be issued in the form of an addendum.

SECTION 3 – SPECIFICATIONS

All items listed in this Section are Bid Specifications. A successful Bidder must be able to satisfy all these specifications to be deemed a Responsible Bidder.

3.1 General Specifications

- 3.1.1** The provided services must provide for appropriate disbursement of federal funds through a subrecipient mechanism.
- 3.1.2** The provided services must provide a comprehensive federal COVID-19 pandemic relief funding source assessment.
- 3.1.3** The provided services must provide the capability of monitoring subrecipient compliance.
- 3.1.4** The provided services must provide for the creation and distribution/submission of all required grant reports and forms via hard copy and/or electronic reporting, as required.
- 3.1.5** The provided services must provide for the aggregation of grant data and information, including grants to subrecipients, from various systems.

3.2 Bidder Specifications

- 3.2.1** Bidder must have experience providing management services for grants and other disbursements.
- 3.2.2** Bidder must have a demonstrated working knowledge and specific experience related to all compliance requirements under federal grants.
- 3.2.3** Bidder must have adequate resources to ensure all reporting requirements are operational and compliant.

3.3 Professional Fees

Professional fees are to be estimated for each Task Order based upon the parties' mutual understanding of the Task Order requirements, the proposed approach, the estimate of the level of effort required, the Contractor's roles and responsibilities, any assumptions set forth herein, and active participation of the State's management and other personnel, as described in the Task Order. Based on the complexity and duration of this project, issues may arise that require procedures beyond what was initially anticipated within the Task Order. If this should occur, the Contractor will discuss it with the State prior to performing any additional work. Task Order estimates may be amended upon mutual written agreement of the parties.

Within sixty (60) days after execution of the Task Order, the agency and Contractor will work to agree on an outcome-based fee structure for a portion of the work to include payment processing, compliance monitoring, reporting and closeout services covered in Tasks 1, 2, and 3 of the Scope of Work Section of this Contract. Such outcome-based fee structure will consider the number of subrecipients; estimated number, complexity, and frequency of request for reimbursement packages; estimated number, complexity and frequency of required reports; and estimated

number and complexity of anticipated closeout activities. If the parties fail to mutually agree on a revised price structure for the payment processing, compliance monitoring, reporting, and closeout services in Tasks 1, 2, and 3 of the Scope of Work, the billing rates will apply. All other areas will continue to be billed at the established billing rates.

Following completion of the initial term of this Contract, prices for the renewal period will be mutually agreed to by the parties. Rate increases shall not exceed 3% annually.

3.4 Expenses

The State will reimburse the Contractor for all reasonable expenses incurred in performing the services under this Contract in accordance with the State of Iowa accounting procedures. These expenses include, but are not limited to, reasonable travel to include meal, lodging, and mileage-related expenses. Travel must be approved by the State prior to the start date of travel. All travel will be compensated on a reimbursement basis and will be in accordance with State of Iowa accounting procedures.

Any other service-related expenses must be pre-approved by the State.

3.5 Performance Standards

Contractor will issue the performance standard credit against the next invoice within thirty (30) days after the end of the applicable period. Performance standard credits are based on the monthly servicing fee.

Performance Standards

Title	Description	Standard	Calculation Method	% at Risk
Initial Review Timeliness	Upon receipt of application, initial review will be made in a timely manner.	90% of initial reviews are complete within 3 business days of receipt of application.	Calculated as the arithmetic difference, in business days, between the date of receipt of application and the first determination event.	3.0
Application Review Timeliness	Upon receipt of complete documentation, determinations will be made in a timely manner.	90% of initial determinations are made within 10 business days of receipt of complete documentation.	Calculated as the arithmetic difference, in business days, between the date of receipt of complete documentation and the final determination event.	3.0
Determination Accuracy	Requests will be approved or denied accurately.	95% of requests approved or denied accurately.	Calculated by dividing the number of audited applications found to be accurate by the total number of audited applications.	3.0

Title	Description	Standard	Calculation Method	% at Risk
Data Analysis and Reporting	Contractor shall perform data analyses and provide reports to State of Iowa. Required reports will be delivered in a timely manner to provide State with up-to-date information.	Reports will be produced and delivered within 3 calendar days of the end of the reporting period.	Calculated as the arithmetic difference between the end of the reporting period and the date the report is delivered.	3.0
Account Management Satisfaction	Agency shall evaluate the performance of the account management team.	80% of responses on the survey will be "Strongly Agree/Agree," indicating a high satisfaction level.	Calculated by dividing the number of responses that are "Strongly Agree/Agree," by the total number of responses (excluding N/A responses and partially completed surveys).	3.0
TOTAL AT-RISK PERCENTAGE:				15.0%

SECTION 4 – SCOPE OF WORK

During the term of this Contract, the Contractor will provide the requested services pursuant to individual Task Orders. Once executed by the State and Contractor, each Task Order is binding on the parties thereto. The Contractor will work in good faith with the State to develop and agree to the contents of each Task Order. Task Orders, by reference, shall contain and be subject to the terms and conditions of this Contract.

The expected services and related deliverables necessary to carry out the purpose of the Contract may include, but are not limited to, the following:

4.1 TASK 1: Execute Program Administration Processes

- 4.1.1** Execute intake and processing of applications for funding/grants.
- 4.1.2** Provide application decisions to applicants including documentation of reasons and potential corrective action for denied applications.
- 4.1.3** Execute intake and cursory reviews of reimbursement request to identify ineligible, misaligned, or incomplete reimbursement packets.
- 4.1.4** Provide technical assistance to applicants to address noted issues with reimbursement request packets.
- 4.1.5** Perform detailed review of eligible reimbursement request and applicable supporting documentation.
- 4.1.6** Make eligibility recommendations in accordance with outlined compliance requirement of the applicable grant funding stream.
- 4.1.7** Document eligibility decisions and reconcile against applicable reimbursement histories to minimize potential for duplication of benefits or potential fraud, waste, and abuse.
- 4.1.8** Notify applicants of eligible amounts approved and compliance requirements for the applicable funding source(s).
- 4.1.9** Provide corrective action plans to help recipients address or overcome ineligibility determinations.
- 4.1.10** Reconcile reimbursement transaction history and providing ongoing balances and reports to the State and its recipients.
- 4.1.11** Provide compliance monitoring and ongoing technical assistance to applicants to address inquiries or noted issues.
- 4.1.12** Identify, consolidate and analyze applicable data and data sources to support statutory and programmatic reporting for grant funding on behalf of the State.

4.1.13 Perform closeout of grant programs including final reconciliations.

4.1.14 Provide above referenced services related to support for other grant funding related streams if determined necessary by the State.

Deliverables

- Summary of reimbursement eligibility and approval decisions
- Summary of noted issues or recipient risks

4.2 TASK 2: Deliver Results and Insights

4.2.1 Interact weekly with the State contract manager to provide the status of the engagement and the progress made according to the agreed upon metrics and performance indicators.

4.2.2 Generate performance reports that articulate results and keep the State abreast of critical issues (include new and emerging risks and potential mitigating activities).

4.2.3 Assist the State with public facing transparency through ongoing performance reporting of grant reimbursement and key program activities.

Deliverables

- Weekly Status Update Report

4.3 TASK 3: Measure, Optimize, and Recalibrate

4.3.1 Measure ongoing performance against established key performance metrics and benchmarks.

4.3.2 Investigate performance that does not meet expectations and develop corrective action plans.

4.3.3 Implement corrective actions to address noted performance issues and improve existing processes for optimization (i.e., streamline process and reduce procedural bottlenecks, if applicable).

Deliverables

- Performance Reports
- Process Improvements

4.4 Contractor is provide process and tools for tracking, disbursing, and reporting.

4.5 The selected contractor will complete work at the contractor's location.

4.6 All services must be performed and data stored in the continental United States.

SECTION 5 – CONTRACT TERMS AND CONDITIONS

5.1 Contract Terms and Conditions

The Contract that the Agency expects to award as a result of this RFB shall comprise the specifications, terms and conditions of the RFB, written clarifications or changes made by the Agency to the RFB through an amendment to the RFB in accordance with the provisions of the RFB, the Terms and Conditions, the offer of the successful Respondent contained in its Bid, and any other terms deemed necessary by the Agency. No objection or amendment by a Respondent to the provisions or terms and conditions of the RFB or the Terms and Conditions shall be incorporated into the Contract unless Agency has explicitly accepted the Respondent's objection or amendment in writing.

The Contract terms and conditions in this Section 5, the General Terms and Conditions to the extent referenced and linked to on the RFB cover page, and/or any Terms and Conditions attached to and accompanying this RFB as an attachment hereto, will be incorporated into the Contract. The Terms and Conditions may be supplemented at the time of contract execution and are provided to enable Respondents to better evaluate the costs associated with the RFB specifications and the Contract. All costs associated with complying with such Terms and Conditions should be included in any pricing quoted by the Respondent.

By submitting a Bid, Respondent acknowledges its acceptance of the terms and conditions of the RFB and the Terms and Conditions without change except as otherwise expressly stated in its Bid. If the Respondent takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Bid the specific RFB or Terms and Conditions language it proposes to include in place of the provision. If Respondent's exceptions or proposed responses materially alter the RFB, or if the Respondent submits its own terms and conditions or otherwise fails to follow the process described herein, the Agency may reject the Bid, in its sole discretion.

The Agency will evaluate all Bids without regard to any proposed modifications to any terms and conditions of the RFB or Terms and Conditions by Contractor. Once a Bid has been identified as the one for which an Award recommendation has been made, but prior to notifying Respondents of the decision, the Agency, in its sole discretion, may consider any proposed modifications to the terms and conditions of the RFB or Terms and Conditions identified in that Bid. The Agency reserves the right to either award a Contract(s) without further negotiation with the successful Respondent or to negotiate Contract terms with the successful Respondent if the best interests of the State would be served. As such, if any proposed modifications are not determined to be in the best interests of the State, or appear to pose a substantial impediment to reaching agreement, the Agency may, in its sole discretion:

- 5.1.1** Issue a Notice of Intent to Award in favor of the successful Respondent, but decline to agree to or further negotiate any proposed modifications to terms and conditions identified by the Respondent in its Bid;
- 5.1.2** Issue a Notice of Intent to Award in favor of the successful Respondent, and identify in the Notice proposed modifications to terms and conditions identified by the Respondent in its Bid with which the agency will or will not agree or further negotiate;

5.1.3 Enter open-ended negotiations with the successful Respondent; provided, that any such negotiations shall be limited to the proposed modifications to terms and conditions identified by Respondent in its Bid;

5.1.4 Change the Agency's recommendation for Award and issue a Notice of Intent to Award to a Respondent whose bid does not pose as great of a challenge to the Agency.

Any ambiguity, vagueness, inconsistency or conflict, either internal to such modification(s) or arising when read in conjunction with other portions of the Contract, shall be construed strictly in favor of the State. Only those proposed modifications identified in the Notice of Intent to Award issued by the Agency as terms and conditions with which the agency will or will not agree or further negotiate shall be part of the Contract, and the State may ignore all proposed modifications, accept one or more and ignore others, accept all or, through negotiations after an award, agree to compromise language concerning one or more proposed modifications to be incorporated into a final Contract between the parties. By executing and submitting its Bid in response to this RFB, Respondent understands and agrees that the State may exercise its discretion not to consider any or all proposed modifications Respondent may request and may accept Respondent's bid under the terms and conditions of this RFB and the Terms and Conditions.

5.2 Contractual Terms and Conditions – No Material Changes/Non-Negotiable

Notwithstanding anything in this RFB to the contrary, Respondent may not take exception to or propose including language in any resulting contract that conflicts with or is otherwise inconsistent with the following:

5.2.1 Indemnification

Without specific authority to do so, the State, or agencies, cannot enter into agreements indemnifying Respondents, or any other entity, against third-party claims. A clause that intends to seek indemnification from the State, whether or not the clause contains the words "indemnity" or "indemnify," are not clauses to which the State may agree. The State will not agree to clause that includes the language "to the extent permitted by law" because, as explained, the State cannot indemnify Respondents to any extent.

5.2.2 Limitation of Liability

Iowa Code section 8A.311(22) and 11 Iowa Admin. Code Chapter 120 establish the rules to allow for the State to agree to a contractual limitation of vendor liability clause in limited circumstances. Any request by Respondent for the State to limit damages not in accordance with Iowa law or administrative rules is a request with which the State cannot agree.

5.2.3 Jurisdiction and Venue

Iowa Code Chapter 13 establishes that the Iowa Attorney General is the State's attorney for all purposes, including management of litigation and claims against the state. The State may not preempt the Attorney General's authority by agreeing in advance to control the way litigation may be managed in the event of a dispute. Likewise, the State cannot agree to the jurisdiction or laws of another state or its courts, cannot agree to venue in

another state, and cannot agree to participate in any form of alternative dispute resolution.

5.2.4 Confidentiality

All Iowa state agencies are subject to Iowa public records laws. The State cannot agree to contractual terms that attempt to prevent it from disclosing or disseminating records that constitute public records under Iowa Code Chapter 22.

5.2.5 Unliquidated Expenses (*i.e.*, Attorney Fees, Add-ons, or Cost Increases)

The State may not agree to clauses which may obligate it to pay for claims that might exceed its current funding appropriation. The State may only obligate those funds that have been appropriated to it by the Iowa Legislative Assembly and may only obligate those funds for the purposes for which the funds were appropriated.

5.3 Special Terms and Conditions

Title 2 CFR Part 200 Subpart F and Appendix II to Part 200 (Contract Provisions for Non-Federal Entity Contracts under Federal Awards use of federal grant dollars) require compliance with the following conditions which are incorporated into the Contract as applicable:

5.3.1 US Department of Homeland Security (DHS) Seal, Logo, And Flags

The provider shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

5.3.2 Compliance With Federal Law, Regulations, And Executive Orders

This is an acknowledgement that FEMA financial assistance may be used to fund all or a portion of the Contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives to the extent applicable to Contractor in its performance of services hereunder.

5.3.3 No Obligation By Federal Government

The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to the non-Federal entity, provider, or any other party pertaining to any matter resulting from the Contract.

5.3.4 Suspension and Debarment

- This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the Contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- This certification is a material representation of fact relied upon by NEMA. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to NEMA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, sub-

part C and 2 C.F.R. pt. 3000, sub-part C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

5.3.5 Clean Air Act

- The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- The Contractor agrees to report each violation to NEMA and understands and agrees that NEMA will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

5.3.6 Federal Water Pollution Control Act

- The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- The Contractor agrees to report each violation to NEMA and understands and agrees that the NEMA will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

5.3.7 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

- Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.
- Required Certification. If applicable, contractors must sign and submit to the non-federal entity the following certification.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of

any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form- LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.
- The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

5.3.8 Access to Records

The following access to records requirements apply to this contract:

- The Contractor agrees to provide NEMA, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- In compliance with the Disaster Recovery Act of 2018, NEMA and the Contractor acknowledge and agree that no language in this Contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

5.3.9 Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.

5.4 Other Contractual Terms and Conditions

5.4.1 Contract Term

The term of the contract will begin upon execution and end on April 30, 2022. The Agency shall have the sole option to renew the contract upon the same or more favorable terms and conditions for up to 5 annual extensions. The resulting contract will be available to all State Agencies and political subdivisions.

5.4.2 Payment Terms

5.4.2.1 Payment Methods

The State of Iowa, in its sole discretion, will determine the method of payment for goods and/or services as part of the Contract. The State Pcard and EAP are preferred payment methods, but payments may be made by any of the following methods: Pcard/EAP, EFT/ACH, or State Warrant. Respondents shall indicate in their Cost Bids all of the payment methods they will accept. **This information will not be scored as part of the Cost Bid.**

5.4.2.2 Electronic Funds Transfer (EFT) by Automated Clearing House (ACH)

The State of Iowa may make payment by EFT by ACH. Payments are deposited into the financial institution of the claimant's choice three working days from the issue date of the direct deposit.

https://das.iowa.gov/sites/default/files/acct_sae/man_for_ref/forms/eft_authorization_form.pdf

5.4.2.3 State Warrant

The State of Iowa's warrant drawn on the Treasurer of State is used to pay claims against the departments of the State of Iowa. The warrant is issued upon receipt of proper documentation from the issuing department.

5.4.2.4 Credit card or ePayables

The State of Iowa's Purchasing Cards (Pcards) and ePayable solution (EAP) are commercial payment methods utilizing the VISA credit card network. The State of Iowa will not accept price changes or pay additional fees if Respondent uses the Pcard or EAP payment methods. Pcard-accepting Respondents must abide by the State of Iowa's Terms of Pcard Acceptance, as provided in this RFB. Respondents must provide a statement regarding their ability to meet the requirements in this subsection, as well as identifying their transaction reporting capabilities (Level I, II, or III).

5.4.2.5 Terms and Conditions for State of Iowa Purchasing Cards

The State of Iowa shall pay Contractor's invoices using its Purchasing Card Program (Pcard) whenever possible. The Pcard is a VISA credit card issued by U.S. Bank to allow authorized employees to make purchases on behalf of the State. It is a faster, more convenient alternative to traditional invoicing and remittance processing, allowing US Bank to pay the Contractor directly, generally within 48 hours of the transaction. Contractor shall comply with security measures for Pcard payments including:

- 5.4.2.5.1** Contractor shall comply with Payment Card Industry Data Security Standard (PCI DSS) to assure confidential card information is not compromised;
- 5.4.2.5.2** Contractor shall adhere to Fair and Accurate Credit Transactions Act requirements that limit the amount of consumer and account information shared for greater security protection;
- 5.4.2.5.3** Contractor shall not write down card numbers or store card information. When accepting orders by phone, Contractor shall process the transaction during the call and send itemized receipts (excluding card numbers) to the cardholder by fax, email, or mail (with delivery);
- 5.4.2.5.4** Contractor shall process payment for items when an order is placed only for items currently in stock and available for shipment, and only for services already rendered;
- 5.4.2.5.5** Contractor shall confirm that the name of purchaser matches the name on the card;
- 5.4.2.5.6** Contractor shall ensure Internet orders are processed via secure websites, featuring Verisign, TRUSTe, BBBOnline, or “https” in the web address;
- 5.4.2.5.7** Contractor shall shred any documentation with credit card numbers.

5.4.2.6 Payment Terms

Per Iowa Code 8A.514 the State of Iowa is allowed sixty (60) days to pay an invoice submitted by a Contractor.

5.4.2.7 Respondent Discounts

Respondents shall state in their Cost Bids whether they offer any payment discounts.

5.4.2.8 Prompt Payment Discount

The State can agree to pay in less than sixty (60) days if an incentive for earlier payment is offered.

5.4.2.9 Invoices

Any invoices submitted must comply with applicable rules concerning payment of claims, including but not limited to those set forth at Iowa Administrative Code chapter 11—41.

5.4.3 Insurance

The Contract will require the successful Respondent to maintain insurance coverage(s) in accordance with the insurance provisions of the General Terms and Conditions and of the type and in the minimum amounts set forth below, unless otherwise required by the Agency.

Type of Insurance	Limit	Amount
General Liability (including contractual liability) written on an occurrence basis	General Aggregate Products – Comp/Op Aggregate Personal injury Each Occurrence	\$2 million \$1 Million \$1 Million \$1 Million
Automobile Liability (including contractual liability) written on an occurrence basis	Combined single limit	\$1 Million
Excess Liability, umbrella form	Each Occurrence Aggregate	\$5 Million \$5 Million
Errors and Omissions Insurance	Each Occurrence	\$1 Million
Property Damage	Each Occurrence Aggregate	\$1 Million \$1 Million
Cyber Liability - Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties (if allowed by law)	Each Occurrence Aggregate	\$5 Million \$5 Million
Workers Compensation and Employer Liability	As Required by Iowa law	As required by Iowa law

Acceptance of the insurance certificates by the Department shall not act to relieve Contractor of any obligation under this Contract. It shall be the responsibility of Contractor to keep the respective insurance policies and coverages current and in force during the life of this Contract. Contractor shall be responsible for all premiums, deductibles and for any inadequacy, absence or limitation of coverage, and the Contractor shall have no claim or other recourse against the State or the Department for any costs or loss attributable to any of the foregoing, all of which shall be borne solely by the Contractor. Notwithstanding any other provision of this Contract, Contractor shall be fully responsible and liable for meeting and fulfilling all of its obligations under this section of the Contract.

5.4.4 Performance Security

The Contract may require the Bidder to provide security for performance [e.g. performance bond, escrow, letter of credit, liquidated damages]. Agency shall retain fifteen percent (15%) of each payment due under the Contract. Agency shall pay the retained amount only after all Deliverables have been completed by Contractor and accepted by the Agency.

5.4.5 Quarterly Report

The Contractor shall provide an electronic detailed quarterly report on all sales made under this agreement within the State of Iowa via E-Mail to the Iowa Department of Administrative Services, Central Procurement, Attn: Karl Wendt at karl.wendt@iowa.gov. The report file format shall be Microsoft Excel compatible

format. The report at minimum shall include the date of sale, customer name and address, full product description, SKU Numbers, quantity, invoice number, unit and extended invoice prices. Respondent bids must include a sample report and a description of the reporting that will be provided. The State reserves the right to request more detailed information (ad-hoc reporting) at any time and on an individual or specific basis for a specific product, department, time frame, or for a range of products, departments or time frames.

5.4.6 Administrative Fee

Without affecting the approved Good or Service prices or discounts specified in the Master Agreement, the State of Iowa shall be entitled to receive a one percent (1.00%) administrative fee on all sales made within the State of Iowa against this agreement. The administration fee due to the State of Iowa shall be paid quarterly by Contractor directly to the State, made payable to the "Iowa Department of Administrative Services – Central Procurement."

5.5 Order of Precedence

If there is a conflict or inconsistency between any documents comprising the Terms and Conditions, such conflict or inconsistency shall be resolved according to the following priority, ranked in descending order: (1) any terms and conditions specifically set forth in this Section 5 (Contract Terms and Conditions & Administration) under a subsection with a heading entitled Special Terms & Conditions; (2) the General Terms and Conditions for Services Contracts or Goods Contracts to the extent referenced and linked to on the RFB cover page the Contract; (3) if neither the General Terms and Conditions for Service Contracts or Goods Contracts are linked to on the RFB cover page, any terms and conditions attached to and accompanying this RFB as attachment 5 (Terms and Conditions); and (4) any terms and conditions specifically set forth in this Section 5 (Contract Terms and Conditions & Administration) set forth under a subsection with a title other than Special Terms & Conditions.

FORM OF BID

Instructions – Bidder is to complete the following. Fill out items with blanks. Indicate “yes” or “no” on items requesting agreement. If a “no” response is indicated, exception must be noted on Attachment 3.

1.1 Bidder Information

Business Name: Tetra Tech, Inc.

Official Address: 2301 Lucien Way, Suite 120

Maitland, FL 32751

Firm's State or Foreign Country of Residence: Registered in Delaware

Sales contact: John Buri

Telephone Number: (713) 737-5763

Fax Number: (321) 441-8501

Email: John.Buri@tetrattech.com

1.2 Rates

Position Level	Hourly Rate
Principal	\$ 295.00
Subject Matter Specialist	\$ 275.00
Program Manager/Director	\$ 225.00
Project Manager	\$ 195.00
Associate III	\$ 165.00
Associate II	\$ 140.00
Associate I	\$ 125.00
Analyst III	\$ 115.00
Analyst II	\$ 95.00
Analyst I	\$ 85.00
Consulting Aide	\$ 75.00
Administrative	\$ 65.00
Clerical	\$50.00

Such rates are to recognize the experience and special skills of the applicable personnel, as well as the complexity of the services to be performed under the Contract.

Based on above position levels and rates and 10,000 hours of work; the blended rate and bid for this contract is:

Blended rate = \$124.86 x 10,000 hours = \$1,248,600.00.

Cost Assumptions

Below are the assumptions that support Tetra Tech's proposed pricing.

General Assumptions

- **Hourly Labor Rate Schedule.** Tetra Tech has included a schedule of hourly labor rates for the State of Iowa's consideration. Non-labor travel expenses, as detailed in the State's RFB, shall be billed to the State accordance with the State Accounting Policy. Non-labor expenses associated with the customization of the grant management software solution shall be billed to the State as described below.
- **Grant Management Software Customization.** Tetra Tech, through our partner Coastal Cloud, will customize a Salesforce-based grant management system to meet the State's requirements upon award. This solution has been deployed in Florida, South Dakota, Oklahoma, South Carolina, and North Carolina under a similar rate structure for COVID-19 grant related activities. As a part of this solution, costs associated with the following items are not included in the hourly rate schedule:
 - Government Cloud – Firm Fixed Price
 - Licenses for Tetra Tech staff - Per User per Month
 - Licenses for Iowa Department of Administrative Services (DAS) staff - Per User per Month
 - External Applicant Log-ins – Per User per Month
 - Grant Management Software Program and Technical Support – Firm Fixed Price
- **Budget and Level of Effort.** Tetra Tech's actual Level of Effort and Budget for services requested by Iowa DAS will be developed upon award based on the requirements of the COVID-19 related programs.
- **Rate Escalation.** Tetra Tech will work the State to request rate escalation for personnel under this contract based on the Consumer Price Index (CPI) on the anniversary data of the agreement over the five year period of performance.
- **State Administrative Fee.** Per the terms of the RFB, Tetra Tech will pay Iowa DAS a one percent (1%) administrative fee for services rendered under the contract.
- **Remote Support.** Due to the ongoing nature of the COVID-19 pandemic, work will be performed remotely to the greatest extent possible. In-person meetings will be held in compliance with the most up-to-date social distancing guidance provided to the community.

1.3 Contract Terms and Conditions

The Contract(s) that the Agency expects to award as a result of this solicitation will be based upon the final Bid submitted by the successful Bidder and the solicitation. The contract between the Agency and the successful Bidder shall be a combination of the specifications, terms and conditions of the solicitation, the contract terms and conditions in the VSS solicitation, the offer of the Bidder contained in the final Bid submitted by the Bidder, written clarifications or changes made in accordance with the provisions of the solicitation, and any other terms deemed necessary by the Agency, except that no objection or amendment by a Bidder to the provisions or terms and conditions of the solicitation shall be incorporated into the Contract unless the Agency has explicitly accepted the Bidder's objection or amendment in writing. The contract terms and conditions contained in the VSS solicitation will be incorporated into the Contract.

The contract terms and conditions may be supplemented at the time of Contract execution and are provided to enable Bidders to better evaluate the costs associated with the solicitation requirements and the Contract. Bidders should plan on the contract terms and conditions contained in the VSS solicitation being included in any contract awarded as a result of this solicitation. All costs associated with complying with these requirements should be included in any pricing quoted by the Bidder. By submitting a Bid, each Bidder acknowledges its acceptance of the solicitation terms and conditions without change except as otherwise expressly stated in Attachment 3. If a Bidder takes exception to a provision, it must state the reason for the exception and the specific contract language it proposes to include in place of the provision. Exceptions that materially change these terms or the requirements of the solicitation may be deemed non-responsive by the State, in its sole discretion, resulting in possible disqualification of the Bid. The Agency reserves the right to either award a Contract(s) without further negotiation with the successful Bidder or to negotiate contract terms with the selected Bidder if the best interests of the Agency would be served.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.4 Terms and Conditions

The parties agree to comply with the terms and conditions in the VSS solicitation which are by this reference made a part of the Agreement.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.5 Terms of Pcard Acceptance

The State of Iowa prefers to pay Bidders using its Purchasing Card Program (Pcard) whenever possible. Bidders accepting Pcard payments shall comply with the following security measures:

- Bidder shall comply with the most current Payment Card Industry Data Security Standards (PCI DSS) to assure confidential card information is not compromised;
- Bidder shall adhere to Fair and Accurate Credit Transactions Act requirements that limit the amount of consumer and account information shared for greater security protection;
- When accepting orders online, Bidder shall ensure Internet orders are processed via secure websites, featuring Verisign, TRUSTe, BBBOnline, or "https" in the web address;
- When accepting orders by phone, Bidder shall send itemized receipts (excluding card numbers) to the cardholder by fax, email, or mail (with delivery);
- Bidder shall process payment for items when an order is placed only for items currently in stock and available for shipment, and only for services already rendered;
- Bidder shall confirm that the name of purchaser matches the name on the card;
- Bidder shall shred any documentation with credit card numbers.

For additional information, see the [State of Iowa Purchasing Card Policy and Procedures Manual](#), or visit the [State Pcard website](#).

Bidder has read and agrees to this section: Yes ☒ No ☐

1.6 Specifications

Bidder is able to provide and performed as specified in Section 3. By indicating "yes", a Bidder agrees that it shall comply with that requirement throughout the full term of the resulting Contract, if the Bidder is successful. In addition, for specific requirements, the Bidder shall provide, if requested, specific references and/or supportive information to verify the Bidder's compliance with the requirement. Failure to provide this information may cause the Bid to be deemed non-responsive and therefore rejected. The Agency reserves the right to determine whether the supportive information submitted by the Bidder demonstrates the Bidder will be able to comply with the Bid Requirements. If the Agency determines the supportive information does not demonstrate the Bidder will be able to comply with the Bid Requirements, the Agency may disqualify the Bid. Please enter the required information on the attachment and upload the document.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.7 Preference

The Bidder shall provide the following general background information: For an out-of-state Bidder, Bidder certifies the Resident Preference given by the State or Foreign Country of Bidder's residence. Enter the resident preference in the text box or indicate no preference.

Bidder's state has a preference law: Yes ☐ No ☒ Bidder's state Delaware

1.8 Open Competition

Where, in these specifications, reference is made to materials, trade names, or articles of certain manufacture, it is done for the purpose of establishing a base of comparative quality type, and style and not for the purpose of limiting competition. Other materials or brands may be accepted if, in the opinion of the State of Iowa, they are equal in quality and of a design in harmony with the intent of these specifications. Samples WILL or MAY be requested to determine acceptance.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.9 Silence of Specification

The apparent silence of these specifications as to any details or the omission from it of a detail description concerning any point shall be interpreted as meaning that only the best commercial practices are to prevail, and that only materials and/or workmanship of finest quality shall be used.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.10 Criminal History and Background Information

The Bidder hereby explicitly authorizes the Agency to conduct criminal history and/or other background investigation(s) of the Bidder, its officers, directors, shareholders, or partners and managerial and supervisory personnel retained by the Bidder for the performance of the Contract.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.11 FOB Destination, Freight Prepaid

Bidder has read and agrees to this section: Yes ☒ No ☐

1.12 Administrative Fee

In addition to the approved discounts or prices specified in the Contract herein, the Bidder shall pay to the Agency a 1.00% Administrative Fee on all sales made against this Contract. The fee shall be paid quarterly to the Iowa Department of Administrative Services, Central Procurement; Attn: Chief Operating Officer, Level 3, Hoover State Office Building, 1305 E. Walnut Street, Des Moines, IA 50319-0105.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.13 Criminal History and Background Information

The Bidder hereby explicitly authorizes the Agency to conduct criminal history and/or other background investigation(s) of the Bidder, its officers, directors, shareholders, or partners and managerial and supervisory personnel retained by the Bidder for the performance of the Contract.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.14 Insurance

The Contract will require the successful Bidder to maintain insurance coverage(s) in accordance with the contractual provisions. Bidder shall, at its sole expense, maintain in full force and effect, with insurance companies admitted to do business in the State of Iowa and acceptable to the Agency, insurance covering its work of the type and in amounts required by this Contract. Bidder's insurance shall, among other things, insure against any loss or damage resulting from or related to Bidder's performance of this Contract regardless of the date the claim is filed or expiration of the policy. All insurance policies required by this Contract shall: (i) be subject to the approval of the Agency; (ii) remain in full force and effect for the entire term of this Contract; and (iii) not be canceled, reduced or changed without the Agency's prior written consent. The State of Iowa and Agency shall be named as additional insureds on all such policies, and all such policies shall include the following endorsement: "It is hereby agreed and understood that the State of Iowa and the Agency are named as additional insured, and that the coverage afforded to the State of Iowa and the Agency under this policy shall be primary insurance. If the State of Iowa or the Agency have other insurance which is applicable to a loss, such other insurance shall be on an excess, secondary or contingent basis. The amount of the insurer's liability under this policy shall not be reduced by the existence of such other insurance." Unless otherwise requested by the Agency, Bidder shall cause to be issued insurance policies with the coverages set forth below:

Type of Insurance	Limit	Amount
General Liability (including contractual liability) written on an occurrence basis	General Aggregate Products – Comp/Op Aggregate Personal injury Each Occurrence	\$2 million \$1 Million \$1 Million \$1 Million
Automobile Liability (including contractual liability) written on an occurrence basis	Combined single limit	\$1 Million
Excess Liability, umbrella form	Each Occurrence Aggregate	\$1 Million \$1 Million
Errors and Omissions Insurance	Each Occurrence	\$1 Million
Property Damage	Each Occurrence Aggregate	\$1 Million \$1 Million
Workers Compensation and Employer Liability	As Required by Iowa law	As required by Iowa law

1.14.1 Certificates of Coverage

At the time of execution of this Contract, Bidder shall deliver to the Agency certificates of insurance certifying the types and the amounts of coverage, certifying that said insurance is in force before the Bidder starts work, certifying that said insurance applies to, among other things, the work, activities, products and liability of the Bidder related to this Contract, certifying that the State of Iowa and the Agency are named as additional insureds on the policies of insurance by endorsement as required herein, and certifying that no cancellation or modification of the insurance will be made without at least thirty (30) days prior written notice to the Agency. All certificates of insurance shall be subject to approval by the Agency. The Bidder shall simultaneously with the delivery of the certificates deliver to the Agency one duplicate original of each insurance policy. Liability of Bidder Acceptance of the insurance certificates by the Agency shall not act to relieve Bidder of any obligation under this Contract. It shall be the responsibility of Bidder to keep the respective insurance policies and coverages current and in force during the life of this Contract. Bidder shall be responsible for all premiums, deductibles and for any inadequacy, absence or limitation of coverage, and the Bidder shall have no claim or other recourse against the State or the Agency for any costs or loss attributable to any of the foregoing, all of which shall be borne solely by the Bidder. Notwithstanding any other provision of this Contract, Bidder shall be fully responsible and liable for meeting and fulfilling all of its obligations. Acceptance of the insurance certificates by the Department shall not act to relieve Bidder of any obligation under this Contract. Bidder shall be responsible for all premiums, deductibles and for any inadequacy, absence or limitation of coverage, and the Bidder shall have no claim or other recourse against the State or the Department for any costs or loss attributable to any of the foregoing, all of which shall be borne solely by the Bidder.

1.14.2 Waiver of Subrogation Rights

Bidder shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the Agency or the State. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the Agency. Filing of Claims In the event either the Agency or the State suffers a loss and is unable to file a claim under any policy of insurance required under this Contract, the Bidder shall, at the Agency's request, immediately file a proper claim under such policy. Bidder will provide the Agency with proof of filing of any such claim and keep the Agency fully informed about the status of the claim. In addition, Bidder agrees to use its best efforts to pursue any such claim, to provide information and documentation requested by any insurer providing insurance required hereunder and to cooperate with the Agency and the State. Bidder shall pay to the Agency and the State any insurance proceeds or payments in receives in connection with any such claim immediately upon Bidder's receipt of such proceeds or payments.

1.14.3 Proceeds

In the event the Agency or the State suffers a loss that may be covered under any of the insurance policies required, neither the Bidder nor any subsidiary or affiliate thereof shall have any right to receive or recover any payments or proceeds that may be made or payable under such policies until the Agency and/or the State have fully recovered any losses, damages or expenses sustained or incurred by it (subject to applicable policy limits), and Bidder hereby assigns to the Agency and the State all of its rights in and to any

and all payments and proceeds that may be made or payable under each policy of insurance required under this Contract.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.15 Standard of Quality

The item(s) specified in this program by brand name are intended to establish a standard of quality, which will be required. Similar item or items of manufacturers other than those listed which are included in the bids submitted will be considered if comparable in quality and function. It will be the responsibility of the Bidder to provide all technical information as to the acceptability of the alternate item(s). All products delivered shall be fully guaranteed to be free of defects, first quality no seconds or irregulars shall be accepted.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.16 Nonprofits

The resulting Contract will be made available to nonprofit entities that qualify under I.R.S. § 501 (c) provisions.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.17 Payment Terms

Per Iowa Code § 8A.514 the State of Iowa is allowed sixty (60) days to pay an invoice submitted by a Bidder.

What discount will you give for payment in 15 days? \$0

What discount will you give for payment in 30 days? \$0

Bidder has read and agrees to this section: Yes ☒ No ☐

1.18 Quarterly Report

The Bidder shall provide an electronic detailed quarterly report on ALL sales made under this Contract via e-Mail to the Iowa Department of Administrative Services, Central Procurement. Attention: Karl Wendt at karl.wendt@iowa.gov. The report file format shall be Microsoft Excel compatible format. The report at minimum shall include the date of sale, customer name and address, full product description, SKU Numbers, quantity, invoice number, unit and extended invoice prices. Bidder's Bid must include a sample report and a description of the reporting that will be provided. The State reserves the right to request more detailed information (ad-hoc reporting) at any time and on an individual or specific basis for a specific product, department, time frame, or for a range of products, departments or time frames.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.19 Public Entities (Political Subdivisions)

The resulting Contract will be made available to Political Entities, i.e. cities, counties, and schools.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.20 Retainage

Agency shall retain five percent (15%) of each payment due Bidder under the Contract. Agency shall pay the retained amount only after all performance of the Work has been completed by Bidder and accepted by Agency.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.21 Firm Contract Pricing

Any contract that results from this bid will have firm pricing for one year.

Bidder has read and agrees to this section: ☒ Yes ☐ No

1.22 Invoicing

All invoicing will be submitted to the attention of "Accounts Payable" and addressed to the facility receiving the goods or services. The State shall pay the Contractor monthly, within the period of time provided for by applicable State statute, after receipt of the Contractor's invoice for the goods and/or services supplied by the Contractor in the prior calendar month. The invoice will be itemized with a description goods or services provided that corresponds directly to a line item on the Contractual Agreement or Master Agreement that results from this RFB. Each line should also list the quantity, unit of measure, price per unit of measure, line item totals and invoice total. The remit to address on the invoice must match the remit to address that was submitted with registration to do business with the State of Iowa. Payment terms on the invoice must match the payment terms agreed to in the RFB bid submission.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.23 Best and Final Offers

The Issuing officer reserves the right to conduct discussions with Bidders for obtaining "best and final offers." To obtain best and final offers from Bidders, the Issuing Officer may do one or more of the following: enter into pre-selection negotiations, including the use of an on-line auction; schedule oral presentations; and request revised Bids.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.24 Adjustments in Pricing

Adjustments in pricing shall be at the discretion of the Issuing Officer.

- Original pricing shall remain firm and fixed for at least 365 calendar days after the effective date of the contract.
- Be the result of increases at the manufacturer's level, incurred after contract commencement date.
- Not produce a higher profit margin than that on the original contract.
- Clearly identify the items impacted by the increase.
- Be filed with State Procurement Coordinator a minimum of 60 calendar days before the effective date of proposed increase.
- Be accompanied by documentation acceptable to the State Procurement Coordinator sufficient to warrant the increase.
- United States published indices such as the Producer Price Index or other government data will be referenced to help substantiate the Bidder's documentation. Informational Only: At the time of publishing of the IFB, one related PPI appears to be (WPU): 05310105- Natural Gas (others may exist). A link to the PPI Commodity Data is available at:
<https://www.bls.gov/ppi/>
- The Adjustment shall remain firm and fixed for at least 365 days after the effective date of the adjustment.
- Must not deviate from the contract pricing scheme/methodology.
- During the contract period, any price declines at the manufacturer's level or cost reductions to Contractor shall be reflected in a reduction of the contract price retroactive to Contractor's effective date.
- During the term of this contract, should the Contractor enter into pricing agreements with other customers providing greater benefits or lower pricing, Contractor shall immediately amend the

State contract to provide similar pricing to the State if the contract with other customers offers similar usage quantities, and similar conditions impacting pricing. Contractor shall immediately notify the State Procurement Coordinator of any such contracts entered into by Contractor.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.25 Additional Items or Services

The State reserves the right to add additional items or services to the Contract during the life of the Contract, if it is to the best advantage to the State to do so. Items or manufacturers may only be added upon the agreement of the Department of Administrative Services, Procurement and the Contracted Supplier.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.26 Country of Origin

Bidder must be able to provide country of origin, if requested.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.27 Pricing

Pricing must include all delivery, packaging and administrative costs including, but not limited to, any US import charges associated with the product. There shall be no minimum order quantities or total order amount required from the agency, by the respondent. All bid pricing must be rounded to the nearest hundredth (0.00), US currency.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.28 Pricing Restrictions

Pricing restrictions shall be disclosed at the time of bid. Bidders with pricing restrictions will be taken into consideration for minimum order quantities or total order amount required from the ordering agency.

Bidder has read and agrees to this section: Yes ☒ No ☐

1.29 Attachments

Bidder shall provide documentation regarding the following:

1.29.1 Bidder Experience

The Bidder must provide a narrative describing the following information regarding its experience:

- Number of years in business
- Number of years of experience with providing the types of goods and/or services sought by the solicitation.
- Describe the level of technical experience in providing the types of goods and/or services sought by the solicitation.
- List all goods and/or services similar to those sought by this solicitation that the Bidder has provided to other businesses or governmental entities.

1.29.2 Terminations, Litigation, Debarment

The Bidder must provide the following information:

- During the last five (5) years, has the Bidder had a contract for goods and/or services terminated for any reason? If so, provide full details related to the termination.
- During the last five (5) years, describe any damages or penalties or settlements to resolve disputes entered into by Bidder under any of its existing or past contracts as it relates to goods and/or services performed that are similar to the goods and/or services contemplated by this RFB. If so, indicate the reason for the penalty or exchange of property, goods, or services and the estimated amount of the cost of that incident to the Bidder.
- During the last five (5) years, describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Bidder to engage in any business, practice or activity.
- During the last five (5) years, list and summarize all litigation or threatened litigation, administrative or regulatory proceedings, or similar matters to which the Bidder or its officers have been a party.
- The Bidder must also state whether it or any owners, officers, or primary partners have ever been convicted of a felony. Failure to disclose these matters may result in rejection of the Bid or termination of any subsequent Contract.
- This is a continuing disclosure requirement. Any such matter commencing after submission of a Bid, and with respect to the successful Bidder after the execution of a Contract, must be disclosed in a timely manner in a written statement to the Agency.

1.29.3 Personnel/Education

The Bidder must provide resumes for all key personnel who will be involved in providing the goods and/or services contemplated by this solicitation. The following information must be included in the resumes:

- Full Name
- Education and/or Certification
- Years of experience and employment history particularly as it relates to the requirements of the solicitation.

1.29.4 Bidder Reference

The Bidder shall provide the following general background information: References from three (3) previous customers or clients knowledgeable of the Bidder's performance in providing goods and/or services similar to the goods and/or services described in this solicitation and a contact person and telephone number for each reference. Please attach a document with the required information.

1.29.5 Financial Information

The Bidder must provide the following financial information: Submit audited financial statements for the last 3 years. Provide a minimum of three (3) financial references. Please enter the required information in the text box or attach a document with the required information.

Attachment #1
Certification Letter
Alterations to this document are prohibited.

(Date) May 12, 2021

Karl Wendt, Issuing Officer
Iowa Department of Administrative Services
Hoover State Office Building, Level 3
1305 East Walnut Street
Des Moines, IA 50319-0105

Subject: Request for Bid - Bid Certifications

Issuing Officer:

I certify that the contents of the Bid submitted on behalf of **Tetra Tech, Inc.** in response to Iowa Department of Administrative Services for RFB0721005006 for funding and accounting management services are true and accurate. I also certify that Bidder has not knowingly made any false statements in its Bid.

Certification of Independence

I certify that I am a representative of Bidder expressly authorized to make the following certifications on behalf of Bidder. By submitting a Bid in response to the RFB, I certify on behalf of the Bidder the following:

1. The Bid has been developed independently, without consultation, communication or agreement with any employee or consultant to the Agency or with any person serving as a member of the evaluation committee.
2. The Bid has been developed independently, without consultation, communication or agreement with any other Bidder or parties for the purpose of restricting competition.
3. Unless otherwise required by law, the information found in the Bid has not been and will not be knowingly disclosed, directly or indirectly prior to Agency's issuance of the Notice of Intent to Award the contract.
4. No attempt has been made or will be made by Bidder to induce any other Bidder to submit or not to submit a Bid for the purpose of restricting competition.
5. No relationship exists or will exist during the contract period between Bidder and the Agency or any other State agency that interferes with fair competition or constitutes a conflict of interest.

Certification Regarding Debarment

I certify that, to the best of my knowledge, neither Bidder nor any of its principals: (a) are presently or have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal Agency or State Agency; (b) have within a five year period preceding this Bid been convicted of, or had a civil judgment rendered against them for commission of fraud, a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes; commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted for or criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this Bid had one or more public transactions (federal, state, or local) terminated for cause.

This certification is a material representation of fact upon which the Agency has relied upon when this transaction was entered into. If it is later determined that Bidder knowingly rendered an erroneous certification, in addition to other remedies available, the Agency may pursue available remedies including suspension, debarment, or termination of the contract.

Certification Regarding Registration, Collection, and Remission of Sales and Use Tax

Pursuant to *Iowa Code sections 423.2(10) and 423.5(8) (2013)* a retailer in Iowa or a retailer maintaining a business in Iowa that enters into a contract with a state agency must register, collect, and remit Iowa sales tax and Iowa use tax levied under *Iowa Code chapter 423* on all sales of tangible personal property and enumerated services. The Act also requires Bidders to certify their compliance with sales tax registration, collection, and remission requirements and provides potential consequences if the certification is false or fraudulent.

By submitting a Bid in response to the (RFB), the Bidder certifies the following: (check the applicable box)

- Bidder is registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by *Iowa Code chapter 423*; or
- Bidder is not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in *Iowa Code subsections 423.1(47) and (48)*.

Bidder also acknowledges that the Agency may declare the Bidder’s Bid or resulting contract void if the above certification is false. The Bidder also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract in addition to other remedies available to Agency.

Sincerely,


Signature

Jonathan Burgiel, Business Unit President
Name and Title of Authorized Representative

May 12, 2021
Date

Attachment #2
Authorization to Release Information Letter

Alterations to this document are prohibited.

(Date) May 12, 2021

Karl Wendt, Issuing Officer
Iowa Department of Administrative Services
Hoover State Office Building, Level 3
1305 East Walnut Street
Des Moines, IA 50319-0105

Subject: Request for Bid – Authorization to Release Information

Dear Issuing Officer:

Bidder hereby authorizes the Iowa Department of Administrative Services ("Agency") or a member of the Evaluation Committee to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matter pertinent to evaluation and the selection of a successful Bidder in response to this Request for Bids (RFB).

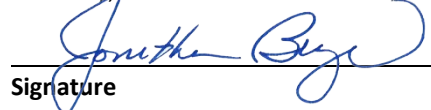
The Bidder acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The Bidder acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the State or may otherwise hurt its reputation or operations. The Bidder is willing to take that risk.

The Bidder hereby releases, acquits and forever discharges the State of Iowa, the Agency, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the Agency or the Evaluation Committee in the evaluation and selection of a successful Bidder in response to the RFB.

The Bidder authorizes representatives of the Agency to contact any and all of the persons, entities, and references which are, directly or indirectly, listed, submitted, or referenced in the Respondent's Bid submitted in response to RFB.

The Bidder further authorizes any and all persons, and entities to provide information, data, and opinions with regard to its performance under any contract, agreement, or other business arrangement, its ability to perform, business reputation, and any other matter pertinent to the evaluation of the Bidder's Bid. The Bidder hereby releases, acquits and forever discharges any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the Bidder that it may have or ever claim to have relating to information, data, opinions, and references supplied to the Agency in the evaluation and selection of a successful Bidder in response to RFB.

Sincerely,


Signature

Jonathan Burgiel, Business Unit President
Name and Title of Authorized Representative

May 12, 2021
Date

Attachment #3
Exceptions Form

Please list any and all exceptions to this RFB in this section. Include section and reason for exception:
(Make additional pages if necessary)

<u>Section</u>	<u>Exception</u>
1. _____	None _____ _____
2. _____	_____ _____ _____
3. _____	_____ _____ _____
4. _____	_____ _____ _____
5. _____	_____ _____ _____
6. _____	_____ _____ _____
7. _____	_____ _____ _____
8. _____	_____ _____ _____
9. _____	_____ _____ _____
10. _____	_____ _____ _____

Attachment #4
Form 22 – Request for Confidentiality

SUBMISSION OF THIS FORM 22 IS REQUIRED

THIS FORM 22 (FORM) MUST BE COMPLETED AND INCLUDED WITH YOUR RESPONSE (BID) TO THE REQUEST FOR BIDS (RFB). THIS FORM 22 IS REQUIRED WHETHER THE BID DOES OR DOES NOT CONTAIN INFORMATION FOR WHICH CONFIDENTIAL TREATMENT WILL BE REQUESTED. FAILURE TO SUBMIT A COMPLETED FORM 22 WILL RESULT IN THE BID TO BE CONSIDERED NON-RESPONSIVE AND ELIMINATED FROM EVALUATION. COMPLETE PART 1 OF THIS FORM 22 IF BID DOES NOT CONTAIN CONFIDENTIAL INFORMATION. COMPLETE PART 2 OF THIS FORM 22 IF THE BID DOES CONTAIN CONFIDENTIAL INFORMATION.

1. Confidential Treatment Is Not Requested

A Bidder not requesting confidential treatment of information contained in its Bid shall complete Part 1 of Form 22 and submit a signed Form 22 Part 1 with the Bid.

2. Confidential Treatment of Information is Requested

A Bidder requesting confidential treatment of specific information shall: (1) fully complete and sign Part 2 of Form 22, (2) conspicuously mark the outside of its Bid as containing confidential information, (3) mark each page upon which the Bidder believes confidential information appears **and CLEARLY IDENTIFY EACH ITEM for which confidential treatment is requested; MARKING A PAGE IN THE PAGE MARGIN IS NOT SUFFICIENT IDENTIFICATION**, and (4) submit a “Public Copy” from which the confidential information has been excised.

Form 22 will not be considered fully complete unless, for each confidentiality request, the Bidder: (1) enumerates the specific grounds in Iowa Code Chapter 22 or other applicable law that supports treatment of the information as confidential, (2) justifies why the information should be maintained in confidence, (3) explains why disclosure of the information would not be in the best interest of the public, and (4) sets forth the name, address, telephone, and e-mail for the person authorized by Bidder to respond to inquiries by the Agency concerning the confidential status of such information.

The Public Copy from which confidential information has been excised is in addition to the number of copies requested in Section 3 of this RFP. The confidential information must be excised in such a way as to allow the public to determine the general nature of the information removed and to retain as much of the Bid as possible.

Failure to request information be treated as confidential as specified herein shall relieve Agency and State personnel from any responsibility for maintaining the information in confidence. Bidders may not request confidential treatment with respect to pricing information and transmittal letters. A Bidder’s request for confidentiality that does not comply with this form or a Bidder’s request for confidentiality on information or material that cannot be held in confidence as set forth herein are grounds for rejecting the Bid as non-responsive. Requests to maintain an entire Bid as confidential will be rejected as non-responsive.

If Agency receives a request for information that Bidder has marked as confidential and if a judicial or administrative proceeding is initiated to compel the release of such information, Bidder shall, at its sole expense, appear in such action and defend its request for confidentiality. If Bidder fails to do so, Agency may release the information or material with or without providing advance notice to Bidder and with or without affording Bidder the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction. Additionally, if Bidder fails to comply with the request process set forth herein, if Bidder’s request for confidentiality is unreasonable, or if Bidder rescinds its request for confidential treatment, Agency may release such information or material with or without providing advance notice to Bidder and with or without affording Bidder the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction.

Part 1 – No Confidential Information Provided

Confidential Treatment Is Not Requested

Bidder acknowledges that bid response contains no confidential, secret, privileged, or proprietary information. There is no request for confidential treatment of information contained in this bid response.

This Form must be signed by the individual who signed the Bid. The Bidder shall place this Form completed and signed in its Bid.

****Fill in and sign the following if you have provided no confidential information. If signing this Part 1, do not complete Part 2.***

<u>Tetra Tech, Inc.</u>	<u>RFB0721005006</u>	<u>Funding and Accounting Management Services</u>
Company	RFB Number	RFB Title
	<u>Business Unit President</u>	<u>May 12, 2021</u>
Signature (required)	Title	Date

(Proceed to the next page only if Confidential Treatment is requested.)

Part 2 - Confidential Treatment is Requested

The below information is to be completed and signed ONLY if Bidder is requesting confidential treatment of any information submitted in its Bid.

NOTE:

- **Completion of this Form is the sole means of requesting confidential treatment.**
- **A BIDDER MAY NOT REQUEST PRICING FOR BIDS BE HELD IN CONFIDENCE.**

Completion of the Form and Agency's acceptance of Bidder's submission does not guarantee the agency will grant Bidder's request for confidentiality. The Agency may reject Bid entirely in the event Bidder requests confidentiality and does not submit a fully completed Form or requests confidentiality for portions of its Bid that are improper under the RFB.

Please provide the information in the table below. Bidder may add additional lines if necessary or add additional pages using the same format as the table below.

RFB Section :	Bidder must cite the specific grounds in <i>Iowa Code Chapter 22</i> or other applicable law which supports treatment of the information as confidential.	Bidder must justify why the information should be kept in confidence.	Bidder must explain why disclosure of the information would not be in the best interest of the public.	Bidder must provide the name, address, telephone, and email for the person at Bidder's organization authorized to respond to inquiries by the Agency concerning the status of confidential information.

This Form must be signed by the individual who signed the Bid. The Bidder shall place this Form completed and signed in its Bid immediately following the transmittal letter. A copy of this document shall be placed in all Bids submitted including the Public Copy.

****If confidentiality is requested, failure to provide the information required on this Form may result in rejection of Bidder's submittal to request confidentiality or rejection of the Bid as being non-responsive.***

****Please note that this Form is to be completed and signed only if you are submitting a request for confidential treatment of any information submitted in your Bid. If signing this Part 2, do not complete Part 1.***

Company

RFB Number

RFB Title

Signature (required)

Title

Date

1.29 Attachments

1.29 Attachments

1.29.1 Bidder Experience

Our team has more than 20 years of responding to disasters and managing federally funded grant programs. With the Tetra Tech team, **the State gains an expert partner in funding and accounting management services.**

The Tetra Tech, Inc. (Tetra Tech) team is deeply qualified to provide funding and accounting management support to our clients, with specialized expertise in federal grant management and proven performance in helping state and local governments respond to and recover from nearly every major emergency response in the United States within the past 25 years. Together, the Tetra Tech team offers the State unmatched experience and expertise in managing federally-funded recovery programs.

By leveraging Tetra Tech's expertise in disaster recovery program management and Coastal Cloud's streamlined, scalable and responsive grant management technology suite, **the State benefits from proven operating procedures and reliable technology solutions to administer compliant, efficient, and fast-paced grant programs.**

Tetra Tech helps communities recover from disasters.

55 Years in Business	25 Years in Disaster Recovery	\$1.7B COVID Funds Managed	\$6B Reimbursed to Clients	300+ Clients Nationwide
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Tetra Tech is a leading provider of specialized management consulting and technical services. In short: we help communities recover from disasters. We leverage our industry-leading operating procedures, talented and specialized staff, and community relationships to help our clients administer compliant and effective disaster recovery programs. Since the start of the COVID-19 pandemic, we have assisted our clients with managing **more than \$1.7 billion in COVID-related funds to support recovery across a variety of federal funding programs including Federal Emergency Management Agency (FEMA) Public Assistance, U.S. Treasury governed Emergency Rental Assistance, as well as unique Coronavirus Relief Fund recipient-specific programs.**

Tetra Tech is one of the premier firms in the nation within the field of disaster management, with contracts in such diverse areas as disaster recovery; community resilience; grant management; and emergency management, planning, and preparedness. Our core principles form the underpinning of how we work together to serve our clients:

- **Service:** Tetra Tech puts its clients first. We listen to understand our clients' needs and deliver smart, cost-effective solutions that meet those needs.
- **Value:** Tetra Tech takes on our clients' problems as if they were our own. We develop and implement real-world solutions that are cost-effective, efficient, and practical.
- **Excellence:** Tetra Tech brings superior technical capability, disciplined project management, and excellence in safety and quality to all of our work.
- **Opportunity:** We empower an inclusive and diverse workforce that includes leading experts in disaster recovery, funds management, compliance and risk control. Our entrepreneurial nature and commitment to success provide challenges and opportunities for all of our associates.

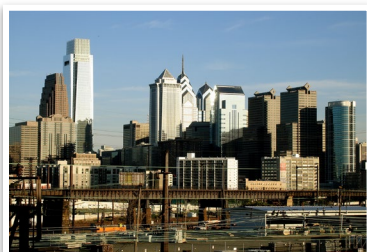


The Tetra Tech team's primary mission will be to aid the State with eligibility, administration, and compliance issues surrounding CARES Act allocations and other federal grant funding programs. Our team has direct experience with the following grant programs:

- U.S. Treasury Emergency Rental Assistance (ERA)
- Coronavirus Relief Fund (CFR)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- HUD CDBG-CV
- HUD CDBG-DR
- FEMA PA Program (including Section 406 mitigation and Section 428 alternative procedures program)
- FEMA Hazard Mitigation Grant Program (HMGP) (Section 404 mitigation)
- FEMA Flood Mitigation Assistance Program (FMA)
- Pre-Disaster Mitigation (PDM)
- FHWA-ER Program
- FHWA Transportation Investment Generating Economic Recovery Grant
- Natural Resources Conservation Service (NRCS) Emergency Watershed Protection

Management of Administrative & Financial Functions of Large-Scale Disasters

For large, multi-agency and multi-grant funded programs, the Tetra Tech team develops recovery project spending projections and maintains an overarching expenditure dashboard to establish a basis to monitor expenditures and establish cost controls. These actions work toward mitigating the risk of unanticipated shortfalls in cash flow, provide a method for allocating grant expenditures, and can forecast potential grant award amounts. In addition, we have assisted our clients with financial controls for requests for reimbursement and state audits as well as Office of Inspector General (OIG) capacity audits.



City of Philadelphia, PA COVID-19 Administration & Financial Support

Our team has been supporting the City of Philadelphia's Finance Department and Managing Director's Office (MDO) with managing \$276M in Treasury CRF administrative and financial activities. This includes development of the action plan, analysis of grant fund assignment, submission of the CRF Interim Report, and documentation collection program design and execution. Our team is currently supporting 66 departments with COVID-19 related expenditures document historical and forecast future costs that may be paid through CRF, FEMA PA, or HHS/CDC funding sources.



State of Vermont Hurricane Irene Technical Assistance

In 2011 through 2013, the Tetra Tech team worked closely with Vermont's Disaster Recovery and Governor's Office staff for the disbursement of **\$232M+** to subgrantees throughout the State for recovery and mitigation.



Multiple California Communities Duplication of Benefits Calculations

Tetra Tech has been retained by multiple communities across California following a series of wildfires from 2016 - 2019 for duplication of benefits calculations for insurance proceeds. The scope of work included the recapture of private insurance proceeds received by homeowners related to fire-generated debris removal costs in excess of **\$100M**.

To date, Tetra Tech has worked with our clients to receive millions of dollars in insurance proceeds that are being paid to CalOES and FEMA.

Management of Grant Portfolios with Multiple Funding Streams (\$100M+)

Our team has extensive experience assisting local and state governments with managing and documenting projects that are eligible for multiple types of federal funding, including large programs for Puerto Rico, Vermont, Texas, Virginia, and Connecticut, the City of Houston, Texas, and many other communities. These complex projects represent large mobilizations and coordination between multiple stakeholders. A few examples of such efforts are summarized below.

- **City of Houston, Texas** | \$2.3B in repairs and restoration for Harvey and \$404M in CRF
- **City of Philadelphia, PA** | \$276M in CRF funds
- **Palm Beach County, FL** | \$261M in CRF funds
- **Brevard County, FL** | \$105M in CRF Funds
- **Commonwealth of Puerto Rico** | \$5.6B in Federal Funds Awarded after 2 major disasters
- **State of Missouri** | Supporting FEMA PA Program for 10 years over 14 disasters totaling \$756M
- **State of Connecticut** | Supported 4 disasters totaling \$150M in FEMA reimbursements
- **State of California** | Supporting the State's multi-billion dollar debris missions since 2017

Recent Grant Funding Experience

Year	Client	Event	Program	Value (\$)	Preliminary Damage Request	Develop Request for Public Assistance	Applicant Briefing	Applicant Kickoff Meeting	Site Visits/Inspections	Project Scoping	Project Cost Estimation & Documentation	PW/Application Development	Alternate/Improved/Pilot Program Projects	Project Cost Reconciliation	Interim Inspections	Funding Disbursement	Grant Closeout
2020	Houston, TX	CV19	CRF	404,000,000						■	■			■			
2020	Palm Beach County, FL	CV19	CRF	261,000,000							■						
2020	Brevard County, FL	CV19	CRF	105,000,000							■						
2020	Volusia County	CV19	CRF	96,000,000							■						
2020	Commonwealth of Massachusetts	DR-4496	PA	200,000,000							■						
2020	Harris County, TX	DR-4855	PA	200,000,000						■	■			■			
2020	Houston, TX	DR-4855	PA	50,000,000						■	■			■			
2019	Harris County, TX	DR 4332	CDBG	1,200,000,000					■	■				■	■	■	
2019	Missouri, State of	DR 4451	PA	2,947,200							■			■		■	■
2019	Missouri, State of	DR 4435	PA	5,664,229							■			■		■	■
2018	Commonwealth of Puerto Rico	DR 4339	PA	60,000,000,000					■	■	■	■	■	■			
2018	City of Callaway, FL	DR 4399	PA	50,000,000	■	■	■	■	■	■	■	■	■	■			
2018	City of Lynn Haven, FL	DR 4399	PA	50,000,000	■	■	■	■	■	■	■	■	■	■			
2018	Dougherty County, GA	DR 4400	PA	10,000,000	■	■											
2018	City of Albany, GA	DR 4400	PA	10,000,000	■	■											
2018	Ventura County, CA	DR 4353	PA	100,000,000						■	■	■		■			
2018	Commonwealth of Puerto Rico	DR 4339	PA, HMGP	60,000,000,000					■	■	■	■	■	■	■	■	■
2017	City of Houston, TX	DR 4332	PA	2,400,000,000	■	■	■	■	■	■	■	■	■	■			
2017	City of South Daytona, FL	DR 4337	PA	6,000,000			■	■	■	■	■	■	■	■			
2017	Fort Bend County, TX	DR 4332	PA	50,000,000	■	■	■	■	■	■	■	■	■	■			
2017	City of Albany, GA	DR 4294 DR 4297	PA	14,000,000	■	■	■	■	■	■	■	■	■	■			
2017	Dougherty County, GA	DR 4297	PA	12,500,000	■	■	■	■	■	■	■	■	■	■			
2016	South Daytona, FL	DR 4283	PA	1,600,000													
2016	Volusia County, FL	DR 4283	PA	28,000,000	■	■	■	■	■	■	■	■	■	■			
2016	City of Port Orange, FL	DR 4283	PA	16,000,000			■	■		■	■	■	■	■			
2016	Beaufort County, SC	DR 4284	PA	56,000,000			■	■				■		■			

Year	Client	Event	Program	Value (\$)	Preliminary Damage Request	Develop Request for Public Assistance	Applicant Briefing	Applicant Kickoff Meeting	Site Visits/Inspections	Project Scoping	Project Cost Estimation & Documentation	PW/Application Development	Alternate/Improved/Pilot Program Projects	Project Cost Reconciliation	Interim Inspections	Funding Disbursement	Grant Closeout
2015	Richland County, SC	DR 4241	PA HMGP	4,000,000 8,700,000	■	■	■	■	■	■	■	■	■	■	■	■	
2015	City of Sumter, SC	DR 4241	CDBG-DR PA, HMGP	23,500,000 13,000,000	■	■	■	■	■	■	■	■					
2015	Lexington County, SC	DR 4241	PA, HMGP	1,600,000					■	■	■	■					
2015	Dorchester County, SC	DR 4241	PA	3,500,000	■	■	■	■	■	■	■	■					
2015	Montgomery County, TX	DR 4269 DR 4272	HMGP	15,000,000					■	■	■	■					
2015	Austin County, TX	DR 4269 DR 4272	PA	4,000,000	■	■	■	■	■	■	■	■	■	■			
2015	Waller County, TX	DR 4269 DR 4272	PA	4,000,000	■	■	■	■	■	■	■	■	■	■			
2015	Ascension Parish, LA	DR 4277	PA	20,000,000	■	■	■	■	■	■	■	■	■	■			
2015	Fayette County, GA	DR 4259	PA	3,800,000	■	■	■	■	■	■	■	■	■	■			
2014	City of Napa, CA	DR 4193	PA	2,000,000	■		■	■	■	■	■	■		■			
2014 2015	City of Houston, TX	DR 4223 DR 4269 DR 4272	PA	60,000,000	■	■	■	■	■	■	■	■	■	■			
2013	Boulder County, CO	DR 4193	PA, HMGP	2,000,000			■	■				■					■
2012	New Jersey Dept, of Environmental Protection	DR 4086	PA	30,500,000	■	■	■	■	■	■	■	■	■	■			
2011	Virginia DOT	DR 4023	PA	3,000,000	■	■	■	■	■	■	■	■	■	■	■	■	■
2011	State of Vermont	DR 4022	PA, HMGP	23,000,000	■		■	■	■	■	■	■		■			
2011	State of Connecticut	DR 4023	PA	500,000	■				■	■	■						
2010	Hidalgo County, TX	DR 1931	PA	318,000	■	■	■	■	■	■	■	■	■	■	■		
2009	City of Daytona Beach, FL	DR 1840	HMGP	1,200,000	■	■			■	■	■	■	■	■	■	■	
2009	Volusia County, FL	DR 1840	PA	890,000		■			■	■	■	■	■	■	■		
2009	City of Austell, GA	DR 1858	PA	7,900,000	■	■	■	■	■	■	■	■					
2009	Clark Energy Co-op, KY	DR 1818	HMGP	500,000						■	■			■			■
2009	City of Newport News, VA	DR 1862	PA	280,000	■	■	■	■	■	■	■	■		■			
2009	City of Virginia Beach, VA	DR 1862	PA/SRL	2,000,000					■	■	■	■					
2008	City of Cocoa, FL	DR 1785	PA	200,000					■	■	■	■					
2008	City of Cocoa Beach, FL	DR 1785	PA	15,000					■	■	■	■					
2008	Leon County/ City of Tallahassee, FL	DR 1785	PA	580,000	■					■	■	■		■			
2008	St. Johns County, FL	DR 1785	PA	870,000	■					■	■			■			
2008	Plaquemines Parish, LA	DR 1786	PA	10,000	■	■						■					
2008	Ashburnham Municipal Light Plant, MA	DR 1813	PA	645,000	■		■	■	■	■	■	■		■			
2008	Paxton Light Dept., MA	DR 1813	PA	150,000	■		■	■	■	■	■	■		■			
2008	Princeton Municipal Light Department, MA	DR 1813	PA	9,300,000	■		■	■	■	■	■	■		■			
2008	Sterling Municipal Light Dept.	DR 1813	PA	3,900,000	■		■	■	■	■	■	■		■			
2008	City of Alvin, TX	DR 1791	PA	2,100,000					■	■	■	■		■	■	■	■
2008	City of Angleton, TX	DR 1791	PA	6,000,000					■	■	■	■		■	■	■	■
2008	Cameron County, TX	DR 1780	PA	27,000,000	■	■	■	■	■	■	■	■		■	■	■	■
2008	Fort Bend County, TX	DR 1791	PA	15,300,000	■	■	■	■	■	■	■	■		■	■	■	■

1.29.2 Terminations, Litigation, Debarment

Tetra Tech certifies that Tetra Tech has no current claims, arbitrations, administrative hearings, mediations and lawsuits related to grant management services; and no pending lawsuits related to grant management services; and no judgements from lawsuits related to grant management services within the last five (5) years.

In the normal course of business, Tetra Tech, Inc. is subject to certain claims and lawsuits typically filed against the engineering and consulting professions, including workers' compensation, personal injury and other similar lawsuits. Tetra Tech maintains insurance coverage for its business and operations, subject to certain deductibles and policy limits against such claims. As described in Tetra Tech's most recent quarterly and annual reports filed with the U.S. Securities and Exchange Commission, Tetra Tech believes that the resolution of any such claims will not have a material effect on its financial position or results of operations.

During the last five (5) years, has the Bidder had a contract for goods and/or services terminated for any reason? If so, provide full details related to the termination.	No
During the last five (5) years, describe any damages or penalties or settlements to resolve disputes entered into by Bidder under any of its existing or past contracts as it relates to goods and/or services performed that are similar to the goods and/or services contemplated by this RFB. If so, indicate the reason for the penalty or exchange of property, goods, or services and the estimated amount of the cost of that incident to the Bidder.	None
During the last five (5) years, describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Bidder to engage in any business, practice or activity.	None
During the last five (5) years, list and summarize all litigation or threatened litigation, administrative or regulatory proceedings, or similar matters to which the Bidder or its officers have been a party.	Tetra Tech is not currently a party to, and has not been a party to, any claim, controversy, legal dispute litigation, or other related legal matter where the basis of the claim involves the same or similar services as those referenced in this Request for Proposal.
The Bidder must also state whether it or any owners, officers, or primary partners have ever been convicted of a felony. Failure to disclose these matters may result in rejection of the Bid or termination of any subsequent Contract.	None

1.29.3 Personnel/Education

Our team brings together a unique combination of expertise from some of the largest and most complex disasters in U.S. history. Our team has in-depth knowledge of funding sources, including the CRF, CARES Act, HUD CDBG, FEMA PA and Individual Assistance (IA) Programs, HMGP, and many others.

Tetra Tech technical advisors have worked with, and in some cases, have served as employees of the federal funding agencies that will be providing federal grant support. The individuals selected for this project have national expertise from having worked on most of the major disasters in the past decade. As a result, our staff has an in-depth understanding of how disaster response and recovery works.

The State also benefits from the resources gained through partnership with a global engineering firm. We have reviewed the ARPA and understand that, in addition to addressing the specific impacts of COVID-19 on our communities, private industry, and essential workers, more forward leaning programs such as addressing necessary improvements to waste and storm water systems are also allowed. As an example of the range of Tetra Tech's reach, we can also leverage experts in not only traditional grant-focused programs with support of our disaster recovery unit, but we can also bring experts to advise the State on the development of underlying, federally funded infrastructure projects.

At the end of this section, Tetra Tech has provided resumes for key personnel who are available to support the State.

1.29.4 Bidder References

Similar to the services being requested by the State, our team has **successfully assisted over 300 clients** with recovering from the damaging effects of the COVID-19 pandemic, hurricanes, tornadoes, floods, and ice storms across the country. We are **trusted partners** to our clients; helping them identify, implement and manage programs that help their unique communities recover from events stronger than they were before the disaster.

Our efforts have allowed our clients to maintain their focus on continuing daily operations while relying on us to oversee the management of federal funds in compliance with funding agency guidelines and reimbursement or funding procedures. The following projects are a representative sample of our experience and accomplishments in performing services that are similar in scope, complexity, and magnitude to the services requested by the State.

City of Philadelphia, Pennsylvania



The City of Philadelphia directly received \$276,406,952 from the CARES Act, as well as supplemental funding through the FEMA Public Assistance Program of approximately \$50M, and additional programs such as HHS Provider Relief Fund and the HUD CDBG-COVID-19 Program.

Tetra Tech is offering support and providing consulting services to the City in response to this emergency regarding current and future available funding and cost recovery sources from state and federal agencies. Tetra Tech is supporting the City of Philadelphia's Recovery Team by:

- Reconciling Labor Records and Contract supporting documentation;
- Reviewing investment justifications and Scopes of Work for projects requested by City of Philadelphia departments for inclusion in the COVID-19 Spend Plan;
- Recommending the likelihood of eligibility for requested expenditure(s) by project under the CRF;
- Identifying preferable Grant/Fund sources to pursue based on overall spend plan funding capacity as well as priorities of the City to include alternative viable known cost recovery options outside of the CRF (ex. FEMA PA, CDC Provider Relief Fund, etc.); and
- Reviewing the criteria matrix used to support the City's existing criteria and priorities of projects in order to finalize the Spend plan.

Tetra Tech is also providing procurement support to the City for active and future COVID-19 related procurements by reviewing applicable documentation for compliance with Federal, State, and Local requirements specific to the Grant/ Fund selected for the project. Additionally, Tetra tech is providing ongoing compliance monitoring and documentation collection as well as audit support and data reconciliation. To date, the City has received upwards of \$600 million in COVID relief funds in total.

CLIENT

City of Philadelphia

LOCATION

Pennsylvania

DURATION

June 2020 – Ongoing

COST

\$5.9 Million

REFERENCE

Sarah de Wolf, Recovery Officer
and Deputy Finance Director
City of Philadelphia, PA
13th Floor MSB, 1401 JFK
Philadelphia, PA 19103
(215) 686-6143
sarah.dewolf@phila.gov

Harris County, Texas



Hurricane Harvey

Following Hurricane Harvey in 2017, Harris County, Texas received 2 tranches of funds for long term housing and infrastructure programs within the community of over \$1.2 billion. This allocation was 10 times the allocation the County received following Hurricane Ike in 2008. The County was responsible for developing an action plan, policies and procedures, and management of its own disaster recovery program to deliver the following programs:

- Homeowner Reimbursement: \$25 million
- Homeowner Repair or Reconstruction: \$270 million
- Residential Buyout: \$217 million
- Commercial Buyout: \$12 million
- Affordable Rental Program: \$224 million
- Single Family New Construction: \$119 million
- Infrastructure: \$196 million

Tetra Tech was retained by Harris County to rapidly assist with program redesign and implementation for the County's \$1.2B CDBG-DR allocation. The program began intake in April 2019 but had limited results and Tetra Tech was contracted in October 2019 to serve as overall program manager to improve program performance.

Our contract with Harris County includes the following scope to assist the County with delivering its \$1.2 billion program:

1. **Program Conceptualization, Planning and Development** to include program design, assistance with programmatic waivers, assist with public outreach and program marketing efforts, technical assistance associated with programmatic elements
2. **Overall Program Administration, Program Management, Oversight and Regulatory Compliance** to include coordination with County staff and contractors for outreach, intake, case management and damage assessment/cost estimating, inspections and construction activities, staff augmentation for eligibility reviews, designing and implementing internal controls, conducting risk assessments to mitigate programmatic risks, and providing subject matter expertise for program implementation.
3. **Financial Assistance** to include the formulation of processes to confirm federal funds have been accounted for in accordance with grant requirements and assist with the audits and monitoring.

Our team consists of some of the most seasoned CDBG-DR professionals in the industry who are working 6 days per week to ensure that the program goals are met. Our team's involvement has led to a substantial increase in applications submitted to the GLO.

CLIENT

Harris County

LOCATION

Texas

DURATION

October 2019 – Ongoing

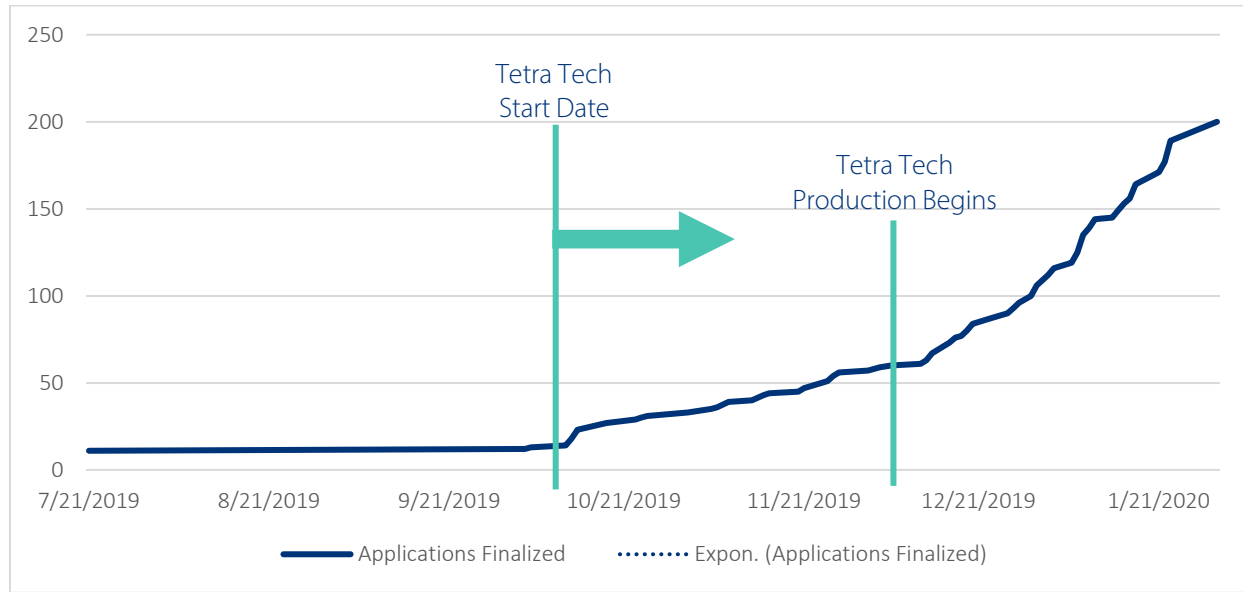
COST

\$29.5 Million

REFERENCE

Shain Carrizal
Sr. Director, Human Resources & Risk
Management
1310 Prairie, Suite 200
Houston, TX 77002
T. 713-274-5525
shain.carrizal@bmd.hctx.net

Immediate Impact of Tetra Tech Support



COVID-19 Medical Shelter

In response to the COVID-19 pandemic, Harris County engaged Tetra Tech in late March 2020 to assist in the FEMA Public Assistance funded recovery effort. The County is home to over 4.5 million people and is the third most populous county in the United States. The potential for impact from COVID-19 was projected to possibly overwhelm local hospital systems and medical facilities.

In the first days of the disaster, Tetra Tech mobilized a team to assist County leadership in program management. The initial response included assisting in the procurement compliance and pre-approval request for a non-congregate medical shelter with the ability to scale up to 1,750 beds. Tetra Tech worked with various county departments, the State of Texas, and FEMA to secure pre-approval for the sheltering operation. Additionally, Tetra Tech developed the expedited Project Worksheet for sheltering operations and received the only non-state level expedited funding in Texas for COVID-19.

As the County moves to the recovery stage and reopens the economy, Tetra Tech is developing new processes and procedures for tracking labor, materials, and equipment usage related to COVID-19. In addition to the large sheltering operation, the County also operates two other shelters, one for First Responders and another for Homeless residents. Tetra Tech drafted the pre-approval letters for each shelter as well as the subsequent extension letters.

To recover over \$50 million in purchases for PPE, disinfectant, and other supplies to respond and recover from the COVID-19 pandemic, Tetra Tech reviewed each purchase order for eligibility, compliance with federal procurement guidance listed in 2 C.F.R. 200, and drafted independent cost estimates as necessary for large purchases. Tetra Tech continues to review each incoming invoice to maximize the County's financial recovery.

Harris County enlisted a team of nearly 400 new employees to run the County's Contact Tracing efforts. With Tetra Tech's guidance, the temporary labor and other associated costs were captured. Furthermore, by capturing volunteer hours and donations, the County will be able to offset at least part of the local fund match requirement for Public Assistance.

Tetra Tech continues to navigate Harris County through this new and frequently changing landscape of the COVID-19 Pandemic. As each new policy, process, and guideline is released by FEMA and the State, Tetra Tech is there to share and interpret the unique changes for this event. As partners, Harris County and Tetra Tech are expediting and maximizing the recovery process.

Richland County, South Carolina



Tetra Tech was selected by Richland County under an emergency contract to provide comprehensive disaster recovery services in response to the 1,000-year flood disaster of October 1-5, 2015, which caused extensive damage throughout Richland County and surrounding communities.

This disaster brought monumental flooding to an area that was previously a safe, dry community in the South. As a result of this catastrophe, many homeowners and business owners were left with properties deemed worthless, or substantially damaged, and no clear solution in sight. Tetra Tech assisted the County immediately after the flood to perform a comprehensive needs assessment of the County followed by a strategic analysis of available grant funds to support the County's recovery efforts.

After evaluating the devastation in their community, Richland County made the conscientious decision to apply for FEMA's Hazard Mitigation Grant Program (HMGP) and after pre-applications were submitted for the County, Tetra Tech assisted the County in submitting more than eleven applications, worth 14.7 million dollars to the South Carolina Emergency Management Department (SCEMD). Tetra Tech assisted the County in Application Development, Request for Information review and responses and project implementation. This included the submission and implementation of over 76 substantially damaged homes, businesses and properties for voluntary buyout, as well as an additional 9 properties that were not substantially damaged but were in harm's way for future flooding.

After assisting the County with property intake, Tetra Tech took the lead in establishing a network of communication for property owners to correspond with the program, including establishing full time case managers, a hotline phone number and email address, and a real time RecoveryTrac™ system to document incoming phone calls and correspondence for each property owner. RecoveryTrac™ system was utilized to share documentation and information across multiple disciplines and provide key document storage for property owner documentation, legal closing information, as well as demolition inspection correspondence.

There were significant challenges involved with the acquisition of these properties, including desolate property locations, establishing a fair and balanced appraisal appeal process, and assisting the property owners in finding and retrieving necessary documentation to review and prevent any possible Duplication of Benefits. Due to the nature of the disaster, and the timing that it took for the grants to be awarded through the State and Federal review, many property owners had relocated and misplaced paperwork. Due to Richland County's demographics as a low- to moderate income area, it was essential that the property owners recovered as much funding as possible, so it took the patience and dedication of the Tetra Tech case managers to work with the property owners one on one in order to complete the necessary paperwork for the acquisitions throughout the process. One of the key areas of focus was the acquisition of a 21--home multi-family townhome, where the properties were connected. Tetra Tech successfully managed the acquisition of 19 of those townhomes, and assisting those property owners, which were all displaced, as the townhomes were condemned.

Tetra Tech has assisted the County in successfully purchasing 66 of the properties that were submitted for funding under HMGP and is in the process of closing out all of the acquisition projects with SCEMD.

CLIENT

Richland County

LOCATION

South Carolina

DURATION

October 2015 – Ongoing

COST

\$7.1 Million

REFERENCE

Mike King, Assistant Director
3216 Broad River Road
Columbia, SC 29210
Phone: (803) 731-8362
Fax: (803) 748-5055
kingm@rcgov.us

The full list of services provided by Tetra Tech to the County included the following:

1. **FEMA HMGP Grant Application Services:** Tetra Tech has provided services to the County to develop the County's HMGP full-applications to the State and to FEMA.
2. **FEMA HMGP Grant Implementation Services:** Tetra Tech is providing services to the County to implement the County's HMGP Programs including all aspects of grant and property owner management, as well as demolition monitoring, HMGP grant compliance and closeout.
3. **FEMA Public Assistance (PA) Reimbursement Support:** Tetra Tech assisted the County, City of Forest Acres, and County School Districts in preparation of their documentation for FEMA reimbursement.
4. **Preparation of Road Repair Procurement Packages:** Tetra Tech assisted the County's Department of Public Works prepare quantities and cost estimates to repair over 270 roads and bridges Countywide.
5. **Management of Countywide Well Testing and Disinfection Program:** Tetra Tech provided overarching management of a comprehensive well testing and disinfection program.
6. **Performance of Outstanding Need Assessment:** Tetra Tech completed a needs assessment study to identify any outstanding post-disaster unmet needs of the citizens of Richland County.
7. **Disaster Debris Monitoring:** Tetra Tech monitored the County disaster debris drop-off locations and SCDOT debris collection vehicles removing debris from County public rights of way to ensure the County was properly charged for the SCDOT services provided.
8. **FEMA, NRCS and State Meetings:** Tetra Tech participated in meetings with FEMA and the State including the Applicant Briefing, FEMA Kick-Off Meeting and FEMA Advanced Evaluation Team to identify the long term recovery needs of the County and funding sources available to Richland County to fund the County's long term recovery needs.
9. **Long Term Recovery Funding and Strategy Development:** Tetra Tech has assisted the County in identifying long term disaster funding sources to assist fund the County's recovery efforts and develop a strategy to help maximize the amount of funds the County could realize through a comprehensive recovery strategic plan.
10. **County Council Long Term Recovery Workshop Facilitation:** Tetra Tech has worked with the County to facilitate a County Council workshop to brief the Council on the status of the recovery effort and long term recovery path forward.
11. **Consulting Services to the County Recovery Manager:** Tetra Tech provide to the County a full-time staff member to act as the Assistant Local Disaster Recovery Manager. His role was to advise and mentor the County Recovery Manager, to help the region's VOADs establish a Long Term Recovery Group, and to assist in coordinating all County recovery efforts with other local and State jurisdictions and agencies.
12. **Community Development Block Grant – Disaster Recovery Services:** Tetra Tech has assisted the County in first winning a direct CDBG-DR allocation from HUD and then facilitating the process for the County to develop the implementation plan and action plan for their CDBG-DR program. Tetra Tech subsequently helped the County submit substantial and minor amendments to the action plan for their CDBG-DR program.
13. **Community Development Block Grant – Disaster Recovery Implementation:** Tetra Tech has provided services to oversee and manage the implementation of the CDBG-DR action plan to include single family home repairs, mobile home replacements, small rental rehabilitation, public infrastructure project support, and HMGP buyout local match for residential and non-residential buyouts of 79 properties.

These services included extensive support to Housing, Infrastructure and Economic Development Programs. Tetra Tech staff members worked full-time at the County to implement the CDBG-DR case management and construction oversight as well CDBG-DR program management. Case managers worked directly with residents of the County to compile their applications for the housing programs. Tetra Tech cost estimators/inspectors completed all Housing Program scope of repairs and cost estimates using Xactimate software. Throughout the rehabilitation of the homes, cost estimators/inspectors provided construction supervision and all necessary inspections for both HUD and local building code compliance.

14. **COVID-19 Consulting Services:** Tetra Tech is assisting with disaster recovery services related to COVID-19, including chairing the Richland County's COVID Small Business Grant Fund Selection Committee, assisting the County apply for CARES Act Funding and facilitating the development of the COVID-10 Interim Recovery Plan. Tetra Tech is also assisting with the establishment and operation of a non-congregate shelter; assisting with Public Assistance data collection and project worksheet development; and with applying for other funding sources that may be available.

1.29.5 Financial Information

Tetra Tech has provided financial statements for the last 3 years in the following pages.

Financial References

Banking References

Wells Fargo Bank

100 Lakes Drive, Suite 250
West Covina CA 91790
Telephone 626-919-6602

BMO Bank of Montreal

Treasury Mgt, Corporate Finance Division
First Canadian Place
100 King Street West, 11th Floor
Toronto, ON M5X 1A1
Tel: 416-643-4398
Fax: 416-867-3119
Contact : Sue Dawson

Trade References

Field Environmental Instruments

301 Brushton Ave, Suite A
Pittsburgh PA 15221
PH:412-436-2600
FX:412-436-2616 Attn: Acct

Emax Laboratories

1835 W 205th Street
Torrance, CA 90501-1510
Phone 310-618-8889
info@emaxlabs.com
Attn: Shigemi A/R

Donlen Corporation

2315 Sanders Rd
Northbrook, IL 60062
Tel: 847-412-5215
Fax 847-714-1002
Fax Request Attn: AR

ALPHA ANALYTICAL INC

145 Flanders Rd
Westborough MA 01581
Send Requests via email to:
AR@alphalab.com Att: Nellie

BC Laboratories Inc.

4100 Atlas Court
Bakersfield CA 93308
Phone: 661-327-4911
Fax: 661-327-1918 (General)
Billing 661-861-8675 Attn, Accounting

Financial Documentation

**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

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

For the Transition Period from _____ to _____

Commission File Number 0-19655

TETRA TECH, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

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

3475 East Foothill Boulevard, Pasadena, California 91107
(Address of principal executive offices) (Zip Code)

(626) 351-4664
(Registrant's telephone number, including area code)

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

Common Stock, \$.01 par value
(Title of class)

The NASDAQ Stock Market LLC
(Name of exchange)

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ 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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ 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, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "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 the registrant's common stock held by non-affiliates on April 1, 2018, was \$2.6 billion (based upon the closing price of a share of registrant's common stock as reported by the Nasdaq National Market on that date).

On November 1, 2018, 55,356,389 shares of the registrant's common stock were outstanding.

DOCUMENT INCORPORATED BY REFERENCE

Portions of registrant's Proxy Statement for its 2019 Annual Meeting of Stockholders are incorporated by reference in Part III of this report where indicated.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Tetra Tech, Inc.

Opinions on the Financial Statements and Internal Controls over Financial Reporting

We have audited the accompanying consolidated balance sheets of Tetra Tech, Inc. and its subsidiaries as of September 30, 2018 and October 1, 2017, and the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended September 30, 2018, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of September 30, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of the Company as of September 30, 2018 and October 1, 2017, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2018 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, the effective internal control over financial reporting as of September 30, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting, appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, and well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (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. 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/ PRICEWATERHOUSECOOPERS LLP

Los Angeles, California
November 16, 2018

We have served as the Company's auditor since 2004.

TETRA TECH, INC.
Consolidated Balance Sheets
(in thousands, except par value)

ASSETS	September 30, 2018	October 1, 2017
Current assets:		
Cash and cash equivalents	\$ 146,185	\$ 189,975
Accounts receivable – net	837,103	788,767
Prepaid expenses and other current assets	56,003	49,969
Income taxes receivable	11,089	13,312
Total current assets	1,050,380	1,042,023
Property and equipment – net	43,278	56,835
Investments in unconsolidated joint ventures	3,370	2,700
Goodwill	798,820	740,886
Intangible assets – net	16,123	26,688
Deferred income taxes	8,607	1,763
Other long-term assets	38,843	31,850
Total assets	\$ 1,959,421	\$ 1,902,745
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 160,222	\$ 177,638
Accrued compensation	180,153	143,408
Billings in excess of costs on uncompleted contracts	143,270	117,499
Current portion of long-term debt	12,599	15,588
Current contingent earn-out liabilities	13,633	2,024
Other current liabilities	108,216	81,511
Total current liabilities	618,093	537,668
Deferred income taxes	30,166	43,781
Long-term debt	264,712	341,283
Long-term contingent earn-out liabilities	21,657	414
Other long-term liabilities	57,693	50,975
Commitments and contingencies (Note 17)		
Equity:		
Preferred stock – Authorized, 2,000 shares of \$0.01 par value; no shares issued and outstanding at September 30, 2018 and October 1, 2017	—	—
Common stock – Authorized, 150,000 shares of \$0.01 par value; issued and outstanding, 55,349 and 55,873 shares at September 30, 2018 and October 1, 2017, respectively	553	559
Additional paid-in capital	148,803	193,835
Accumulated other comprehensive loss	(127,350)	(98,500)
Retained earnings	944,965	832,559
Tetra Tech stockholders' equity	966,971	928,453
Noncontrolling interests	129	171
Total stockholders' equity	967,100	928,624
Total liabilities and stockholders' equity	\$ 1,959,421	\$ 1,902,745

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
Consolidated Statements of Income
(in thousands, except per share data)

	Fiscal Year Ended		
	September 30, 2018	October 1, 2017	October 2, 2016
Revenue	\$ 2,964,148	\$ 2,753,360	\$ 2,583,469
Subcontractor costs	(763,414)	(719,350)	(654,264)
Other costs of revenue	(1,816,276)	(1,680,372)	(1,598,994)
Gross profit	384,458	353,638	330,211
Selling, general and administrative expenses	(190,120)	(177,219)	(171,985)
Acquisition and integration expenses	—	—	(19,548)
Contingent consideration – fair value adjustments	(4,252)	6,923	(2,823)
Income from operations	190,086	183,342	135,855
Interest income	1,824	729	996
Interest expense	(17,348)	(12,310)	(12,385)
Income before income tax expense	174,562	171,761	124,466
Income tax expense	(37,605)	(53,844)	(40,613)
Net income	136,957	117,917	83,853
Net income attributable to noncontrolling interests	(74)	(43)	(70)
Net income attributable to Tetra Tech	\$ 136,883	\$ 117,874	\$ 83,783
Earnings per share attributable to Tetra Tech:			
Basic	\$ 2.46	\$ 2.07	\$ 1.44
Diluted	\$ 2.42	\$ 2.04	\$ 1.42
Weighted-average common shares outstanding:			
Basic	55,670	56,911	58,186
Diluted	56,598	57,913	58,966
Cash dividends paid per share	\$ 0.44	\$ 0.38	\$ 0.34

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended		
	September 30, 2018	October 1, 2017	October 2, 2016
Cash flows from operating activities:			
Net income	\$ 136,957	\$ 117,917	\$ 83,853
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	38,636	45,756	45,588
Equity in income of unconsolidated joint ventures, net of distributions	(568)	(647)	1,144
Non-cash stock compensation	19,582	13,450	12,964
Excess tax benefits from stock-based compensation	—	—	(918)
Deferred income taxes	(29,360)	(9,957)	6,051
Provision for doubtful accounts	7,167	2,847	8,082
Fair value adjustments to contingent consideration	4,252	(6,923)	2,823
Lease termination costs and related asset impairment	—	—	2,946
Loss (gain) on sale of assets and divested business	1,045	(103)	(537)
Changes in operating assets and liabilities, net of effects of business acquisitions and divestitures:			
Accounts receivable	(46,273)	(64,781)	9,062
Prepaid expenses and other assets	(12,638)	(8,317)	3,720
Accounts payable	(16,032)	18,597	(3,002)
Accrued compensation	27,492	13,413	8,434
Billings in excess of costs on uncompleted contracts	15,228	28,298	(13,874)
Other liabilities	16,127	2,167	(19,321)
Income taxes receivable/payable	17,596	(13,725)	(4,995)
Cash settled contingent earn-out liability	(2,349)	—	—
Net cash provided by operating activities	176,862	137,992	142,020
Cash flows from investing activities:			
Capital expenditures	(9,726)	(9,741)	(11,945)
Payments for business acquisitions, net of cash acquired	(68,256)	(8,039)	(81,259)
Changes in restricted cash	—	—	(2,519)
Investments in unconsolidated joint ventures	—	(85)	(1,368)
Proceeds from sale of assets and divested business, net	35,348	905	3,076
Net cash used in investing activities	(42,634)	(16,960)	(94,015)
Cash flows from financing activities:			
Payments on long-term debt	(485,946)	(233,889)	(148,887)
Proceeds from borrowings	401,965	243,553	229,049
Payments of contingent earn-out liabilities	(1,412)	(1,319)	(3,251)
Debt pre-payment costs	(1,737)	—	(1,935)
Excess tax benefits from stock-based compensation	—	—	918
Repurchases of common stock	(75,000)	(100,000)	(99,500)
Net proceeds from issuance of common stock	13,520	18,555	17,953
Dividends paid	(24,477)	(21,672)	(19,735)
Net cash used in financing activities	(173,087)	(94,772)	(25,388)
Effect of exchange rate changes on cash	(4,931)	3,256	2,516
Net increase (decrease) in cash and cash equivalents	(43,790)	29,516	25,133
Cash and cash equivalents at beginning of year	189,975	160,459	135,326
Cash and cash equivalents at end of year	\$ 146,185	\$ 189,975	\$ 160,459
Supplemental information:			
Cash paid during the year for:			
Interest	\$ 15,570	\$ 11,504	\$ 12,575
Income taxes, net of refunds received of \$2.5 million, \$2.1 million and \$3.2 million	\$ 49,842	\$ 72,578	\$ 35,273

See accompanying Notes to Consolidated Financial Statements.

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 29, 2019

☐

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

For the Transition Period from _____ to _____

Commission File Number 0-19655

TETRA TECH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-4148514

(I.R.S. Employer Identification No.)

3475 East Foothill Boulevard, Pasadena, California 91107

(Address of principal executive offices) (Zip Code)

(626) 351-4664

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	TTEK	The NASDAQ Stock Market LLC

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

None

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "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 the registrant's common stock held by non-affiliates on March 31, 2019, was \$3.2 billion (based upon the closing price of a share of registrant's common stock as reported by the Nasdaq National Market on that date).

On November 25, 2019, 54,587,819 shares of the registrant's common stock were outstanding.

DOCUMENT INCORPORATED BY REFERENCE

Portions of registrant's Proxy Statement for its 2020 Annual Meeting of Stockholders are incorporated by reference in Part III of this report where indicated.

Item 8. Financial Statements and Supplementary Data

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	<u>57</u>
<u>Consolidated Balance Sheets at September 29, 2019 and September 30, 2018</u>	<u>60</u>
<u>Consolidated Statements of Income for the fiscal years ended September 29, 2019, September 30, 2018 and October 1, 2017</u>	<u>61</u>
<u>Consolidated Statements of Comprehensive Income for the fiscal years ended September 29, 2019, September 30, 2018 and October 1, 2017</u>	<u>62</u>
<u>Consolidated Statements of Equity for the fiscal years ended September 29, 2019, September 30, 2018 and October 1, 2017</u>	<u>63</u>
<u>Consolidated Statements of Cash Flows for the fiscal years ended September 29, 2019, September 30, 2018 and October 1, 2017</u>	<u>64</u>
<u>Notes to Consolidated Financial Statements</u>	<u>65</u>
<u>Schedule II – Valuation and Qualifying Accounts and Reserves for the fiscal years ended September 29, 2019, September 30, 2018 and October 1, 2017</u>	<u>98</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Tetra Tech, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Tetra Tech, Inc. and its subsidiaries (the “Company”) as of September 29, 2019 and September 30, 2018, and the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended September 29, 2019, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of September 29, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 29, 2019 and September 30, 2018, and the results of its operations and its cash flows for each of the three years in the period ended September 29, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 29, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded WYG plc (WYG) from its assessment of internal control over financial reporting as of September 29, 2019, because it was acquired by the Company in a purchase business combination during 2019. We have also excluded WYG from our audit of internal control over financial reporting. WYG is a wholly-owned subsidiary whose total assets and total revenue excluded from management's assessment and our audit of internal control over financial reporting represent approximately 3% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended September 29, 2019.

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 (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. 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) 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 - determination of total estimated contract cost for fixed-price contracts

As described in Note 3 to the consolidated financial statements, the Company's services are performed under three principal types of contracts: fixed-price, time-and-materials and cost-plus. Under fixed-price contracts, which account for approximately 34% of the Company's total consolidated revenue, the Company's clients pay an agreed fixed-amount negotiated in advance for a specified scope of work. Revenue on fixed-price contracts is recognized over time as the related performance obligation is satisfied by transferring control of a promised good or service to the Company's customers. Progress toward complete satisfaction of the performance obligation is primarily measured using a cost-to-cost measure of progress method. The cost input is based primarily on contract cost incurred to date compared to total estimated contract cost. As disclosed by management, this measure includes forecasts based on the best information available and reflects the judgment to faithfully depict the value of the services transferred to the customer. Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised in the near-term. For those performance obligations for which revenue is recognized using a cost-to-cost measure of progress method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs for a performance obligation indicates a loss, a provision for the entire estimated loss on the contract is made in the period in which the loss becomes evident.

The principal considerations for our determination that performing procedures relating to revenue recognition - determination of total estimated contract cost for fixed-price contracts is a critical audit matter are there was a significant amount of judgment required by management in determining the total estimated contract cost for fixed-price contracts which, in turn, led to a high degree of auditor judgment, subjectivity and audit effort in performing our procedures to evaluate the total estimated contract costs for fixed-price contracts and the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of total estimated contract cost for fixed-price contracts. These procedures also included, among others, (i) evaluating and testing management's process for determining the total estimated contract cost for a sample of contracts, which included review of contracts and other documents that support those estimates, and testing of underlying contract costs; (ii) assessing management's ability to reasonably estimate total contract cost by performing a comparison of the actual total estimated contract cost as compared with prior period estimates, including evaluating the timely identification of circumstances that may warrant a modification to the total estimated contract cost and (iii) evaluating management's methodologies and assessing the consistency of management's approach over the life of the contract.

Goodwill impairment assessment - Remediation and Field Services reporting unit

As described in Notes 2 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was \$924.8 million as of September 29, 2019, and the goodwill associated with the Remediation and Field Services (RFS) reporting unit was \$48.8 million. Management performs an annual goodwill impairment review at the beginning of the fiscal fourth quarter of each year, July 1, 2019, for fiscal 2019, or more frequently when an event occurs or circumstances indicate that the carrying value of the asset may not be recoverable. During the fourth quarter of fiscal 2019, management performed a strategic review of

the Company's operations. As a result, management decided to dispose of the Canadian turn-key pipeline activities in the RFS reporting unit, which is in the Commercial/International Services Group (CIG) reportable segment. Management performed an interim goodwill impairment review of the RFS reporting unit and recorded a \$7.8 million goodwill impairment charge. As a result of the impairment charge, the estimated fair value of the RFS reporting unit equals its carrying value of \$61 million at September 29, 2019, including the remaining \$48.8 million of goodwill. The impairment test for goodwill involves the comparison of the estimated fair value of each reporting unit to the reporting unit's carrying value, including goodwill. Management estimates the fair value of reporting units based on a comparison and weighting of the income approach, specifically the discounted cash flow method and the market approach. Management's cash flow projections for the RFS Reporting Unit included significant judgments and assumptions relating to revenue growth rate, operating profit margin forecasts and the discount rate.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the RFS reporting unit is a critical audit matter are there was significant judgment by management when developing the fair value measurement of the reporting unit which, in turn, led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's cash flow projections and significant assumptions, including revenue growth rate, operating profit margin forecasts and the discount rate. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the evaluation of the Company's reporting units. These procedures also included, among others, testing management's process for developing the fair value estimate; evaluating the appropriateness of the discounted cash flow method; testing the completeness, accuracy, and relevance of underlying data used in the cash flow projections; and evaluating the significant assumptions used by management, including revenue growth rate, operating margin forecasts and the discount rate. Evaluating management's assumptions related to revenue growth rates and projected operating income involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow method and certain significant assumptions, including the discount rate.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
November 27, 2019

We have served as the Company's auditor since 2004.

TETRA TECH, INC.
Consolidated Balance Sheets
(in thousands, except par value)

ASSETS	September 29, 2019	September 30, 2018
Current assets:		
Cash and cash equivalents	\$ 120,732	\$ 146,185
Accounts receivable – net	768,720	694,221
Contract assets	114,324	142,882
Prepaid expenses and other current assets	62,196	56,003
Income taxes receivable	13,820	11,089
Total current assets	<u>1,079,792</u>	<u>1,050,380</u>
Property and equipment – net	39,441	43,278
Investments in unconsolidated joint ventures	6,873	3,370
Goodwill	924,820	798,820
Intangible assets – net	16,440	16,123
Deferred income taxes	28,385	8,607
Other long-term assets	51,657	38,843
Total assets	<u>\$ 2,147,408</u>	<u>\$ 1,959,421</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 206,609	\$ 160,222
Accrued compensation	203,384	180,153
Contract liabilities	165,611	143,270
Income taxes payable	—	8,272
Current portion of long-term debt	12,572	12,599
Current contingent earn-out liabilities	24,977	13,633
Other current liabilities	156,801	99,944
Total current liabilities	<u>769,954</u>	<u>618,093</u>
Deferred income taxes	12,971	30,166
Long-term debt	263,949	264,712
Long-term contingent earn-out liabilities	28,015	21,657
Other long-term liabilities	83,055	57,693
Commitments and contingencies (Note 18)		
Equity:		
Preferred stock – Authorized, 2,000 shares of \$0.01 par value; no shares issued and outstanding at September 29, 2019 and September 30, 2018	—	—
Common stock – Authorized, 150,000 shares of \$0.01 par value; issued and outstanding, 54,565 and 55,349 shares at September 29, 2019 and September 30, 2018, respectively	546	553
Additional paid-in capital	78,132	148,803
Accumulated other comprehensive loss	(160,584)	(127,350)
Retained earnings	1,071,192	944,965
Tetra Tech stockholders' equity	<u>989,286</u>	<u>966,971</u>
Noncontrolling interests	178	129
Total stockholders' equity	<u>989,464</u>	<u>967,100</u>
Total liabilities and stockholders' equity	<u>\$ 2,147,408</u>	<u>\$ 1,959,421</u>

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
Consolidated Statements of Income
(in thousands, except per share data)

	Fiscal Year Ended		
	September 29, 2019	September 30, 2018	October 1, 2017
Revenue	\$ 3,107,348	\$ 2,964,148	\$ 2,753,360
Subcontractor costs	(717,711)	(763,414)	(719,350)
Other costs of revenue	(1,981,454)	(1,816,276)	(1,680,372)
Gross profit	408,183	384,458	353,638
Selling, general and administrative expenses	(200,230)	(190,120)	(177,219)
Acquisition and integration expenses	(10,351)	—	—
Contingent consideration – fair value adjustments	(1,085)	(4,252)	6,923
Impairment of goodwill	(7,755)	—	—
Income from operations	188,762	190,086	183,342
Interest income	1,732	1,824	729
Interest expense	(15,358)	(17,348)	(12,310)
Income before income tax expense	175,136	174,562	171,761
Income tax expense	(16,375)	(37,605)	(53,844)
Net income	158,761	136,957	117,917
Net income attributable to noncontrolling interests	(93)	(74)	(43)
Net income attributable to Tetra Tech	\$ 158,668	\$ 136,883	\$ 117,874
Earnings per share attributable to Tetra Tech:			
Basic	\$ 2.89	\$ 2.46	\$ 2.07
Diluted	\$ 2.84	\$ 2.42	\$ 2.04
Weighted-average common shares outstanding:			
Basic	54,986	55,670	56,911
Diluted	55,936	56,598	57,913

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
Consolidated Statements of Comprehensive Income
(in thousands)

	Fiscal Year Ended		
	September 29, 2019	September 30, 2018	October 1, 2017
Net income	\$ 158,761	\$ 136,957	\$ 117,917
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(21,109)	(29,656)	27,894
(Loss) gain on cash flow hedge valuations	(12,125)	806	1,614
Other comprehensive (loss) income attributable to Tetra Tech	(33,234)	(28,850)	29,508
Other comprehensive income (loss) attributable to noncontrolling interests	243	(64)	8
Comprehensive income	<u>\$ 125,770</u>	<u>\$ 108,043</u>	<u>\$ 147,433</u>
Comprehensive income attributable to Tetra Tech	\$ 125,434	\$ 108,033	\$ 147,382
Comprehensive income attributable to noncontrolling interests	336	10	51
Comprehensive income	<u>\$ 125,770</u>	<u>\$ 108,043</u>	<u>\$ 147,433</u>

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
Consolidated Statements of Equity
Fiscal Years Ended October 1, 2017, September 30, 2018, and September 29, 2019
(in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Tetra Tech Equity	Non-Controlling Interests	Total Equity
	Shares	Amount						
BALANCE AT OCTOBER 2, 2016	57,042	\$ 570	\$ 260,340	\$ (128,008)	\$ 736,357	\$ 869,259	\$ 144	\$ 869,403
Comprehensive income, net of tax:								
Net income					117,874	117,874	43	117,917
Foreign currency translation adjustments				27,894		27,894	8	27,902
Gain on cash flow hedge valuations				1,614		1,614		1,614
Comprehensive income, net of tax						147,382	51	147,433
Distributions paid to noncontrolling interests							(24)	(24)
Cash dividends of \$0.38 per common share					(21,672)	(21,672)		(21,672)
Stock-based compensation			13,450			13,450		13,450
Stock options exercised	791	8	18,556			18,564		18,564
Restricted stock award, restricted & performance shares released	116	2	(3,472)			(3,470)		(3,470)
Shares issued for Employee Stock Purchase Plan	190	2	4,938			4,940		4,940
Stock repurchases	(2,266)	(23)	(99,977)			(100,000)		(100,000)
BALANCE AT OCTOBER 1, 2017	55,873	559	193,835	(98,500)	832,559	928,453	171	928,624
Comprehensive income, net of tax:								
Net income					136,883	136,883	74	136,957
Foreign currency translation adjustments				(29,656)		(29,656)	(64)	(29,720)
Gain on cash flow hedge valuations				806		806		806
Comprehensive income, net of tax						108,033	10	108,043
Distributions paid to noncontrolling interests							(52)	(52)
Cash dividends of \$0.44 per common share					(24,477)	(24,477)		(24,477)
Stock-based compensation			19,582			19,582		19,582
Restricted & performance shares released	277	3	(8,874)			(8,871)		(8,871)
Stock options exercised	549	5	13,506			13,511		13,511
Shares issued for Employee Stock Purchase Plan	142	1	5,739			5,740		5,740
Stock repurchases	(1,492)	(15)	(74,985)			(75,000)		(75,000)
BALANCE AT SEPTEMBER 30, 2018	55,349	553	148,803	(127,350)	944,965	966,971	129	967,100
Comprehensive income, net of tax:								
Net income					158,668	158,668	93	158,761
Foreign currency translation adjustments				(21,109)		(21,109)	243	(20,866)

Loss on cash flow hedge valuations			(12,125)		(12,125)			(12,125)
Comprehensive income, net of tax					125,434		336	125,770
Distributions paid to noncontrolling interests							(287)	(287)
Cash dividends of \$0.54 per common share				(29,674)	(29,674)			(29,674)
Stock-based compensation			17,618		17,618			17,618
Restricted & performance shares released	183	2	(6,895)		(6,893)			(6,893)
Stock options exercised	448	5	11,746		11,751			11,751
Shares issued for Employee Stock Purchase Plan	148	2	6,844		6,846			6,846
Stock repurchases	(1,563)	(16)	(99,984)		(100,000)			(100,000)
Cumulative effect of accounting changes					\$ (2,767)	\$ (2,767)		\$ (2,767)
BALANCE AT SEPTEMBER 29, 2019	<u>54,565</u>	<u>\$ 546</u>	<u>\$ 78,132</u>	<u>\$ (160,584)</u>	<u>\$ 1,071,192</u>	<u>\$ 989,286</u>	<u>\$ 178</u>	<u>\$ 989,464</u>

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended		
	September 29, 2019	September 30, 2018	October 1, 2017
Cash flows from operating activities:			
Net income	\$ 158,761	\$ 136,957	\$ 117,917
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28,844	38,636	45,756
Equity in income of unconsolidated joint ventures, net of distributions	(25)	(568)	(647)
Amortization of stock-based awards	17,618	19,582	13,450
Deferred income taxes	(37,615)	(29,360)	(9,957)
Provision for doubtful accounts	16,964	7,167	2,847
Impairment of goodwill	7,755	—	—
Fair value adjustments to contingent consideration	1,085	4,252	(6,923)
Loss (gain) on sale of assets and divested business	(232)	1,045	(103)
Changes in operating assets and liabilities, net of effects of business acquisitions:			
Accounts receivable and contract assets	(10,226)	(46,273)	(64,781)
Prepaid expenses and other assets	2,568	(12,638)	(8,317)
Accounts payable	39,011	(16,032)	18,597
Accrued compensation	18,359	27,492	13,413
Contract liabilities	(6,039)	15,228	28,298
Other liabilities	(16,929)	24,998	5,662
Income taxes receivable/payable	(11,386)	17,596	(13,725)
Cash settled contingent earn-out liability	—	(2,349)	—
Net cash provided by operating activities	208,513	185,733	141,487
Cash flows from investing activities:			
Capital expenditures	(16,198)	(9,726)	(9,741)
Payments for business acquisitions, net of cash acquired	(84,159)	(68,256)	(8,039)
Proceeds from sale of assets and divested business, net	651	35,348	820
Net cash used in investing activities	(99,706)	(42,634)	(16,960)
Cash flows from financing activities:			
Repayments on long-term debt	(415,491)	(485,946)	(233,889)
Proceeds from borrowings	417,262	401,965	243,553
Payments of contingent earn-out liabilities	(12,018)	(1,412)	(1,319)
Debt pre-payment costs	—	(1,737)	—
Repurchases of common stock	(100,000)	(75,000)	(100,000)
Stock options exercised	11,751	13,520	18,555
Dividends paid	(29,674)	(24,477)	(21,672)
Taxes paid on vested restricted stock	(6,893)	(8,871)	(3,495)
Net cash used in financing activities	(135,063)	(181,958)	(98,267)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,727)	(4,947)	3,452
Net increase (decrease) in cash, cash equivalents and restricted cash	(27,983)	(43,806)	29,712
Cash, cash equivalents and restricted cash at beginning of year	148,884	192,690	162,978
Cash, cash equivalents and restricted cash at end of year	\$ 120,901	\$ 148,884	\$ 192,690
Supplemental information:			
Cash paid during the year for:			
Interest	\$ 12,310	\$ 15,570	\$ 11,504
Income taxes, net of refunds received of \$5.2 million, \$2.5 million and \$2.1 million	\$ 66,038	\$ 49,842	\$ 72,578
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 120,732	\$ 146,185	\$ 189,975
Restricted cash	169	2,699	2,715
Total cash, cash equivalents and restricted cash	\$ 120,901	\$ 148,884	\$ 192,690

See accompanying Notes to Consolidated Financial Statements.

TETRA TECH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

We are a leading global provider of consulting and engineering services that focuses on water, environment, infrastructure, resource management, energy, and international development. We are a global company that leads with science and is renowned for our expertise in providing water-related services for public and private clients. We typically begin at the earliest stage of a project by identifying technical solutions and developing execution plans tailored to our clients' needs and resources. Our solutions may span the entire life cycle of consulting and engineering projects and include applied science, data analysis, research, engineering, design, construction management, and operations and maintenance.

Beginning in fiscal 2018, we aligned our operations to better serve our clients and markets, resulting in two renamed reportable segments. Our Government Services Group ("GSG") reportable segment primarily includes activities with U.S. government clients (federal, state and local) and activities with development agencies worldwide. Our Commercial/International Services Group ("CIG") reportable segment primarily includes activities with U.S. commercial clients and international activities other than work for development agencies. This alignment allows us to capitalize on our growing market opportunities and enhance the development of high-end consulting and technical solutions to meet our growing client demand. We continue to report the results of the wind-down of our non-core construction activities in the Remediation and Construction Management ("RCM") reportable segment. Certain reclassifications were made to the prior years to conform to the current-year presentation.

2. Basis of Presentation and Preparation

Principles of Consolidation and Presentation. The consolidated financial statements include our accounts and those of joint ventures of which we are the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year. We report results of operations based on 52 or 53-week periods ending on the Sunday nearest September 30. Fiscal years 2019, 2018 and 2017 each contained 52 weeks.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions. These estimates and assumptions affect the amounts reported in our consolidated financial statements and accompanying notes. Although such estimates and assumptions are based on management's best knowledge of current events and actions we may take in the future, actual results could differ materially from those estimates.

Cash and Cash Equivalents. Cash and cash equivalents include highly liquid investments with maturities of 90 days or less at the date of purchase. We record cash and cash equivalents as restricted when we are unable to freely use such cash and cash equivalents for our general operating purposes. As of fiscal 2019 and fiscal 2018 year-ends, we had restricted cash of \$0.2 million and \$2.7 million, respectively, on the consolidated balance sheet, and it was included in our "Prepaid expenses and other current assets".

Insurance Matters, Litigation and Contingencies. In the normal course of business, we are subject to certain contractual guarantees and litigation. In addition, we maintain insurance coverage for various aspects of our business and operations. We record in our consolidated balance sheets amounts representing our estimated liability for these legal and insurance obligations. Any adjustments to these liabilities are recorded in our consolidated statements of income.

Accounts Receivable – Net. Net accounts receivable is primarily comprised of billed and unbilled accounts receivable, contract retentions and allowances for doubtful accounts. Billed accounts receivable represent amounts billed to clients that have not been collected. Unbilled accounts receivable represent revenue recognized but not yet billed pursuant to contract terms or billed after the period end date. Most of our unbilled receivables at September 29, 2019 are expected to be billed and collected within 12 months. Unbilled accounts receivable also include amounts related to requests for equitable adjustment to contracts that provide for price redetermination. These amounts are recorded only when they can be reliably estimated and realization is probable. Contract retentions represent amounts withheld by clients until certain conditions are met or the project is completed, which may be several months or years. Allowances for doubtful accounts represent the amounts that may become uncollectible or unrealizable in the future. We determine an estimated allowance for uncollectible accounts based on management's consideration of trends in the actual and forecasted credit quality of our clients, including delinquency and payment history; type of client, such as a government agency or a commercial sector client; and general economic and particular industry conditions that may affect a client's ability to pay. Billings in excess of costs on uncompleted contracts represent the amount of cash collected from clients and billings to clients on contracts in advance of work performed and revenue recognized. The majority of these amounts will be earned within 12 months.

Property and Equipment. Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from our consolidated balance sheets and any resulting gain or loss is reflected in our consolidated statements of income. Expenditures for maintenance and repairs are expensed as incurred. Generally, estimated useful lives range from three to ten years for equipment, furniture and fixtures. Buildings are depreciated over periods not exceeding 40 years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the length of the lease. Assets held for sale are carried at the lower of their carrying amount (i.e., net book value) or fair value less cost to sell and are reported as "Prepaid expenses and other current assets" on our consolidated balance sheets.

Long-Lived Assets. Our policy regarding long-lived assets is to evaluate the recoverability of our assets when the facts and circumstances suggest that the assets may be impaired. This assessment is performed based on the estimated undiscounted cash flows compared to the carrying value of the assets. If the future cash flows (undiscounted and without interest charges) are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

We recognize a liability for contract termination costs associated with an exit activity for costs that will continue to be incurred under a lease for its remaining term without economic benefit to us, initially measured at its fair value at the cease-use date. The fair value is determined based on the remaining lease rentals, adjusted for the effects of any prepaid or deferred items recognized under the lease, and reduced by estimated sublease rentals.

Business Combinations. The cost of an acquired company is assigned to the tangible and intangible assets purchased and the liabilities assumed based on their fair values at the date of acquisition. The determination of fair values of assets and liabilities acquired requires us to make estimates and use valuation techniques when a market value is not readily available. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is allocated to goodwill. Goodwill typically represents the value paid for the assembled workforce and enhancement of our service offerings. Transaction costs associated with business combinations are expensed as they are incurred.

Goodwill and Intangible Assets. Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business acquisition. Following an acquisition, we perform an analysis to value the acquired company's tangible and identifiable intangible assets and liabilities. With respect to identifiable intangible assets, we consider backlog, non-compete agreements, client relations, trade names, patents and other assets. We amortize our intangible assets based on the period over which the contractual or economic benefits of the intangible assets are expected to be realized. We assess the recoverability of the unamortized balance of our intangible assets when indicators of impairment are present based on expected future profitability and undiscounted expected cash flows and their contribution to our overall operations. Should the review indicate that the carrying value is not fully recoverable, the excess of the carrying value over the fair value of the intangible assets would be recognized as an impairment loss.

We test our goodwill for impairment on an annual basis, and more frequently when an event occurs, or circumstances indicate that the carrying value of the asset may not be recoverable. We believe the methodology that we use to review impairment of goodwill, which includes a significant amount of judgment and estimates, provides us with a reasonable basis to determine whether impairment has occurred. However, many of the factors employed in determining whether our goodwill is impaired are outside of our control and it is reasonably likely that assumptions and estimates will change in future periods. These changes could result in future impairments.

We perform our annual goodwill impairment review at the beginning of our fiscal fourth quarter. Our last annual review was performed at July 1, 2019 (i.e., the first day of our fiscal fourth quarter). In addition, we regularly evaluate whether events and circumstances have occurred that may indicate a potential change in recoverability of goodwill. We perform interim goodwill impairment reviews between our annual reviews if certain events and circumstances have occurred, including a deterioration in general economic conditions, an increased competitive environment, a change in management, key personnel, strategy or customers, negative or declining cash flows, or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods. We assess goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. Our operating segments are the same as our reportable segments and our reporting units for goodwill impairment testing are the components one level below our reportable segments. These components constitute a business for which discrete financial information is available and where segment management regularly reviews the operating results of that component. We aggregate components within an operating segment that have similar economic characteristics.

The impairment test for goodwill involves the comparison of the estimated fair value of each reporting unit to the reporting unit's carrying value, including goodwill. We estimate the fair value of reporting units based on a comparison and weighting of the income approach, specifically the discounted cash flow method and the market approach, which estimates the fair value of our reporting units based upon comparable market prices and recent transactions and also validates the reasonableness of the multiples from the income approach. If the fair value of a reporting unit exceeds its carrying amount, the goodwill of that reporting unit is

not considered impaired. However, if its carrying value exceeds its fair value, our goodwill is impaired, and we are required to record a non-cash charge that could have a material adverse effect on our consolidated financial statements. An impairment loss recognized, if any, should not exceed the total amount of goodwill allocated to the reporting unit.

Contingent Consideration. Most of our acquisition agreements include contingent earn-out arrangements, which are generally based on the achievement of future operating income thresholds. The contingent earn-out arrangements are based upon our valuations of the acquired companies and reduce the risk of overpaying for acquisitions if the projected financial results are not achieved.

The fair values of these earn-out arrangements are included as part of the purchase price of the acquired companies on their respective acquisition dates. For each transaction, we estimate the fair value of contingent earn-out payments as part of the initial purchase price and record the estimated fair value of contingent consideration as a liability in "Current contingent earn-out liabilities" and "Long-term contingent earn-out liabilities" on the consolidated balance sheets. We consider several factors when determining that contingent earn-out liabilities are part of the purchase price, including the following: (1) the valuation of our acquisitions is not supported solely by the initial consideration paid, and the contingent earn-out formula is a critical and material component of the valuation approach to determining the purchase price; and (2) the former owners of acquired companies that remain as key employees receive compensation other than contingent earn-out payments at a reasonable level compared with the compensation of our other key employees. The contingent earn-out payments are not affected by employment termination.

We measure our contingent earn-out liabilities at fair value on a recurring basis using significant unobservable inputs classified within Level 3 of the fair value hierarchy. We use a probability weighted discounted income approach as a valuation technique to convert future estimated cash flows to a single present value amount. The significant unobservable inputs used in the fair value measurements are operating income projections over the earn-out period (generally two or three years), and the probability outcome percentages we assign to each scenario. Significant increases or decreases to either of these inputs in isolation would result in a significantly higher or lower liability with a higher liability capped by the contractual maximum of the contingent earn-out obligation. Ultimately, the liability will be equivalent to the amount paid, and the difference between the fair value estimate and amount paid will be recorded in earnings. The amount paid that is less than or equal to the liability on the acquisition date is reflected as cash used in financing activities in our consolidated statements of cash flows. Any amount paid in excess of the liability on the acquisition date is reflected as cash used in operating activities.

We review and re-assess the estimated fair value of contingent consideration on a quarterly basis, and the updated fair value could differ materially from the initial estimates. Changes in the estimated fair value of our contingent earn-out liabilities related to the time component of the present value calculation are reported in interest expense. Adjustments to the estimated fair value related to changes in all other unobservable inputs are reported in operating income.

Fair Value of Financial Instruments. We determine the fair values of our financial instruments, including short-term investments, debt instruments and derivative instruments based on inputs or assumptions that market participants would use in pricing an asset or a liability. We categorize our 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; and Level 3 inputs are unobservable inputs based on our own 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 values based on their short-term nature. The carrying amounts of our revolving credit facility approximates fair value because the interest rates are based upon variable reference rates. Certain other assets and liabilities, such as contingent earn-out liabilities and amounts related to cash-flow hedges, are required to be carried in our consolidated financial statements at fair value.

Our 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 we believe our 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.

Derivative Financial Instruments. We account for our derivative instruments as either assets or liabilities and carry 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 (loss) 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.

Deferred Compensation. We maintain a non-qualified defined contribution supplemental retirement plan for certain key employees and non-employee directors that is accounted for in accordance with applicable authoritative guidance on accounting for deferred compensation arrangements where amounts earned are held in a rabbi trust and invested. Employee deferrals and our match are deposited into a rabbi trust, and the funds are generally invested in individual variable life insurance contracts that we own and are specifically designed to informally fund savings plans of this nature. Our consolidated balance sheets reflect our investment in variable life insurance contracts in "Other long-term assets." Our obligation to participating employees is reflected in "Other long-term liabilities." All income and expenses related to the rabbi trust are reflected in our consolidated statements of income.

Income Taxes. We file a consolidated U.S. federal income tax return. In addition, we file other returns that are required in the states, foreign jurisdictions and other jurisdictions in which we do business. We account for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are computed for the difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to reverse. In determining the need for a valuation allowance, management reviews both positive and negative evidence, including current and historical results of operations, future income projections and potential tax planning strategies. Based on our assessment, we have concluded that a portion of the deferred tax assets at September 29, 2019 will not be realized.

According to the authoritative guidance on accounting for uncertainty in income taxes, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. This guidance also addresses de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and disclosure requirements for uncertain tax positions.

Concentration of Credit Risk. Financial instruments that subject us to credit risk consist primarily of cash and cash equivalents and net accounts receivable. In the event that we have surplus cash, we place our temporary cash investments with lower risk financial institutions and, by policy, limit the amount of investment exposure to any one financial institution. Approximately 23% of accounts receivable were due from various agencies of the U.S. federal government at fiscal 2019 year-end. The remaining accounts receivable are generally diversified due to the large number of organizations comprising our client base and their geographic dispersion. We perform ongoing credit evaluations of our clients and maintain an allowance for potential credit losses. Approximately 49%, 23% and 28% of our fiscal 2019 revenue was generated from our U.S. government, U.S. commercial and international clients, respectively.

Foreign Currency Translation. We determine the functional currency of our foreign operating units based upon the primary currency in which they operate. These operating units maintain their accounting records in their local currency, primarily Canadian and Australian dollars, and British pounds. Where the functional currency is not the U.S. dollar, translation of assets and liabilities to U.S. dollars is based on exchange rates at the balance sheet date. Translation of revenue and expenses to U.S. dollars is based on the average rate during the period. Translation gains or losses are reported as a component of other comprehensive income (loss). Gains or losses from foreign currency transactions are included in income from operations.

Recent Accounting Pronouncements.

New accounting pronouncements implemented by us during fiscal 2019 are discussed below.

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09 ("ASC 606"), "Revenue from Contracts with Customers", which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance and the related ASUs were effective for interim and annual reporting periods beginning after December 15, 2017 (first quarter of fiscal 2019 for us). On October 1, 2018, we adopted ASC 606 using the modified retrospective method in which the new guidance was applied retrospectively to contracts that were not substantially completed as of the date of adoption. Results for the reporting period beginning after October 1, 2018 have been presented under ASC 606, while prior period amounts have not been adjusted and continue to be reported in accordance with the previous guidance. See Note 3, "Revenue Recognition" for further discussion of the adoption and the impact on our consolidated financial statements.

In January 2016, the FASB issued guidance that generally requires companies to measure investments in other entities, except those accounted for under the equity method, at fair value and recognize any changes in fair value in net income. The guidance was effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2017 (first quarter of fiscal 2019 for us). The adoption of this guidance had no impact on our consolidated financial statements.

In March 2016, the FASB issued updated guidance which requires excess tax benefits and deficiencies on share-based payments to be recorded as income tax expense or benefit in the income statement rather than being recorded in additional paid-in capital. It also requires the presentation of employee taxes as financing activities on consolidated statements of cash flows, which was previously classified as operating activities. This guidance was effective for annual and interim periods beginning after December 15, 2016 (first quarter of fiscal 2018 for us), with early adoption permitted. In the first quarter of fiscal 2017, we adopted this guidance. At the beginning of fiscal 2019, we revised the presentation of "Net cash provided by operating activities" and "Net cash (used in) provided by financing activities" in the consolidated statement of cash flows for prior period to adjust the presentation of "Taxes paid on vested restricted stock" and appropriately reflect such amounts as financing activities. The adjustment resulted in an increase of net cash provided by operating activities of \$8.9 million and \$3.5 million, and an increase of net cash used in financing activities of \$8.9 million and \$3.5 million for fiscal 2018 and 2017, respectively. We assessed the materiality of these adjustments on our consolidated financial statements for prior periods and concluded that the amounts were not material to any prior interim or annual periods. We elected to revise the presentation for comparability purposes.

In August 2016, the FASB issued guidance to address eight specific cash flow issues to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance was effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2017 (first quarter of fiscal 2019 for us). The adoption of this guidance had no material impact on our consolidated financial statements.

In October 2016, the FASB issued updated guidance which requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The guidance was effective for fiscal reporting periods and interim reporting periods within those fiscal reporting periods, beginning after December 15, 2017 (first quarter of fiscal 2019 for us). The adoption of this guidance had no material impact on our consolidated financial statements.

In November 2016, the FASB issued updated guidance which provides amendments to address the classification and presentation of changes in restricted cash in the statement of cash flows. The guidance was effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2017 (first quarter of fiscal 2019 for us). The adoption of this guidance had no material impact on our consolidated financial statements. We updated certain captions in our consolidated statements of cash flows to include restricted cash, which is reported in our "Prepaid expenses and other current assets" on the consolidated balance sheets.

In May 2017, the FASB issued updated guidance to clarify when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Under the updated guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award changes because of a change in terms or conditions. The guidance was effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2017 (first quarter of fiscal 2019 for us), on a prospective basis. The adoption of this guidance had no impact on our consolidated financial statements.

In August 2018, the Securities and Exchange Commission ("SEC") published Release No. 33-10532, Disclosure Update and Simplification, which adopted amendments to certain disclosure requirements that have become redundant, duplicative, overlapping, outdated or superseded, considering other SEC disclosure requirements, U.S. GAAP, or changes in the information environment. As such, we removed the disclosure of cash dividends paid per share from our consolidated statements of income.

New accounting pronouncements requiring implementation in future periods are discussed below.

In February 2016, the FASB issued guidance that requires the rights and obligations associated with leasing arrangements be reflected on the balance sheet to increase transparency and comparability among organizations, and further clarified and amended this guidance. Lessees will be required to recognize a right-of-use asset and a lease liability on the balance sheet for leases with terms greater than twelve months or leases that contain a purchase option that is reasonably certain to be exercised. Lessees will classify leases as either finance or operating leases. Substantially all of our leases are operating leases, which will result in lease expense on a straight-line basis over the term of the lease. The guidance is effective for interim and annual reporting periods beginning after December 15, 2018 (first quarter of fiscal 2020 for us). The new guidance will be applied to leases that exist or are entered into on or after September 30, 2019 (first day of our fiscal 2020) without adjusting comparative periods in the financial statements. We expect to utilize the practical expedients that, upon adoption of this guidance, allow us to (1) not reassess whether

any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption and (3) not reassess initial direct costs for any existing leases. We are in the final stages of evaluating our existing lease portfolio, including accumulating all of the necessary information required to properly account for leases under the new guidance. Based on the most recent assessment of existing leases, the adoption of the guidance is expected to result in right-of-use assets and lease liabilities that will be included on the balance sheet as of September 30, 2019 of approximately \$300 million. We do not expect the adoption of this guidance to have a material impact on our consolidated statements of income or cash flows. Our current amounts payable under non-cancelable lease commitments are disclosed in Note 11, "Leases".

In June 2016, the FASB issued updated guidance which requires entities to estimate all expected credit losses for certain types of financial instruments, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The updated guidance also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models and methods for estimating expected credit losses. This guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019 (first quarter of fiscal 2021 for us). Early adoption is permitted. We are currently evaluating the impact that this guidance will have on our consolidated financial statements.

In August 2017, the FASB issued accounting guidance on hedging activities. The amendment better aligns an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2018 (first quarter of fiscal 2020 for us). We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In February 2018, the FASB issued guidance on reclassification of certain tax effects from accumulated comprehensive income, which allows for a reclassification of stranded tax effects from the Tax Cuts and Jobs Act ("TCJA") from accumulated other comprehensive income to retained earnings. The guidance is effective for fiscal years beginning after December 15, 2018 (first quarter of fiscal 2020 for us). We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2018, The FASB issued updated guidance modifying certain fair value measurement disclosures. The updated guidance contains additional disclosures to enable users of the financial statements to better understand the entity's assumption used to develop significant unobservable inputs for Level 3 fair value measurements, but also eliminates the requirement for entities to disclose the amount of and reasons for transfers between Level 1 and Level 2 investments within the fair value hierarchy. This guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019 (first quarter of fiscal 2021 for us). Early adoption is permitted. We do not expect the adoption of this guidance to have an impact on our consolidated financial statements.

3. Revenue Recognition

On October 1, 2018, we adopted ASC 606, "Revenue from Contracts with Customers", which supersedes most current revenue recognition guidance, including industry-specific guidance. We adopted the standard on a modified retrospective basis which results in no restatement of the comparative periods presented and a cumulative effect adjustment to retained earnings as of the date of adoption. As part of our adoption, the new standard was applied only to those contracts that were not substantially completed as of the date of adoption.

To determine the proper revenue recognition method for contracts under ASC 606, we evaluate whether multiple contracts should be combined and accounted for as a single contract and whether the combined or single contract should be accounted for as having more than one performance obligation. The decision to combine a group of contracts or separate a combined or single contract into multiple performance obligations may impact the amount of revenue recorded in a given period. Contracts are considered to have a single performance obligation if the promises are not separately identifiable from other promises in the contracts.

At contract inception, we assess the goods or services promised in a contract and identify, as a separate performance obligation, each distinct promise to transfer goods or services to the customer. The identified performance obligations represent the "unit of account" for purposes of determining revenue recognition. In order to properly identify separate performance obligations, we apply judgment in determining whether each good or service provided is: (a) capable of being distinct, whereby the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and (b) distinct within the context of the contract, whereby the transfer of the good or service to the customer is separately identifiable from other promises in the contract.

Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from existing contracts due to the significant integration provided or significant interdependencies in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

We account for contract modifications as a separate contract when the modification results in the promise to deliver additional goods or services that are distinct and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification.

The transaction price represents the amount of consideration to which we expect to be entitled in exchange for transferring promised goods or services to our customers. The consideration promised within a contract may include fixed amounts, variable amounts, or both. The nature of our contracts gives rise to several types of variable consideration, including claims, award fee incentives, fiscal funding clauses, and liquidated damages. We recognize revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur. We estimate the amount of revenue to be recognized on variable consideration using either the expected value or the most likely amount method, whichever is expected to better predict the amount of consideration to be received. Project mobilization costs are generally charged to project costs as incurred when they are an integrated part of the performance obligation being transferred to the client.

Claims are amounts in excess of agreed contract prices that we seek to collect from our clients or other third parties 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. Revenue on claims is recognized only to the extent that contract costs related to the claims have been incurred and when it is probable that any significant revenue recognized related to the claim will not be reversed. Factors considered in determining whether revenue associated with claims (including change orders in dispute and unapproved change orders in regard to both scope and price) should be recognized include the following: (a) the contract or other evidence provides a legal basis for the claim, (b) additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in our performance, (c) claim-related costs are identifiable and considered reasonable in view of the work performed, and (d) evidence supporting the claim is objective and verifiable. This can lead to a situation in which costs are recognized in one period and revenue is recognized in a subsequent period when a client agreement is obtained, or a claims resolution occurs. In some cases, contract retentions are withheld by clients until certain conditions are met or the project is completed, which may be several months or years. In these cases, we have not identified a significant financing component under ASC 606 as the timing difference in payment compared to delivery of obligations under the contract is not for purposes of financing.

For contracts with multiple performance obligations, we allocate the transaction price to each performance obligation using a best estimate of the standalone selling price of each distinct good or service in the contract. The standalone selling price is typically determined using the estimated cost of the contract plus a margin approach. For contracts containing variable consideration, we allocate the variability to a specific performance obligation within the contract if such variability relates specifically to our efforts to satisfy the performance obligation or transfer the distinct good or service, and the allocation depicts the amount of consideration to which we expect to be entitled.

We recognize revenue over time as the related performance obligation is satisfied by transferring control of a promised good or service to our customers. Progress toward complete satisfaction of the performance obligation is primarily measured using a cost-to-cost measure of progress method. The cost input is based primarily on contract cost incurred to date compared to total estimated contract cost. This measure includes forecasts based on the best information available and reflects our judgment to faithfully depict the value of the services transferred to the customer. For certain on-call engineering or consulting and similar contracts, we recognize revenue in the amount which we have the right to invoice the customer if that amount corresponds directly with the value of our performance completed to date.

Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised in the near-term. For those performance obligations for which revenue is recognized using a cost-to-cost measure of progress method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs indicates a loss, a provision for the entire estimated loss on the contract is made in the period in which the loss becomes evident.

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 27, 2020

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

For the Transition Period from _____ to _____
Commission File Number 0-19655

TETRA TECH, INC.

(Exact name of registrant as specified in its charter)

Delaware

95-4148514

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

3475 East Foothill Boulevard, Pasadena, California 91107

(Address of principal executive offices) (Zip Code)

(626) 351-4664

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	TTEK	The NASDAQ Stock Market LLC

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

None

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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 the registrant's common stock held by non-affiliates on March 29, 2020, was \$3.6 billion (based upon the closing price of a share of registrant's common stock as reported by the Nasdaq National Market on that date).

On November 12, 2020, 53,777,381 shares of the registrant's common stock were outstanding.

DOCUMENT INCORPORATED BY REFERENCE

Portions of registrant's Proxy Statement for its 2021 Annual Meeting of Stockholders are incorporated by reference in Part III of this report where indicated.

Item 8. Financial Statements and Supplementary Data**INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE**

	Page
Report of Independent Registered Public Accounting Firm	58
Consolidated Balance Sheets at September 27, 2020 and September 29, 2019	61
Consolidated Statements of Income for the fiscal years ended September 27, 2020, September 29, 2019 and September 30, 2018	62
Consolidated Statements of Comprehensive Income for the fiscal years ended September 27, 2020, September 29, 2019 and September 30, 2018	63
Consolidated Statements of Cash Flows for the fiscal years ended September 27, 2020, September 29, 2019 and September 30, 2018	64
Consolidated Statements of Equity for the fiscal years ended September 27, 2020, September 29, 2019 and September 30, 2018	65
Notes to Consolidated Financial Statements	67
Schedule II – Valuation and Qualifying Accounts and Reserves for the fiscal years ended September 27, 2020, September 29, 2019, and September 30, 2018	100

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Tetra Tech, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Tetra Tech, Inc. and its subsidiaries (the “Company”) as of September 27, 2020 and September 29, 2019, and the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended September 27, 2020, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of September 27, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 27, 2020 and September 29, 2019, and the results of its operations and its cash flows for each of the three years in the period ended September 27, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 27, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in fiscal 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (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. 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) 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 - Determination of Total Estimated Contract Cost for Fixed-price Contracts

As described in Note 3 to the consolidated financial statements, \$1.1 billion of the Company's total revenues for the year ended September 27, 2020 was generated from fixed-price contracts. As disclosed by management, under fixed-price contracts, the Company's clients pay an agreed fixed-amount negotiated in advance for a specified scope of work. Revenue is recognized over time as the related performance obligation is satisfied by transferring control of a promised good or service to the Company's customers. Progress toward complete satisfaction of the performance obligation is primarily measured using a cost-to-cost measure of progress method. The cost input is based primarily on contract cost incurred to date compared to total estimated contract cost. This measure includes forecasts based on the best information available and reflects the judgement to faithfully depict the value of the services transferred to the customer. Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised in the near-term. For those performance obligations for which revenue is recognized using a cost-to-cost measure of progress method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. As a result, the Company recognized net favorable operating income adjustments of \$0.8 million as of September 27, 2020, exclusive of the amounts related to claims described below. Changes in revenue and cost estimates could also result in a projected loss, determined at the contract level, which would be recorded immediately in earnings. The anticipated losses and estimated cost to complete the related contracts was \$13.2 million and \$118 million as of September 27, 2020. Claims are amounts in excess of agreed contract prices that the Company seeks to collect from clients or other third parties. Claims were approximately \$14 million as of September 27, 2020.

The principal considerations for our determination that performing procedures relating to revenue recognition - determination of total estimated contract cost for fixed-price contracts is a critical audit matter are the significant amount of judgment required by management in determining the total estimated contract cost for fixed-price contracts which, in turn, led to a high degree of auditor judgment, subjectivity and audit effort in performing procedures and in evaluating the audit evidence obtained related to the total estimated contract costs for fixed-price contracts with cumulative catch-up adjustments, anticipated losses or claims.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of total estimated contract cost for fixed-price contracts. These procedures also included, among others, (i) evaluating and testing management's process for determining the total estimated contract cost for a sample of contracts with cumulative catch-up adjustments, anticipated losses or claims, which included evaluating the contract terms and other documents that support those estimates, and testing of underlying contract costs; (ii) assessing management's ability to reasonably estimate total contract costs by performing a comparison of the actual total estimated contract cost as compared with prior period estimates, including evaluating the timely identification of circumstances that may warrant a modification to the total estimated contract cost; and (iii) evaluating, for certain contracts, management's methodologies and assessing the consistency of management's approach over the life of the contract.

Goodwill Impairment Assessment - Asia/Pacific Reporting Unit

As described in Notes 2 and 6 to the consolidated financial statements, the Company's consolidated goodwill balance was \$993.5 million as of September 27, 2020, and the goodwill associated with the Asia/Pacific (ASP) reporting unit was \$95.5 million. Management performs an annual goodwill impairment review at the beginning of the fiscal fourth quarter, June 29, 2020, or more frequently when an event occurs or circumstances indicate that the carrying value of the asset may not be recoverable. On September 2, 2020, Australia announced that it had fallen into economic recession in the quarter ending in June 2020. Management performed an interim goodwill impairment review of the ASP reporting unit and recorded a \$15.8 million goodwill impairment charge. The impairment test for goodwill involves the comparison of the estimated fair value of each reporting unit to the reporting unit's carrying value, including goodwill. Management estimates the fair value of reporting units based on a comparison and weighting of the income approach, specifically the discounted cash flow method and the market

approach. The development of the present value of future cash flow projections include assumptions and estimates derived from expected revenue growth rates, operating profit margins, discount rates and the terminal growth rates.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the ASP reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value measurement of the reporting unit ; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's significant assumptions related to revenue growth rates, operating profit margins, discount rates and terminal growth rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the ASP reporting unit. These procedures also included, among others, (i) testing management's process for developing the fair value estimate; (ii) evaluating the appropriateness of the discounted cash flow method; and the market approach; (iii) testing the completeness and accuracy of underlying data used in the valuation approaches; and (iv) evaluating the significant assumptions used by management related to the expected revenue growth rates, operating margins, discount rates and the terminal growth rates. Evaluating management's assumptions related to expected revenue growth rates and operating profit margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow method and market approach and management's assumptions related to the discount rates and terminal growth rates.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
November 23, 2020

We have served as the Company's auditor since 2004.

Tetra Tech, Inc.
Consolidated Balance Sheets
(in thousands, except par value)

ASSETS	September 27, 2020	September 29, 2019
Current assets:		
Cash and cash equivalents	\$ 157,515	\$ 120,732
Accounts receivable, net	649,035	768,720
Contract assets	92,632	114,324
Prepaid expenses and other current assets	81,094	62,196
Income taxes receivable	19,509	13,820
Total current assets	999,785	1,079,792
Property and equipment, net	35,507	39,441
Right-of-use assets, operating leases	239,396	—
Investments in unconsolidated joint ventures	7,332	6,873
Goodwill	993,498	924,820
Intangible assets, net	13,943	16,440
Deferred tax assets	32,052	28,385
Other long-term assets	57,045	51,657
Total assets	<u>\$ 2,378,558</u>	<u>\$ 2,147,408</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 111,804	\$ 206,609
Accrued compensation	199,801	203,384
Contract liabilities	171,905	165,611
Short-term lease liabilities, operating leases	69,650	—
Current portion of long-term debt and other short-term borrowings	49,264	12,500
Current contingent earn-out liabilities	16,142	24,977
Other current liabilities	174,890	156,873
Total current liabilities	793,456	769,954
Deferred tax liabilities	16,316	12,971
Long-term debt	242,395	263,934
Long-term lease liabilities, operating leases	191,955	—
Long-term contingent earn-out liabilities	16,475	28,015
Other long-term liabilities	80,588	83,070
Commitments and contingencies (Note 17)		
Equity:		
Preferred stock – Authorized, 2,000 shares of \$0.01 par value; no shares issued and outstanding at September 27, 2020 and September 29, 2019	—	—
Common stock – Authorized, 150,000 shares of \$0.01 par value; issued and outstanding, 53,797 and 54,565 shares at September 27, 2020 and September 29, 2019, respectively	538	546
Additional paid-in capital	—	78,132
Accumulated other comprehensive loss	(161,786)	(160,584)
Retained earnings	1,198,567	1,071,192
Tetra Tech stockholders' equity	1,037,319	989,286
Noncontrolling interests	54	178
Total stockholders' equity	1,037,373	989,464
Total liabilities and stockholders' equity	<u>\$ 2,378,558</u>	<u>\$ 2,147,408</u>

See accompanying Notes to Consolidated Financial Statements.

Tetra Tech, Inc.
Consolidated Statements of Income
(in thousands, except per share data)

	Fiscal Year Ended		
	September 27, 2020	September 29, 2019	September 30, 2018
Revenue	\$ 2,994,891	\$ 3,107,348	\$ 2,964,148
Subcontractor costs	(646,319)	(717,711)	(763,414)
Other costs of revenue	(1,902,037)	(1,981,454)	(1,816,276)
Gross profit	446,535	408,183	384,458
Selling, general and administrative expenses	(204,615)	(200,230)	(190,120)
Acquisition and integration expenses	—	(10,351)	—
Contingent consideration – fair value adjustments	14,971	(1,085)	(4,252)
Impairment of goodwill	(15,800)	(7,755)	—
Income from operations	241,091	188,762	190,086
Interest income	1,375	1,732	1,824
Interest expense	(14,475)	(15,358)	(17,348)
Income before income tax expense	227,991	175,136	174,562
Income tax expense	(54,101)	(16,375)	(37,605)
Net income	173,890	158,761	136,957
Net income attributable to noncontrolling interests	(31)	(93)	(74)
Net income attributable to Tetra Tech	\$ 173,859	\$ 158,668	\$ 136,883
Earnings per share attributable to Tetra Tech:			
Basic	\$ 3.21	\$ 2.89	\$ 2.46
Diluted	\$ 3.16	\$ 2.84	\$ 2.42
Weighted-average common shares outstanding:			
Basic	54,235	54,986	55,670
Diluted	55,022	55,936	56,598

See accompanying Notes to Consolidated Financial Statements.

Tetra Tech, Inc.
Consolidated Statements of Comprehensive Income
(in thousands)

	Fiscal Year Ended		
	September 27, 2020	September 29, 2019	September 30, 2018
Net income	\$ 173,890	\$ 158,761	\$ 136,957
Other comprehensive income, net of tax			
Foreign currency translation adjustments, net of tax	3,436	(21,109)	(29,656)
(Loss) gain on cash flow hedge valuations, net of tax	(4,638)	(12,125)	806
Other comprehensive loss attributable to Tetra Tech, net of tax	(1,202)	(33,234)	(28,850)
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax	(1)	243	(64)
Comprehensive income, net of tax	<u>\$ 172,687</u>	<u>\$ 125,770</u>	<u>\$ 108,043</u>
Comprehensive income attributable to Tetra Tech, net of tax	\$ 172,657	\$ 125,434	\$ 108,033
Comprehensive income attributable to noncontrolling interests, net of tax	30	336	10
Comprehensive income, net of tax	<u>\$ 172,687</u>	<u>\$ 125,770</u>	<u>\$ 108,043</u>

See accompanying Notes to Consolidated Financial Statements.

Tetra Tech, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year Ended		
	September 27, 2020	September 29, 2019	September 30, 2018
Cash flows from operating activities:			
Net income	\$ 173,890	\$ 158,761	\$ 136,957
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	24,611	28,844	38,636
Equity in income of unconsolidated joint ventures	(6,605)	(4,073)	(4,008)
Distributions of earnings from unconsolidated joint ventures	6,310	4,048	3,440
Amortization of stock-based awards	19,424	17,618	19,582
Deferred income taxes	565	(37,615)	(29,360)
Provision for doubtful accounts	1,267	16,964	7,167
Impairment of goodwill	15,800	7,755	—
Fair value adjustments to contingent consideration	(14,971)	1,085	4,252
(Gain) loss on sale of assets and divested business	(11,066)	(232)	1,045
Changes in operating assets and liabilities, net of effects of business acquisitions:			
Accounts receivable and contract assets	154,748	(10,226)	(46,273)
Prepaid expenses and other assets	(11,321)	2,568	(12,638)
Accounts payable	(102,162)	39,011	(16,032)
Accrued compensation	(8,173)	18,359	27,492
Contract liabilities	5,894	(6,039)	15,228
Other liabilities	19,460	(16,929)	24,998
Income taxes receivable/payable	(5,192)	(11,386)	17,596
Cash settled contingent earn-out liability	—	—	(2,349)
Net cash provided by operating activities	262,479	208,513	185,733
Cash flows from investing activities:			
Payments for business acquisitions, net of cash acquired	(68,488)	(84,159)	(68,256)
Capital expenditures	(12,245)	(16,198)	(9,726)
Proceeds from sale of assets and divested business, net	17,710	651	35,348
Net cash used in investing activities	(63,023)	(99,706)	(42,634)
Cash flows from financing activities:			
Proceeds from borrowings	344,991	417,262	401,965
Repayments on long-term debt	(331,066)	(415,491)	(485,946)
Repurchases of common stock	(117,188)	(100,000)	(75,000)
Taxes paid on vested restricted stock	(11,166)	(6,893)	(8,871)
Payments of contingent earn-out liabilities	(22,900)	(12,018)	(1,412)
Debt pre-payment costs	—	—	(1,737)
Stock options exercised	10,334	11,751	13,520
Dividends paid	(34,743)	(29,674)	(24,477)
Principal payments on finance leases	(1,311)	—	—
Net cash used in financing activities	(163,049)	(135,063)	(181,958)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	207	(1,727)	(4,947)
Net increase (decrease) in cash, cash equivalents and restricted cash	36,614	(27,983)	(43,806)
Cash, cash equivalents and restricted cash at beginning of year	120,901	148,884	192,690
Cash, cash equivalents and restricted cash at end of year	<u>\$ 157,515</u>	<u>\$ 120,901</u>	<u>\$ 148,884</u>
Supplemental information:			
Cash paid during the year for:			
Interest	\$ 13,256	\$ 12,310	\$ 15,570
Income taxes, net of refunds received of \$1.4 million, \$5.2 million and \$2.5 million	\$ 55,039	\$ 66,038	\$ 49,842
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 157,515	\$ 120,732	\$ 146,185
Restricted cash included in other current assets	—	169	2,699
Total cash, cash equivalents and restricted cash	<u>\$ 157,515</u>	<u>\$ 120,901</u>	<u>\$ 148,884</u>

See accompanying Notes to Consolidated Financial Statements.

Tetra Tech, Inc.
Consolidated Statements of Equity
Fiscal Years Ended September 30, 2018, September 29, 2019, and September 27, 2020
(in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Tetra Tech Equity	Non-Controlling Interests	Total Equity
	Shares	Amount						
BALANCE AT OCTOBER 1, 2017	55,873	\$ 559	\$ 193,835	\$ (98,500)	\$ 832,559	\$ 928,453	\$ 171	\$ 928,624
Comprehensive income, net of tax:								
Net income					136,883	136,883	74	136,957
Foreign currency translation adjustments				(29,656)		(29,656)	(64)	(29,720)
Gain on cash flow hedge valuations				806		806		806
Comprehensive income, net of tax						108,033	10	108,043
Distributions paid to noncontrolling interests							(52)	(52)
Cash dividends of \$0.44 per common share					(24,477)	(24,477)		(24,477)
Stock-based compensation			19,582			19,582		19,582
Stock options exercised	549	5	13,506			13,511		13,511
Restricted & performance shares released	277	3	(8,874)			(8,871)		(8,871)
Shares issued for Employee Stock Purchase Plan	142	1	5,739			5,740		5,740
Stock repurchases	(1,492)	(15)	(74,985)			(75,000)		(75,000)
BALANCE AT SEPTEMBER 30, 2018	55,349	553	148,803	(127,350)	944,965	966,971	129	967,100
Comprehensive income, net of tax:								
Net income					158,668	158,668	93	158,761
Foreign currency translation adjustments				(21,109)		(21,109)	243	(20,866)
Gain on cash flow hedge valuations				(12,125)		(12,125)		(12,125)
Comprehensive income, net of tax						125,434	336	125,770
Distributions paid to noncontrolling interests							(287)	(287)
Cash dividends of \$0.54 per common share					(29,674)	(29,674)		(29,674)
Stock-based compensation			17,618			17,618		17,618
Restricted & performance shares released	183	2	(6,895)			(6,893)		(6,893)
Stock options exercised	448	5	11,746			11,751		11,751
Shares issued for Employee Stock Purchase Plan	148	2	6,844			6,846		6,846
Stock repurchases	(1,563)	(16)	(99,984)			(100,000)		(100,000)
Cumulative effect of accounting changes					(2,767)	(2,767)		(2,767)

	Common Stock		Additional	Accumulated		Total	Non-Controlling	Total
	Shares	Amount	Paid-in	Other	Retained	Tetra Tech	Interests	Equity
			Capital	Comprehensive	Earnings	Equity		
				Income (Loss)				
BALANCE AT SEPTEMBER 29, 2019	54,565	546	78,132	(160,584)	1,071,192	989,286	178	989,464
Comprehensive income, net of tax:								
Net income					173,859	173,859	31	173,890
Foreign currency translation adjustments				3,436		3,436	(1)	3,435
Loss on cash flow hedge valuations				(4,638)		(4,638)		(4,638)
Comprehensive income, net of tax						172,657	30	172,687
Distributions paid to noncontrolling interests							(154)	(154)
Cash dividends of \$0.64 per common share					(34,743)	(34,743)		(34,743)
Stock-based compensation			19,424			19,424		19,424
Restricted & performance shares released	212	2	(11,168)			(11,166)		(11,166)
Stock options exercised	361	4	10,330			10,334		10,334
Shares issued for Employee Stock Purchase Plan	168	1	8,714			8,715		8,715
Stock repurchases	(1,509)	(15)	(105,432)		(11,741)	(117,188)		(117,188)
BALANCE AT SEPTEMBER 27, 2020	<u>53,797</u>	<u>\$ 538</u>	<u>\$ —</u>	<u>\$ (161,786)</u>	<u>\$ 1,198,567</u>	<u>\$ 1,037,319</u>	<u>\$ 54</u>	<u>\$ 1,037,373</u>

See accompanying Notes to Consolidated Financial Statements.

Tetra Tech, Inc.

Notes to Consolidated Financial Statements

1. Description of Business

We are a leading global provider of consulting and engineering services that focuses on water, environment, sustainable infrastructure, resource management, energy, and international development. We are a global company that is *Leading with Science®* to provide innovative solutions for our public and private clients. We typically begin at the earliest stage of a project by identifying technical solutions and developing execution plans tailored to our clients' needs and resources. Our solutions may span the entire life cycle of consulting and engineering projects and include applied science, data analysis, research, engineering, design, construction management, and operations and maintenance.

We manage our business under two reportable segments. Our Government Services Group ("GSG") reportable segment primarily includes activities with U.S. government clients (federal, state and local) and all activities with development agencies worldwide. Our Commercial/International Services Group ("CIG") reportable segment primarily includes activities with U.S. commercial clients and international clients other than development agencies. This alignment allows us to capitalize on our growing market opportunities and enhance the development of high-end consulting and technical solutions to meet our growing client demand. We continue to report the results of the wind-down of our non-core construction activities in the Remediation and Construction Management ("RCM") reportable segment. Certain reclassifications were made to the prior years to conform to the current-year presentation.

2. Basis of Presentation and Preparation

Principles of Consolidation and Presentation. The consolidated financial statements include our accounts and those of joint ventures of which we are the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year. We report results of operations based on 52 or 53-week periods ending on the Sunday nearest September 30. Fiscal years 2020, 2019 and 2018 each contained 52 weeks.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires us to make estimates and assumptions. These estimates and assumptions affect the amounts reported in our consolidated financial statements and accompanying notes. Although such estimates and assumptions are based on management's best knowledge of current events and actions we may take in the future, actual results could differ materially from those estimates.

Cash and Cash Equivalents. Cash and cash equivalents include highly liquid investments with original maturities of 90 days or less. We classify cash and cash equivalents as restricted when we are unable to freely use such cash and cash equivalents for our general operating purposes. Restricted cash balances are reported within our "Prepaid expenses and other current assets" on the consolidated balance sheets. Occasionally, we have book overdrafts which represent checks issued in excess of funds on deposit in our bank accounts that have not yet been paid by the applicable bank at the balance sheet date. Bank overdrafts occur when a bank honors disbursements in excess of funds on deposit in our bank accounts. We classify book and bank overdrafts as short-term borrowings on our consolidated balance sheets, and report the change in overdrafts as a financing activity in our consolidated statements of cash flows.

Insurance Matters, Litigation and Contingencies. In the normal course of business, we are subject to certain contractual guarantees and litigation. In addition, we maintain insurance coverage for various aspects of our business and operations. We record in our consolidated balance sheets amounts representing our estimated liability for these legal and insurance obligations. Any adjustments to these liabilities are recorded in our consolidated statements of income.

Accounts Receivable – Net. Net accounts receivable consists of billed and unbilled accounts receivable, and allowances for doubtful accounts. Billed accounts receivable represent amounts billed to clients that have not been collected. Unbilled accounts receivable, which represent an unconditional right to payment subject only to the passage of time, include unbilled amounts typically resulting from revenue recognized but not yet billed pursuant to contract terms or billed after the period end date. Most of our unbilled receivables at September 27, 2020 are expected to be billed and collected within 12 months. Unbilled accounts receivable also include amounts related to requests for equitable adjustment to contracts that provide for price redetermination. These amounts are recorded only when they can be reliably estimated and realization is probable. The allowance for doubtful accounts represents amounts that are expected to become uncollectible or unrealizable in the future. We determine an estimated allowance for uncollectible accounts based on management's consideration of trends in the actual and forecasted credit quality of our clients, including delinquency and payment history; type of client, such as a government agency or a commercial sector client; and general economic and industry conditions, including the potential impacts of the coronavirus disease 2019 ("COVID-19") pandemic, that may affect our clients' ability to pay.

Contract Assets and Contract Liabilities. Contract assets represent revenue recognized in excess of the amounts for which we have the contractual right to bill our customers. Contract retentions, included in contract assets, represent amounts withheld by clients until certain conditions are met or the project is completed, which may extend beyond one year. Contract liabilities represent the amount of cash collected from clients and billings to clients on contracts in advance of work performed and revenue recognized. The majority of these amounts are expected to be earned within 12 months and are classified as current liabilities.

Property and Equipment. Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from our consolidated balance sheets and any resulting gain or loss is reflected in our consolidated statements of income. Expenditures for maintenance and repairs are expensed as incurred. Generally, estimated useful lives range from three to seven years for equipment, furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the lease term. Assets held for sale are measured at the lower of carrying amount (i.e., net book value) and fair value less cost to sell, and are reported within "Prepaid expenses and other current assets" on our consolidated balance sheets. Once assets are classified as held for sale, they are no longer depreciated.

Long-Lived Assets. Our policy is to evaluate the recoverability of our long-lived assets when the facts and circumstances suggest that the assets may be impaired. This assessment is performed based on the estimated undiscounted cash flows compared to the carrying value of the assets. If the future cash flows (undiscounted and without interest charges) are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

Leases. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, and current and long-term operating lease liabilities in the consolidated balance sheets. Our finance leases are reported in "Other long-term assets", "Other current liabilities", and "Other long-term liabilities" on our consolidated balance sheet.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, incremental borrowing rates are used based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Our operating leases are primarily for corporate and project office spaces. To a much lesser extent, we have operating leases for vehicles and equipment. Our operating leases have remaining lease terms of one month to twelve years, some of which may include options to extend the leases for up to five years. We also have finance leases which are primarily related to IT equipment.

We recognize a liability for contract termination costs associated with an exit activity for costs that will continue to be incurred under a lease for its remaining term without economic benefit to us, initially measured at its fair value at the cease-use date. The fair value is determined based on the remaining lease rentals, adjusted for the effects of any prepaid or deferred items recognized under the lease, and reduced by estimated sublease rentals.

Business Combinations. The cost of an acquired company is assigned to the tangible and intangible assets purchased and the liabilities assumed based on their fair values at the date of acquisition. The determination of fair values of these assets and liabilities requires us to make estimates and use valuation techniques when a market value is not readily available. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is allocated to goodwill. Goodwill typically represents the value paid for the assembled workforce and enhancement of our service offerings. Transaction costs associated with business combinations are expensed as incurred.

Goodwill and Intangible Assets. Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business acquisition. Following an acquisition, we perform an analysis to value the acquired company's tangible and identifiable intangible assets and liabilities. With respect to identifiable intangible assets, we consider backlog, non-compete agreements, client relations, trade names, patents and other assets. We amortize our intangible assets based on the period over which the contractual or economic benefits of the intangible assets are expected to be realized. We assess the recoverability of the unamortized balance of our intangible assets when indicators of impairment are present based on expected future profitability and undiscounted expected cash flows and their contribution to our overall operations. Should the review indicate that the carrying value is not fully recoverable, the excess of the carrying value over the fair value of the intangible assets would be recognized as an impairment loss.

We test our goodwill for impairment on an annual basis, and more frequently when an event occurs, or circumstances indicate that the carrying value of the asset may not be recoverable. We believe the methodology that we use to review impairment of goodwill, which includes a significant amount of judgment and estimates, provides us with a reasonable basis to determine whether impairment has occurred. However, many of the factors employed in determining whether our goodwill is impaired are outside of our control and it is reasonably likely that assumptions and estimates will change in future periods. These changes could result in future impairments.

We perform our annual goodwill impairment review at the beginning of our fiscal fourth quarter. Our last annual review was performed at June 29, 2020 (i.e., the first day of our fiscal fourth quarter). In addition, we regularly evaluate whether events and circumstances have occurred that may indicate a potential change in recoverability of goodwill. We perform interim goodwill impairment reviews between our annual reviews if certain events and circumstances have occurred, including a deterioration in general economic conditions, an increased competitive environment, a change in management, key personnel, strategy or customers, negative or declining cash flows, or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods. We assess goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. Our operating segments are the same as our reportable segments and our reporting units for goodwill impairment testing are the components one level below our reportable segments. These components constitute a business for which discrete financial information is available and where segment management regularly reviews the operating results of that component. We aggregate components within an operating segment that have similar economic characteristics.

The impairment test for goodwill involves the comparison of the estimated fair value of each reporting unit to the reporting unit's carrying value, including goodwill. We estimate the fair value of reporting units based on a comparison and weighting of the income approach, specifically the discounted cash flow method and the market approach, which estimates the fair value of our reporting units based upon comparable market prices and recent transactions and also validates the reasonableness of the multiples from the income approach. The development of the present value of future cash flow projections includes assumptions and estimates derived from a review of our expected revenue growth rates, operating profit margins, discount rates, and the terminal growth rate. If the fair value of a reporting unit exceeds its carrying amount, the goodwill of that reporting unit is not considered impaired. However, if its carrying value exceeds its fair value, our goodwill is impaired, and we are required to record a non-cash charge that could have a material adverse effect on our consolidated financial statements. An impairment loss recognized, if any, should not exceed the total amount of goodwill allocated to the reporting unit.

Contingent Consideration. Most of our acquisition agreements include contingent earn-out arrangements, which are generally based on the achievement of future operating income thresholds. The contingent earn-out arrangements are based upon our valuations of the acquired companies and reduce the risk of overpaying for acquisitions if the projected financial results are not achieved.

The fair values of these earn-out arrangements are included as part of the purchase price of the acquired companies on their respective acquisition dates. For each transaction, we estimate the fair value of contingent earn-out payments as part of the initial purchase price and record the estimated fair value of contingent consideration as a liability in "Current contingent earn-out liabilities" and "Long-term contingent earn-out liabilities" on the consolidated balance sheets. We consider several factors when determining that contingent earn-out liabilities are part of the purchase price, including the following: (1) the valuation of our acquisitions is not supported solely by the initial consideration paid, and the contingent earn-out formula is a critical and material component of the valuation approach to determining the purchase price; and (2) the former owners of acquired companies that remain as key employees receive compensation other than contingent earn-out payments at a reasonable level compared with the compensation of our other key employees. The contingent earn-out payments are not affected by employment termination.

We measure our contingent earn-out liabilities at fair value on a recurring basis using significant unobservable inputs classified within Level 3 of the fair value hierarchy. We use a probability weighted discounted income approach as a valuation technique to convert future estimated cash flows to a single present value amount. The significant unobservable inputs used in the fair value measurements are operating income projections over the earn-out period (generally two or three years), and the probability outcome percentages we assign to each scenario. Significant increases or decreases to either of these inputs in isolation would result in a significantly higher or lower liability, with a higher liability capped by the contractual maximum of the contingent earn-out obligation. Ultimately, the liability will be equivalent to the amount paid, and the difference between the fair value estimate and amount paid will be recorded in earnings. The amount paid that is less than or equal to the contingent earn-out liability on the acquisition date is reflected as cash used in financing activities in our consolidated statements of cash flows. Any amount paid in excess of the contingent earn-out liability on the acquisition date is reflected as cash used in operating activities in our consolidated statements of cash flows.

We review and re-assess the estimated fair value of contingent consideration on a quarterly basis, and the updated fair value could differ materially from the initial estimates. Changes in the estimated fair value of our contingent earn-out liabilities

related to the time component of the present value calculation are reported in interest expense. Adjustments to the estimated fair value related to changes in all other unobservable inputs are reported in operating income.

Fair Value of Financial Instruments. We determine the fair values of our financial instruments, including short-term investments, debt instruments and derivative instruments based on inputs or assumptions that market participants would use in pricing an asset or a liability. We categorize our 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; and Level 3 inputs are unobservable inputs based on our own 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 values based on their short-term nature. The carrying amounts of our revolving credit facility approximates fair value because the interest rates are based upon variable reference rates. Certain other assets and liabilities, such as contingent earn-out liabilities and amounts related to cash-flow hedges, are required to be carried in our consolidated financial statements at fair value.

Our 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 we believe our 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.

Derivative Financial Instruments. We account for our derivative instruments as either assets or liabilities and carry 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 (loss) 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.

Deferred Compensation. We maintain a non-qualified defined contribution supplemental retirement plan for certain key employees and non-employee directors that is accounted for in accordance with applicable authoritative guidance on accounting for deferred compensation arrangements where amounts earned are held in a rabbi trust and invested. Employee deferrals are deposited into a rabbi trust, and the funds are generally invested in individual variable life insurance contracts that we own and are specifically designed to informally fund savings plans of this nature. Our consolidated balance sheets reflect our investment in variable life insurance contracts in "Other long-term assets." Our obligation to participating employees is reflected in "Other long-term liabilities." The net gains and losses related to the deferred compensation plan are reported as part of "Selling, general and administrative expenses" in our consolidated statements of income.

Income Taxes. We file a consolidated U.S. federal income tax return. In addition, we file other returns that are required in the states, foreign jurisdictions and other jurisdictions in which we do business. We account for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are computed for the difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to reverse. In determining the need for a valuation allowance, management reviews both positive and negative evidence, including current and historical results of operations, future income projections, scheduled reversals of deferred tax amounts, availability of carrybacks, and potential tax planning strategies. Based on our assessment, we have concluded that a portion of the deferred tax assets will not be realized.

According to the authoritative guidance on accounting for uncertainty in income taxes, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. This guidance also addresses de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and disclosure requirements for uncertain tax positions.

Concentration of Credit Risk. Financial instruments that subject us to credit risk consist primarily of cash and cash equivalents and net accounts receivable. In the event that we have surplus cash, we place our temporary cash investments with lower risk financial institutions and, by policy, limit the amount of investment exposure to any one financial institution. Approximately 28% of accounts receivable were due from various agencies of the U.S. federal government at fiscal 2020 year-end. The remaining accounts receivable are generally diversified due to the large number of organizations comprising our client base and their geographic dispersion. We perform ongoing credit evaluations of our clients and maintain an allowance for potential credit losses. Approximately 48%, 22% and 30% of our fiscal 2020 revenue was generated from our U.S. government, U.S. commercial and international clients, respectively.

Foreign Currency Translation. We determine the functional currency of our foreign operating units based upon the primary currency in which they operate. These operating units maintain their accounting records in their local currency, primarily Canadian and Australian dollars, and British pounds. Where the functional currency is not the U.S. dollar, translation of assets and liabilities to U.S. dollars is based on exchange rates at the balance sheet date. Translation of revenue and expenses to U.S. dollars is based on the average rate during the period. Translation gains or losses are reported as a component of other comprehensive income (loss). Gains or losses from foreign currency transactions are included in income from operations.

Recently Issued Accounting Pronouncements Adopted in Fiscal 2020.

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02 "Leases (Topic 842)", which is a new standard related to leases to increase transparency and comparability among organizations by requiring the recognition of ROU assets obtained in exchange for lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. In the first quarter of fiscal 2020, we adopted the standard using the modified retrospective method. The standard was applied to leases that existed or were entered into on or after September 30, 2019. Our fiscal 2020 financial statements have been presented under this standard. However, the prior-year financial statements have not been adjusted and continue to be reported in accordance with previous guidance. See Note 10, "Leases" for further discussion of the adoption and the impact on our consolidated financial statements.

In August 2017, the FASB issued accounting guidance on hedging activities. The amendment better aligns an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The guidance was effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2018 (first quarter of fiscal 2020 for us). The adoption of this guidance had no impact on our consolidated financial statements.

In February 2018, the FASB issued guidance on reclassification of certain tax effects from accumulated comprehensive income, which allows for a reclassification of stranded tax effects from the Tax Cuts and Jobs Act ("TCJA") from accumulated other comprehensive income to retained earnings. The guidance was effective for fiscal years beginning after December 15, 2018 (first quarter of fiscal 2020 for us). We did not reclassify our stranded effects from the TCJA, which were immaterial.

Recently Issued Accounting Pronouncements Not Yet Adopted.

In June 2016, the FASB issued updated guidance, Accounting Standards Update ("ASU") 2016-13, related to the measurement of credit losses for certain financial assets. This guidance replaces the current incurred loss methodology with an expected credit loss methodology. It requires us to recognize an allowance equal to our current estimate of all contractual cash flows that we do not expect to collect. Our estimate would consider relevant information about past events, current conditions, and reasonable and supportable forecasts impacting the collectability of the reported amounts. The guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019 (first quarter of fiscal 2021 for us). In anticipation of our adoption of ASU 2016-13, we have updated our presentation of gross receivables and the allowance for doubtful accounts to reflect only expected credit losses in the allowance. We do not expect the adoption in the first quarter of fiscal 2021 to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued updated guidance modifying certain fair value measurement disclosures. The guidance contains additional disclosures to enable users of the financial statements to better understand the entity's assumption used to develop significant unobservable inputs for Level 3 fair value measurements, but also eliminates the requirement for entities to disclose the amount of and reasons for transfers between Level 1 and Level 2 investments within the fair value hierarchy. This guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019 (first quarter of fiscal 2021 for us). Early adoption is permitted. We do not expect the adoption of this guidance to have a significant impact on our consolidated financial statements.

In December 2019, the FASB issued guidance simplifying the accounting for income taxes by removing certain exceptions to general principles in Topic 740 and amending certain existing guidance for clarity. This guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2020 (first quarter of fiscal 2022 for us). Early adoption is permitted. We do not expect the adoption of this guidance to have an impact on our consolidated financial statements.

In May 2020, the Securities and Exchange Commission issued guidance amending certain financial disclosures about acquired and disposed businesses. The amendments are designed to assist registrants in making more meaningful determinations of whether a subsidiary or an acquired or disposed business is significant, and to improve the related disclosure requirements. The guidance is effective for fiscal years beginning after December 31, 2020 (first quarter of fiscal 2022 for us). We do not expect the adoption of this guidance to have an impact on our consolidated financial statements.

3. Revenue and Contract Balances

We recognize revenue over time as the related performance obligation is satisfied by transferring control of a promised good or service to our customers. Progress toward complete satisfaction of the performance obligation is primarily measured using a cost-to-cost measure of progress method. The cost input is based primarily on contract cost incurred to date compared to total estimated contract cost. This measure includes forecasts based on the best information available and reflects our judgement to faithfully depict the value of the services transferred to the customer. For certain on-call engineering or consulting and similar contracts, we recognize revenue in the amount which we have the right to invoice the customer if that amount corresponds directly with the value of our performance completed to date.

Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised in the near-term. For those performance obligations for which revenue is recognized using a cost-to-cost measure of progress method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs indicates a loss, a provision for the entire estimated loss on the contract is made in the period in which the loss becomes evident.

Disaggregation of Revenue

We disaggregate revenue by client sector and contract type, as we believe it best depicts how the nature, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following tables present revenue disaggregated by client sector and contract type:

	Fiscal Year Ended		
	September 27, 2020	September 29, 2019	September 30, 2018
	(in thousands)		
Client Sector:			
U.S. state and local government	\$ 439,019	\$ 587,364	\$ 469,231
U.S. federal government ⁽¹⁾	993,835	941,102	974,384
U.S. commercial	674,605	719,314	788,398
International ⁽²⁾	887,432	859,568	732,135
Total	<u>\$ 2,994,891</u>	<u>\$ 3,107,348</u>	<u>\$ 2,964,148</u>
Contract Type:			
Fixed-price	\$ 1,078,432	\$ 1,048,157	\$ 986,910
Time-and-materials	1,391,592	1,509,901	1,395,148
Cost-plus	524,867	549,290	582,090
Total	<u>\$ 2,994,891</u>	<u>\$ 3,107,348</u>	<u>\$ 2,964,148</u>

⁽¹⁾ Includes revenue generated under U.S. federal government contracts performed outside the United States.

⁽²⁾ Includes revenue generated from foreign operations, primarily in Canada, Australia, the United Kingdom, and revenue generated from non-U.S. clients.

Other than the U.S. federal government, no single client accounted for more than 10% of our revenue for the twelve months ended September 27, 2020 and September 29, 2019.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

TETRA TECH, INC.

By:

/s/ DAN L. BATRACK

Date: November 20, 2020

Dan L. Batrack
Chairman and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dan L. Batrack and Steven M. Burdick, jointly and severally, his attorney-in-fact, each with the full power of substitution, for such person, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might do or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ DAN L. BATRACK</u> Dan L. Batrack	Chairman and Chief Executive Officer (Principal Executive Officer)	November 20, 2020
<u>/s/ STEVEN M. BURDICK</u> Steven M. Burdick	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	November 20, 2020
<u>/s/ BRIAN N. CARTER</u> Brian N. Carter	Senior Vice President, Corporate Controller (Principal Accounting Officer)	November 20, 2020
<u>/s/ GARY R. BIRKENBEUEL</u> Gary R. Birkenbeuel	Director	November 20, 2020
<u>/s/ PATRICK C. HADEN</u> Patrick C. Haden	Director	November 20, 2020
<u>/s/ J. CHRISTOPHER LEWIS</u> J. Christopher Lewis	Director	November 20, 2020
<u>/s/ JOANNE M. MAGUIRE</u> Joanne M. Maguire	Director	November 20, 2020
<u>/s/ KIMBERLY E. RITRIEVI</u> Kimberly E. Ritrievi	Director	November 20, 2020
<u>/s/ J. KENNETH THOMPSON</u> J. Kenneth Thompson	Director	November 20, 2020
<u>/s/ KIRSTEN M. VOLPI</u> Kirsten M. Volpi	Director	November 20, 2020

Resumes

EXPERIENCE SUMMARY

Ms. Allison McLeary is an experienced emergency response and recovery executive with a demonstrated history of building meaningful relationships across all levels of government. As **former Recovery Bureau Chief of the Florida Division of Emergency Management**, she offers more than 3 years of direct experience administering grant programming throughout the State of Florida. She is a steadfast advisor in planning for, responding to, and recovering from challenges and disasters.

RELEVANT EXPERIENCE

Director, Disaster Recovery Programs (March 2021 – Present) **Tetra Tech, Inc.**

Ms. McLeary serves as Director of Disaster Recovery Programs, providing policy guidance and program support. Ms. McLeary is an expert in FEMA policies, building and maintaining relationships with FEMA representatives. She analyzes policy and provides policy guidance to clients. She supports the Tetra Tech team to build programs that align with federal expectations and comply with client/federal requirements. She maximizes operational efficiencies by analyzing individual projects with a holistic lens, leveraging best practices from Tetra Tech debris management operations throughout the Nation. Additionally, Ms. McLeary coordinates relationships with funding agencies and local partners to streamline project operations.

Recovery Bureau Chief (March 2020 – February 2021) **Compliance and Appeals Officer (December 2018-February 2020)** **Florida Division of Emergency Management**

- Administered all FEMA Stafford Act programs for the State of Florida (\$9.8+ Billion over 26 federally declared events under management)
- Validated and Paid through FDEM an unprecedented \$4.1 Billion in Recovery funds in the period January 2019-February 2021, including \$2.7 Billion in PA and over \$300 Million in USDA Agriculture Recovery Block Grants
- Developed and implemented the State strategy for \$1.275 Billion in CARES-Coronavirus Relief Fund payments to 55 medium and small counties. (\$1.07 Billion validated and paid June 2020-February 2021)
- Served as Alternate Governor's Authorized Representative and Deputy State Coordinating Officer for all FEMA declared events in Florida
- Created a comprehensive FEMA PA Compliance program, including risk assessments, monitoring, and technical assistance and programmatic guidance tailored to address specific compliance risks

Recovery Legal Counsel (January 2017 – November 2018) **Louisiana Governor's Office of Homeland Security and Emergency Preparedness**

- Served as Recovery counsel- advising on all matters of emergency management and whole community Recovery

YEARS OF EXPERIENCE

18 years

AREA OF EXPERTISE

- Disaster Response & Recovery
- Grant Administration
- Stafford Act Compliance
- Alternative Procedures

GRANT EXPERIENCE

- FEMA Public Assistance
- CARES Act
- USDA Agriculture Recovery Block Grants
- HUD CDBG

EDUCATION

Auburn University, Bachelor of Arts, March 2000

Louisiana State University- Paul M. Hebert Law Center, Juris Doctorate, May 2004

Louisiana State University- Paul M. Hebert Law Center, Bachelor of Civil Law, May 2004

- Programs included FEMA/Stafford Act programs and HUD-Community Development Block Grants (CDBG-DR)
- Audit liaison to US Department of Homeland Security- Office of Inspector General and FEMA
- Developed and delivered a comprehensive outreach and education technical assistance strategy to grant subrecipients in Louisiana

FirstNet Program Manager (February 2015 – January 2017)

Louisiana Division of Administration, Office of Technology Services

- Oversaw a team effort to identify needs, perform gap analyses, and plan for the buildout of the State's portion of the Nationwide Broadband network, known as FirstNet.
- Identified the needs and expectations of the State's 62,000+ first responders and worked with the US Department of Commerce and the FirstNet Authority to include those inputs in the \$7 Billion RFP for the buildout and operation of the FirstNet network.

State Police Legal Counsel (August 2003 – May 2013)

Louisiana Department of Public Safety and Corrections, Louisiana State Police, Office of Legal Affairs

- Counsel to State Police on matters of policy, operations, public records law, personnel management, emergency management/crisis response, and investigations
- Advised the State Police through the buildout of the LWIN Statewide radio network, currently with over 99,000 users and statewide coverage, including tower and backhaul buildout
- Served as legislative liaison and helped draft numerous bills and testified in committee on several measures including revisions to the electronic surveillance framework and the regulation of private security.
- Represented the Louisiana Oil Spill Coordinator's Office and was assigned Attorney Supervisor throughout the response to the Deepwater Horizon event
 - Led a multi-agency team of in house, state agency lawyers in the early days of the disaster
 - Coordinated efforts among state agency counsel to ensure that necessary inputs needed for the response, damage assessment and claims under the Oil Pollution Act of 1990, Clean Water Act and other applicable federal and state laws were supported.

EXPERIENCE SUMMARY

Mr. Leonard is a Senior Program Manager/Planner with extensive Housing and Infrastructure Development expertise. He has done extensive federal infrastructure work including: Disaster Recovery, Infrastructure including Housing, Airport Planning and Commercial Development. Mr. Leonard has researched, wrote, and won several affirmative Federal legal filings. He also has significant experience in commercial planning and economic development, specifically defining Federal program/project grant management in multi-million-dollar projects.

RELEVANT EXPERIENCE

Project Manager (2019 – 2020)

International Emergency Management (IEM)

Mr. Leonard provided energetic, innovative, and technically valid Strategic Leadership to effectively implement all requested/required program and system strategies as defined, to ensure full recovery from disaster/attach events, including resilience strategic planning for program implementation.

Senior Program Manager/Planner (2018 – 2018)

ULTEG Engineering

Mr. Leonard was a Project Construction/Program Co-Team Leader. He was responsible for auditing, project strategy, communication, and both internal and external Project/Program Coordination with all Local, State and Federal stakeholders. Mr. Leonard also managed complex and multi-layered project management and continuity strategies (\$300M Project).

Director (GS-15) (2010 – 2018)

U.S. Department of Housing and Urban Development

Mr. Leonard was a principal strategic management official of all HUD Community Planning and Development (CPD) funds, programs, and plans across a statewide jurisdiction (Kentucky). He also provided direct leadership of CDBG-DR, housing, economic development, and infrastructure objectives, leveraging significant resources from multiple source points to meet complex multi-faceted local/regional/national objectives.

EMPLOYMENT HISTORY

- Strategic Communicator/Planner, J.M. Waller and Associated, Inc. (2010 – 2010)
- Executive Director, RSR Development Associates, LLC (2003 – 2009)
- General Manager/CEO/Project Manager, Cardinals' Pilot Shop, Inc. (1991 – 2006)
- Engineering and Technical/Security, US Naval Service, Submarines (1974 – 1994)

YEARS OF EXPERIENCE

46 years

AREA OF EXPERTISE

- Disaster Recovery
- Technical Assistance
- Infrastructure Development
- Finance Planning
- Strategic Forecasting
- Economic Development
- Project Estimating and Management

GRANT EXPERIENCE

- CDBG-DR
- HUD

EDUCATION

Troy University
Master of Public
Administration (MPA) in
Management, 1999

Saint Leo's University
Bachelor of Art, Criminology
& Administration
Management, 1996

Three Rivers Community
College
Associate of Art in General
Studies and Computer
Science

EXPERIENCE SUMMARY

Ms. Whitehair is a grant program manager with over 15 years of experience. She is experienced in managing large-scale incidents following wildfires, floods, and the current COVID-19 pandemic response. Her experience includes managing and closing out multi-million-dollar federal projects. Most recently, Ms. Whitehair served as the State Coordinator Officer/Recovery Unit Manager and Emergency Operations Center (EOC) Director for the New Mexico Department of Homeland Security (NM DHSEM), where she activated and operated the State of New Mexico's EOC and established protocols for all emergency support functions. Working closely with FEMA Region VI, she assisted with the management and administration of federal and state disaster programs with the goal of recovery and emergency restoration of facilities, and other critical infrastructure. She also created correspondence to the White House for federal assistance for recent disaster declarations including the recent COVID-19 pandemic.

RELEVANT EXPERIENCE

New Mexico Department of Homeland Security and Emergency Management

State Coordinating Officer/Recovery Unit Manager/Emergency Operations Center Director, 20016-2020

- Task Force Lead and State Coordinating Officer managing COVID Emergency Operations Center staff during the pandemic response in the state of New Mexico. Partnered with other agencies encompassing over 3,000 responding state agency personnel, including the National Guard.
- Led and managed response and recovery (warehouse/delivery/sheltering) support functions for the COVID-19 Emergency Operations Center supporting Incident Command Posts for 106 municipalities, 33 counties and 23 tribes.
- Assisted with COVID Response and Recovery duties monitoring and guiding Alternate Care Facilities, Non-Congregate Sheltering Public Health Orders policies and documentation, feeding and distribution of food and water to rural communities. Certified SCO (State Coordinating Officer) through FEMA for EOC Activation of COVID-19 Pandemic Response for DR-4529-NM.
- Activated and operated the State of New Mexico's EOC for wildfires, floods, large scale events, disaster declaration including the COVID-19 pandemic response, established protocols for all Emergency Support Functions from several cross-functional teams with efforts across the entire state to include all state agencies, counties, Tribal Nations, hospitals, first responders, private non-profits, the National Guard and municipalities.
- Assisted the NM DHSEM with the management and administration of Federal and State disaster programs.

YEARS OF EXPERIENCE

16 Years

AREA OF EXPERTISE

- EOC Operations
- COVID-19 Pandemic Response
- Grant/Project Closeout
- Large-Scale Incident Response
- Tribal-State-Federal Coordination

GRANT EXPERIENCE

- FEMA PA
- FMAG
- State DAP

EDUCATION

The University of New Mexico
Bachelor of University Studies,
Major Emergency Medical
Services, Minor in Navajo
Language, 2002

WORK HISTORY

- Tetra Tech, Inc. (2020 – Present)
- New Mexico Department of Homeland Security and Emergency Management (2016 – 2020)
- High Water Mark, LLC (2015 – 2016)
- Navajo Nation (2012 – 2015)
- Embassy of Tribal Nations (2009 – 2012)
- Arizona Office of Governor Janet Napolitano (2005 – 2009)
- Adjunct Instructor – FEMA, NM DHSEM & Arizona Citizen Corps (2004 – Present)

- Assisted stakeholders and State/Tribal/Federal agencies with the goal of recovery and emergency restoration of facilities, and other critical infrastructure. Focused on closing out multi-million-dollar federal projects.
- Developed and evaluated programs and policies to achieve the State's goals for providing Federal and State disaster assistance to all stakeholders, including Tribal Nations, municipalities, counties, private non-profits & acequias.
- Coordinated with other agency programs and access to grant funding to eligible recipients. Tracked and maintained data on grant utilization to relevant federal, state, local, and tribal jurisdictions. Monitored sub-grantee compliance with grant requirements.
- Created correspondence to the White House for federal assistance for recent disaster declarations including the COVID-19 pandemic.
- Assisted as liaison to the Federal Emergency Management Agency for activities related to Federal disaster assistance, while providing recovery guidance, grant documentation and closeout for FEMA Public Assistance funds, FMAG and State DAP (Disaster Assistance Program) to our clientele.
- Certified SCO (State Coordinating Officer) through FEMA for EOC Activation.
- Brought to the state its first team of FEMA Corps/AmeriCorps students to assist with Recovery efforts and tasking procedures to ensure all disaster documentation was accounted for.

High Water Mark, LLC

Emergency Manager, Emergency & Response, 2015 – 2016

- Assisted with Tribal-State-Federal coordination of client responses to Homeland Security Office of the Inspector General Audits.
- Advised clients of sub-grantee and grantee requirements of Federal and State grants, thus assisting with successful documentation and closeout of FEMA projects.
- Coordinated limited training budgets of less than \$10,000 for emergency responders, disaster documentation training for Tribes, including the NIMS, ICS, IAP overviews.
- Assisted the National Domestic Preparedness Consortium (NDPC) outreach to Tribes, Territories and Alaska Natives.

Navajo Nation, Department of Emergency Management

Director, Department of Emergency Management, 2012 – 2015

- Created and established new Policies and Procedures to administer FEMA Grants and Projects which expedited project closeouts and disbursement of FEMA funds to sub-grantees. With these new procedures in place, NNDEM was able to present FEMA reimbursement for emergency restoration of facilities, utilities and other critical infrastructure in less than one year.
- As Program Manager, prepared multi-million-dollar budgets for operations, preparedness and training, thus guiding the Navajo Nation to avoid reverting federal funds to FEMA/DHS. Trained hundreds of employees and volunteers in ICS/NIMS/NRF and CERT thus providing improvements to overall site safety, health, security, and emergency operations, response and recovery efforts.
- Obtained FEMA, CERT funding and secured first time Hazard Mitigation funds for the Navajo Nation.
- Assisted the Office of the Navajo Nation President and Vice-President with providing testimony to the White House and U.S. Congress.
- Established Incident Command and activated EOC coordination for over 14 events, including 20,000 Tribal citizens without water, hazardous materials evacuations, landslides, sinkholes, floods, the Asaayi Lake wildfire which burned more than 14,000 acres and involved more than 1,000 responders, and the recent Gold King Mine Spill which impacted 16 chapters/communities along 250 miles. Coordinated Incident Action Plans with other managers and monitored several cross-functional teams for other large events such as our leadership inauguration.



Sara Hale Grant Management System Lead

EXPERIENCE SUMMARY

Founding partner of Coastal Cloud, the largest woman founded and led Platinum Salesforce Consulting company with exponential multi-year growth with an award winning culture. Sara set out to build a new type of IT consulting company focused on providing customers and employees a life in which business success and the pursuit of happiness are in harmony. Sara's innovative leadership strategy has become a model for others who wish to create a highly skilled, diverse, and satisfied workforce. Coastal Cloud has been recognized in Florida as a "Best Company to Work For" by Florida Trend magazine, and one of the "50 Fastest Growing Companies" in Northeast Florida. She has been named a "Top Tech Leader" by Jacksonville Business Journal, and was awarded "Largest Woman-Owned Technology Company" in Northeast Florida.

RELEVANT EXPERIENCE

Executive Sponsor - Solution Architect (2018 - Current) **Florida Department of Economic Opportunity| Enterprise Grants Management**

Role: Solution Design, Project Management, Project Life Cycle, and Executive Sponsorship.

Description: Delivered an Enterprise Grants Management Solution to allow DEO to streamline its business processes for managing grant funds and programs. Delivered a best-in-class innovative approach to developing the department's award recipients. DEO previously used three (3) software applications and other manual processes to manage, monitor, report, and track DEO's Recipients' and/or Subrecipients' grant funding and program-specific data for federal and state programs. These processes were performed by multiple business units within DEO. The Recipients and/or Subrecipients of these grants include Local City and County Governments, Local Workforce Development Boards, Coalitions, Non-Profits, and Community Action Agencies. DEO wanted to combine and replace its current grant management applications and processes into one solution with a more dynamic, user friendly solution to better meet the needs of DEO and its Recipient and/or Subrecipients. This solution was expanded to be the Case Management system for the Rebuild Florida CDBG-DR and COVID related grants supporting emergency business loans among other programs.

YEARS OF EXPERIENCE

25 years

AREA OF EXPERTISE

- Enterprise Public Sector Solutions and Implementations
- Enterprise Grants Management
- Disaster Management
- Financial Operations & Systems
- Enterprise System Architecture & Digital Transformation

GRANT EXPERIENCE

- CDBG
- CDBG - CV
- HUD
- WIOA
- FEMA
- CARES ACT
- LIHEAP
- WAP

DISASTERS

- COVID-19 Response
- Hurricane Irma
- Hurricane Matthew
- Hurricane Michael
- Hurricane Hermine
- Oregon Wildfires

TRAINING/CERTIFICATIONS

Salesforce Certified
Salesforce Partner
Innovation 2020 Winner

EDUCATION

Duke University, Durham
NC, B.S., Computer Science

Executive Sponsor - Solution Architect (2019 - Current)

Florida Division of Emergency Management | Hurricane Relief, COVID-19 Relief, Hurricane Sheltering, Grants Management, Equipment & Vaccine Management, CARES ACT

Role: Solution Design, Project Management, Project Life Cycle, and Executive Sponsorship.

Summary: Florida Department of Emergency Management had initially selected Salesforce for Enterprise Grants Management. With the pressures of the COVID pandemic, Coastal Cloud was able to assist within days and implement within weeks additional features to manage Equipment Tracking, Noncongregate Shelters for Quarantine and Isolation, and Critical Asset Inventory Management. Within one platform, Florida County Leaders within the Department of Emergency Management and Department of Health are able to manage their vendors and county needs, costs and activities. The state can monitor through critical dashboards all within a secure environment that will streamline the grants reporting process.

EMPLOYMENT HISTORY

- Coastal Cloud (2012-present) – Managing Partner-Co Founder
- Graphene (2008-2020) – President - Co Founder
- Accenture (1992 - 1999) – Senior Manager - Technology Practice

EXPERIENCE SUMMARY

Ms. Meridith Sanders is a financial recovery and management professional with a wide range of experience throughout her 9-year career. She evaluates existing contracts for Federal Emergency Management Agency (FEMA) Public Assistance 2 CFR 200 compliance and advises accordingly to reduce risk of deobligation. Ms. Sanders successfully advocates for clients, through the draft and submission of both first and second appeals. She monitors new guidance related to disaster cost recovery and disseminates guidance to clients. She also conducts applicant timesheet review and creation of force account labor, material, and equipment summaries. Most recently, she assisted clients from Miami to Anchorage with completing FEMA Public Assistance (PA) Project Worksheets for category A-G in response to hurricanes, earthquakes, and COVID-19. Ms. Sanders has a background in business management, with experience in process management, finance, and risk management.

RELEVANT EXPERIENCE

Program Delivery Manager (March 2020-Present)

Harris County, TX

Harris County engaged Tetra Tech in March 2020 to assist in responding to the COVID-19 pandemic. Ms. Sanders worked closely with the Public Health, Budget Management, Community Services and Engineering Departments to establish multiple sheltering operations and alternate care sites. She wrote and submitted an expedited project worksheet to ensure the County received immediate funding to address the developing and continuing response effort. Ms. Sanders reviews all emergency purchases for compliance with federal requirements and makes recommendations for the most appropriate funding source based on the nature and method of each activity.

Program Delivery Manager (April 2019-Present)

Port of Corpus Christi, TX

Evaluate existing contracts for FEMA Public Assistance 2 CFR 200 compliance and draft addendums to reduce risk of deobligation. Assisted client in future event planning including operating procedures, best practices, and policy development. Develop roadmap to expedite and streamline recovery by meeting with client and FEMA, assessing damage inventory and Grants Portal status. Compliance review of future contracts and procurements to minimize risk of future deobligation. Applicant timesheet review and creation of force account labor, material, and equipment summaries. Small project certification packet creation. Create project worksheets for management and administrative costs. Project closeout.

YEARS OF EXPERIENCE

9 years

AREA OF EXPERTISE

- FEMA Public Assistance Guidelines and Compliance
- COVID-19 Shelter Operations
- Public Assistance Appeals
- Disaster Cost Recovery
- Policy Development
- Risk Management
- Financial Reporting

EDUCATION

University of North Dakota,
Master of Business
Administration (May 2011)

University of North Dakota
School of Law, Juris Doctor,
with distinction (May 2011)

Minnesota State University
Moorhead, Bachelor of Arts
in Economics (May 2005)

Financial Analyst (December 2015—April 2019)**City of Houston, TX**

Managed Hurricane Harvey recovery efforts for multiple City of Houston departments as the liaison to the Finance Department. Coordinated communication between FEMA, external consultants and City of Houston departments. Ensured department activities complied with FEMA disaster cost recovery guidelines established under 2 CFR 200 and other sources. Planned and executed city-wide training for topics such as Disaster Cost Recovery Procurement. Developed training manuals and PowerPoint presentations. Drafted and reviewed policies and procedures for compliance with local and federal requirements. Created, monitored, and analyzed specialized reports. Assisted in the development, implementation and monitoring of policies and procedures as part of City Enterprise Risk Assessment Project.

Consultant (June 2013—December 2015)**Morgan Garis Houston, TX**

Reviewed client financial processes and procedures to ensure compliance with statutory regulations and requirements. Performed compliance testing and consulting. Facilitated open and direct discussions about risk and control environments with clients to identify key risks. Performed risk and control assessments. Other duties included: Client relationship management, Business management consulting including process management and financial management, Review of statutory changes, Composing executive summaries of pertinent legal changes, Development of marketing materials, Business development.

Financial Analyst - ITNA Budget and Portfolio (November 2012—June 2013)**Marathon Oil (Insight Global) Houston, TX**

Financial reporting and forecasting. Reconciling budgets for previous years. Assigning costs to appropriate cost centers. Strategic planning and budgeting. Financial project management. Creating PowerPoint and Excel documents for C-Level audience.

Client Relations Associate (August 2011—March 2012)**Alliantgroup Houston, TX**

Managed client relations and led project management for multiple service line teams at specialty tax consulting firm. Directly managed 16 individuals on 4 separate teams. Coached team members on project performance, professionalism, and communication techniques focusing on phone and email communication. Developed project plans for 300 simultaneous projects to comply with client expectations.

Vice President of Finance (February 2010—August 2011)**Dakota Venture Group Grand Forks, ND**

Managed finances for university-based angel capital fund. Created and executed operating budget for \$400,000 investment fund. Negotiated terms of investments. Led due diligence report team and conducted legal, market, and industry research.

Law Clerk (April 2010—May 2011)**Schuetzle Law Firm Grand Forks, ND**

Provided clerking and administrative assistance for a small business-oriented law firm. Conducted legal research, specifically, for trial and litigation case preparation. Drafted documents necessary for new business start-ups.

Performance Management Analyst (April 2007—August 2008)**SEI Fargo, ND**

Monitored and analyzed performance of multiple service lines and teams for a service based call center. Reviewed service contracts with SEI clients to gather report requirements. Utilized Six Sigma principles to increase quality based on key performance metrics.

EXPERIENCE SUMMARY

Ms. McLendon is a Certified Public Accountant with over 27 years of broad-based experience. She has served in both private industry as a corporate controller and in a consulting capacity assisting local governments with accounting, grant management, and integrity monitoring related functions. She is skilled at working with state and local government agencies to collect, process, analyze, and present financial information including cross walking local government costs against reimbursement agency eligibility guidance. Joan has expertise across many financial disciplines including accounting, auditing, forensic accounting, FEMA Public Assistance (PA) program grant management and most recently U.S. Treasury CARES Act administration and oversight. In summary, Ms. McLendon's qualifications include:

- Experienced Certified Public Accountant (CPA) and Chartered Global Management Accountant (CGMA) with over 25 years of experience.
- Serving as a senior manager in support of CARES Act administration for Palm Beach County, Florida
- Strong working knowledge of FEMA PA and Cares Act eligibility requirements
- Provided forensic accounting litigation assistance to Florida Department of Transportation and various other corporate clients
- Strong background in quality assurance and quality control (QA/QC), data management, and contractor invoice reconciliation

RELEVANT EXPERIENCE

CARES Act and FEMA PA Administration (2020)

Palm Beach County, Florida

Ms. McLendon is currently serving as a senior accounting manager assisting Palm Beach County, Florida in the administration of \$261 million in CARES Act funding. She is responsible for reviewing County expenditures for CARES Act and FEMA PA funding. Ms. McLendon is also assisting the County with development of the required expenditure reports to U.S. Treasury.

FEMA PA Cost Administration (2019)

Camp Fire, Cal Recycle

Ms. McLendon led a team of accountants in auditing labor and environmental field-testing expense documentation associated with Tetra Tech's Camp Fire response efforts to CalRecycle. Ms. McLendon established processes and managed a team of approximately twelve staff accountants to ensure that cost documentation tied to field documentation (supporting invoices).

FEMA Public Assistance Program Administration (2018)

City of Boiling Spring Lakes, NC and Town of Briarcliffe Acres, SC

Ms. McLendon provided FEMA PA grant administration oversight for both of these field debris monitoring projects following Hurricane Florence. She assisted in the initial project set-up and then served as lead in reconciling and

YEARS OF EXPERIENCE

28 Years

AREA OF EXPERTISE

- CARES Act Administration
- FEMA PA Grant Management
- Integrity Monitoring / Ant-Fraud
- Public Accounting
- Forensic Accounting
- Auditing
- Internal Controls
- Database Management

GRANT EXPERIENCE

- CARES, CFR
- FEMA PA

TRAINING/CERTIFICATIONS

- FEMA Certifications: IS-01000, IS-01001, IS-01002
- CPA)
- CGMA

EDUCATION

Bachelor of Science,
Accounting, Florida State
University, 1992

WORK HISTORY

- Tetra Tech, Inc., Aug.2020– Present
- Soundside Consulting LLC, Nov. 2010 – Present
- Joan K. McLendon, CPA, PLC Aug. 2002–Dec. 2019
- Mechanical Services of Central Florida, Inc., Oct. 1999–Aug. 2002
- Presbyterian Retirement Communities, Aug. 1998–Oct. 1999
- Osburn, Henning and Company, CPAs, P.A, Jan. 1993–Aug. 1998

auditing invoices submitted by debris contractors. She worked with contractors to reconcile invoice discrepancies and issued payment recommendations to clients once an accurate invoice was achieved. Joan also assisted in preparing the data packages provided to FEMA for PW preparation.

FEMA Category A Grant Management (2017)

Seminole County, Florida

Seminole County was hit hard by Hurricane Irma with more than 800,000 cubic yards of debris. Ms. McLendon was initially assigned to assist the County in collecting and organizing Right of Entry (ROE) information for the County to apply for a Private Property Debris Removal Program (PPDR) with FEMA. Later she assisted with invoice reconciliation and other financial tasks in support of preparing documentation for FEMA Category A reimbursement.

Hurricane Harvey Flood Debris Monitoring (2017)

Various Communities in Texas

Ms. McLendon oversaw contractor invoice reconciliation for more than a dozen communities in Texas following Hurricane Harvey. She managed a team of accounting professionals in managing automated debris management system (ADMS) data and working with debris contractors on invoice approvals.

Hurricane Ike Disaster Debris Monitoring (2008)

Various Communities in Texas

Ms. McLendon assisted with accounting and administrative functions in response to a major mobilization of more than 3,000 staff in the greater Houston, Texas area following Hurricane Ike. She assisted in reconciling invoices and approving contractor invoices for payment.

Forensic Accounting Litigation Support

Florida Department of Transportation

Ms. McLendon assisted FDOT in multiple disputes and litigation between the FDOT and various contractors. She reviewed contractor job cost records and invoices and developed various reports and summaries in support of the FDOT.

Controller

Mechanical Services of Orlando, Inc. (MSI)

Ms. McLendon served as Controller for MSI – a large Central Florida based mechanical contractor. She was responsible for all company accounting functions including payroll, accounts payable, accounts receivable, tax accounting, 401k administration, etc.



EXPERIENCE SUMMARY

Mr. Moss possesses over 18 years of experience in Community and Economic Development, Executive Management, Intergovernmental Affairs, Redevelopment, and Housing and Community Development. Mr. Moss served as the Housing, Community Development and Redevelopment Director for the Town of Davie, Florida, where he worked extensively on affordable housing development, large-scale infrastructure projects, disaster recovery programs, and economic development initiatives.

RELEVANT EXPERIENCE

Program Development Manager - SE US & Caribbean (2018-2020) IEM | Tallahassee, FL

- Provide comprehensive administrative services necessary to facilitate activities for the disaster relief, recovery, restoration, and economic revitalization in areas affected by Hurricanes under the Federally funded programs including Community Development Block Grant Disaster Recovery (CDBG-DR) Program, CDBG- MIT, CDBG CV.
- Assist DEO in fulfilling State and Federal CDBG-DR statutory responsibilities including, but not limited to, performing grant administration services for non-housing and/or housing projects.
- Assist with business development and client engagement throughout the SE US and Caribbean.
- Serve as Project Manager on DEO's multi-family and voluntary home buyout programs. Provide subject matter expertise in CDBG-DR and all HUD requirements.
- Provide subject matter expertise with the competitive application cycle for housing, infrastructure, and economic development projects.
- Provide assessment of the capabilities of prospective subrecipients, prior to distribution of CDBG-DR funds, to ensure their ability to meet national objectives.
- Provide subject matter expertise in Davis-Bacon Act requirements for any construction or engineering related project.
- Create and follow processes to identify specific, logical connections to a national objective for each activity, including verifying the eligibility of proposed activities as well as evaluating a prospective subrecipient's overall organizational capacity.
- Assist DEO in preparing, completing, and submitting required HUD forms for environmental review and provide all documentation to support environmental findings; Assist DEO in consulting with oversight and regulatory agencies to facilitate environmental clearance;
- Perform or contract special studies, additional assessments, or permitting to secure environmental clearance.
- Evaluate prospective subrecipient's ability to demonstrate that it has all necessary systems, guidance and policies and procedures.
- Assess the prospective subrecipient's ability to effectively manage funds, ensure timely expenditure of funds and ensure timely communication of application status to applicants.
- Chemical Stockpile Emergency Preparedness Program.

YEARS OF EXPERIENCE

18 years

AREA OF EXPERTISE

- Housing & Community Development
- Project Management
- Program Management
- Multi-Family Development
- Executive Management
- Intergovernmental Affairs

GRANT EXPERIENCE

- CDBG-DR
- CDBG-MIT
- CDBG CV

TRAINING/CERTIFICATIONS

- CDBG Practitioner
- Redevelopment Professional
- Real Estate Professional

EDUCATION

M.P.A, Public Administration,
Nova Southeastern University,
2007

B.A., Public Management,
Florida Atlantic University, 2002

Associate in Arts, Palm Beach
State, 2000

Community Development Director/Community Redevelopment Director (2014 – 2018)

Town of Davie | Davie Florida

- Managed daily operations, staff, consultants, contractors, capital projects of the multiple departments /divisions.
- Managed real estate assets, preparing marketing strategies, overseeing ongoing maintenance, and facilitated disposition.
- Developed and secured public-private partnerships with developers and financial institutions to develop new, affordable rental projects and economic development projects.
- Coordinated and administered strategies for acquisition and retention of small business and industry investment in defined Redevelopment Area, or specific sub-areas, in coordination with Town's Comprehensive Land Use Plan and applicable codes and regulations, to foster and facilitate economic and community development, redevelopment, new development or investment by the public and private sectors.
- Established and maintained favorable contacts with a variety of high-level policy-forming individuals or groups in industry, banking, finance, development, government and other areas of economic influence to publicize, promote, encourage and consult about participation in programs concerning the Redevelopment Area; served as CRA's liaison to such individuals and groups
- Researched current trends and innovations in redevelopment and economic development practices as described in professional conferences, seminars and publications, and distribute such information to CRA members and other interested parties.
- Oversaw annual and disaster recovery rehabilitation programs, construction and expansion of public facilities and infrastructure improvements projects.

Housing and Community Development Director (2008 – 2014)

Town of Davie, Davie, FL

- Developed and managed Town's federal and state grant-funded programs – including those that provided assistance to low- to moderate-income populations – such as the Community Development Block Grant (CDBG), CDBG Disaster Recovery, State Housing Initiatives Partnership, HOME Investment Partnerships Program, the Neighborhood Stabilization Program and the Developments of Regional Impact.
- Developed and managed community development programs and affordable housing programs; initiated and implemented related policies; and developed Neighborhood Redevelopment/Revitalization Plans.
- Developed and secured public-private partnerships with developers and financial institutions to develop new, affordable rental projects and economic development projects.
- Oversaw annual and disaster recovery rehabilitation programs, construction and expansion of public facilities and infrastructure improvements projects.
- Served as Town's official liaison between civic groups, public and private agencies to address Housing and Community Development problems.
- Served on Development Review Committee.
- Analyzed various grant resources and potential funding sources such as Community Development Finance Institutions and local financial institutions to fund economic and housing development projects.
- Prepared studies, reports, and recommendations for community improvement projects. Prepared and submitted annual grant applications and reports to HUD and State funding agencies.
- Oversaw departmental and grant expenditures and ensured compliance with various County, State and Federal regulations.

EXPERIENCE SUMMARY

Mr. Firmin has over 10 years of experience in project management, logistics, disaster recovery consulting, and human resources. He also maintains a strong background in accounting processes, finance, logistics, and insurance.

As a FEMA Public Assistance expert, Mr. Firmin is proficient in reporting utilizing the FEMA Grants Portal, as well as state-specific grant portals, including the States of Texas (TDEM) and Louisiana (LAPA).

RELEVANT EXPERIENCE

FEMA Public Assistance Consultant- Project Manager (April 2021 – Present)

Tetra Tech Disaster Recovery | Houston, Texas

Mr. Firmin serves as a Project Manager on the Tetra Tech disaster recovery team. As a Public Assistance Consultant and Project Manager, Mr. Firmin oversees multiple Public Assistance grant application and administration tasks including data collection, cost reconciliation, compliance reviews, project worksheet development, grants portal project applications, and request for reimbursement submittals for clients.

Project Manager (November 2016 – March 2021)

Sulzer Group, LLC | New Orleans, LA

- Providing applicant support throughout the entire FEMA Public Assistance program
- Scope Alignment for FEMA funded projects
- Coordinating Procurement for Architectural and Engineering firms as well as General Contractors for projects up to \$15 million
- Acting as Owner's representative throughout the entire construction process
- Conducting Construction Project Site visits and Status Meetings
- Cost Reconciliations
- Eligibility Determinations, including, helping applicants capture any expenses that may be reimbursable by FEMA
- Federal Compliance
- Insurance Allocations
- Preparing and submitting requests for reimbursement for applicants
- Document and file management

Closeout Specialist (October 2015 – October 2016)

Sulzer Group, LLC | New Orleans, LA

- Provided on site applicant support throughout grant closeout
- Assisted client in cost reconciliation of 100M+ in grants
- Assisted client in closeout of 100M+ in FEMA PA grants
- Preparing and submitting closeout workbooks
- Conducted closeout site visits with GOHSEP

YEARS OF EXPERIENCE

10 years

AREA OF EXPERTISE

- Disaster Recovery Program Management
- Grant Management
- Procurement
- Federal Compliance
- Project Closeout
- Data Management

GRANT EXPERIENCE

- FEMA Public Assistance

DISASTERS

- Hurricane Katrina
- Hurricane Sandy
- Hurricane Harvey
- Hurricane Laura
- Winter Storm Uri

TRAINING/CERTIFICATIONS

- FEMA IS1000 PA- Eligibility
- FEMA IS1001 PA- Delivery

EDUCATION

University of New Orleans –
New Orleans, LA

Bachelor of Science in Business
Administration, Minor in
Management

Logistic Coordinator (February 2014 – October 2015)

Aggreko, LLC | Kenner, LA

- Safety Training (internal/customer site)
- Customer service
- 14-HR Workday Management
- Service Scheduling (shop)
- Fleet Readiness- SIS
- Schedule equipment repairs / retrofits
- Global Service Center Standards (GSCS)
- Inventory Management • Facility Management
- Coordinate freight vendors transporting equipment and parts to ensure timely cost-effective delivery, negotiate pricing as necessary
- Locate equipment and supplies from internal and external sources to fulfill orders
- Handle incoming customer calls to address equipment, service, or contract issues
- Process purchasing transactions for parts, fuel and other items
- Provide freight cost estimates for proposals and contracts
- Maintain optimum inventory levels of equipment and parts for current and future needs
- Maintain and provide accurate records of equipment and parts inventory
- Load and unload equipment and parts from trucks and ensure its appropriate storage as needed
- Provide timely review of service-related paperwork to determination eligibility for billing as needed
- Process paperwork and data entry in various areas such as payroll, service documentation, purchasing, and rental contracts
- Adhere to safe operating practices and quality standards

Regional Human Resources Assistant (January 2010 – January 2014)

Group 1 Automotive | New Orleans, LA

Group 1 Automotive is an international Fortune 500 automotive retailer operating over 150 dealerships across North America, Europe and South America. In this role, Mr. Firmin's responsibilities included:

- Directly assisted Regional Human Resources Director, in all HR functions for ten dealership locations
- Performing HR Generalist tasks included: Attending job fairs, recruiting and assisting director with investigations.
- Conducted New Hire Orientation on a weekly basis
- Responsible for various tasks throughout the employee life cycle.
- Screened Potential Candidates for hire and performed hand off to hiring manager
- Conducted exit interviews.
- Tracked job postings through various media outlets
- Communicated policy, payroll and benefit information to the hundreds of employees across multiple states.
- Maintained and insured accuracy of employee files in online filing system, while expediting workflow process through corporate payroll
- Completed Verifications of Employment

Ms. Harper is a project engineer focusing on sustainable solutions for improving water and wastewater facilities and systems. Her experience includes sanitary sewer evaluation (SSES) and rehabilitation design, hydraulic modeling, CSO/SSO mitigation, asset management, and condition assessment and design of treatment and pumping facilities.

EXPERIENCE

Chickasaw WWTP Facility Plan Update and Reuse Feasibility Study, Bartlesville, OK. 2016. Project Engineer. Updated population and flow projections from the City's 2010 WWTP Facility Plan. Results used to update the Chickasaw WWTP Facility Plan, recommend process improvements, and determine the feasibility of water re-use by re-locating the plant's outfall several miles upstream of the City's raw water intake.

North Shore Gravity Sewer Improvements Phase I, HRSD, Hampton/Newport News/Williamsburg, VA. 2020- Present. Project Engineer. Designer of gravity sewer rehabilitation for 12"-24" interceptors and associated laterals and manholes. Project includes CIPP lining, full pipe replacement, lateral connection lining and manhole lining at seven different project locations, including five wet well influent connections.

I/I Reduction Program, City of Duncan, OK. 2019–present. Project Manager. Ms. Harper is leading an I/I abatement program covering the entire City. Project includes field investigations and data analysis to prioritize manholes and sewer mains for rehabilitation or replacement. Based on findings from the first two years of the program, approximately 74 manholes are slated for repair or replacement and more than 50,000LF of pipes have been evaluated for point repairs, CIPP, pipe bursting. Lateral connections were evaluated for rehabilitation as well using open cut lateral replacement and CIPP lateral lining. Project also includes updating the City's GIS records and assisting the City with development of a private I/I reduction program.

I&I Analysis at USCG Base Portsmouth and Training Center Yorktown, United States Coast Guard, Yorktown, VA. 2020 – Present. Project Manager. Coordination of SSES field activities, performed condition assessment of existing sanitary sewer gravity pipes, laterals, manholes and pump stations. Prioritized rehabilitation to reduce I/I and produced technical memorandum summarizing the rehabilitation recommendations for compliance with HRSD Consent Order.

Interceptor and Miscellaneous Projects, City of Stillwater, OK. 2019–2020. Project Engineer. Replacement design of 7,000 feet of 36-inch interceptor and 700 feet of 42-inch interceptor. Ms. Harper completed the alternatives evaluation to size new interceptors to meet demands for the next 50 years, created conceptual layouts of two creek crossings (one aerial crossing and one siphon), and provided alternatives for a lift station rehabilitation or replacement.

Crow Creek Sanitary Sewer Evaluation Survey, Tulsa Metropolitan Utility Authority, OK. 2018-2019. Project Engineer. Managed and analyzed field investigation data. Compiled smoke and dye testing reports and completed flow monitoring data analysis using SSOAP.

Hanscom Park Green Infrastructure, City of Omaha, NE. 2018–present. Lead Engineer. Ms. Harper provided construction phase services for the design of green infrastructure CSO control in Hanscom Park, including submittal review, responding to contractor's requests for information, permitting assistance, and attended progress meetings and project walk throughs. Project includes bioretention ponds and the deepening of a lagoon to store stormwater from a recently separated area prior to discharging into the combined sewer.

Turkey Creek Sewer Separation: 31st and Broadway, City of Kansas City, MO. 2018–present. Lead Engineer. Ms. Harper led the detailed field investigation phase to determine the connectivity of public and private sewers in a 75-acre project area. Tetra Tech completed 45 private property investigations to identify stormwater connections to the existing combined sewer system. Ms. Harper provided updated GIS information

Education:

BS, Civil Engineering, Kansas State University, 2007

Registrations/Certifications:

Professional Engineer:
Arkansas, No. 20052, 2021
Oklahoma, No. 26743, 2013
Kansas, No. 22378, 2012
Missouri, No. 2012025240, 2012
Virginia, No. 062719, 2020

Envision™ Sustainability Professional, No. 02142014, 2014

NASSCO PACP/MACP/LACP Certified User, No. U-113-16939

Professional Affiliations:

Water Environment Federation

Kansas Water Environment Association, Collection Systems Committee

Missouri Water Environment Association, Stormwater Committee

Office Location:

Kansas City, MO

Total Years of Experience:

13

Years with Tetra Tech:

13

for the hydraulic models used to size new sewers. The project includes 4,000 LF of new storm sewer ranging from 12 to 48 inches and rehabilitation or replacement of 7,000 LF of gravity mains using CIPP and pipe bursting. Thirteen manholes will be replaced and an additional 25 will be rehabilitated. Separation work including downspout and area drain disconnects will occur on five private properties. A permeable articulating concrete block installation will be used to manage stormwater run-off from one property. Upon completion of construction, combined sewer outfall W004 will be completely eliminated thereby significantly improving water quality in Penn Valley Park Lake.

Little Blue River Project Area 1 and Blue River Central Project Area 1, City of Kansas City, MO. 2015–Present. Project Engineer. Completed flow and rainfall data analysis at 18 locations, reviewed manhole inspections (2000), CCTV inspections (370,000 LF), smoke testing (370,000 LF), and dyed water testing results to locate and eliminate I/I sources. Led development of construction plans and specifications for sanitary sewer rehabilitation. Sewer rehabilitation methods included a combination of open cut point repairs, CIPP and pipe bursting for 86,000LF of pipe. More than 800 lateral connections were rehabilitated using CIPP lateral liners while an additional 730 were replaced via open cut excavation. Approximately 376 manholes were rehabilitated using cementitious liners with antimicrobial additives and external chimney seals. Provided construction management, tracked field quantities, provided GIS updates, coordinated resident project representative (RPR) inspection throughout construction, and reviewed post-construction CCTV. Preliminary flow monitoring results provided by the City's Program Management Team showed more than a 60% reduction in both peak wet weather flows and volume for the Blue River Central Area 1 project. Little Blue River Area 1 construction is ongoing.

Brush Creek Neighborhood Sewer Rehabilitation, City of Kansas City, MO. 2015. Project Engineer. As a sub-consultant to Alfred Benesch and Company, directed smoke testing of nearly 400,000 LF of sewer in a combined sewer basin. Worked closely with a WBE firm to perform a risk-based assessment of each manhole and sewer line and prioritized assets for repair. Updated the City's GIS data and assisted with CCTV inspection review.

Northeast Industrial District Pump Station Bar Screen Replacement Design-Build, Kansas City Water Services, Kansas City, MO. 2014 – 2015. Project Engineer. The project included non-functioning equipment demolition; mechanical bar screen equipment and screen wall enclosures; structural reinforcement for the operating floor to restore suspended slab live loading; structural roof plan to support installation of 41-foot-high vertical screen units including new sky lights for access; structural exterior ladders for roof access; electrical power distribution and demolition; instrumentation and control; and mechanical/HVAC. One of the key obstacles to overcome was how to physically move the new bar screens into the existing building as the equipment was too large to fit through existing doorways and could not be easily maneuvered to the lower level. The team identified this early on and retrofit two sky lights and floor openings into the existing structure. By the time the bar screens had been fabricated and factory assembled, the skylights were installed, and the bar screens were lowered into place as monolithic structures.

Northeast Industrial District Sewer Separation, City of Kansas City, MO. 2014. Project Engineer. Led field investigation phase, which included coordination with more than 60 business owners in the NEID to investigate private sewer connections into the City's combined sewers. Assisted with design of 13,000LF of new separated sanitary sewer system ranging from 8-12 inches for the 560 acre project area. Approximately 5,000 LF of private service laterals were also installed to fully separate the project area and eliminate a combined sewer outfall.

Newblock Area Post-Rehabilitation Analysis, Tulsa Metropolitan Utility Authority, OK. 2012–2013. Project Engineer. Collected and analyzed flow monitoring and rainfall data after rehabilitation projects had been completed in the area. Used updated data to recalibrate the City's Infoworks® hydraulic model and determine whether rehabilitation projects had successfully eliminated the area's SSOs.

North Canadian I/I Study, Oklahoma City Water Utilities Trust, OK. 2011–2012. Project Engineer. Managed the flow monitoring data collection and subsequent analysis for 65 temporary flow monitoring sites installed in the North Canadian basin. Worked with field crews to track monitor maintenance and ensure high quality data was being collected. Analyzed the collected flow data with *ScatterView*, which looks at both the hydrographs and scattergraphs to characterize flows. After data was reviewed, it was prepared for importing into the city's Infoworks® hydraulic model.

Upper Joe Creek Sanitary Sewer Evaluation Survey, Tulsa Metropolitan Utility Authority, OK. 2009–2011. Project Engineer. Managed and analyzed field investigation data. Compiled smoke and dye testing reports and developed line segment rehabilitation recommendations from PACP data.

Comprehensive Water and Wastewater System Assessment, Tulsa Metropolitan Utility Authority, OK. 2011–2012. Project Engineer. Assisted with the condition assessment of the entire Tulsa collection system infrastructure, which consists of approximately 1,990 miles of wastewater piping, 49 sewage lift stations, and 7 flow equalization basins. Reviewed SSO recurrence over the past 20 years, rainfall records, and rehabilitation records, and interceptor construction records over the past 10 years to evaluate the system's overall performance. A high-level condition assessment was performed on the entire collection system using pipe age, pipe material, and maintenance history data provided by the client.

Muskogee I/I Analysis, City of Muskogee, OK. 2009–2010. Project Engineer. Developed flow monitoring plan and constructed a city-wide InfoWorks® hydraulic model to assist with sanitary sewer rehabilitation recommendations to reduce inflow and infiltration.

Shades Valley Transfer Study, Jefferson County, AL. 2007–2009. Project Engineer. Corrosion study of a 92,000-foot interceptor near Birmingham. Assisted in developing an initial risk assessment, which identified the potential segments experiencing hydrogen sulfide corrosion. Provided data for modeling software and analyzed results of modeling to target specific areas for inspections. Developed post-inspection rehabilitation recommendations.

Upper Flatrock Post-Construction SSES, Tulsa Metropolitan Utility Authority, OK. 2007–2008. Project Engineer. Reviewed flow monitoring and field inspection data including manhole inspections, smoke and dye testing, and CCTV inspection. Developed a Collection Systems Analysis Report to summarize the data and assisted with design of new sanitary sewer relief line.

Upper Mingo Sanitary Sewer Evaluation Survey, Tulsa Metropolitan Utility Authority, OK. 2007–2008. Project Engineer. Post-rehabilitation capacity analysis using the InfoWorks® hydraulic modeling software. Assisted in writing the final report, which evaluated the effectiveness of sanitary sewer rehabilitation in the project area.

Sanitary Sewer Evaluation Survey, City of Bartlesville, OK. 2007–2008. Project Engineer. Reviewed flow monitoring and field inspection data including manhole inspections, smoke and dye testing, and CCTV inspection. Developed a Collection Systems Analysis Report to summarize the data and assisted with design of new sanitary sewer relief line.

Dog Creek Outfall, City of Claremore, OK. 2007. Project Engineer. Assisted in development of the preliminary engineering report and design of new outfall line for the Claremore WWTP.

Wastewater

Birmingham WWTP Bar Screen and Grit Removal, City of Kansas City, MO. 2015–present. Lead Engineer. Sub-consultant to CDM Smith. Ms. Harper is the lead designer of a new headworks facility, which included retrofitting aerated grit chambers with new mechanical bar screens and a more efficient grit removal system. Ms. Harper was responsible for layout of new process equipment and piping.

Birmingham WWTP Effluent Disinfection Design Phases 1 and 2, City of Kansas City, MO. 2010–2013. Project Engineer. Assisted with the design drawings and technical specifications for the new sodium hypochlorite disinfection facilities and final basin improvements. Project repurposed a building to house disinfection equipment including chemical storage tanks, metering pumps, instrumentation, and controls. Final basin improvements included the conversion of square-shaped clarifiers to circular basins and re-designing the Return Activated Sludge (RAS) pumping station. Heavily involved in the retrofit design of the RAS pumping station and coordinated SCADA modifications with the system integrator. Developed the O&M manual for both the disinfection system and the RAS pumping station. Served as resident inspector during construction, provided operator training, and start-up services.

Harold and Van Mar Lift Station, Olathe Public Works, KS. 2014–2019. Lead Engineer. Assisted with design and construction of improvements to the aging Van Mar Lift Station. Upgrades included the conversion of a packaged vacuum prime pump station into a submersible station. Led sustainability efforts on the project using the Envision™ rating system.

City-Wide Lift Station Evaluation, City of Olathe, KS. 2013. Lead Engineer. Led the evaluation of Olathe's 22 lift stations. Created an asset registry and field evaluation forms, assisted with field inspections, and applied asset management procedures to prioritize lift station improvements. Wrote an inspection guidance manual to standardize future inspections.

Sugar Creek Packing Plant Lift Station and Force Main, Sugar Creek Packing Co., Frontenac, KS. 2012–2012. Lead Engineer. Design and construction of a new lift station to serve the Sugar Creek Packing Plant and its new pretreatment facility. Design/build project included a new 250-gpm lift station with submersible pumps, new valves, flow meter, and force main. Worked closely with the contractor and the owner during the design/build process to enable project completion in less than four months, meeting the Owner's critical deadline.

R.L. Jones Lift Station and Force Main, Tulsa Metropolitan Utility Authority, OK. 2013–2014. Lead Engineer. Design and construction of a new lift station to serve a rapidly developing sewer shed in the southwest portion of the City of Tulsa. New lift station will also serve the R.L. Jones Airport and relieve a small lift station that serves the airport. Ms. Harper evaluated alternative lift station locations to serve this relatively flat area and provided client with alternatives memorandum. Lift station site selection provided a cost savings of approximately \$300,000 over the next least expensive alternative, which had been estimated in the wastewater master plan.

Addenda

May 7, 2021

To: All Potential Bidders
From: Karl Wendt, Procurement Manager
Subject: RFB0721005006 – Funding and Accounting Management Services

Addendum One

Please amend the subject RFB to include answers to the following timely received questions:

- Q1. Does the State expect this scope to include funding in addition to the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) (such as FEMA, CDBG, HHS, etc.)?
A1. Yes, it is expected that the resulting contract would be available for use with any public funding.
- Q2. What grants management system/software is being used?
A2. The successful vendor will be responsible for providing the grant management system.
- Q3. Will any agency staff members assist the awarded firm in the grants administration?
A3. Agency staff members will only provide guidance and reporting requirements necessary to meet the federal funding obligations.
- Q4. Does the state/agency have grant policies and procedures in place that it would like to use for these funds?
A4. The policies and procedures would be specific to the agency submitting the task order.
- Q5. Does the State currently have a grant monitoring program in place for these funds?
A5. No.
- Q6. Should the monitoring services include:
- a. Developing specific procedures designed to assess the controls over contract compliance for the CSLFRF? Yes.
 - b. Documenting the key controls and processes used to determine compliance over allowable costs and participant eligibility based on contract requirements? Yes.
 - c. Reviewing the current procurement policies and identifying instances of noncompliance with uniform guidance? No.
 - d. Assessing the internal controls and processes involved to monitor sub-recipients, including sub-recipient risk assessments? Yes.
 - e. Developing an internal checklist to assist in implementation and compliance with the organization's procurement policy? No.
 - f. Providing training from the tools and procedures noted above to assist the State in continued monitoring efforts as deemed appropriate? No.

Q7. What is the estimated budget for these services?

A7. There is no budget(s) established for these services.

Q8. Is the acceptance of p-card payment required to receive award of this contract? Would the State award the contract to a company that does not accept procurement card payments?

A8. Preferred, but not required.

Q9. What level of assistance is the State looking for in regard to direct recipient funds?

A9. Ensure compliance with federal funding reporting requirements as defined in the respective award issued to the State of Iowa.

Q10. What are the anticipated and/or historical volumes?

A10. Unknown. There are no historical volumes to reference.

Q11. Can you provide a more detailed scope of work? E.g. what type of program will the selected vendor be providing eligibly determinations for?

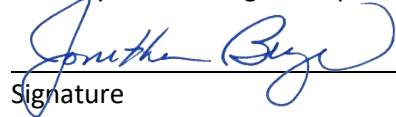
A11. To start, successful applicant will implement and carry out a competitive grant application and management process to issue sub-contract awards to community-based organizations in order to carry out activities defined in the National Center for Immunization and Respiratory Diseases (NCIRD) COVID-19 Vaccination Supplement 4 (April 2021) award. Additional, similar funding opportunities are anticipated.

Q12. What are the federal funds that will be managed by the vendor? Under which federal programs are the funds governed?

A12. Examples include Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021.

Please acknowledge receipt of this addendum by signing in the space provided below, and return this letter with your offer (do not send back separately).

I hereby acknowledge receipt of this addendum.



Signature

May 12, 2021

Date

Jonathan Burgiel

Typed or Printed Name

May 10, 2021

To: All Potential Bidders
From: Karl Wendt, Procurement Manager
Subject: RFB0721005006 – Funding and Accounting Management Services

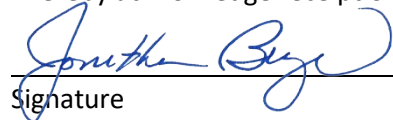
Addendum Two

Please amend the subject RFB to include answers to the following timely received questions:

- Q1. Should the monitoring services include:
- a. Providing an informal summary of recommendations for gaps between the compliance requirements and current procedures, as applicable? **Agency does not need a written report on recommendations for compliance. Furthermore, Agency does not expect the vendor to provide a written report to sub-applicants as part of the grant application, review, and award process.**
 - b. Documenting the Organization's grants policies and procedures as it relates to the CSLFRF, including management's assertions and methodologies? Which organization are you referring to? **The vendor is expected to document the process for issuing, accepting, reviewing, awarding, and monitoring subcontracts to fulfill the State of Iowa obligations for reporting to the federal funding organization.**
 - c. Is there a need to document methodologies used by management regarding the sub-recipients monitoring requirements of the Uniform Guidance? Assisting management with the documentation of the contractor vs. subrecipient evaluation? **The vendor is expected to use required grant activities and performance measures provided by the State of Iowa, and the vendor will be responsible for implementing and determining awards to sub-recipients. In addition, the vendor will be responsible documenting and reporting the activities of sub-recipients and providing a report to the State of Iowa for inclusion in federal grant reporting requirements.**

Please acknowledge receipt of this addendum by signing in the space provided below, and return this letter with your offer (do not send back separately).

I hereby acknowledge receipt of this addendum.



Signature

May 12, 2021

Date

Jonathan Burgiel

Typed or Printed Name