FORM 10-K

Annual report pursuant to section 13 and 15(d)

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CH2M HILL COMPANIES LTD

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 DECEMBER 31, 2013

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 000-27261

CH2M HILL Companies, Ltd.

(Exact name of registrant as specified in its charter)

Delaware	**93-0549963**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
9191 South Jamaica Street, Englewood, CO	**80112-5946**
(Address of principal executive offices)	(Zip Code)

(303) 771-0900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

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

Common Stock, par value $0.01 per share

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 checkmark 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. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The aggregate value of common stock held by non-affiliates computed by reference to the price as of June 30, 2013 was approximately $1.7 billion.

As of February 7, 2014, there were 28,779,436 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K are incorporated by reference from the CH2M HILL definitive proxy statement for its 2014 Annual Meeting of Stockholders to be held on May 12, 2014.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

ANNUAL REPORT ON FORM 10-K

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This Form 10-K contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward- looking statements represent the Company's expectations and beliefs concerning future events, based on information available to the Company on the date of the filing of this Form 10-K, and are subject to various risks and uncertainties. Such forward looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward looking statements. Words such as "believes," "anticipates," "expects," "will," "plans" and similar expressions are intended to identify forward looking statements. Additionally, forward looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward looking statements in this report are based upon information available to us on the date of this report. We undertake no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law. Factors that could cause actual results to differ materially from those referenced in the forward-looking statements are listed in Item 1A, Risk Factors.

PART I

Item 1. *Business*

Summary

CH2M HILL Companies, Ltd. was founded in 1946 and is incorporated under the laws of the State of Delaware. We are an employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, engineering-procurement-construction ("EPC"), operations and maintenance, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry and utilities, around the world. A substantial portion of our professional fees are derived from projects that are funded directly or indirectly by government entities. We have approximately 26,000 employees worldwide.

Our Operating Segments

Through December 31, 2013, we organized our reporting structure into two segments−the Energy, Water and Facilities ("EWF") segment and the Government, Environment and Infrastructure ("GEI") segment.

Effective January 1, 2014, we reorganized our internal reporting structure by making changes we believe will better facilitate our continued growth, client service and risk management. In addition, we believe these changes will streamline the organization to improve performance and operational efficiency. Under our new integrated structure, we will organize under a matrix of markets, services and geographies. Management is currently evaluating the impact this reorganization will have on our external reporting segments. Any changes will be reflected in the Company's first quarter results of operations.

Our Clients and Key Markets

Clients

We provide our services to a broad range of domestic and international clients, including federal governments, state, local and provincial governments, private sector businesses and utilities. We perform services as the prime contractor, as subcontractors, or through joint ventures or partnership agreements with other service providers. The demand for our services generally comes from capital spending decisions made by our clients.

Within our EWF segment, our energy business primarily focuses on providing services to a comprehensive range of private sector clients and utilities, while our water business primarily provides services to state and local governments. Our facilities business provides services to private sector manufacturing clients as well as public sector entities. Within our GEI segment, our government business primarily provides a comprehensive range of services to various U.S. federal government agencies and foreign governments. Our infrastructure business provides services to all types of governments and military installations while our environment business provides comprehensive services to a broad spectrum of domestic and international clients in the public, private and government sectors.

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The following table summarizes our primary client types, revenues and key markets served by each of our operating segments during 2013.

Operating Segment	Client Type	% of 2013 Revenues	Key Markets
Energy, Water and Facilities	State and Local Governments, Private Sectors and Utilities	55%	Energy & Chemicals Industrial and Advanced Technology Operations Management Power Water
Government, Environment and Infrastructure	U.S. Federal and Foreign Governments, Governmental Agencies and Authorities, Private Sectors and Utilities	45%	Environmental Services Government Facilities and Infrastructure Nuclear Transportation

The following table provides a summary of representative clients:

Public Sector Clients		Private Sector Clients
U.S. Department of Energy ("DOE")	U.K. Atomic Energy Authority	Major oil and gas companies, refiners and pipeline operators
U.S. Department of Defense	U.K. Nuclear Decommissioning Authority ("NDA")	Power utilities
U.S. Department of the Interior	Republic of Korea Ministry of Defense	Chemicals, bioprocessing and refining companies
U.S. Air Force	U.S. cities	Metals and mining
U.S. Navy	Foreign cities	Microelectronics manufacturers
U.S. Army Corps of Engineers	U.S. and international airports and seaports	Pharmaceutical and biotechnology companies
U.S. Federal Emergency Management Agency ("FEMA")	U.S. and State Departments of Transportation	Automotive, food and beverage consumer product manufacturers
Department of Homeland Security	U.S. state and international transit authorities and agencies	Renewable energy companies
U.S. Agency for International Development	Water and wastewater municipalities	
U.S. Environmental Protection Agency	Panama Canal Authority	
National Aeronautics and Space Administration	Qatar Public Works Authority ("ASHGAL")	
National Science Foundation	Qatar 2022 Supreme Committee	
U.K. Environment Agency	Rio 2016 Olympic and Paralympic Games	
Transport for London	U.K. Highways Agency	

U.K. Department for Transport
Local and Municipal Transport
Agencies

In 2013, we derived approximately 18% of our total revenues from contracts with the U.S. federal government. This work is performed through numerous contracts and joint ventures primarily within the GEI operating segment.

Key Markets

The following is a description of each of our key markets within our operating segments and the services we provide. For a discussion of financial information by segment, see Note 15−*Segment Information* of the Notes to the Consolidated Financial Statements in Item 15, of this Annual Report on Form 10-K.

Energy, Water and Facilities Segment

The EWF Segment is comprised of the Energy and Chemicals, Industrial and Advanced Technologies, Operations Management, Power and Water businesses. The portfolio of services includes: consulting, design, engineering, design-build, EPC, operations and maintenance, construction management, construction, and program management.

Energy and Chemicals−In our Energy and Chemicals ("E&C") business, we serve the upstream, pipelines and terminals, and refining sectors of the oil and gas industry. For the upstream sector, we perform engineering, modular fabrication, erection, construction, and operations and maintenance services for oil and gas fields. We deliver compression and dehydration facilities, drilling and well support services, enhanced oil recovery, field development, fleet support, natural gas gathering and processing, conventional oil production, sulfur recovery, acid gas treating, and heavy oil and steam-assisted gravity drainage facilities. In our pipelines and terminals sector, we focus on infrastructure projects that gather, store, and transport oil, natural gas, refined products, carbon dioxide, and other related hydrocarbons, liquids, and gases. These projects include pipelines, compression, pump stations, metering, tank farms, terminals, and related facilities for midstream (wellhead to central processing) and downstream (cross-country transportation) systems. In our refining sector, we provide conceptual and preliminary engineering, front-end and detail design, procurement, construction, and operations and maintenance services. Our refining experience includes technology evaluation and feasibility studies; design and construction of refinery units, terminals, pipelines, pump stations, and cogeneration facilities; design, fabrication, and installation of modules and pipe racks; turnarounds and revamps; effluent treatment; refinery conversion to heavy crude oil processing; and process safety management. In our chemicals business, we serve all segments of the industry, including petrochemicals and derivatives, inorganics, specialties, and agricultural chemicals. We have substantial experience in polysilicon, chemicals from alternative feedstock, bioprocess, alkalis and chlorine, pigments and coating, monomers and polymers, resins and plastics, and synthetic performance fibers. This group also serves the biofuels market where we specialize in advanced fuel sources for biofuels development in the United States, Canada, and Latin America. In our metals and mining sector we provide the complete suite of engineering, construction, and operations and maintenance services for mining infrastructure and processing facilities. We serve clients in North and South America, the Middle East, Asia, and Russia.

Industrial and Advanced Technology−In our Industrial and Advanced Technology ("I&AT") business, we provide program management, consulting, planning, design, and construction services to clients in the following manufacturing industries: integrated circuit, wafer, dynamic random access memory, nanotechnology, photo voltaic, data center, flat panel display, automotive, aerospace and aviation, food and beverage, building materials, metals and consumer products sectors. Our clients typically require integrated design and construction services for complex manufacturing systems, including clean rooms, ultrapure water and wastewater systems, chemical and gas systems and production tools. Our electronics business also provides specialized consulting services to optimize the operating efficiency and return on investment for complex manufacturing facilities. As the economy recovers, we will continue to expand market reach in Asia, North America, and the Middle East. We are leveraging our strategic business planning capabilities to help clients structure and plan their high-volume manufacturing projects, and to provide follow-on design and construction services.

Operations Management−In our Operations Management ("OM") business, we provide public sector entities and private/commercial companies with a broad range of tailored solutions focused on increasing efficiency and productivity. Our public sector clients include state and local governments and agencies as well as national governments outside the United States. We provide service in the private sector to customers in heavy manufacturing, electronics, food & beverage, advanced technology, mining and minerals, oil and gas, aviation, energy, and chemicals. Our services include water and wastewater system and staff optimization; contract operations and maintenance of water, wastewater, and other municipal functions such as public works, and community development; facilities management; utilities operations and maintenance; and management, asset management/maintenance, and financial consulting. Our geographic strategy is to expand market reach in North America, and follow our other business groups and clients into target geographies including Europe, Australia, and the Middle East. We see an increase in public-private and private-private partnerships for both full and customized services, as municipal and private entities continue to look for more ways to increase revenues and reduce costs through efficiency gains. We will continue to expand our consulting business and leverage cross-market synergies around design-build-operate, remediation, produced water, and manufacturing.

Power−In our Power business, we design and build power generation facilities that produce energy from natural gas, coal, solar, wind, biomass, and geothermal sources. Our portfolio includes combined-cycle, simple-cycle, coal/integrated gasification, clean air, alternative/waste fuels, transmission and cogeneration projects. We also repower, upgrade, and modify existing plants to improve performance, reliability and achieve clean air standards. Our delivery of full-service EPC services helps clients craft long-term strategies while addressing the ongoing market challenges around unpredictable and changing electricity demand, transmission capacity constraints, changing environmental regulations and policies, aging infrastructure, outdated technologies, water constraints, and fuel diversification. We also provide engineering studies, design, construction management, program management and consulting services. We use advanced, novel technologies to deliver projects safely and effectively for our clients.

Water−In our Water business, we are dedicated to sustainability as we serve water resources and ecosystem management; water treatment; conveyance and collection; wastewater treatment and reuse; and utility management market segments. We support the water-related needs of clients in the utility, industrial, government, energy, and agricultural sectors. Our broad portfolio of water solutions helps clients address the complex challenges related to population growth, aging infrastructure, water supply uncertainty, global climate change, regulatory changes, and increasing demand. Beginning in 2012, the industrial water capability from the industrial systems business was combined with the Water business to pursue the large and growing energy and industrial related water market. Addressing the impacts of global climate change requires the ability to create solutions for the energy-water-carbon nexus. Energy and mining production require a reliable, abundant, and predictable source of water, a resource that is already in short supply throughout much of the world. We work with clients to identify solutions for water and energy conservation, and to re-evaluate processes to achieve cost savings and reduce environmental impacts. We will continue to capitalize on market drivers such as drought and water scarcity, aging infrastructure, global climate change, and regulatory requirements.

Government, Environment and Infrastructure Segment

The GEI segment is comprised of the Environmental Services, Government Facilities and Infrastructure, Nuclear, and Transportation businesses. GEI provides a full range of services−program management, engineering, design, construction, environmental remediation, operation and maintenance, decontamination and decommissioning, facility closure, sustainable solutions, and consulting services−

to clients worldwide, including our largest client, the U.S. federal government. The segment also provides enterprise stewardship for the development of our facilities penetration strategy and our urban development practice for large program management projects.

Environmental Services−Our Environmental Services ("ES") business is dedicated to sustainability by protecting human health, preserving the environment, and restoring impacted natural resources. We achieve this mission by offering services through nine global practices: sustainability consulting, threat reduction management, environmental compliance, planning and permitting, integrated waste solutions, munitions response, natural resources planning and management, sediment management and remediation, and site remediation and revitalization. A key differentiator for our services remains our innovation and complex problem solving capacities found in these practices. Clients include a broad spectrum of U.S. and state government agencies and departments; multinational commercial clients; and international clients in the public, private and government sectors. Another key differentiator for us with both our government and multinational clients is project delivery with a global footprint−our ability to effectively and consistently deploy our systems and processes (especially safety, environmental compliance, and project management) throughout the world with minimal deviation.

Government Facilities and Infrastructure−Our Government Facilities and Infrastructure ("GF&I") business plans, designs, constructs, operates and maintains various categories of facilities and infrastructure at all types of government and military installations offering contingency and logistics, planning and consulting engineering and design, design-build, operations and maintenance, and program management services. The U.S. Department of Defense is GF&I's largest client. We also provide a multitude of services to other government agencies such as the U.S. Federal Emergency Management Agency, National Science Foundation, U.S. Agency for International Development, Department of Energy (DOE), and the National Aeronautics and Space Administration. We continue to expand our government client base, both within the U.S. and internationally. At its core, our GF&I business ensures value-added mission success for our clients by safely delivering flexible and sustainable facilities, infrastructure, and contingency solutions worldwide while maintaining a focus to optimize client goals, and minimize impacts and costs.

Nuclear−Our Nuclear business serves three primary markets: nuclear remediation and decommissioning (liabilities management), nuclear power and national defense. We specialize in the management of complex nuclear programs and projects around the globe. Our experience includes managing and operating nuclear facilities and providing innovative cleanup and environmental remediation for commercial and government facilities and sites worldwide. We provide program management and program advisory services to national defense and commercial nuclear clients, as well as planning, permitting, and licensing of new nuclear energy generating stations. The DOE and NDA are our primary liabilities management clients, however, we have also decommissioned reactors for utilities and research reactors for universities and are beginning to expand our offering into the commercial nuclear power sector in countries outside the U.S., including The United Arab Emirates, that are interested in starting a nuclear power program. National defense clients include the U.S. National Nuclear Security Agency and U.K. Ministry of Defense's Atomic Weapons Establishment and Submarine Operating Centre.

Transportation−Our Transportation business provides both horizontal and vertical infrastructure development for the aviation, highways and bridges, ports and maritime, and rail and transit segments. For all of our clients, we offer procurement advisory, transport planning, environmental, construction engineering, project/program management, construction and construction management, and operations and asset management services. Airport services include airport cities planning and development; airfield planning and design; airfield navigational aids; airport modeling and simulation; airport facilities planning, design, mechanical, and electrical engineering; and program and construction management. For our highway and bridge (including signature bridges and major crossings) clients, we specialize in alternative finance/public-private partnership consulting, environmental documentation, master planning, context sensitive solutions, highway and bridge design and construction, geotechnical and tunnel engineering, value engineering, traffic engineering and traffic modeling, intelligent transportation systems, highway safety consulting, sustainability consulting, and operations and asset management. Ports and maritime services include planning, design, construction, program management, construction management, and asset management (including underwater inspection) for cruise, container, cargo, oil & gas, dry bulk, military, urban, and waterfront facilities. Rail and transit services, which encompass high-speed rail, heavy rail, light rail, commuter rail, streetcars, and buses, include management consulting, policy and planning, environmental documentation, civil design, vehicle engineering, intelligent transportation systems, fare and payment systems, systems engineering, asset management, and safety and security consulting. Transportation's employees are located in offices around the world delivering projects throughout Asia, Australia, Europe, India, Latin America, the Middle East, and North America.Our

Sustainability Practice−has substantial client engagements in both our EWF and GEI segments. This practice develops and implements climate change, carbon and energy management, natural resources planning and management, green buildings and many other facets of sustainability. Through a robust Community of Practice and a Sustainability Leadership Board, we bring together strategists, scientists, architects, engineers, technologists, management consultants and economists to evaluate opportunities and work collaboratively to deliver lasting solutions that benefit our clients, their communities, and the environment. We also have a diverse platform of tools, technology, and best practices to help clients make well informed decisions and to evaluate the overall sustainability of various business decisions.

Competition

The market for our design, consulting, engineering, construction, design-build, EPC, operations and maintenance, and program management services is highly competitive. We compete primarily with large multinational firms but also compete with smaller firms on contracts within the private industry and state and local government sectors. In addition, some of our clients, including government agencies, occasionally utilize their own internal resources to perform design, engineering and construction services where we might have been the service provider.

Numerous mergers and acquisitions in the engineering services industry have resulted in a group of large firms that offer a full complement of single-source services including studies, designs, construction, design-build, EPC, operation and maintenance and in some instances, facility ownership. Included in the current trend is movement towards larger program and contract awards and longer-term contract periods for a full suite of services, (e.g., 5 to 20 year full-service contracts). While these larger, longer, more comprehensive contracts require us to have substantially greater financial and human capital than in the past, we compete effectively for these full service programs.

To our knowledge, no single company or group of companies currently dominates any significant portion of the engineering services markets. Competition in the engineering services industry is based on quality of performance, reputation, expertise, price, technology, customer relationships, range of service offerings and domestic and international office networks. For additional information regarding competition, see Item 1A. *Risk Factors*.

Backlog

We define backlog as signed contracts and task orders less previously recognized revenue on such contracts and task orders. In addition, we include amounts under notices to proceed that have been received from clients and are expected to be recognized as revenues when future services are performed. Our operations and maintenance contracts are included for the non-cancellable term of the contract. Unexercised options under any contract are not included in our backlog. Our backlog also reflects the future activities related to consolidated joint ventures. Many of our contracts require us to provide services that span over a number of fiscal years. U.S. government agencies operate under annual fiscal appropriations by Congress and fund various federal contracts only on an incremental basis. The same is true of many state, local and foreign contracts. Our policy is to include in backlog the full contract award, whether funded or unfunded, for amounts that are expected to result in revenue in future periods based upon our experience with our clients or type of work. In accordance with industry practice, substantially all of our contracts are subject to cancellation, termination, or suspension at the discretion of the client. If sequestration continues, our backlog could be negatively impacted. See Item 1A. *Risk Factors* for further discussion.

The following table provides backlog revenues by operating segment for the years ended December 31:

($ in millions)	2013	2012
Energy, Water and Facilities	$ 4,074.1	$ 4,135.1
Government, Environment and Infrastructure	4,903.2	3,247.2
	$ 8,977.3	$ 7,382.3

Approximately 34% of our 2013 backlog relates to U.S. government agency projects. The majority of our backlog will be performed in 2014 and 2015.

Available Information

For information regarding our company, including free copies of filings with the Securities and Exchange Commission ("SEC"), please visit our web site at www.ch2m.com. The SEC filings, which include our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K are located in the About Us/Employee Ownership/About Ownership section of our web site and are made available as soon as practicable after they are filed with the SEC.

Item 1A. *Risk Factors*

You should carefully consider the following factors and other information contained in this Annual Report on Form 10-K before deciding to invest in our common stock.

Risks Related to Our Business

Unpredictable economic cycles, uncertain demand for our engineering and related services, and failure by our major customers to pay our fees, could cause our revenue to fluctuate or be uncollectible.

Demand for our engineering and other services is affected by the general level of economic activity in the markets in which we operate, both in and outside of the U.S. Our customers and the markets in which we compete to provide services are likely to experience periods of economic decline from time-to-time. In particular, the recent global economic downturn and governmental tax revenue declines resulted in a slowdown in demand for our services in state and municipal clients.

Adverse economic conditions may decrease our customers' willingness to make capital expenditures or otherwise reduce their spending to purchase our services, which could result in diminished revenues and margins for our business. The demand for services depends on the demand and capital spending of our customers in their target markets, some of which are cyclical in nature. Adverse economic conditions could alter the overall mix of services that our customers seek to purchase, and increased competition during a period of economic decline could force us to accept contract terms that are less favorable to us than we might be able to negotiate under other circumstances. Changes in our mix of services or a less favorable contracting environment may cause our revenues and margins to decline. Moreover, our customers impacted by the economic downturn could delay or fail to pay our fees. If a customer failed to pay a significant outstanding fee, our financial results could be adversely affected and our stock price could be reduced. Adverse credit market conditions could negatively impact our customers' ability to fund their projects and therefore utilize our services; they can also impact subcontractors' and suppliers' ability to deliver work. These credit disruptions could negatively impact our backlog and profits, and could increase our costs or adversely impact project schedules.

The uncertainties involved in prolonged procurement processes associated with our projects make it particularly difficult to predict whether and when we will receive a contract award. The uncertainty of contract award timing can present difficulties in matching our workforce size with our project needs. If an expected project award is delayed or not received, we could incur costs resulting from idle workforce reductions in staff, or redundancy of facilities that would have the effect of reducing our profits.

Changes and fluctuations in U.S. government's spending priorities could adversely affect our revenue expectations.

Because a substantial part of our overall business is generated either directly or indirectly as a result of U.S. federal, state and local government regulatory and infrastructure priorities, shifts in these priorities due to changes in policy imperatives or economic conditions are often unpredictable and may affect our revenues.

Our contracts with the U.S. federal government are subject to the uncertainties of Congressional funding. Since government contracts represent a significant percentage of our revenues (in fiscal 2013, our U.S. federal government contracts represented approximately 18% of our total revenues), government budget deficits or a significant reduction in government funding could lead to continued delays in contract awards and termination or suspension of our existing contracts, which could have an adverse impact on our business, financial condition and results of operations. In addition, any government shutdown, such as the U.S. federal government shutdown in October of 2013, could have an impact on our government projects including our ability to earn revenue on the projects already awarded, and could have an adverse impact on our financial condition.

Effective March 1, 2013, the Budget Control Act of 2011 imposed a process known as sequestration to implement $1.2 trillion in automatic spending cuts effective through fiscal year 2021. Under sequestration the agencies of the U.S. Federal Government may be required to modify or terminate contracts and substantially reduce awards of new work to companies like us, which will likely impact our ability to earn revenue on projects already awarded, win new work from U.S. Government customers and may have an adverse impact on our financial condition. We felt the effects of sequestration in 2013 as a result of a postponement in projects, at least one termination for convenience after contract award, and cancellations of planned projects prior to award. On January 15, 2014, the U.S. Congress passed a budget bill for the U.S. Federal Government fiscal year ending September 30, 2014. As part of this bill some of the automatic spending cuts described above were reduced and/or eliminated, which could lessen the effects of sequestration on many of our businesses. However, since some of the spending cuts under the Act are continuing, it is likely that our operations could be affected for the foreseeable future.

Political instability in key regions around the world coupled with the U.S. federal government's commitment to the war on terror put at risk U.S. federal discretionary spending, such as spending on infrastructure projects that are of particular importance to our business. At the state and local levels, the need to compensate for reductions in the federal matching funds, as well as financing of federal unfunded mandates, creates pressures to cut back on infrastructure project expenditures. While we have won and are continuing to seek federal contracts related to changing U.S. federal government priorities, such as unforeseen disaster response, rebuilding efforts in countries impacted by war on terror, and other projects that reflect current U.S. government focus, there can be no assurances that changing U.S. government priorities and spending would not adversely affect our business.

Government contracts present risks of termination for convenience, adjustment of payments received, restrictions on ability to compete for government work and funding constraints.

In 2013, we derived approximately 18% of our total revenues from contracts with the U.S. federal government. The following risks are inherent in U.S. federal government contracts:

Because U.S. federal laws permit government agencies to terminate a contract for convenience, our U.S. government clients may terminate or decide not to renew our contracts with little or no prior notice.

Due to payments we receive from our U.S. government clients, our books, records and processes are subject to audit by various U.S. governmental agencies for a number of years after these payments are made. Based on these audits, the U.S. government may adjust or demand repayment of payments we previously received, or withhold a portion of fees due to us because of unsatisfactory audit outcomes. Audits have been completed on our U.S. federal contracts through December 31, 2006, and are continuing for subsequent periods. Audits performed to date have not resulted in material adjustments to our financial statements. Unsatisfactory audit results may impact our ability to bid or win future U.S. government contract work. In addition, as a government contractor, we are subject to increased risks of investigation, criminal prosecution and other legal actions and liabilities to which purely private sector companies are not. The results of any such actions could adversely impact our business and have an adverse effect on our consolidated financial statements.

Our ability to earn revenues from our existing and future U.S. federal government projects will depend upon the availability of funding from U.S. federal government agencies. We cannot control whether those clients will fund or continue funding our existing projects.

In years when the U.S. federal government does not complete its budget process before the end of its fiscal year on September 30, government operations are typically funded pursuant to a "continuing resolution" that authorizes agencies of the U.S. government to continue to operate, but does not authorize new spending initiatives, which can delay the award of new contracts. These delays could have an adverse effect on our operating results.

Many U.S. federal government programs in which we work require security clearances. Security clearances can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances, we may not be able to win new business or will not be able to renew existing contracts. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue anticipated from the contract, which could adversely affect our business and results of operations.

Our ability to secure new government contracts and our revenues from existing government contracts could be adversely affected by any one or a combination of the factors listed above.

Many of our projects are funded by U.S. federal, state and local governments and if we violate applicable laws governing this work, we are subject to the risk of suspension or debarment from government contracting activities, which could have a material adverse affect on our business and results of operations.

If we fail to comply with the terms of one or more of our government contracts or statutes and regulations that govern this type of work, or if we or our employees are indicted or convicted on criminal charges (including misdemeanors) relating to any of our government contracts, in addition to any civil or criminal penalties and costs we may incur, we could be suspended or debarred from government contracting activities for a period of time. Some U.S. federal and state statutes and regulations provide for automatic debarment in certain circumstances. The suspension or debarment in any particular case may be limited to the facility, contract or subsidiary involved in the violation or could be applied to our entire family of companies in certain severe circumstances. Even a narrow scope suspension or debarment could result in negative publicity that could adversely affect our ability to renew contracts and to secure new contracts, both with governments and private customers, which could materially and adversely affect our business and results of operations.

Our industry is highly competitive.

We are engaged in a highly competitive business in which most of our contracts with public sector clients are awarded through a competitive bidding process that places no limit on the number or type of potential service providers. The process usually begins with a government agency request for proposal that delineates the size and scope of the proposed contract. The government agency evaluates the proposals on the basis of technical merit and cost.

In both the private and public sectors, acting either as a prime contractor or as a subcontractor, we may join with other firms that we otherwise compete with to form a team to compete for a single contract. Because a team can often offer stronger combined qualifications than any firm standing alone, these teaming arrangements can be very important to the success of a particular contract competition or proposal. Consequently, we maintain a network of relationships with other companies to form teams that compete for particular contracts and projects. Failure to maintain technical and price competitiveness, as well as failure to maintain access to strong teaming partners may impact our ability to win work.

Our backlog is subject to unexpected adjustments and cancellations and is, therefore, an uncertain indicator of our future performance.

Our backlog at December 31, 2013 was approximately $9.0 billion. We cannot assure that the revenues projected in our backlog will be realized or, if realized, will result in profits. Projects may remain in our backlog for an extended period of time prior to project execution and, once project execution begins, it may occur unevenly over the current and multiple future periods. In addition, our ability to earn revenues from our backlog depends on the availability of funding for various government and private clients. Most of our industrial clients have termination for convenience provisions in their contracts. Therefore, project terminations, suspensions or reductions in scope may occur from time-to-time with respect to contracts reflected in our backlog. Some backlog reductions would adversely affect the revenue and profit we actually receive from contracts reflected in our backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of our backlog and the revenues and profits that we actually earn.

An impairment of some or all of our goodwill could have a material adverse effect on our financial condition and results of operations.

As of December 31, 2013, we had $573.5 million of goodwill. We conduct a test for impairment of goodwill as of October 1st of each year to determine whether it is more likely than not that the fair value of any of our reporting units is less than their carrying values. Although our most recent test did not indicate this was the case, if the future fair value of any of our reporting units is less than their carrying value, we could be required to record an impairment charge. The amount of any impairment charge could be significant and could have a material adverse effect on our financial condition and results of operations.

Our inability to attract and retain professional personnel could adversely affect our business.

Our ability to attract, retain and expand our staff of qualified engineers and technical professionals will be an important factor in determining our future success and growth. The market for these professionals is competitive in and outside the U.S. As some of our key personnel approach retirement age, we are developing and implementing proactive succession plans. If we cannot attract and effectively implement our succession plans, we could have a material adverse impact on our business, financial condition, and results of operations. Since we derive a significant part of our revenues from services performed by our professional staff, our failure to retain and attract professional staff could adversely affect our business by impacting our ability to complete our projects and secure new contracts.

We face potential liability for faulty engineering services and we are subject to potential liability in other litigation and legal proceedings.

Our engineering practice involves professional judgments regarding the planning, design, development, construction, operations and management of industrial facilities and public infrastructure projects. Because our projects are often large and can affect many people, our failure to make judgments and recommendations in accordance with applicable professional standards could result in large damages and, perhaps, punitive damages. Although we have adopted quality control, risk management and risk avoidance programs designed to reduce potential liabilities, and carry professional liability to set off this risk, there can be no assurance that such programs will protect us fully from all risks and liabilities.

We are also a party to other lawsuits and other legal proceedings that arise in the normal course of business, including employment-related claims and contractual disputes. While we do not believe that any pending lawsuits or proceedings will have a material adverse effect on our results of operations or financial condition, there can be no assurance that this will not be the case.

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

Commodity prices can affect our customers and may have a significant impact on the costs and profitability of our projects. For projects that we perform on a guaranteed fixed price or "not to exceed" cost basis, unforeseen rising commodity prices can reduce our profit or cause us to incur a loss. Rising commodity prices can negatively impact the potential returns on investments for our customers and may lead to customers deferring new investments or canceling or delaying existing projects. Some of our customers are engaged in the production or processing of commodity products, particularly in the energy sector, and fluctuations in commodity prices can impact their business and their willingness to make new capital investments, which in turn may reduce demand for our services. Cancellations, delays and weakness in demand for our services in markets that are affected by commodity price fluctuations may affect our operating results in significant and unpredictable ways and could have a material adverse impact on our business, financial condition, and results of operations.

We could sustain losses on contracts that contain a fixed price or guaranteed maximum price provision if our costs exceed the maximum prices.

In 2013, we derived approximately 36% of our revenues from fixed price and "guaranteed maximum price" contracts. Under fixed price contracts, we agree to deliver projects for a definite, predetermined price and under guaranteed maximum price contracts, we agree to deliver projects for a price that is capped regardless of our actual costs incurred over the life of the project. Under cost reimbursable contracts with maximum pricing provisions, we are typically compensated for the labor hours expended at agreed-upon hourly rates plus cost of materials plus any subcontractor costs used; however, there is a stated maximum compensation for the services to be provided under the contract. Many fixed price or guaranteed maximum price contracts involve large industrial facilities and public infrastructure projects and present the risk that our costs to complete a project may exceed the guaranteed maximum or fixed price agreed upon with the client. The fees negotiated for such projects may not cover our actual costs and desired profit margins. In addition, many of our customers on fixed or maximum price contracts do not accept escalation clauses regarding labor or material cost increases, including commodity price increases. If our actual costs for a maximum price project or fixed price project are higher than we expect, our profit margins on the project will be reduced or we could suffer a loss.

Percentage-of-completion accounting used for our engineering and construction contracts can result in overstated or understated profits or losses.

The revenue for our engineering and construction contracts is accounted for on the percentage-of-completion method of accounting. This method of accounting requires us to calculate revenues and profit to be recognized in each reporting period based on our predictions of future outcomes, including our estimates of the total cost to complete the project, project schedule and completion date, the percentage of the project that is completed and the amounts of any probable unapproved change orders. Our failure to accurately estimate these often subjective factors could result in reduced profits or losses.

Environmental regulations and related compliance investigations may adversely impact our project performance, expose us to liability and could adversely affect our revenues.

A substantial portion of our business is generated either directly or indirectly as a result of laws and regulations related to environmental matters. In particular, our business involves significant risks including the assessment, analysis, remediation, handling, management and disposal of hazardous substances. As a result, we are subject to a variety of environmental laws and regulations governing, among other things, discharges of pollutants and hazardous substances into the air and water and the handling and disposal of hazardous waste including nuclear materials and related record keeping requirements. These laws and regulations and related investigations into our compliance, as it pertains to facility operations and remediation of hazardous substances, can cause project delays and, substantial management time commitment and may significantly add to our costs. Violations of these environmental laws and regulations could subject us to civil and criminal penalties and other liabilities, which can be very large. Although we have not been subject to any material civil or criminal penalties for violations of these laws to date, we have incurred costs and diverted resources to respond to reviews that have negatively impacted the profitability of some of our projects. While the costs of these reviews have not been material to our consolidated results of operations in the past, additional or expanded reviews or proceedings on environmental compliance, or any substantial fines or penalties, could affect our profitability and our stock price in the future, or could adversely affect our ability to compete for new business. Changes in environmental regulations could affect our business more significantly than other firms. Accordingly, a reduction in the number or scope of these laws and regulations, or changes in government policies regarding the funding, implementation or enforcement of such laws and regulations, could significantly reduce one of our most important markets and limit our opportunities for growth or reduce our revenues. In addition, any effort by government agencies to reduce the role of private contractors in regulatory programs, including environmental compliance projects, could have material adverse effects on our business.

We may not be successful in growing through acquisitions or integrating effectively any businesses and operations we may acquire.

Our success depends on our ability to continually enhance and broaden our service offerings and our service delivery footprint in response to changing customer demands, technology, and competitive pressures. Numerous mergers and acquisitions in our industry have resulted in a group of larger firms that offer a full complement of single source services including studies, design, engineering, procurement, construction, operations, maintenance, and facility ownership. To remain competitive, we may acquire new and complementary businesses to expand our portfolio of services, add value to the projects undertaken for clients or enhance our capital strength. We do not know if we will be able to complete any future acquisitions or whether we will be able to successfully integrate any acquired businesses, operate them profitably, or retain their key employees.

When suitable acquisition candidates are identified, we anticipate significant competition when trying to acquire these companies, and there can be no assurance that we will be able to acquire such acquisition targets at reasonable prices or on favorable terms. If we cannot identify or successfully acquire suitable acquisition candidates, we may not be able to successfully expand our operations. Further, there can be no assurance that we will be able to generate sufficient cash flow from an acquisition to service any indebtedness incurred to finance such acquisitions or realize any other anticipated benefits. In addition, there can be no assurance that the due diligence undertaken in connection with an acquisition will uncover all liabilities relating to the acquired business. Nor can there be any assurance that our profitability will be improved as a result of these acquisitions. Any acquisition may involve operating risks, such as:

- the difficulty of assimilating the acquired operations and personnel and integrating them into our current business;
- the potential impairment of employee morale;
- the potential disruption of our ongoing business;
- preserving important strategic and customer relationships;
- the diversion of management's attention and other resources;
- the risks of entering markets in which we have little or no experience;
- the possibility that acquisition related liabilities that we incur or assume may prove to be more burdensome than anticipated;

the risks associated with possible violations of the Foreign Corrupt Practices Act, the United Kingdom Bribery Act of 2010, and other anti-corruption laws as a result of any acquisition or otherwise applicable to our business; and

the possibility that any acquired firms do not perform as expected.

The success of our joint ventures depends on the satisfactory performance by our joint venture partners. The failure of our joint venture partners to perform their obligations could impose on us additional financial and performance obligations that could result in reduced profits or significant losses on the projects that our joint ventures undertake.

We routinely enter into joint ventures as part of our business. The success of these joint ventures depends, in large part, on the satisfactory performance of our joint venture partners. If our joint venture partners fail to satisfactorily perform their joint venture obligations as a result of financial or other difficulties, the joint venture may be unable to adequately perform or deliver its contracted services. Under these circumstances, we may be required to make additional investments and provide additional services to ensure the adequate performance and project delivery. These additional obligations could result in reduced profits or, in some cases, significant losses for us with respect to the joint venture.

Occasionally, we participate in joint ventures where we are not a controlling party. In such instances we may have limited control over joint venture decisions and actions, including internal controls and financial reporting, which may have an impact on our business.

We may be restricted in our ability to access the cash flows or assets from our subsidiaries and joint venture partners upon which we are substantially dependent.

We are dependent on the cash flows generated by our subsidiaries and, consequently, on their ability to collect on their respective accounts receivables. Substantially all of our cash flows necessary to meet our operating expenditures are generated by our subsidiaries. The financial condition and operational requirements of our foreign subsidiaries may limit our ability to obtain cash from them. In addition, we conduct some operations through joint ventures. We do not manage all of these entities. Even in those joint ventures that we manage, we are often required to consider the interests of our joint venture partners in connection with decisions concerning the operations of the joint ventures. As of December 31, 2013, $112.2 million of our cash was held in bank accounts of our consolidated joint ventures. Arrangements involving our foreign subsidiaries and joint ventures may restrict us from gaining access to the cash flows or assets of these entities. In addition, our foreign subsidiaries sometimes face governmentally imposed restrictions on their abilities to transfer funds to us.

Our credit agreement contains covenants that may restrict our operations and requires that we comply with certain financial ratios.

As of December 31, 2013 the remaining unused borrowing capacity available to us under the Amended Credit Agreement was $385.6 million. The Amended Credit Agreement contains customary affirmative and negative covenants, some of which limit or restrict our operations including our ability to incur additional indebtedness and other obligations, grant liens to secure obligations, make investments, merge or consolidate and dispose of assets, subject to certain customary exceptions. These restrictions could limit our ability to take advantage of certain opportunities.

In addition, our Amended Credit Agreement requires that we comply with a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. If we fail to satisfy these requirements or if we are in default of the Amended Credit Agreement, our indebtedness under the Amended Credit Agreement could be accelerated and we may lose access to borrowings under the Amended Credit Agreement.

Our dependence on subcontractors and equipment manufacturers could adversely affect us.

We rely on third party subcontractors as well as third party equipment manufacturers to complete our projects. To the extent that we cannot engage subcontractors or acquire equipment or materials, our ability to complete a project in a timely fashion or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed price contracts, we could experience losses in the performance of these contracts. In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms for any reason, including the deterioration of its financial condition, we may be required to purchase the services, equipment or materials from another source at a higher price. These risks are potentially more significant in the current economic downturn if financial difficulties in our supply chain cause our subcontractors or equipment suppliers not to be able to support the demands and schedules of our business. This may reduce the profit we expect to realize or result in a loss on a project for which the services, equipment or materials were needed.

Our defined benefit pension plans have significant deficits that may grow in the future; we may be required to contribute additional cash to meet any underfunded benefit obligations under these plans.

As a result of our acquisition of Halcrow, the Company acquired defined benefit pension plans (also known as "defined benefit pension schemes") that have significant deficits. The ongoing funding obligations for the defined benefit pension plans vary from time to time depending on actuarial assumptions outside of the Company's control, such as discount rates, inflation rates, plan investment returns, and life expectancy of the plan members. In order to maintain an adequate funding position over time, the Company continuously reviews these assumptions and mitigates these risks by working with the pension plan trustees and with actuarial and investment advisors. The Company maintains an ongoing dialog with its pension plan trustees to negotiate a reasonable schedule for cash contributions as required by local regulations. If, however, we are unable to agree such schedule in the future, or if certain assumptions that are outside our control, such as discount rates, inflation rates, plan investment returns or life expectancy change over time, the Company may need to make cash payments to such plans in order to meet such funding obligations, we could have material adverse effects on our financial position and/or cash flows.

We face special risks associated with our international business.

In 2013 and 2012, we derived approximately 33% and 31%, respectively, of our revenues from operations outside of the U.S. Conducting business abroad is subject to a variety of risks including:

- Currency exchange rate fluctuations, restrictions on currency movement and impact of international tax laws could adversely affect our results of operations, if we are forced to maintain assets in currencies other than the U.S. dollar as our financial results are reported in U.S. dollars.

- Political and economic instability and unexpected changes in regulatory environment in countries outside the U.S. could adversely affect our projects overseas and our ability to repatriate cash.

- Inconsistent and diverse regulations, licensing and legal requirements may increase our costs because our operations must comply with a variety of laws that differ from one country to another.

- Terrorist attacks and civil unrest in some of the countries where we do business may delay project schedules, threaten the health and safety of our employees, increase our cost of operations, and also result in cancellation of our contracts.

Challenges in managing risks inherent in international operations, such as unique labor rules and corrupt business environments may cause inadvertent violations of laws that we may not immediately detect or correct.

While we are monitoring such regulatory, geopolitical and other factors, we cannot assess with certainty what impact they may have over time on our business.

Limitations of or modifications to, indemnification regulations of the U.S. or foreign countries could adversely affect our business.

The Price-Anderson Nuclear Industries Indemnity Act, commonly called the Price-Anderson Act, ("PAA") is a United States federal law, which, among other things, regulates radioactive materials and the nuclear energy industry, including liability and compensation in the event of nuclear related incidents. The PAA provides certain protections and indemnification to nuclear energy plant operators and DOE contractors. The PAA protections and indemnification apply to us as part of our services to the U.S. nuclear energy industry and the DOE for new facilities, maintenance, modification, decontamination and decommissioning of nuclear energy, weapons, and research facilities. We offer similar services in other jurisdictions outside the U.S., provided we believe similar protections and indemnities are available, either through laws or commercial insurance. These protections and indemnifications, however, may not cover all of our liability that could arise in the performance of these services. To the extent the PAA or other protections and indemnifications do not apply to our services, our business could be adversely affected because of the cost of losses associated with liability not covered by the available protections and indemnifications, or by virtue of our loss of business because of these added costs.

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

We attempt to minimize our exposure from currency risks by denominating our contracts in the currencies of our expenditures, obtaining escalation provisions for projects in inflationary economies, or entering into derivative (hedging) instruments. However, these actions may not always eliminate our currency risk exposure. Based on fluctuations in currency, the U.S. dollar value of our backlog may from time to time increase or decrease significantly. We do not enter into derivative instruments or hedging activities for speculative purposes. Our operational cash flows and cash balances may consist of different currencies at various points in time in order to execute our project contracts globally. In addition, our non-U.S. asset and liability balances are subject to currency fluctuations when measured period to period for financial reporting purposes in U.S. dollars. Financial hedging may be used to minimize currency volatility for financial reporting purposes.

Special risks associated with doing business in highly corrupt environments and employee, agent or partner misconduct or failure to comply with anti-bribery and other governmental laws could, among other things, harm our reputation.

The global nature of our business creates various domestic and local regulatory challenges. Our operations include projects in developing countries and countries torn by war and conflict. Many of these countries are rated poorly by Transparency International, the independent watchdog organization for government and institutional corruption around the world. Our operations outside of the U.S. are subject to the Foreign Corrupt Practices Act ("FCPA"), the United Kingdom Bribery Act of 2010, and similar anti-bribery laws in other jurisdictions which generally prohibit companies and their intermediaries from paying or offering anything of value to foreign government officials for the purpose of obtaining or retaining business, or otherwise receiving discretionary favorable treatment of any kind. In addition, we may be held liable for actions taken by our local partners, subcontractors and agents even though such parties are not always subject to our control. Any determination that we have violated the FCPA, the United Kingdom Bribery Act of 2010, or any similar anti-bribery laws in other jurisdictions (whether directly or through acts of others, intentionally or through inadvertence) could result in sanctions that could have a material adverse effect on our business and our reputation and on our ability to secure U.S. federal government and other contracts. While our staff is trained on FCPA, the United Kingdom Bribery Act, and other anti-corruption laws and we have procedures and controls in place to monitor compliance, situations outside of our control may arise that could potentially put us in violation of the these regulations and thus negatively impact our business. In addition, we are also subject to various international trade and export laws. Any misconduct, fraud, non-compliance with applicable governmental laws and regulations, or other improper activities by our employees, agents or partners could have a significant impact on our business, financial results and reputation and could subject us to criminal and civil enforcement actions.

Misconduct could also include the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations. In addition, we regularly provide services that may be highly sensitive or that relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited. Failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, loss of security clearances, and suspension or debarment from contracting, any or all of which could harm our reputation, reduce our revenues and profits and subject us to criminal and civil enforcement actions.

We face risks associated with working in locations where there are high security risks.

Some of our projects are performed in locations known for their high security risks. In these high risk locations, we may incur substantial security costs to maintain the safety of our employees and work sites. Despite our best efforts, we cannot guarantee the safety of our employees and we may suffer future losses of employees and subcontractors.

We face risks associated with our work sites and the maintenance of adequate safety standards.

Construction and maintenance sites are inherently dangerous workplaces and place our employees in close proximity to dangers of the work site, such as mechanized equipment, moving vehicles, chemical and manufacturing process and materials. Our failure to maintain and implement adequate safety standards and procedures could have a material adverse impact on our business, financial condition and results of operations.

Our businesses could be materially and adversely affected by severe weather.

Repercussions of severe weather conditions may include:

- Evacuation of personnel and curtailment of services which may be temporary in nature;
- Increased labor and materials costs in areas impacted by weather and subsequent increased demand for labor and materials for repairing and rebuilding;
- Weather related damage to our jobsites or facilities;
- Inability to deliver materials to jobsites in accordance with contract schedules; and
- Loss of productivity; and
- Inability to complete projects in accordance with project schedules.

We typically remain obligated to perform our services after a natural disaster unless the contract contains a force majeure clause. We have force majeure clauses in the majority of our contracts that

are at the highest risk of being impacted by a force majeure, which are our design-build, program management and EPC contracts. In addition, we typically seek and frequently obtain force majeure clauses in our engineering and consulting contracts. If a contract contains a force majeure provision, we may be able to obtain an extension of time to complete our obligations under such contracts, but we will still be subject to our other contractual obligations in the event of such an extraordinary event. Because we cannot predict the length, severity or location of any potential force majeure event, it is not possible to determine the specific effects any such event may have on us. Depending on the specific circumstances of any particular force majeure event, or if we are unable to react quickly such an event, our operations may be affected significantly, our productivity may be affected, our ability to complete projects in accordance with our contractual obligations may be affected and we may incur increased labor and materials costs, which could have a negative impact on our financial condition, relationships with customers or suppliers, and our reputation.

Rising inflation, interest rates and/or construction costs could reduce the demand for our services as well as decrease our profit on our existing contracts.

Because a significant portion of our revenue is earned from fixed price and guaranteed maximum price contracts as well as contracts that base significant financial incentives on our ability to keep costs down, we bear some or all of the risk of rising inflation with respect to those contracts. In addition, if we expand our business into markets and geographic areas where "fixed price" work is more prevalent, inflation may have a larger impact on our results of operations in the future. Therefore, increases in inflation, interest rates and/or construction costs could have a material adverse impact on our business and financial results.

Inability to secure adequate bonding would impact our ability to win projects.

As is customary in our industry, we are often required to provide performance and surety bonds to customers in connection with our construction, EPC and fixed price projects. These bonds indemnify the customer if we fail to perform our obligations under the contract. Failure to provide a bond on terms and conditions desired by a customer may result in an inability to compete for or win projects. Historically, we have had and continue to have good relationships with our sureties and have a strong bonding capacity. The issuance of bonds under any bonding facilities, however, is at the sureties' sole discretion. There can be no assurance that bonds will continue to be available to us on reasonable terms. Our inability to obtain adequate bonding may result in our ineligibility to bid for construction, EPC and fixed price projects, which could have a material adverse effect on our growth and financial condition.

It can be difficult or expensive to obtain the insurance we need for our business operations.

As part of our business operations, we maintain insurance both as a corporate risk management strategy and to satisfy the requirements of many of our contracts. Insurance products go through market fluctuations and can become expensive and sometimes very difficult to obtain. We work with a diversified team of insurers to reduce our risk of available capacity. There can be no assurances, however, that we can secure all necessary or appropriate insurance in the future at an affordable price for the required limits. Our failure to obtain such insurance could lead to uninsured losses that could have a material adverse effect on our results of operations or financial condition.

Our present assessment of the insurance market is that there is adequate capacity to cover our insurance needs, but there are indications that the cost of insurance is likely to rise. Currently our insurance and bonds are purchased from several of the world's leading and financially stable providers often in layered insurance or co-surety arrangements. The built-in redundancy of such arrangements usually enables us to call upon existing insurance and surety suppliers to fill gaps that may arise if other such suppliers become financially unstable. Our risk management personnel continuously monitor the developments in the insurance market and financial stability of the insurance providers.

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

In order to prepare financial statements in conformity with generally accepted accounting principles in the U.S., we are required to make estimates and assumptions as of the date of the financial statements which affect the reported values of our assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. Areas requiring significant estimates by us include:

- Recognition of contract revenues, costs, profit or losses in applying the percentage-of-completion method of accounting;
- Recognition of recoveries under contract change orders or claims;
- Collectability of billed and work-in-process unbilled accounts receivables and the need for and the amount of allowances for problematic accounts;
- Estimated amounts for anticipated project losses, warranty costs and contract close-out costs;
- Determination of liabilities under pension and other postretirement benefit programs;
- Accruals for self insurance programs for medical, workers compensation, general liability and professional liability;
- Recoverability of deferred tax assets and the related valuation allowances, and accruals for uncertain tax positions;
- Stock option valuation model assumptions;
- Accruals for other estimated liabilities;
- Employee incentive plans; and
- Asset valuations.

We rely on information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed.

Because of recent advancements in technology and well-known efforts on the part of computer hackers and cyber terrorists to breach data security of companies, we face risks associated with potential failure to adequately protect critical corporate, client, and employee data which, if released, could adversely impact our client relationships, our reputation, and even violate privacy laws. As part of our business, we develop, receive and retain confidential data about our company and our clients including the U.S. federal and other governments' classified or sensitive information.

In addition, as a global company, we rely heavily on computer, information and communications technology and related systems in order to properly operate. From time to time, we may be subject to systems failures, including network, software or hardware failures, whether caused by us, third party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Such failures could cause loss of data and interruptions or delays in our or our customers' businesses and could damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations or otherwise adversely affect our business. Losses that may occur as a result of any system or operational failure or disruption may cause our actual results to differ materially from those anticipated.

We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Any significant interruption or failure of our information systems or any significant breach of security could damage our reputation and adversely affect our business and results of operations.

Further, there is increasing public attention on the importance of cyber security relating to critical infrastructure. This creates the potential for future developments in the regulatory approach to this area, which may impact our clients, and how we offer our services to our clients.

Additionally, the current version of our enterprise resource planning ("ERP") system will no longer be supported by the provider as of December 2014; therefore, we are in the process of upgrading our ERP system. Once the upgrade process is complete we expect the new ERP system will provide improvements in both functionality and efficiency to operate and manage the financial, human capital, and procurement aspects of our global business. However, as with most conversion processes of this magnitude there are inherent risks which may include:

- System functionality issues that may affect our ability to account for business transactions properly, close our financial reporting periods and/or create financial statements;

- Excessive time requirements for the conversion of historical data into the new ERP system which may result in both internal and external reporting delays and higher costs than expected;

- Inability to rollout the new ERP system throughout the numerous business locations worldwide in a timely and effective manner which may cause delays in reporting at our foreign and domestic locations; and

- Working capital constraints if we are unable to bill and collect from our customers.

Risks Related to Our Internal Market

Absence of a public market may prevent shareholders from selling their stock and cause shareholders to lose all or part of their investment.

There is no public market for our common stock. While we intend the internal market to provide liquidity to stockholders, there can be no assurance that there will be enough orders to purchase shares to permit stockholders to sell their shares on the internal market, or that our internal trading market will be sustained in the future. The price in effect on any trade date may not be attractive enough to buyers and sellers to result in a balanced market because the price is determined by our Board of Directors based on their judgment of fair value, and not by actual market trading activity. Moreover, although we may participate in the internal market as a buyer of common stock if there are more sell orders than buy orders in the market, we have no obligation to engage in internal market transactions and will not guarantee market liquidity. Consequently, insufficient buyer demand could cause sell orders to be prorated, or could prevent the internal market from opening on any particular trade date. Insufficient buyer demand could cause stockholders to suffer a total loss of investment or substantial delay in their ability to sell their common stock. No assurance can be given that stockholders desiring to sell all or a portion of their shares of common stock will be able to do so.

Transfer restrictions on our common stock could prevent shareholders from selling their common stock and cause shareholders to lose all or part of their investment.

Since all of the shares of our common stock are subject to transfer restrictions, shareholders will generally only be able to sell their common stock through our internal market on the scheduled trade dates each year. Unlike shares that are actively traded in public markets, shareholders will not be able to sell their shares on demand. Our common stock price could decline between the time shareholders want to sell and the time shareholders become able to sell. For a detailed discussion of the transfer restrictions on our common stock, see Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*.

Our stock prices are and will continue to be determined by our Board of Directors' judgment of fair value and not by market trading activity.

The prices of our common stock at each trade date are established by our Board of Directors based on the factors that are described in Item 5 of this Annual Report on Form 10-K. Our Board of Directors sets the stock price in advance of each trade date, and all trades on our internal market are transacted at the price established by our Board. The market trading activity on any given trade date, therefore, cannot affect the price on that trade date. This is a risk to shareholders because our common stock price will not change to reflect supply of and demand for shares on a given trade date as it would in a public market. Shareholders may not be able to sell shares or shareholders may have to sell their shares at a price that is lower than the price that would prevail if the internal market price could change on a given trade date to reflect supply and demand. Our Board of Directors endeavors to use the common stock valuation methodology that results in the stock price that represents fair value. The valuation methodology used to determine fair value is subject to change at the discretion of our Board of Directors.

The limited market and transfer restrictions on our common stock, as well as restrictions in our restated articles of incorporation and bylaws, will likely have anti-takeover effects.

Only our active and retired employees, directors and employee benefit plans may own our common stock and participate in our internal market. We also have significant restrictions on the transfer of our common stock other than through sales on our internal market. These limitations make it extremely difficult for a potential acquirer who does not have the prior consent of our Board of Directors to attain control of our company, regardless of the price per share an acquirer might be willing to pay and whether or not our stockholders would be willing to sell at that price. In addition, restrictions in our restated articles of incorporation and bylaws may make it more difficult for our stockholders to elect directors not endorsed by management.

Future returns on our common stock may be significantly lower than historical returns.

We cannot assure shareholders that our common stock will provide returns in the future comparable to those achieved historically or that the price will not decline.

Item 1B. ***Unresolved Staff Comments***

None

Item 2. ***Properties***

Our operations are conducted primarily in leased properties in over 40 countries throughout the world. Our corporate headquarters are located in Englewood, Colorado in approximately 155,000 square feet of office space. The lease on our corporate headquarters building expires in 2017, with an option to extend the term twice for either a five or ten year term. We believe our current facilities, which include leases for approximately 3.5 million square feet worldwide, are adequate for the operation of our business.

Item 3. ***Legal Proceedings***

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from the U.S. federal, state and municipal sources, our procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices. Such state and U.S. government investigations, whether relating to government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future U.S. government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on our results of operations or financial condition even if the final outcome is adverse to our company.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions and deductibles) are generally adequate to cover our liabilities, if any, with regard to such claims. Any amounts that are probable of payment are accrued when such amounts are estimable.

In 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. In 2011 and 2012, eight former CH2M HILL Hanford Group ("CH2M HILL Subsidiary") employees pleaded guilty on felony charges related to time card fraud committed while working on the Hanford Tank Farm Project. As part of its investigation, the U.S. Attorney's Office raised the possibility of violations of the civil False Claims Act and criminal charges for possible violations of federal criminal statutes arising from CH2M HILL's Subsidiary overtime practices on the project. In September 2012, the government intervened in a civil False Claims Act case filed in the District Court for the Eastern District of Washington by one of the employees who plead guilty to time card fraud. In March 2013, we entered into a Non-Prosecution Agreement ("NPA") concluding the criminal investigation so long as we comply with the terms of the NPA. The NPA requires us to comply with ongoing requirements for three years after the effective date. By a separate agreement, we obtained dismissal of the civil False Claims Act case. We paid $18.5 million in total under both agreements. As a result, no criminal charges were brought against CH2M HILL Subsidiary or any CH2M HILL entities, and the civil False Claims Act case was dismissed.

Item 4. ***Mine Safety Disclosures***

None.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market Information

We are employee-controlled. As a result, our stock is only available to certain active and retired employees, directors and benefit plans. There is no market for our stock with the general public. In order to provide liquidity for our stockholders, an internal market ("Internal Market") is maintained through an independent broker, currently Neidiger, Tucker and Bruner, Inc. (NTB).

The Internal Market enables eligible participants to offer to sell or purchase shares of our common stock on predetermined days (each, a "Trade Date"). The Trade Dates are determined by our Board. Generally, there are four Trade Dates each year. Currently our Board of Directors meetings are scheduled quarterly. All sales of our common stock are made at the price determined by our Board of Directors pursuant to the valuation methodology described below.

All sales of common stock on the Internal Market are restricted to the following authorized buyers:

- Our employees and directors
- Trustees of the benefit plans
- Administrator of the Payroll Deduction Stock Purchase Plan ("PDSPP")

We may impose limitations on the number of shares that an individual may purchase when there are more buy orders than sell orders for a particular Trade Date. After our Board of Directors determines the stock price for use on the next Trade Date, all stockholders, employees and directors will be advised as to the new stock price and the next Trade Date.

Our Internal Market is managed through an independent broker, currently NTB, which acts upon instructions from the buyers and sellers to affect trades at the stock price set by our Board of Directors and in accordance with the Internal Market rules. NTB does not play a role in determining the price of our common stock and is not affiliated with us. Individual stock ownership account records are currently maintained by our in-house transfer agent.

We may purchase shares if the Internal Market is under-subscribed. We may, but are not obligated to, purchase shares of common stock on the Internal Market on any Trade Date at the price in effect on that Trade Date, but only to the extent that the number of shares offered for sale by stockholders exceeds the number of shares sought to be purchased by authorized buyers. The decision as to whether or not we will purchase shares in the Internal Market, if the Internal Market is under-subscribed, is solely within our discretion and we will not notify investors as to whether or not we will participate prior to the Trade Date. Investors should understand that there can be no assurance that they will be able to sell their CH2M HILL stock without substantial delay or that their stock will be able to be sold at all on the Internal Market. We will consider a variety of factors including our cash position, financial performance and number of shares outstanding in making the determination as to whether to participate in an under-subscribed market. The terms of our existing unsecured revolving line of credit do not play a role in the decision as to whether to buy shares in the Internal Market. To date, no other factors have been considered by us in our decisions as to whether or not to participate in an under-subscribed market.

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If the aggregate number of shares offered for sale on the Internal Market on any Trade Date is greater than the number of shares sought to be purchased, stockholder offers to sell will be accepted as follows:

If enough orders to buy are received to purchase all the shares offered by each seller selling fewer than 500 shares and at least 500 shares from each other seller, then all sell orders will be accepted up to the first 500 shares and the portion of any sell orders exceeding 500 shares will be accepted on a pro-rata basis

If not enough orders to buy are received to purchase all the shares offered by each seller selling fewer than 500 shares and at least 500 shares from each other seller, then the purchase orders will be allocated equally to each seller

We may sell shares if the Internal Market is over-subscribed. To the extent that the aggregate number of shares sought to be purchased exceeds the aggregate number of shares offered for sale, we may, but are not obligated to, sell authorized but unissued shares of common stock on the Internal Market at the price in effect on that Trade Date to satisfy purchase demands. The decision as to whether or not we will sell shares in the Internal Market, if the Internal Market is over-subscribed, is solely within our discretion and we will not notify investors as to whether or not we will participate prior to the Trade Date. Investors should understand that there can be no assurance that they will be able to buy as many shares as they would like on a given Trade Date. We will consider a variety of factors including our cash position, financial performance and number of shares outstanding in making the determination as to whether to participate in an over-subscribed market. The terms of our existing unsecured revolving line of credit do not play a role in the decision as to whether to sell shares in the Internal Market. To date, no other factors have been considered by us in our decisions as to whether or not to participate in an over-subscribed market.

If the aggregate purchase orders exceed the number of shares available for sale and we choose not to issue additional shares, the following prospective purchasers will have priority to purchase shares, in the order listed:

Administrator of the PDSPP

Trustees of the 401(k) Plan

Internal Market participants on a pro-rata basis (including purchases through pre-tax and after-tax deferred compensation plans)

All sellers on the Internal Market, other than us and the trustees of the 401(k) Plan, pay NTB a commission fee equal to three tenths of one percent (.3%) of the proceeds from such sales. Employees who sell their common stock upon retirement from our company will have the option to sell the common stock they own on the Internal Market and pay a commission on the sale or to sell to us without paying a commission. In the latter case, the employee will sell their common stock to us at the price in effect on the date of their termination in exchange for a four-year note at a market interest rate determined biannually. No commission is paid by buyers on the Internal Market.

Price of our Common Stock

Our Board of Directors will determine the price, which is intended to be the fair value, of the shares of our common stock to be used for buys and sells on each Trade Date pursuant to the valuation methodology described below. The price per share of our common stock generally is set as follows:

$$\text{Share Price} = [(7.8 \times M \times P) + (SE)] / CS$$

In order to determine the fair value of the common stock in the absence of a public trading market, our Board of Directors felt it appropriate to develop a valuation methodology to use as a tool to determine a price that would be a valid approximation of the fair value. In determining the fair value stock price, our Board of Directors believes that the use of a going concern component (i.e., net income, which we call profit after tax, as adjusted by the market factor) and a book value component (i.e., total stockholders' equity) is important. Our Board of Directors believes that the process we have developed reflects modern equity valuation techniques and is based on those factors that are generally used in the valuation of equity securities.

The existence of an over-subscribed or under-subscribed market on any given Trade Date will not affect the stock price on that Trade Date. However, our Board of Directors, when determining the stock price for a future Trade Date, may take into account the fact that there have been under-subscribed or over-subscribed markets on prior Trade Dates.

Market Factor ("M"). "M" is the market factor, which is subjectively determined in the sole discretion of our Board of Directors. In determining the market factor, our Board of Directors will take into account factors the directors considered to be relevant in determining the fair value of our common stock, including:

- The market for publicly traded equity securities of companies comparable to us
- The merger and acquisition market for companies comparable to us
- The prospects for our future performance
- General economic conditions
- General capital market conditions
- Other factors our Board of Directors deem appropriate

Our Board of Directors has not assigned predetermined weights to the various factors it may consider in determining the market factor. A market factor greater than one would increase the price per share and a market factor less than one would decrease the price per share.

In its discretion, our Board of Directors may change, from time-to-time, the market factor used in the valuation process. Our Board of Directors could change the market factor, for example, following a change in general market conditions that either increased or decreased stock market equity values for companies comparable to us, if our Board of Directors felt that the market change was applicable to our common stock as well. Our Board of Directors will not make any other changes in the method of determining the price per share of common stock unless in the good faith exercise of its fiduciary duties and, if appropriate, after consultation with its professional advisors, our Board of Directors determines that the method for determining the price per share of common stock no longer results in a stock price that reasonably reflects our fair value on a per share basis.

As part of the total mix of information that our Board of Directors considers in determining the "M" factor, our Board of Directors also may take into account company appraisal information prepared by The Environmental Financial Consulting Group, Inc. ("EFCG"), an independent appraiser engaged by the trustees of our benefit plans. In setting the stock price, our Board of Directors compares the total of the going concern and book value components used in the valuation methodology to the enterprise value of the Company in the appraisal provided by EFCG. If, after such comparison, our Board of Directors concludes that its initial determination of the "M" factor should be re-examined, our Board of Directors may review, and if appropriate, adjust the "M" factor. Since the inception of the program on January 1, 2000, the total of the going concern and book value components used by our Board of Directors in setting the price for our stock has always been within the enterprise appraisal range provided quarterly by EFCG.

Profit After Tax ("P"). "P" is profit after tax, otherwise referred to as net income, for the four fiscal quarters immediately preceding the Trade Date. Our Board of Directors, at its discretion, may exclude nonrecurring or unusual transactions from the calculation. Nonrecurring or unusual transactions are developments that the market would not generally take into account in valuing an equity security. A change in accounting rules, for example, could increase or decrease net income without changing the fair value of our common stock. Similarly, such a change could fail to have an immediate impact on the value of our common stock, but still have an impact on the value of our common stock over time. As a result, our Board of Directors believes that in order to determine the fair value of our common stock, it needs the ability to review unusual events that affect net income. In the past, our Board of Directors has excluded unusual items from the calculation of "P", including nonrecurring revenue from Kaiser-Hill Company, LLC and a write off of an investment in an international telecommunications company. Because "P" is calculated on a four quarter basis, an exclusion impacts the calculation of fair value for four consecutive quarters. Our Board of Directors may determine to exclude other future unusual or non-recurring items from the calculation of "P".

Total Stockholders' Equity ("SE"). "SE" is total Stockholders' Equity, which includes intangible items, as set forth on our most recent available quarterly or annual financial statements. Our Board of Directors, at its discretion, may exclude from the Stockholders' Equity parameter nonrecurring or unusual transactions that the market would not generally take into account in valuing an equity security. The exclusions from Stockholders' Equity will generally be those transactions that are non-cash and are reported as "accumulated other comprehensive income (loss)" on the face of our consolidated balance sheet. For example, our Board of Directors excluded, and will continue to exclude, a non-cash adjustment to Stockholders' Equity related to the accounting for our defined benefit pension and other postretirement plans. Because this adjustment is unusual and will fluctuate from period to period, our Board of Directors excluded it from the "SE" parameter for stock valuation purposes. Similarly, other items that are reported as components of "accumulated other comprehensive income (loss)" and non-controlling interests are excluded from "SE" and include items such as unrealized gains/losses on securities and foreign currency translation adjustments.

Common Stock Outstanding ("CS"). "CS" is the weighted-average number of shares of our common stock outstanding during the four fiscal quarters immediately preceding the Trade Date, calculated on a fully-diluted basis. By "fully-diluted" we mean that the calculations are made as if all outstanding options to purchase our common stock had been exercised and other "dilutive" securities were converted into shares of our common stock. In addition, an estimate of the weighted-average number of shares that we reasonably anticipate will be issued under our stock-based compensation programs and employee benefit plans is included in this calculation. For example, we include in CS as calculated an estimate of the weighted-average number of shares that we reasonably anticipate will be issued during the next four quarters under our stock-based compensation programs and employee benefit plans in this calculation. We include an estimate of the weighted-average number of shares that we reasonably anticipate will be issued during the next four quarters because we have more than a 30-year history in making annual grants of stock-based compensation. Therefore, we believe that we have sufficient information to reasonably estimate the number of such "to be issued" shares. This approach avoids an artificial variance in share value during the first calendar quarter of each year when the bulk of shares of our common stock are issued by us pursuant to our stock-based compensation programs. Similarly, if we make a substantial issuance of shares during the four fiscal quarters immediately preceding the Trade Date, using the weighted average of those shares may create an inappropriate variance in share value during the four fiscal quarters following the issuance. For example, if we use shares as all or part of the consideration for the acquisition of a business, the time-weighted average number of shares issued in the acquisition transaction would not match the impact of the transaction reflected in total Stockholders' Equity (or SE) as described above. Therefore, in the discretion of the Board of Directors, a substantial issuance of shares during the four-quarter period used to calculate CS for each Trade Date may be treated as having been issued at the beginning of such four-quarter period. As a result, our Board of Directors may determine, in its discretion, to adjust the weighted-average number of shares to reflect in an appropriate manner the impact of past or anticipated future issuances.

The following table shows a comparison of the "CS" value actually used by our Board of Directors to calculate stock prices on the dates indicated versus the year-to-date weighted-average number of shares of common stock as reflected in the diluted earnings per share calculation in our financial statements for the past three years.

Effective Date	CS (in thousands)	YTD Weighted-Average Number of Shares as reflected in Diluted EPS calculation (in thousands)
February 9, 2012	32,962	31,428
May 11, 2012	32,944	31,801
August 10, 2012	32,941	31,851
November 9, 2012	32,779	31,718
February 15, 2013	32,466	31,484
May 17, 2013	31,981	30,222
August 9, 2013	31,455	30,192
November 14, 2013	30,923	29,985
February 14, 2014	30,502	29,890

Constant 7.8. In the course of developing this valuation methodology, it became apparent to our Board of Directors that a multiple would be required in order for the stock price derived by this methodology to approximate our historical, pre-Internal Market stock price. Another objective of our Board of Directors when developing the valuation methodology was to establish the fair value of our common stock using a market factor of 1.0. We believe that it was important to begin the Internal Market program with an "M" factor equal to 1.0 in order to make it easier for stockholders to understand future changes, if any, to the market factor.

Therefore, the constant 7.8 was introduced into the formula. The constant 7.8 is the multiple that our Board of Directors determined necessary (i) for the new stock price to approximate our historical stock price derived using the pre-Internal Market formula as well as (ii) to allow the use of the market factor of 1.0 at the beginning of the Internal Market program.

We intend to announce the new stock price and the Trade Date approximately four weeks prior to each Trade Date. The information will be delivered by the broker to all employees and eligible participants in the internal market. In addition, we will file a Current Report on Form 8-K disclosing the new stock price and all components used by our Board of Directors in determining such price in accordance with the valuation methodology described above.

We will also distribute the most current prospectus for our common stock and our audited annual financial statements to all stockholders, as well as other employees, and to participants in the Internal Market through the employee benefit plans. Such information will be distributed at the same time as our annual reports and proxy information. Solicitations are distributed for voting instructions from stockholders and participants in the employee benefit plans each year.

Current Price of Our Common Stock

Starting in 2000, with the introduction of the Internal Market and its quarterly trades, our Board of Directors reviews the common stock price quarterly using the valuation methodology described above to set the price for the common stock. The prices of our common stock for the past three years, along with the various factors and values used by our Board of Directors to determine such stock prices on each date, are as follows:

Effective Date	M	P (in thousands)	SE (in thousands)	CS (in thousands)	Price Per Share	Percentage Price Increase (Decrease)
February 9, 2012	1.2	$ 124,121	$ 717,414	32,962	$ 57.01	2.3%
May 11, 2012	1.2	$ 110,441	$ 725,247	32,944	$ 53.39	(6.3)%
August 10, 2012	1.2	$ 101,423	$ 743,484	32,941	$ 51.39	(3.7)%
November 9, 2012	1.2	$ 111,722	$ 746,205	32,779	$ 54.67	6.4%
February 15, 2013	1.2	$ 121,490	$ 734,331	32,466	$ 57.64	5.4%
May 17, 2013	1.2	$ 122,922	$ 717,030	31,981	$ 58.40	1.3%
August 9, 2013	1.2	$ 123,684	$ 717,131	31,455	$ 59.60	2.1%
November 14, 2013	1.2	$ 125,432	$ 735,515	30,923	$ 61.75	3.6%
February 14, 2014	1.2	$ 144,682	$ 763,383	30,502	$ 69.43	12.4%

Holders of Our Common Stock

As of February 7, 2014, there were 7,691 holders of record of our common stock. As of such date, all of our common stock of record was owned by our current and retired employees, directors, and by our various employee benefit plans. Common stock is held in a trust for each of our employee benefit plans and each trust is considered one holder of record of our common stock.

Dividend Policy

We have never declared or paid any cash dividends on our common stock and no cash dividends are contemplated on our common stock in the foreseeable future.

Issuer Purchases of Equity Securities

The following table covers the purchases of our securities by CH2M HILL during the quarter ended December 31, 2013:

Period	Total Number of Shares	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October(a)	1,155	$ 58.56	–	–
November	–	–	–	–
December(a)(b)	580,421	$ 61.75	–	–
Total	581,576	$ 61.74	–	–

(a) Shares purchased by CH2M HILL from terminated employees.

(b) Shares purchased by CH2M HILL in the Internal Market.

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Item 6. ***Selected Financial Data***

The selected financial data presented below under the captions "Selected Statement of Operations Data" and "Selected Balance Sheet Data" for, and as of the end of, each of the years in the five-year period ended December 31, 2013, are derived from the consolidated financial statements of CH2M HILL Companies, Ltd. and subsidiaries, which consolidated financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated financial statements as of December 31, 2013 and 2012, and for each of the years in the three-year period ended December 31, 2013, and the report thereon, are included in Item 15. *Exhibits and Financial Statement Schedules* of this Annual Report on Form 10-K. The following information should be read in conjunction with Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements and related notes thereto.

The consolidated financial statements and selected financial data below reflect the adoption of new accounting standards related to variable interest entities; accounting for non-controlling interests in consolidated financial statements; employee benefit plan expenses; income taxes; and acquisitions which affect the comparability of information presented. Certain prior years' amounts have been reclassified to conform to the current year presentation.

	Years Ended December 31,				
($ in millions, except per share data)	**2013**	**2012**	**2011**	**2010**	**2009**
Selected Statement of Operations Data:					
Revenue	$ 5,877.8	$ 6,160.6(b)	$ 5,555.2	$ 5,422.8	$ 5,499.3
Operating income	192.4	158.8	185.2	174.8	174.5
Net income attributable to CH2M HILL	118.3	93.0	113.3	93.7	103.7
Net income per common share					
Basic	$ 4.00	$ 2.99	$ 3.68	$ 2.98	$ 3.25
Diluted	$ 3.96	$ 2.95	$ 3.60	$ 2.91	$ 3.18
Selected Balance Sheet Data:					
Total assets	$ 3,056.4	$ 3,114.6	$ 2,754.0(a)	$ 1,967.1	$ 1,948.0
Long-term debt, including current maturities	391.1(d)	252.3(c)	92.8	37.6	52.3
Total stockholders' equity	642.6	616.7	666.3	554.2	524.8

(a) The majority of the increase in total assets relates to the acquisition of Halcrow in November 2011.

(b) The majority of the increase in revenue relates to the acquisition of Halcrow in November 2011.

(c) The majority of the increase in debt relates to funding for Halcrow operations and cash used for increased working capital needs.

(d) Substantially all of our long-term debt relates to our revolving credit facility. Borrowings on this facility are primarily used for working capital needs, acquisitions, required pension contributions and funds required to repurchase shares on our internal market.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Business Summary

We are an employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, operations and maintenance, EPC, program management and technical services around the world. Founded in 1946, we have approximately 26,000 employees worldwide.

We provide services to a diverse customer base including the U.S. federal and foreign governments and governmental authorities, various U.S. federal government agencies, provincial, state and local municipal governments, major oil and gas companies, refiners and pipeline operators, utilities, metal and mining, automotive, food and beverage and consumer products manufacturers, microelectronics, pharmaceuticals and biotechnology companies. We believe we provide our clients with innovative project delivery using cost-effective approaches and advanced technologies.

Our revenues are dependent upon our ability to attract and retain qualified and productive employees, identify business opportunities, allocate our labor resources to profitable markets, secure new contracts, execute existing contracts, and maintain existing client relationships. Moreover, as a professional services company, the quality of the work generated by our employees is integral to our revenue generation.

Acquisitions

We continuously monitor acquisition and investment opportunities that will expand our portfolio of services, provide local resources internationally to serve our customers, add value to the projects undertaken for clients, or enhance our capital strength.

On November 10, 2011, we purchased all the share capital of Halcrow Holdings Limited ("Halcrow") for approximately £124.0 million ($197.3 million). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure. Halcrow's employees provide services to our clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. Halcrow's clients include public and private-sector organizations around the world, including local, regional and national governments, asset owners, international funding agencies, regulators, financial institutions, contractors, developers and operators. The results of operations for Halcrow are reported in both the GEI and EWF operating segment since the date of the acquisition, in accordance with the manner in which the operations are managed.

Summary of Operations

We organize our reporting structure under which our chief operating decision-maker regularly reviews operating results and makes strategic operating decisions with regard to assessing performance and allocating resources into two segments−the EWF segment and the GEI segment. See *Item 1. Business* above for a description of the changes to our reporting structure effective January 1, 2014.

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Results of Operations for the Year Ended December 31, 2013 Compared to 2012

($ in millions)	2013			2012			Change				
	Revenue	Equity in Earnings	Operating Income (Loss)	Revenue	Equity in Earnings	Operating Income (Loss)	Revenue		Equity in Earnings	Operating Income (Loss)	
Energy, Water and Facilities	$ 3,215.9	$ 10.5	$ 83.9	$ 3,474.8	$ 22.6	$ 88.2	$(258.9)	(7.5)%	$ (12.1)	$(4.3)	(4.9)%
Government, Environment and Infrastructure	2,661.9	43.5	127.6	2,685.8	41.1	93.2	(23.9)	(0.9)%	2.4	34.4	36.9%
Corporate	–	–	(19.1)	–	–	(22.6)	–	–	–	3.5	15.5%
Total	$ 5,877.8	$ 54.0	$ 192.4	$ 6,160.6	$ 63.7	$ 158.8	$(282.8)		$ (9.7)	$33.6	

Energy, Water and Facilities Segment

Revenue from our EWF segment decreased for the year ended December 31, 2013 compared to the same period in the prior year by $258.9 million, or 7.5%. The decrease in revenue during the year ended December 31, 2013 is due to reduced revenue on three EPC power projects that began in late 2011 and reached their highest levels of field construction in early 2013. Additionally, lower demand for new power plants in the U.S., partially due to increased energy efficiency efforts, has resulted in delays in new construction projects in our power business. A decrease in new construction projects, primarily gas processing and pipeline projects in Canada, have driven revenues from our E&C business lower in 2013 compared to 2012. This decrease in E&C revenues was partially offset by stronger revenue from construction projects in Alaska and program management services in the Middle East. Finally, our water business revenues decreased due primarily to the delay of new design-build projects in the U.S. and Canada until 2014.

Operating income decreased for the year ended December 31, 2013 by $4.3 million, or 4.9% compared to the prior year period. Our water business operating income decreased due to volume decreases described above and lower consulting service and design-build margins in the U.S. In 2013, we recognized an additional charge on a fixed-price project to design and construct significant improvements to an existing power generation facility in northern California. That project reached substantial completion at the end of 2013 and we do not expect additional cost overrun charges. The decrease in operating income in our power business was partially offset by higher margins on two projects in the U.S. and an Australian project as well as much higher margins in our E&C business. Our E&C business realized higher margins on field services in Alaska, on the favorable resolution of a claim on a construction project in Alaska and on better performance on a gas project in the Middle East.

Government, Environment and Infrastructure Segment

Revenue from our GEI segment decreased for the year ended December 31, 2013, compared to the same period in the prior year by $23.9 million, or 0.9%. This decline in revenue was primarily the result of lower volumes in our nuclear markets as a result of a decrease in funding levels for large DOE projects. Our GF&I business and environmental business revenues also decreased in 2013 compared to 2012 due to U.S. Federal government budget reductions. All federal client markets experienced reductions in revenue due to project cancellations or delays resulting from decreased budget allocations under the Budget Control Act. This decrease in our GF&I business was partially offset by increased infrastructure revenue related to Hurricane Sandy emergency response consulting services. Our environmental business was able to offset this decrease in federal spending with strong commercial customer growth in all service lines. Significant growth in our global consulting transportation services as well as program management services revenue helped offset the significant decline in nuclear and GF&I market revenue.

Operating income increased for the year ended December 31, 2013 compared to the same period in the prior year by $34.4 million, or 36.9%. This increase was primarily attributable to an increase in volume from global consulting services, much of which relates to clients and markets acquired, and operational efficiencies in our transportation business. These strong results were partially offset by significantly lower volume on EPA projects and increased business development costs on U.S. Federal sector proposals in our environmental services business. Business development costs incurred on a Military of Defence (MOD) proposal in our GF&I business decreased GF&I's operating income in 2013. Additionally, a decline in DOE related projects and an increase in business development costs for a large nuclear proposal in the United Kingdom decreased operating income in our nuclear business. A gain on the termination of a Halcrow lease obligation also contributed to GEI's strong operating income results during 2013.

Results of Operations for the Year Ended December 31, 2012 Compared to 2011

	2012			**2011**			**Change**				
($ in millions)	**Revenue**	**Equity in Earnings**	**Operating Income (Loss)**	**Revenue**	**Equity in Earnings**	**Operating Income (Loss)**	**Revenue**		**Equity in Earnings**	**Operating Income (Loss)**	
Energy, Water and Facilities	$ 3,474.8	$ 22.6	$ 88.2	$ 2,784.4	$ 25.0	$ 99.6	$690.4	24.8%	$ (2.4)	$(11.4)	(11.4)%
Government, Environment and Infrastructure	2,685.8	41.1	93.2	2,770.8	39.5	107.0	(85.0)	(3.1)%	1.6	(13.8)	(12.9)%
Corporate	–	–	(22.6)	–	–	(21.4)	–	–	–	(1.2)	(5.6)%
Total	$ 6,160.6	$ 63.7	$ 158.8	$ 5,555.2	$ 64.5	$ 185.2	$605.4		$ (0.8)	$(26.4)	

Energy, Water and Facilities Segment

Revenue from our EWF segment increased for the year ended December 31, 2012 compared to the same period in 2011 by $690.4 million, or 24.8%. Approximately $177.9 million of the revenue increase in 2012 relates to Halcrow operations. The remaining increase in revenue of $512.5 million is primarily attributable to four EPC power projects awarded in late 2011. Our E&C business also experienced year over year increases in revenues due to higher volumes on operations and maintenance projects on the North Slope of Alaska. Additionally, we experienced improved volumes in our North American design-build water and wastewater reclamation projects as well as increases in our international water projects in the United Kingdom and Middle East. These increases were partially offset by a decrease in revenue from a significant water project that completed the design-build phase of the project in 2012 and transitioned into the operations phase.

Operating income decreased for the year ended December 31, 2012 by $11.4 million, or 11.4% compared to the same period in 2011. During the year ended December 31, 2012, approximately $9.8 million of the decrease related to losses in Halcrow's operations, which was comprised of $2.2 million of operating income, $5.4 million of acquisition related amortization expense and $6.6 million in costs incurred to integrate the Halcrow operations. Excluding Halcrow, operating income was $98.0 million for the year ended December 31, 2012 compared to $99.6 million in the comparable 2011 period. The annual results for 2012 were negatively impacted by a significant loss on a power project in the western United States as well as two loss projects within our E&C business in North America. These project losses were partially offset by better performance in our E&C construction business where we were able to reduce losses on projects in 2012 compared to 2011, as well as the recovery of costs on an operations management project in the southwest United States in the second quarter of 2012. In addition, allocable corporate overhead costs and indirect spending within the EWF segment decreased during 2012 compared to 2011. While revenues from our Water business increased during 2012, operating profit for the same period remained relatively constant due to certain higher margin contracts being completed in 2011 as well as slightly higher overhead costs during 2012.

Government, Environment and Infrastructure Segment

Revenue from our GEI segment decreased for the year ended December 31, 2012, compared to the same period in the prior year by $85.0 million, or 3.1%. Excluding revenue related to Halcrow of $394.1 million, the segment experienced a decline of $479.1 million during the year ended December 31, 2012. This decline in revenue was primarily the result of lower volumes in our nuclear markets as a result of a decrease in funding levels for large DOE projects as well as lower design build volumes in the Middle East in our GF&I business. These decreases were partially offset by improved results in our domestic and international environmental services private-sector clients business as well as growth in our domestic transportation business, driven by the Booz Allen Hamilton acquisition in 2011.

Operating income decreased for the year ended December 31, 2012 compared to the same period in the prior year by $13.8 million, or 12.9%. Our GEI operating results were affected by a 2012 loss of approximately $27.7 million in Halcrow's operations which was comprised of $6.2 million of income from operations, $18.6 million of acquisition related amortization expense and $15.3 million of costs incurred to integrate the Halcrow operations. Excluding Halcrow, operating income was $120.9 million for the year ended December 31, 2012 compared to $107.0 million in the comparable 2011 period. This increase of $13.9 million in operating income, excluding Halcrow, relates primarily to volume growth in our ES business and our North American consulting services in our transportation business. In addition, excluding Halcrow, allocable corporate overhead costs and indirect spending within the GEI division decreased during 2012 in comparison to 2011. The operating income increase, excluding Halcrow, was significantly impacted by increased costs on various U.S. government military base facility projects within our GF&I business, resulting in an overall decrease in gross margin. The overall decrease in revenue volumes in our nuclear and GF&I markets discussed above also impacted our operating income for the year. These decreases in earnings were principally offset by fees earned from the successful completion of the venues on the London 2012 Olympics.

Corporate

The Corporate segment includes expenses which represent centralized management costs that are not allocable to individual operating segments and primarily include expenses associated with administrative functions such as executive management, legal, and general business development activities. Corporate expenses were $19.1 million, $22.6 million and $21.4 million for the years ended December 31, 2013, 2012 and 2011, respectively. The decrease in corporate costs in 2013 compared to 2012 is primarily due to a decrease in acquisition and business development, investor relations and severance costs. The increase in corporate costs in 2012 compared to 2011 is primarily due to increased severance costs associated with overhead reduction efforts offset by a decrease in activities associated with initiatives for potential acquisitions and business development activities.

Income Taxes

The income tax provisions for the years ended December 31, 2013, 2012 and 2011 are as follows:

($ in millions)		Income Tax Provision	Effective Tax Rate
2013	$	50.7	30.0%
2012	$	52.1	35.9%
2011	$	55.9	33.1%

The effective tax rate for the quarter ended and year ended December 31, 2013 was 24.5% and 30.0% compared to 38.0% and 35.9%, respectively for the same periods in the prior year. The effective tax rates in 2013 were lower in comparison to the effective tax rates in 2012 primarily due to a 2013 increase in profitability in foreign jurisdictions, the 2013 reinstatement of the research and experimentation credit, and the benefits of end of year foreign tax planning. During the fourth quarter of 2013, the company restructured the legal ownership of certain foreign operations to align with their strategic priorities, to better manage project risk, and to enhance their treasury function. The restructuring enabled the company to utilize tax attributes in the determination of the tax provision that reduced the effective tax rate for the quarter ended and the year ended December 31, 2013. Our effective tax rate continues to be negatively impacted by the effect of state income taxes, non-deductible foreign net operating losses, the disallowed portion of executive compensation, and disallowed portions of meals and entertainment expenses.

We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, we must increase our tax provision by recording a valuation allowance for the deferred tax assets that we estimate will not ultimately be recoverable. As of December 31, 2013 and 2012, we reported a valuation allowance of $227.0 million and $231.7 million, respectively, related primarily to the reserve of certain foreign net loss carryforwards.

Liquidity and Capital Resources

Our primary sources of liquidity are cash balances, cash flows from operations, borrowings under our revolving line of credit and other financing arrangements. Our primary uses of cash are to fund our working capital, acquisitions, capital expenditures and purchases of stock presented on our internal market. As is common within our industry, we partner with other EPC firms on specific projects to leverage the skills of the respective partners and decrease our risk of loss. Often projects of this nature require significant cash contributions and the ventures created under these partnerships may retain cash earned while the project is being completed. As of December 31, 2013 and December 31, 2012 approximately $112.2 million and $118.8 million of our cash was held in bank accounts within these consolidated joint ventures. Additionally, we form entities to do business in countries around the world. In order to fund the working capital requirements of these businesses, we held cash in numerous international accounts at December 31, 2013 and December 31, 2012 of $247.8 million (including $67.1 million in consolidated joint ventures) and $260.0 million (including $78.4 million in consolidated joint ventures), respectively.

During the twelve months ended December 31, 2013, cash provided by operations was $93.2 million compared to $134.2 million for the same period last year. The $41.0 million decrease in operating cash flow during the current period was primarily attributable to an increase in working capital requirements during the twelve months ended December 31, 2013. Cash flows from operations primarily result from earnings on our operations and changes in our working capital. Earnings from our operations vary from period to period based primarily on the mix of our projects underway and the percentage of project work completed during that period. Our working capital requirements are also highly dependent on project mix, stage of completion as well as the commercial terms of the project contracts. For example, most contracts require payment as the project progresses; however, on certain types of projects we receive advanced payments from the customer. These advance payments are initially recognized as obligations to perform work in the future, or billings in excess of revenue. As the project is completed billings in excess of revenue is reduced and gross revenues are recognized; however, no new cash is generated from the reduction in the obligation. As a result of fluctuating earnings and significant working capital changes described above, the amount of cash generated by our operations varies.

We continuously monitor collection efforts and assess the allowance for doubtful accounts. Based on our assessment at December 31, 2013, we have deemed the allowance for doubtful accounts to be adequate; however, economic conditions may adversely impact some of our clients' ability to pay our bills or the timeliness of their payments.

Cash used in investing activities was $57.9 million for the twelve months ended December 31, 2013 compared to $33.1 million for the same period in 2012. The majority of cash used in our investing activities for the period ended December 31, 2013 relates to capital expenditures of $93.2 million compared to $46.7 million spent on capital expenditures in the twelve months ended December 31, 2012. Capital expenditures in the twelve months ended December 31, 2013 primarily related to upgrades of our enterprise resource planning system, equipment to support projects on the North Slope of Alaska and improvements to our corporate offices in Colorado. We periodically make working capital advances to certain of our unconsolidated joint ventures and, periodically, such advances are repaid to us from the joint ventures. This investing activity is reflected in our Consolidated Statements of Cash Flows on a gross basis. During the year ended December 31, 2013 we received working capital repayments from our unconsolidated joint ventures of $70.7 million, including a distribution of $49.1 million from a major nuclear joint venture project and $20.2 million from an international transportation joint venture. Working capital advances to our unconsolidated joint ventures for the twelve months ended December 31, 2013 were $41.1 million, compared to $24.5 million for the same period in 2012, including an advance of $15.7 million to a major nuclear joint venture project and $20.1 million to an international transportation joint venture.

Cash used in financing activities was $38.4 million for the twelve months ended December 31, 2013 compared to cash provided by financing activities of $1.8 million for the same period in 2012. Net borrowings on long-term debt, primarily from our credit facility, totaling $138.9 million in the current twelve month period, was $20.5 million less than the same period a year ago and was the major contributor to the decrease in financing cash flows. Purchases of stock on our internal market totaled $146.0 million during the twelve months ended December 31, 2013, which was an $11.1 million decrease, compared to the same period in the prior year and represented the most significant use of financing cash flows in the current year. For additional information regarding repurchases of stock and our Internal Market, see Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*. In September 2013, Halcrow entered into an agreement to terminate its obligations under a lease, including $66.1 million remaining on a capital lease and related obligations as well as an operating lease obligation, with a third party. Under the terms of this agreement Halcrow paid $27.0 million to the third party which resulted in a gain on termination of the obligations of $15.5 million.

We finance our operations, acquisitions and capital expenditures using a variety of capital vehicles including an unsecured revolving Credit Facility (the "Credit Facility"). The Credit Facility, which matures in April 2017, provides us the opportunity to borrow cash and issue letters of credit for a total amount up to $900.0 million. Under the terms of the Amended Credit Agreement, which governs the use of the Credit Facility, we may be able to invite existing and new lenders to increase the amount available to be borrowed under the agreement by up to $200 million. The revised credit facility has a subfacility for the issuance of standby letters of credit in a face amount up to $500.0 million and a subfacility up to $300.0 million for multicurrency borrowings. As of December 31, 2013, we were in compliance with the covenants required by the Amended Credit Agreement.

At December 31, 2013, $376.8 million in borrowings were outstanding on the Credit Facility. The average rate of interest charged on that balance was 2.07% as of December 31, 2013. At December 31, 2013, the total outstanding letters of credit issued under the Credit Facility and other bank guarantee facilities were $201.9 million. The remaining unused borrowing capacity under the Credit Facility as of December 31, 2013 was $385.6 million. There can be no assurance that the capacity under this facility will be adequate to fund future operations or acquisitions we may pursue from time to time. Based on our total cash and credit capacity available at December 31, 2013, we believe we have sufficient resources to fund our operations, any future acquisition and capital expenditure requirements, as well as purchases of common stock presented on our internal market, should we choose to do so, for the next 12 months and beyond. Depending on the applicable terms and conditions on new debt or equity offerings compared to the opportunity cost of using our internally generated cash, we may either choose to finance new opportunities using borrowings under our Credit Facility, issuance of new equity or other debt. In some instances we may use a combination of one or more of these financing mechanisms.

Off-Balance Sheet Arrangements

We have interests in multiple joint ventures, some of which are unconsolidated variable interest entities, to facilitate the completion of contracts that are jointly performed with our joint venture partners. These joint ventures are formed to leverage the skills of the respective partners and include consulting, construction, design, project management and operations and maintenance contracts. Our risk of loss on joint ventures is similar to what the risk of loss would be if the project was self-performed, other than the fact that the risk is shared with our partners. See further discussion in Note 3−*Variable Interest Entities and Equity Method Investments* of the Notes to the Consolidated Financial Statements in Item 15, of this Annual Report on Form 10-K.

There were no substantial changes to other off-balance sheet arrangements or contractual commitments during the twelve months ended December 31, 2013.

Aggregate Commercial Commitments

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in engineering and construction contracts. Letters of credit are provided to clients in the ordinary course of the contracting business in lieu of retention or for performance and completion guarantees on engineering and construction contracts. We post bid bonds and performance and payment bonds, which are contractual agreements issued by a surety, for the purpose of guaranteeing our performance on contracts and to protect owners and are subject to full or partial forfeiture for failure to perform obligations arising from a successful bid. We also carry substantial premium paid, traditional insurance for our business risks including professional liability and general casualty insurance and other coverage which is customary in our industry.

We believe that we will be able to continue to have access to professional liability and general casualty insurance, as well as bonds, with sufficient coverage limits, and on acceptable financial terms necessary to support our business. The cost of such coverage has remained stable during 2013 and is expected to continue to be stable in the foreseeable future. For additional information, see Item 1A. *Risk Factors*.

Our risk management personnel continuously monitor the developments in the insurance market. The financial stability of the insurance and surety providers is one of the major factors that we take into account when buying our insurance coverage. Currently our insurance and bonds are purchased from several of the world's leading and financially stable providers often in layered insurance or co-surety arrangements. The built-in redundancy of such arrangements usually enables us to call upon existing insurance and surety suppliers to fill gaps that may arise if other such suppliers become financially unstable.

Contractual obligations outstanding as of December 31, 2013 are summarized below:

($ in millions) Contractual Obligations	Amount of Commitment Expiration Per Period Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$ 121.1	$ 10.5	$ 8.1	$ 24.9	$ 164.6
Bank guarantees	17.3	13.4	6.6	–	37.3
Total debt	4.1	382.9	3.0	1.1	391.1
Interest payments	8.5	24.5	0.3	–	33.3
Operating lease obligations	99.0	146.8	81.7	37.2	364.7
Surety and bid bonds	1,301.6	274.1	20.8	–	1,596.5
Total	$ 1,551.6	$ 852.2	$ 120.5	$ 63.2	$ 2,587.5

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect both the results of operations as well as the carrying values of our assets and liabilities. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. We base estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities as of the date of the financial statements that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Although our significant accounting policies are described in the Notes to Consolidated Financial Statements in Item 15. of this Annual Report on Form 10-K, below is a summary of our most critical accounting policies.

Revenue Recognition

We earn revenue from different types of services performed under various types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Below is a description of the three basic types of contracts from which we may earn revenues using the percentage-of-completion method.

Cost-Plus Contracts. Cost-plus contracts can be cost plus a fixed fee or rate, or cost plus an award fee. Under these types of contracts, we charge our clients for our costs, including, both direct and indirect costs, plus a fixed negotiated fee or award fee. We generally recognize revenue based on the actual labor costs and non-labor costs we incur, plus the portion of the fixed fee or award fee we have earned to date. If the actual labor hours and other costs we expend are lower than the total number of hours and other costs we have estimated, our revenues related to cost recoveries from the project will be lower than originally estimated. If the actual labor hours and other costs we expend exceed the original estimate, we must obtain a change order, contract modification, or successfully prevail in a claim in order to receive payment for the additional costs.

In the case of a cost-plus award fee, we include in the total contract value the portion of the fee that we are probable of receiving. Award fees are influenced by the achievement of contract milestones, cost savings and other factors.

Fixed Price Contracts. Under fixed price contracts, our clients pay us an agreed amount negotiated in advance for a specified scope of work. For engineering and construction contracts, we recognize revenue on fixed price contracts using the percentage-of-completion method where costs incurred to date are compared to total projected costs at contract completion. Prior to completion, our recognized profit margins on any fixed price contract depend on the accuracy of our estimates and will increase to the extent that our actual costs are below the original estimated amounts. Conversely, if our costs exceed these estimates, our profit margins will decrease and we may realize a loss on a project. If our actual costs exceed the original estimate, we attempt to obtain a change order or contract modification.

Time-and-Materials Contracts. Under our time-and-materials contracts, we negotiate hourly billing rates and charge our clients based on the actual time that we expend on a project. In addition, clients reimburse us for our actual out-of-pocket costs of materials and other direct expenditures that we incur in connection with our performance under the contract. Our profit margins on time-and-materials contracts fluctuate based on actual labor and overhead costs that we directly charge or allocate to contracts compared with the negotiated billing rate and markup on other direct costs. Some of our time-and-materials contracts are subject to maximum contract values, and accordingly, revenue under these contracts are recognized under the percentage-of-completion method where costs incurred to date are compared to total projected costs at contract completion. Revenue on contracts that are not subject to maximum contract values are recognized based on the actual number of hours we spend on the projects plus any actual out-of-pocket costs of materials and other direct expenditures that we incur on the projects. Our time-and-materials contracts generally include annual billing rate escalation provisions.

Operations and Maintenance Contracts. A portion of our contracts are operations and maintenance type contracts. Typically, these contracts may include fixed and variable components along with incentive fees. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, delivery has occurred, the price is fixed or determinable and collectability is reasonably assured.

Income Taxes

In determining net income for financial statement purposes, we must make estimates and judgments in the calculation of tax assets and liabilities and in the determination of the recoverability of the deferred tax assets. The tax assets and liabilities arise from temporary differences between the tax return and the financial statement recognition of revenue and expenses. We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, we must increase our tax provision by recording a valuation allowance for the deferred tax assets that we estimate will not ultimately be recoverable.

In addition, the calculation of our income tax provision involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon ultimate settlement. We record reserves for uncertain tax positions that do not meet this criterion.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill acquired in a purchase business combination is not amortized, but instead, is tested for impairment at least annually in accordance with the provisions of the FASB Accounting Standards Codification ("ASC") 350, *Intangibles–Goodwill and Other* ("ASC 350"), as amended under Accounting Standards Update 2011-08 ("ASU 2011-08"). In performing the annual impairment test, we evaluate our goodwill at the reporting unit level which we have determined based upon our various lines of business within each of our reporting segments. Under the guidance of ASC 350, we have the option to assess either quantitative or qualitative factors to determine if it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair values of our reporting units are less than their carrying amounts, then the next step of the impairment test is unnecessary. If we conclude otherwise, then we are required to test goodwill for impairment under the two-step process. The two-step process involves comparing the estimated fair value of each reporting unit to the unit's carrying value, including goodwill. If the carrying value of a reporting unit exceeds its fair value, the goodwill of the reporting unit is not considered impaired; therefore, the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, we would then perform a second step to measure the amount of goodwill impairment loss to be recorded. We determine the fair value of our reporting units using a market approach. Our market based valuation method provides estimates of the fair value of our reporting units based on applying a multiple to our estimate of a cash flow metric for each business unit. Our annual goodwill impairment test is conducted as of October 1st of each year. For 2013, we selected the qualitative method to assess if it was not more likely than not that the carrying value of the reporting units exceeds their fair value and, as a result, we considered various relevant factors including current and expected macroeconomic conditions, industry and market considerations, specific reporting unit performance and other changes in the overall business. Based on these considerations, we concluded there was no indication of impairment of goodwill in any of our reporting units.

Pension and Postretirement Employee Benefits

The unfunded or overfunded projected benefit obligation of our defined benefit pension plans and other postretirement benefits are recorded in our consolidated financial statements using actuarial valuations that are based on many assumptions. These assumptions primarily include discount rates, rates of compensation increases for participants, and long-term rates of return on plan assets. We use judgment in selecting these assumptions each year because we have to consider not only the current economic environment in each host country, but also future market trends, changes in interest rates and equity market performance. Our plan liabilities are most sensitive to changes in the discount rates, which if reduced by 25 basis points, plan liabilities for the U.S. and non-U.S. plans would increase by approximately $6.0 million and $49.1 million, respectively. Changes in these assumptions have an immaterial impact on our net periodic pension costs as most of our defined benefit arrangements have been closed to new entrants and ceased future accruals.

Recent Accounting Standards

See *Recent Accounting Standards* in Note 1 to our Consolidated Financial Statements in Item 15 below.

Commitments and Contingencies

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from U.S. federal, state and municipal sources, our procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices. Such state and U.S. government investigations, whether relating to government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future U.S. government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on our results of operations of financial condition even if the final outcome is adverse to our company.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions and deductibles) are generally adequate to cover our liabilities, if any, with regard to such claims. Any amounts that are probable of payment are accrued when such amounts are estimable. As of December 31, 2013 and December 31, 2012, accruals for potential estimated claim liabilities were $15.5 million and $34.4 million, respectively.

In 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. In 2011 and 2012, eight former CH2M HILL Hanford Group ("CH2M HILL Subsidiary") employees pleaded guilty on felony charges related to time card fraud committed while working on the Hanford Tank Farm Project. As part of its investigation, the U.S. Attorney's Office raised the possibility of violations of the civil False Claims Act and criminal charges for possible violations of federal criminal statutes arising from CH2M HILL's Subsidiary overtime practices on the project. In September 2012, the government intervened in a civil False Claims Act case filed in the District Court for the Eastern District of Washington by one of the employees who plead guilty to time card fraud. In March 2013, we entered into a Non-Prosecution Agreement ("NPA") concluding the criminal investigation so long as we comply with the terms of the NPA. The NPA requires us to comply with ongoing requirements for three years after the effective date. By a separate agreement, we obtained dismissal of the civil False Claims Act case. We paid $18.5 million in total under both agreements. As a result, no criminal charges were brought against CH2M HILL Subsidiary or any CH2M HILL entities, and the civil False Claims Act case was dismissed.

In connection with the Halcrow acquisition, we assumed a lease obligation for office space which was entered into by a Halcrow subsidiary in 1981 and was previously occupied and used as one of Halcrow's primary office locations. Subsequently, Halcrow vacated the space and was subleasing the building to third parties. The lease required Halcrow to continue to make lease payments until 2080 with rent escalating provisions that could have increased with market conditions. In 2012, we obtained a final third party determination of the fair value of this lease obligation and the associated real property in order to complete the purchase price allocation. As a result, the capital lease and related obligations, as well as the related building asset were included in the consolidated balance sheet as of December 31, 2012. Capital lease and related obligations as of December 31, 2012 were $66.1 million and was included primarily in other long-term liabilities in the consolidated balance sheet. We also assumed an operating lease for the associated land on which the building is located with total lease payments due over the remaining term of the lease totaling $36.8 million as of December 31, 2012. In September 2013, Halcrow entered into an agreement to terminate its obligations under the lease, including $66.1 million remaining on the capital lease and related obligations as well as the operating lease obligation, to a third party. Under the terms of this agreement Halcrow paid $27.0 million to the third party which resulted in a gain on termination of the obligations of $15.5 million. The related building asset and obligations were relieved from the consolidated balance sheets and the gain was recognized as a reduction in general and administrative expenses for the year ended December 31, 2013.

Disclosure of Iranian Activities Under Section 13(r) of the Securities Exchange Act of 1934

As previously disclosed in our Form 10-Q for the quarter ended September 30, 2013 and in our Form 10-K for the year ended December 31, 2012, we acquired Halcrow, a U.K. engineering consulting company in November 2011. Halcrow provides services to clients worldwide and prior to the acquisition, Halcrow had a small presence in Iran. As a condition of the acquisition, we required Halcrow and its subsidiaries to terminate all activities in Iran. Halcrow undertook expedient steps to withdraw all operational activities from Iran.

In order to complete the remaining wind-down activities in accordance with applicable laws in the United States and the European Union, Halcrow applied for and received specific licenses from the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury and from Her Majesty's Treasury ("HMT") in the United Kingdom. Pursuant to these authorizations, in the fourth quarter of 2013, Halcrow paid an amount equal to $27,525 from an account with Bank Tejarat, an Iranian bank designated under Executive Order 13382, to non-designated Iranian persons related to its wind-down activities, including for the payment of taxes, legal expenses and accounting expenses. Halcrow also received funds into its account at Bank Tejarat in the amount equal to $25,697 from a former non-designated Iranian customer for work performed prior to Halcrow's acquisition by CH2M HILL. A portion of these funds were drawn on a check from Bank Saderat, an Iranian bank designated under Executive Order 13224. As the expenses associated with these wind-down activities exceeded gross receipts, no net profits were attributable to such wind-down activities in 2013. These activities (which were denominated in Iranian rials) were reported to OFAC and HMT per the requirements of Halcrow's authorizations. Once all remaining wind-down activities are complete in accordance with the authorizations received from OFAC and HMT, Halcrow does not intend to continue such activities.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

In the ordinary course of our operations we are exposed to certain market risks, primarily changes in foreign currency exchange rates and interest rates. This risk is monitored to limit the effect of foreign currency exchange rate and interest rate fluctuations on earnings and cash flows.

Foreign currency exchange rates. We operate in many countries around the world and as a result, are exposed to foreign currency exchange rate risk on transactions in numerous countries. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among our entities with differing currencies. In order to mitigate this risk, we enter into derivative financial instruments. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value in the consolidated balance sheets and changes in the fair value of the derivative instruments are recognized in earnings. These currency derivative instruments are carried on the balance sheet at fair value and are based upon Level 2 inputs including third party quotes. As of December 31, 2013, the foreign exchange contracts outstanding were insignificant.

Interest rates. Our interest rate exposure is primarily limited to our unsecured revolving Credit Facility. As of December 31, 2013 the outstanding balance on the unsecured revolving Credit Facility was $376.8 million. We have assessed the market risk exposure on this financial instrument and determined that any significant change to the fair value of this instrument would not have a material impact on our consolidated results of operations, financial position or cash flows. Based upon the amount outstanding under the unsecured Credit Facility, a one percentage point change in the assumed interest rate would change our annual interest expense by approximately $3.8 million.

Item 8. *Financial Statements and Supplementary Data*

Reference is made to the information set forth beginning on page F-1.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

We carried out an evaluation as of the last day of the period covered by this Annual Report on Form 10-K, under the supervision and with the participation of our management, including our Chief Executive Officer and Interim Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Interim Chief Financial Officer concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control−Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2013.

The effectiveness of our internal control over financial reporting as of December 31, 2013 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein on page F-1.

Item 9B. ***Other Information***

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Certain information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2014 Annual Meeting of Stockholders. Information regarding the executive officers of CH2M HILL is presented below:

EXECUTIVE OFFICERS OF CH2M HILL

The executive officers of CH2M HILL are listed below, along with their ages, tenure as officer and business background for at least the last five years.

Jacqueline C. Hinman. Age 52. Ms. Hinman is the President and Chief Executive Officer of CH2M HILL since January 1, 2014. She previously served as the Senior Vice President and President of the International Division of CH2M HILL from 2011 and as the President of the Facilities and Infrastructure Division from 2009 until 2011 and served as the Vice President, Major Programs and Executive Director for Mergers and Acquisitions between 2009 and 2010. Between 2007 and 2009, she led our Center for Project Excellence.

John A. Madia. Age 58. Mr. Madia is the Chief Human Resources Officer of CH2M HILL since November 2009. In May 2009 he joined CH2M HILL as Senior Vice President of Human Resources and became an Executive Vice President in February 2014. Mr. Madia came to CH2M HILL from Dow Chemical Company where he was Vice President of Human Resources from 2006 to 2009.

Lee A. McIntire. Age 65. Mr. McIntire is the Executive Chairman of the Board of Directors of CH2M HILL since January 1, 2014. He previously served as Chairman of the Board since 2010 and Chief Executive Officer of CH2M HILL from 2009 through 2013. He joined CH2M HILL as the President and Chief Operating Officer in 2006.

Michael E. McKelvy. Age 54. Mr. McKelvy is the Chief Delivery Officer of CH2M HILL since January 1, 2014. He previously served as Senior Vice President of CH2M HILL and President of the Government, Environment and Infrastructure Division since 2012 and became an Executive Vice President in February 2014. From 2009 to 2011, Mr. McKelvy was the President of the Government, Environment and Nuclear Division. Prior to these positions, Mr. McKelvy was the President for the Industrial Client business between 2006 and 2009.

Gregory S. Nixon. Age 50. Mr. Nixon is an Executive Vice President and Chief Legal Officer of CH2M HILL. He joined CH2M HILL in November 2013 as Senior Vice President and became an Executive Vice President in February 2014. Prior to joining CH2M HILL, he was Senior Vice President, General Counsel and Corporate Secretary of DynCorp International, Inc. (global logistics, aviation and operations company) from 2009 to 2013.

JoAnn Shea. Age 49. Ms. Shea is the Interim Chief Financial Officer since February 13, 2014. She also serves as Chief Accounting Officer of CH2M HILL since 2006 and a Vice President and Controller since 2003. She also served as Interim Chief Financial Officer of CH2M HILL from May to November of 2010.

Michael A. Szomjassy. Age 63. Mr. Szomjassy is the President of the Energy Market of CH2M HILL since January 1, 2014. He previously served as President of the Energy, Water and Facilities Division since August 2012 and became an Executive Vice President in February 2014. He previously served as President of the Environmental Services business of CH2M HILL from 2011 until 2012. Between 2007 and 2010, Mr. Szomjassy served as the Deputy Program Director for the CLM Delivery Partner, a joint venture providing program management services to the Olympic Delivery Authority for the London 2012 Olympic and Paralympic Games.

There are no family relationships among the executive officers or directors of CH2M HILL. The executive officers are elected by the Board of Directors each year and hold office until the organizational meeting of the Board in the next subsequent year and until his or her successor is chosen or until his or her earlier death, resignation or removal.

Item 11. ***Executive Compensation***

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2014 Annual Meeting of Stockholders.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2014 Annual Meeting of Stockholders.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2014 Annual Meeting of Stockholders.

Item 14. ***Principal Accounting Fees and Services***

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2014 Annual Meeting of Stockholders.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

Documents Filed as Part of this Report

1. Financial Statements

2. Financial Statement Schedules and Other

All financial statement schedules have been omitted because the required information is included in the consolidated financial statements or notes thereto, or because such schedules are not applicable.

3. Exhibits

The Exhibits required by this item are listed in the Exhibit Index. Each management contract and compensatory plan or arrangement is denoted with a "+" in the Exhibit Index.

Exhibit Number	Description
3.1	Certificate of Incorporation of CH2M HILL Companies, Ltd. (filed as Exhibit 3.1 to CH2M HILL's Form 8-K on July 5, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
3.2	Certificate of Amendment of Certificate of Incorporation of CH2M HILL Companies, Ltd. (filed as Exhibit 3.1 to CH2M HILL's Form 10-Q for the quarter ended June 30, 2013 (Commission File No. 000-27261), and incorporated herein by reference)
3.3	Amended and Restated Bylaws of CH2M HILL Companies, Ltd. (filed as Exhibit 3.1 to CH2M HILL's Form 8-K on September 17, 2013 (Commission File No. 000-27261), and incorporated herein by reference)
+10.1	CH2M HILL Companies, Ltd. Amended and Restated Short Term Incentive Plan effective January 1, 2012 (filed as Exhibit 10.2 to CH2M HILL's Form 10-Q for the quarter ended June 30, 2012 (Commission File No. 000-27261), and incorporated herein by reference)
+10.2	CH2M HILL Companies, Ltd. Amended and Restated Long Term Incentive Plan effective January 1, 2011 (filed as Exhibit 10.3 to CH2M HILL's Form 10-K for the year ended December 31, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
+10.3	CH2M HILL Companies, Ltd. Amended and Restated 2009 Stock Option Plan, effective May 7, 2012 (filed as Exhibit 10.1 to CH2M HILL's Form 8-K on May 11, 2012 (Commission File No. 000-27261), and incorporated herein by reference)
*+10.4	CH2M HILL Companies, Ltd. Amended and Restated Restricted Stock Plan effective September 13, 2013

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Exhibit Number	Description
+10.5	CH2M HILL Companies, Ltd. Amended and Restated Deferred Compensation Plan effective January 1, 2011 (filed as Exhibit 10.5 to CH2M HILL's Form 10-Q for the quarter ended June 30, 2012 (Commission File No. 000-27261), and incorporated herein by reference)
+10.6	CH2M HILL Companies, Ltd. Supplemental Executive Retirement and Retention Plan effective January 1, 2013 (Commission File No. 002-27261)
+10.7	Form of Change of Control Agreement between CH2M HILL Companies, Ltd. and employee directors and executive officers, effective as of July 1, 2010 (filed as Exhibit 10.1 to CH2M HILL's Form 10-Q for the quarter ended September 30, 2010, (Commission File No. 002-27261), and incorporated herein by reference)
+10.8	CH2M HILL Companies, Ltd. Death Benefit Only Plan effective September 13, 2012 (filed as Exhibit 10.1 to CH2M HILL's Form 10-Q for the quarter ended September 30, 2012 (Commission File No. 000-27261), and incorporated herein by reference)
10.9	Contract with Neidiger, Tucker, Bruner, Inc. dated as of July 1, 2006 (filed as Exhibit 10.12 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
10.10	Addendum to Contract with Neidiger, Tucker, Bruner, Inc. dated as of February 11, 2011 (filed as Exhibit 10.1 to CH2M HILL's Form 10-Q for the quarter ended March 31, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
10.11	Addendum to Contract with Neidiger, Tucker, Bruner, Inc. dated as of June 21, 2012 (filed as Exhibit 10.4 to CH2M HILL's Form 10-Q for the quarter ended June 30, 2012 (Commission File No. 000-27261), and incorporated herein by reference)
10.12	Amended and Restated Credit Agreement dated as of April 19, 2012, by and among CH2M HILL Companies, Ltd. and certain of its subsidiaries, Wells Fargo Bank, National Association, and other lenders as party thereto (filed as Exhibit 10.1 to CH2M HILL's Form 10-Q for the quarter ended June 30, 2012 (Commission File No. 000-27261), and incorporated herein by reference)
*21.1	Subsidiaries of CH2M HILL Companies, Ltd.
*23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm
*24.1	Power of Attorney authorizing signature
*31.1	Written Statement of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Written Statement of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Written Statement of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
*32.2	Written Statement of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

99.1 Internal Market Rules, (filed as Exhibit 99.1 to CH2M HILL's Form 8-K on February 11, 2011 (Commission File No. 000-27261), and incorporated herein by reference)

**101.INS XBRL Instance Document

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Exhibit Number	Description
**101.SCH	XBRL Taxonomy Extension Schema Document
**101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
**101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
**101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
**101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

** XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

\+ Indicates management contract or compensatory plan or arrangement

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
CH2M HILL Companies, Ltd.:

We have audited the accompanying consolidated balance sheets of CH2M HILL Companies, Ltd. and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2013. We also have audited the Company's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control–Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). 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 the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. 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.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CH2M HILL Companies, Ltd. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also in our opinion, CH2M HILL Companies, Ltd. and subsidiaries maintained,

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in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control−Integrated Framework (1992)* issued by COSO.

KPMG LLP

Denver, Colorado

February 24, 2014

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CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

(Dollars in thousands)

	December 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 294,261	$ 310,638
Available-for-sale securities	1,074	2,135
Receivables, net−		
Client accounts	779,159	794,903
Unbilled revenue	611,197	570,914
Other	21,503	19,606
Income tax receivable	15,999	6,905
Deferred income taxes	51,379	75,556
Prepaid expenses and other current assets	80,923	82,299
Total current assets	1,855,495	1,862,956
Investments in unconsolidated affiliates	92,287	118,008
Property, plant and equipment, net	226,425	212,007
Goodwill	573,487	562,461
Intangible assets, net	96,658	133,657
Deferred income taxes	129,591	155,250
Employee benefit plan assets and other	82,454	70,245
Total assets	$ 3,056,397	$ 3,114,584
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 4,099	$ 3,497
Accounts payable and accrued subcontractor costs	463,516	568,507
Billings in excess of revenue	358,590	385,985
Accrued payroll and employee related liabilities	337,546	335,457
Other accrued liabilities	188,600	216,907
Total current liabilities	1,352,351	1,510,353
Long-term employee related liabilities	574,816	574,406
Long-term debt	387,023	248,832
Other long-term liabilities	99,623	164,285
Total liabilities	2,413,813	2,497,876
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Preferred stock, Class A $0.01 par value, 50,000,000 shares authorized; none issued	–	–
Common stock, $0.01 par value, 100,000,000 shares authorized; 28,782,277 and 29,845,190 issued and outstanding at December 31, 2013 and 2012, respectively	288	298

Additional paid-in capital	–	–
Retained earnings	763,095	734,033
Accumulated other comprehensive loss	(138,963)	(130,671)
Total CH2M HILL common stockholders' equity	624,420	603,660
Noncontrolling interests	18,164	13,048
Total equity	642,584	616,708
Total liabilities and stockholders' equity	$ 3,056,397	$ 3,114,584

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

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CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Income

(Dollars in thousands except per share amounts)

	For The Years Ended December 31		
	2013	2012	2011
Gross revenue	$ 5,877,819	$ 6,160,553	$ 5,555,233
Equity in earnings of joint ventures and affiliated companies	54,010	63,674	64,477
Operating expenses:			
Direct cost of services and overhead	(4,686,005)	(4,967,318)	(4,487,584)
General and administrative	(1,053,462)	(1,098,070)	(946,973)
Operating income	192,362	158,839	185,153
Other income (expense):			
Interest income	1,742	1,496	534
Interest expense	(12,244)	(9,972)	(4,328)
Income before provision for income taxes	181,860	150,363	181,359
Provision for income taxes	(50,708)	(52,066)	(55,930)
Net income	131,152	98,297	125,429
Less: Income attributable to noncontrolling interests	(12,818)	(5,321)	(12,132)
Net income attributable to CH2M HILL	$ 118,334	$ 92,976	$ 113,297
Net income attributable to CH2M HILL per common share:			
Basic	$ 4.00	$ 2.99	$ 3.68
Diluted	$ 3.96	$ 2.95	$ 3.60
Weighted average number of common shares:			
Basic	29,612,309	31,081,679	30,823,954
Diluted	29,889,844	31,483,901	31,427,823

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

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CH2M HILL COMPANIES, LTD.

Consolidated Statements of Comprehensive Income

(Dollars in thousands)

	Year ended December 31,		
	2013	**2012**	**2011**
Net Income	$ 131,152	$ 98,297	$ 125,429
Other comprehensive income (loss):			
Foreign currency translation adjustments	(4,596)	13,384	(15,052)
Benefit plan adjustments, net of tax	(3,053)	(83,066)	(26,868)
Unrealized loss on available-for-sale investments and other, net of tax	(642)	(133)	(34)
Other comprehensive loss	(8,291)	(69,815)	(41,954)
Comprehensive income	122,861	28,482	83,475
Less: comprehensive income attributable to noncontrolling interests	12,818	5,321	12,132
Comprehensive income attributable to CH2M HILL	$ 110,043	$ 23,161	$ 71,343

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

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

(Dollars in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2010	30,527,473	$ 305	$ –	$ 563,343	$ (18,768)	$ 9,288	$ 554,168
Net income	–	–	–	113,297	–	12,132	125,429
Other comprehensive income:							
Foreign currency translation adjustments	–	–	–	–	(15,185)	133	(15,052)
Benefit plan adjustments, net of tax	–	–	–	–	(26,868)	–	(26,868)
Unrealized loss on equity investments, net of tax	–	–	–	–	(34)	–	(34)
Distributions to affiliates, net	–	–	–	–	–	(11,799)	(11,799)
Shares issued in connection with stock based compensation and employee benefit plans	1,535,357	16	115,239	–	–	–	115,255
Shares issued in connection with purchase of Halcrow Holdings, Ltd.	342,379	3	18,838	–	–	–	18,841
Shares purchased and retired	(1,354,555)	(13)	(134,077)	40,463	–	–	(93,627)
Balance at December 31, 2011	31,050,654	311	–	717,103	(60,855)	9,754	666,313
Net income	–	–	–	92,976	–	5,321	98,297
Other comprehensive income:							
Foreign currency translation adjustments	–	–	–	–	13,383	1	13,384
Benefit plan adjustments, net of tax	–	–	–	–	(83,066)	–	(83,066)
Unrealized loss on equity investments, net of tax	–	–	–	–	(133)	–	(133)
Distributions to affiliates, net	–	–	–	–	–	(2,028)	(2,028)
Shares issued in connection with stock based compensation and employee benefit plans	1,236,561	12	81,142	–	–	–	81,154
Shares purchased and retired	(2,442,025)	(25)	(81,142)	(76,046)	–	–	(157,213)
Balance at December 31, 2012	29,845,190	298	–	734,033	(130,671)	13,048	616,708
Net income	–	–	–	118,334	–	12,818	131,152
Other comprehensive income:							
Foreign currency translation adjustments	–	–	–	–	(4,597)	1	(4,596)
Benefit plan adjustments, net of tax	–	–	–	–	(3,053)	–	(3,053)
Unrealized loss on equity investments, net of tax	–	–	–	–	(642)	–	(642)
Distributions to affiliates, net	–	–	–	–	–	(7,703)	(7,703)

Shares issued in connection with stock based compensation and employee benefit plans	1,115,748	11	64,572	–	–	–	64,583
Shares purchased and retired	(2,178,661)	(21)	(64,572)	(89,272)	–	–	(153,865)
Balance at December 31, 2013	28,782,277	$ 288	$ –	$ 763,095	$ (138,963)	$ 18,164	$ 642,584

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

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CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Dollars in thousands)

	For The Years Ended		
	December 31, 2013	December 31, 2012	December 31, 2011
Cash flows from operating activities:			
Net income	$ 131,152	$ 98,297	$ 125,429
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	74,533	79,631	48,215
Stock-based employee compensation	50,682	61,390	71,495
Loss on disposal of property, plant and equipment	5,039	886	2,403
Gain on termination of lease obligation	(15,468)	–	–
Allowance for uncollectible accounts	4,487	4,060	5,846
Deferred income taxes	31,908	(21,958)	(22,107)
Undistributed earnings from unconsolidated affiliates	(54,010)	(63,674)	(64,477)
Distributions of income from unconsolidated affiliates	54,332	42,449	57,597
Contributions to defined benefit pension plans	(31,309)	(34,034)	(14,659)
Changes in current assets and liabilities, net of businesses acquired:			
Receivables and unbilled revenue	(42,183)	(216,070)	25,513
Prepaid expenses and other	(8,076)	(33,676)	(18,209)
Accounts payable and accrued subcontractor costs	(100,885)	167,945	(34,605)
Billings in excess of revenues	(14,584)	(8,717)	85,775
Accrued payroll and employee related liabilities	5,630	36,034	28,814
Other accrued liabilities	(32,378)	(15,135)	(12,420)
Current income taxes	(9,789)	29,862	(68,279)
Long-term employee related liabilities and other	44,161	6,901	41,069
Net cash provided by operating activities	93,242	134,191	257,400
Cash flows from investing activities:			
Capital expenditures	(93,157)	(46,710)	(30,202)
Acquisitions, net of cash acquired	–	–	(187,678)
Investments in unconsolidated affiliates	(41,114)	(24,491)	(29,162)
Distributions of capital from unconsolidated affiliates	70,663	37,172	23,627
Proceeds from sale of operating assets	5,692	956	6,415
Net cash used in investing activities	(57,916)	(33,073)	(217,000)
Cash flows from financing activities:			
Borrowings on long-term debt	1,662,136	1,438,455	451,129
Payments on long-term debt	(1,523,190)	(1,279,010)	(476,796)
Repurchases and retirements of common stock	(146,044)	(157,213)	(93,627)
Payment on termination of lease obligation	(27,033)	–	–
Acquisition payments	(2,670)	(9,174)	–
Excess tax benefits from stock-based compensation	6,083	10,741	13,066
Net distributions to noncontrolling interests	(7,703)	(2,028)	(11,799)

Net cash (used in) provided by financing activities	(38,421)	1,771	(118,027)
Effect of exchange rate changes on cash	(13,282)	(517)	(4,512)
(Decrease) Increase in cash and cash equivalents	(16,377)	102,372	(82,139)
Cash and cash equivalents, beginning of year	310,638	208,266	290,405
Cash and cash equivalents, end of year	$ 294,261	$ 310,638	$ 208,266
Supplemental disclosures:			
Cash paid for interest	$ 12,122	$ 9,704	$ 3,994
Cash paid for income taxes	$ 6,253	$ 34,932	$ 113,426

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

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Summary of Business and Significant Accounting Policies

Summary of Business

CH2M HILL Companies, Ltd. and subsidiaries ("We", "Our", "CH2M HILL" or the "Company") is a project delivery firm founded in 1946. We are a large employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, engineering-procurement-construction ("EPC"), operations and maintenance, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry and utilities, around the world. A substantial portion of our professional fees are derived from projects that are funded directly or indirectly by government entities.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of CH2M HILL and all of its wholly owned subsidiaries after elimination of all intercompany accounts and transactions. Partially owned affiliates and joint ventures are evaluated for consolidation. The consolidated financial statements (referred to herein as "financial statements") are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

The equity method of accounting is used for investments in companies which we do not control; however, we have the ability to exercise significant influence over operating and financial policies of the investee. Our consolidated net income includes our Company's proportionate share of the net income or loss of these companies. The cost method of accounting is used for our investments in companies that we do not control and for which we do not have the ability to exercise significant influence over operating and financial policies. These investments are recorded at cost.

Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates.

Capital Structure

Our Company has authorized 100,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of Class A preferred stock, par value $0.01 per share. The bylaws and articles of incorporation provide for the imposition of certain restrictions on the stock including, but not limited to, the right but not the obligation to repurchase shares upon termination of employment or affiliation, the right of first refusal and ownership limits.

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars as of each balance sheet date. Translation gains and losses related to permanent investments in foreign subsidiaries are reflected in stockholders' equity as part of accumulated other comprehensive loss.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Revenues and expenses are translated at the average exchange rate for the period and included in the consolidated statements of income. Foreign currency transaction gains and losses are recognized as incurred in the consolidated statements of income.

Revenue Recognition

We earn revenue from different types of services performed under various types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Unbilled Revenue and Billings in Excess of Revenue

Unbilled revenue represents the excess of contract revenue recognized over billings to date on contracts in process. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of revenue represent the excess of billings to date, per the contract terms, over revenue recognized on contracts in process.

Allowance for Uncollectible Accounts Receivable

We reduce accounts receivable by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance for uncollectible amounts based on their judgments in evaluating the aging of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Assets and liabilities are valued based upon observable and non-observable inputs. Valuations using Level 1 inputs are based off of unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date. Level 2 inputs utilize significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly; and valuations using Level 3 inputs are based off of significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during the year ended December 31, 2013.

Income Taxes

We account for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax effects of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than enactment of changes in the tax laws or rates. Deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized. Annually, we determine the amount of undistributed foreign earnings invested indefinitely in our foreign operations. Deferred taxes are not provided on those earnings. In addition, the calculation of tax assets and liabilities involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We record reserves for uncertain tax positions that do not meet these criteria.

Cash and Cash Equivalents

Highly liquid investments with original short-term maturities of less than three months are considered cash equivalents in the consolidated balance sheets and statements of cash flows. We maintain a cash management system which provides for cash sufficient to pay checks as they are submitted for payment and we invest cash in excess of this amount in interest-bearing short-term investments such as certificates of deposit and commercial paper. In addition, cash and cash equivalents on our consolidated balance sheets include cash held within our consolidated joint venture entities which is used for operating activities of those joint ventures. As of December 31, 2013 and 2012, cash and cash equivalents held in our consolidated joint ventures and reflected on the consolidated balance sheets totaled $112.2 million and $118.8 million, respectively.

Available-for-Sale Securities

Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in accumulated other comprehensive loss, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. The fair value of available-for-sale securities is estimated using Level 1 inputs.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Property, Plant and Equipment

All additions, including betterments to existing facilities, are recorded at cost. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in operating income in the year of disposition.

Depreciation for owned property is based on the estimated useful lives of the assets using the straight-line method for financial statement purposes. Useful lives for buildings range from 6 to 20 years. Furniture, fixtures, computers, software and other equipment are depreciated over their useful lives from 3 to 10 years. Leasehold improvements are depreciated over the shorter of their estimated useful life or the remaining term of the associated lease up to 10 years.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill acquired in a purchase business combination is not amortized, but instead, is tested for impairment at least annually in accordance with the provisions of the FASB Accounting Standards Codification ("ASC") 350, *Intangibles-Goodwill and Other* ("ASC 350"), as amended under Accounting Standards Update 2011-08 ("ASU 2011-08"). In performing the annual impairment test, we evaluate our goodwill at the reporting unit level which we have determined based upon our various lines of business within each of our reporting segments. Under the guidance of ASC 350, we have the option to assess either quantitative or qualitative factors to determine if it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair values of our reporting units are less than their carrying amounts, then the next step of the impairment test is unnecessary. If we conclude otherwise, then we are required to test goodwill for impairment under the two-step process. The two-step process involves comparing the estimated fair value of each reporting unit to the unit's carrying value, including goodwill. If the carrying value of a reporting unit exceeds its fair value, the goodwill of the reporting unit is not considered impaired; therefore, the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, we would then perform a second step to measure the amount of goodwill impairment loss to be recorded. We determine the fair value of our reporting units using a market approach. Our market based valuation method provides estimates of the fair value of our reporting units based on applying a multiple to our estimate of a cash flow metric for each business unit. Our annual goodwill impairment test is conducted as of October 1st of each year. For 2013, we selected the qualitative method to assess if it was not more likely than not that the carrying value of the reporting units exceeds their fair value and, as a result, we considered various relevant factors including current and expected macroeconomic conditions, industry and market considerations, specific reporting unit performance and other changes in the overall business. Based on these considerations, we concluded there was no indication of impairment of goodwill in any of our reporting units.

Other Long-Lived Assets

We may acquire other intangible assets in business combinations. Intangible assets are stated at fair value as of the date acquired in a business combination. We amortize intangible assets with finite lives on a straight-line basis over their expected useful lives, currently up to seven years. For those

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

intangible assets with no legal, regulatory, contractual or other factors that would reasonably limit the useful life of the intangible asset, management has determined that the life is indefinite and therefore, they are not amortized.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments, unrealized gain on equity investments and benefit plan adjustments. These components are included in the consolidated statements of stockholders' equity and consolidated statements of comprehensive income. Taxes are not provided on the foreign currency translation gains and losses as deferred taxes are not provided on the unremitted earnings of the foreign subsidiaries to which they relate. For the year ended December 31, 2013, changes to accumulated other comprehensive income are as follows (in thousands):

Benefit plans:		
Balance at beginning of year	$	(143,171)
Reclassification adjustment		4,935
Other comprehensive loss recognized during the year		(7,988)
Balance at end of year	$	(146,224)
Unrealized gain on equity investments:		
Balance at beginning of year	$	854
Other comprehensive loss recognized during the year		(642)
Balance at end of year	$	212
Foreign currency translation:		
Balance at beginning of year	$	11,646
Other comprehensive loss recognized during the year		(4,597)
Balance at end of year	$	7,049

Other comprehensive loss related to our benefit plans includes pretax reclassification adjustments of $8.2 million ($4.9 million, net of tax) for the year ended December 31, 2013 and is recognized in the Direct cost of services and overhead and the General and administrative lines of our Consolidated Statements of Income. See Note 15−*Employee Retirement Plans*.

Derivative instruments

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value on the consolidated balance sheets in other receivables or other accrued liabilities as applicable. The periodic change in the fair value of the derivative instruments is recognized in earnings.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Concentrations of Credit Risk

Financial instruments which potentially subject our company to concentrations of credit risk consist principally of cash and cash equivalents, short term investments and trade receivables. Our cash is primarily held with major banks and financial institutions throughout the world and typically is insured up to a set amount. Accordingly, we believe the risk of any potential loss on deposits held in these institutions is minimal. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government, various states and municipalities, foreign government agencies, and a variety of U.S. and foreign corporations operating in a broad range of industries and geographic areas.

Contracts with the U.S. federal government and its prime contractors usually contain standard provisions for permitting the government to modify, curtail or terminate the contract for convenience of the government or such prime contractors if program requirements or budgetary constraints change. Upon such a termination, we are generally entitled to recover costs incurred, settlement expenses and profit on work completed prior to termination.

Recent Accounting Standards

Effective January 1, 2013, we adopted Financial Accounting Standards Board ("FASB") Accounting Standard Update ("ASU") 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment.* ASU 2012-02 allows entities testing an indefinite-lived intangible asset other than goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of the asset. If it is determined, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not greater than the carrying amount, no further testing is necessary. The adoption of this standard did not impact our consolidated financial position, results of operations or cash flows.

Effective January 1, 2013, we adopted FASB ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* to amend the reporting of reclassifications out of Accumulated Other Comprehensive Income ("AOCI") to require an entity to report the effect of significant reclassifications out of AOCI on the respective line items in net income if the amount reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same reporting period. An entity shall provide this information together in one location, either on the face of the statement where net income is presented, or as a separate disclosure in the notes to the financial statements. As this update only required additional disclosures, adoption of this standard did not have a material impact on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued ASU 2013-04, *Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date*, which requires an entity to measure those obligations as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors as well as any additional amount the entity expects to pay on behalf of its co-obligors. ASU 2013-04 also requires an entity to disclose the nature and amount of those obligations. The amendments in this ASU are effective for our reporting periods beginning on December 31, 2013 and retrospective application is required. The adoption of ASU 2013-04 did not have a material impact on our consolidated financial statements.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

In March 2013, the FASB issued ASU 2013-05, *Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*, to clarify the applicable guidance for the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary within a foreign entity. The amendments in this ASU are effective prospectively for fiscal years, and interim periods beginning with the Company's December 31, 2013 financial statements. The adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. The provisions of the rule requires, with certain exceptions, an unrecognized tax benefit to be presented as a reduction to a deferred tax asset in the financial statements for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The provisions relating to this update are prospective and effective for interim and annual periods beginning with the Company's December 31, 2013 financial statements. The implementation of ASU 2013-11 did not have a material impact on our consolidated financial statements.

(2) Receivables, net

Receivables are stated at net realizable values and consist of receivables billed to clients as well as receivables for which revenue has been earned but has not yet been billed. The U.S. federal government accounted for approximately 18% and 16% of our net receivables at December 31, 2013 and 2012, respectively. No other customer exceeded 10% of total receivables at December 31, 2013 or 2012.

The change in the allowance for uncollectible accounts consists of the following for the years ended December 31:

($ in thousands)	2013	2012	2011
Balance at beginning of year	$ 10,072	$ 7,520	$ 12,076
Provision charged to expense	4,487	4,060	5,846
Accounts written off	(3,437)	(579)	(9,576)
Other	(2,705)	(929)	(826)
Balance at end of year	$ 8,417	$ 10,072	$ 7,520

(3) Variable Interest Entities and Equity Method Investments

We routinely enter into teaming arrangements to perform projects for our clients. Such arrangements are customary in the engineering and construction industry and generally are project specific. The arrangements facilitate the completion of projects that are jointly contracted with our partners. These arrangements are formed to leverage the skills of the respective partners and include consulting, construction, design, design-build, program management and operations and maintenance contracts. Our risk of loss on these arrangements is usually shared with our partners. The liability of

(3) Variable Interest Entities and Equity Method Investments (Continued)

each partner is usually joint and several, which means that each partner may become liable for the entire risk of loss on the project.

We perform a qualitative assessment to determine whether our company is the primary beneficiary once an entity is identified as a variable interest entity ("VIE"). A qualitative assessment begins with an understanding of the nature of the risks in the entity as well as the nature of the entity's activities including terms of the contracts entered into by the entity, ownership interests issued by the entity and how they were marketed, and the parties involved in the design of the entity. All of the variable interests held by parties involved with the VIE are identified and a determination of which activities are most significant to the economic performance of the entity and which variable interest holder has the power to direct those activities are made. Most of the VIEs with which our company is involved have relatively few variable interests and are primarily related to our equity investments, subordinated financial support, and subcontracting arrangements. We consolidate those VIEs in which we have both the power to direct the activities of the VIE that most significantly impact the VIEs economic performance and the obligation to absorb losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE. As of December 31, 2013, total assets of VIEs that were consolidated were $158.6 million and total liabilities were $105.0 million.

We held investments in unconsolidated affiliates of $92.3 million and $118.0 million for the years ended December 31, 2013 and 2012, respectively. Our proportionate share of net income or loss is included as equity in earnings of joint ventures and affiliated companies in the consolidated statements of income. In general, the equity investment in our unconsolidated affiliates is equal to our current equity investment plus our portion of the entities' undistributed earnings. We provide certain services, including engineering, construction management and computer and telecommunications support, to these unconsolidated entities. These services are billed to the joint ventures in accordance with the provisions of the agreements.

Summarized financial information for our unconsolidated VIEs and equity method investments as of and for the years ended December 31 is as follows:

($ in thousands)	2013	2012
FINANCIAL POSITION:		
Current assets	$ 611,879	$ 802,755
Noncurrent assets	25,366	48,623
Total assets	$ 637,245	$ 851,378
Current liabilities	$ 407,687	$ 522,152
Noncurrent liabilities	3,119	22,755
Partners'/Owners' equity	226,439	306,471
Total liabilities and equity	$ 637,245	$ 851,378
CH2M HILL's share of equity	$ 92,287	$ 118,008

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(3) Variable Interest Entities and Equity Method Investments (Continued)

($ in thousands)	2013	2012	2011
RESULTS OF OPERATIONS:			
Revenue	$ 2,515,747	$ 2,787,830	$ 3,037,595
Direct costs	(2,305,945)	(2,513,302)	(2,779,990)
Gross margin	209,802	274,528	257,605
General and administrative expenses	(37,880)	(39,408)	(50,307)
Operating income	171,922	235,120	207,298
Other (loss) income, net	(6,024)	(15,095)	130
Net income	$ 165,898	$ 220,025	$ 207,428
CH2M HILL's share of net income	$ 54,010	$ 63,674	$ 64,477

We have the following significant investments in affiliated unconsolidated companies:

	% Ownership
Domestic:	
AGVIQ−CH2M HILL Joint Venture III	49.0%
Americas Gateway Builders	40.0%
CH2M / WG Idaho, LLC	50.5%
Coastal Estuary Services	49.9%
Connecting Idaho Partners	49.0%
National Security Technologies, LLC	10.0%
Savannah River Remediation LLC	15.0%
URS/CH2M OAK RIDGE LLC	45.0%
Washington Closure, LLC	30.0%
Foreign:	
A-one+ Integrated Highway Services.	33.3%
Cavendish Dounreay Partnership, Ltd.	30.0%
CH2M HILL BECA, Ltd.	50.0%
CH2M HILL−Kunwon PMC	54.0%
CH2M Olayan	49.0%
CLM Delivery Partner, Limited	37.5%
Consorcio Integrador Rio de Janeiro	49.0%
Consorcio Sondotecnica-Cobrape-CH2M	25.0%
CPG Consultants−CH2M HILL NIP Joint Venture	50.0%
ECC-VECO, LLC	50.0%
Halcrow (Shanghai) Engineering Consulting Co., LTD	49.0%
Halcrow-Sinergia-Setepla Consortium	29.3%
HWC Treatment Program Alliance Joint Venture	50.0%
JJCH2M, a Joint Venture	40.0%
Luggage Point Alliance	50.0%
OMI BECA, Ltd.	50.0%
SMNM VECO Joint Venture	50.0%
Sydney Water Corporation-Odour Management Program Alliance	50.0%

Transcend Partners, Ltd	40.0%

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(4) Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31:

($ in thousands)	2013	2012
Land	$ 22,120	$ 23,012
Building and land improvements	93,088	112,062
Furniture and fixtures	26,560	25,963
Computer and office equipment	146,645	110,094
Field equipment	121,186	115,378
Leasehold improvements	72,759	86,306
	482,358	472,815
Less: Accumulated depreciation	(255,933)	(260,808)
Net property, plant and equipment	$ 226,425	$ 212,007

Depreciation expense is reflected in the consolidated statements of income in direct costs and general and administrative costs depending on the intended use of the asset and totaled $39.1 million, $41.0 million and $37.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

(5) Employee Benefit Plan Assets

We have investments that support deferred compensation arrangements and other employee benefit plans. These assets are recorded at fair market value primarily using Level 2 inputs. As of December 31, 2013 and 2012, the fair market value of these assets were $80.0 million and $66.3 million, respectively, and are included in employee benefit plan assets and other on the consolidated balance sheets.

(6) Acquisitions

On July 29, 2011, we acquired Booz Allen Hamilton's State and Local Government Transportation and Consulting ("BAH") business. The purchase price was $28.5 million adjusted for working capital and other purchase price adjustments and was paid in cash. We performed an analysis of the fair market value of the tangible assets acquired and liabilities assumed as well as any identifiable intangible assets purchased. Included in the intangible assets acquired are the estimated fair value of customer relationships of $8.8 million and contracted backlog of $1.2 million, with useful lives of seven and three years, respectively. In addition, we recorded $10.5 million in goodwill related to the acquisition. The results of operations for this acquisition are reported in the Government, Environment and Infrastructure operating segment since the date of the acquisition.

On November 10, 2011, we purchased all the share capital of Halcrow for approximately £124.0 million ($197.3 million). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure. Halcrow's employees provide services to our clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. Halcrow's clients include public and private-sector organizations around the world, including local, regional and national governments, asset owners, international funding agencies, regulators, financial institutions, contractors, developers and operators. The purchase price was paid to the selling stockholders of Halcrow in the form of $41.7 million of cash, $18.8 million of common stock of CH2M HILL, based on the stock price on the closing date, and

(6) Acquisitions (Continued)

$136.8 million of notes payable which were satisfied in full in December 2011. The results of operations for this acquisition are reported in both the Government, Environment and Infrastructure operating segment and the Energy, Water and Facilities operating segment since the date of the acquisition.

(7) Goodwill and Intangible Assets

The following table presents the changes in goodwill during the years ended December 31:

($ in thousands)	2013	2012
Balance at beginning of year	$ 562,461	$ 545,443
Foreign currency translation	11,026	17,018
Balance at end of year	$ 573,487	$ 562,461

Intangible assets with finite lives consist of the following:

($ in thousands)	Cost	Accumulated Amortization	Net finite-lived intangible assets
December 31, 2013			
Contracted backlog	$ 79,576	$ (70,306)	$ 9,270
Customer relationships	162,444	(88,436)	74,008
Tradename	24,588	(11,208)	13,380
Total finite-lived intangible assets	$ 266,608	$ (169,950)	$ 96,658
December 31, 2012			
Contracted backlog	$ 81,014	$ (64,850)	$ 16,164
Customer relationships	160,651	(62,386)	98,265
Tradename	24,862	(5,634)	19,228
Total finite-lived intangible assets	$ 266,527	$ (132,870)	$ 133,657

All intangible assets are being amortized over their expected lives of between three and seven years. The amortization expense reflected in the consolidated statements of income totaled $35.4 million, $38.6 million and $11.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. These intangible assets are expected to be fully amortized in 2018. At December 31, 2013, the future estimated amortization expense related to these intangible assets is (in thousands):

Year Ending:	
2014	$ 33,468
2015	25,437
2016	21,276
2017	15,743
2018	734
	$ 96,658

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(8) Fair Value of Financial Instruments

Cash and cash equivalents, client accounts receivable, unbilled revenue, accounts payable and accrued subcontractor costs and billings in excess of revenue are carried at cost, which approximates fair value due to their short maturities. Fair value of long-term debt, including the current portion, is estimated based on Level 2 inputs, except the amount outstanding on the revolving credit facility for which the carrying value approximates fair value. Fair value is determined by discounting future cash flows using interest rates available for issues with similar terms and average maturities. The estimated fair values of our financial instruments where carrying values do not approximate fair value are as follows:

	2013		2012	
($ in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage notes payable	$ 10,472	$ 9,260	$ 12,159	$ 10,718
Equipment financing	2,446	2,279	4,348	3,716

The fair value of marketable securities classified as available-for-sale, which totaled $1.1 million and $2.1 million at December 31, 2013 and 2012, respectively, were valued based on Level 1 inputs whereby a readily determinable market value exists for the specific asset.

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. These currency derivative instruments are carried on the balance sheet at fair value and are typically based upon Level 2 inputs including third party quotes. At December 31, 2013, we had forward foreign exchange contracts on world currencies with varying durations, none of which extend beyond five years. At December 31, 2012, there were no foreign exchange contracts outstanding.

(9) Revolving Credit Facility and Long-Term Debt

We finance our operations, acquisitions and capital expenditures using a variety of capital vehicles. On December 6, 2010, we entered into a Credit Agreement providing for an unsecured revolving Credit Facility (the "Credit Facility") in an amount up to $600.0 million. We entered into an amendment to the original Credit Agreement on September 27, 2011 which provided modifications to certain covenants and other provisions of the Credit Agreement to take into account the acquisition of Halcrow. On April 19, 2012, we amended and restated our Credit Agreement ("Amended Credit Agreement") providing for an unsecured revolving Credit Facility (the "Credit Facility"), for the purposes of increasing the size of the Credit Facility to $900.0 million, extending the maturity to April 19, 2017, increasing the capacity of certain sub-facilities as well as improving our borrowing rates. Under the terms of the Amended Credit Agreement we may be able to invite existing and new lenders to increase the amount available to be borrowed under the agreement by up to $200 million. The revised credit facility has a subfacility for the issuance of standby letters of credit in a face amount up to $500.0 million and a subfacility up to $300.0 million for multicurrency borrowings.

Revolving loans under the Credit Facility bear interest, at our option, at a rate equal to either (i) the base rate plus a margin based on our consolidated leverage ratio or (ii) the eurodollar rate, based on interest periods of one, two, three or six months, plus a margin based on our consolidated leverage ratio. The base rate is defined as the highest of (i) the "Federal Funds Rate," as published from time to time by the Federal Reserve Bank of New York, plus 0.5%, (ii) the Agent's "prime rate" in effect from time to time, and (iii) the one month eurodollar rate in effect from time to time, plus 1.0%. Our "consolidated leverage ratio" on any date is the ratio of our consolidated total funded debt

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(9) Revolving Credit Facility and Long-Term Debt (Continued)

to our consolidated adjusted earnings before interest, taxes, depreciation and amortization for the preceding four fiscal quarters. The definition of consolidated adjusted earnings before interest, taxes, depreciation and amortization was amended to allow for the addition of, among other things, all expenses associated with the non-cash portion of all stock-based compensation. We are also obligated to pay other closing fees, commitment fees and letter of credit fees customary for a credit facility of this size and type. Under the terms of the amended agreement, the margin added to either the base rate or the eurodollar rate has decreased, which provides us with access to capital at lower overall borrowing rates.

The Amended Credit Agreement contains customary representations and warranties and conditions to borrowing, including customary affirmative and negative covenants, which include covenants that limit or restrict our ability to incur indebtedness and other obligations, grant liens to secure their obligations, make investments, merge or consolidate, dispose of assets outside the ordinary course of business, in each case subject to customary exceptions for credit facilities of this size and type. We are also required to comply with a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. As of December 31, 2013, we were in compliance with the covenants required by the Amended Credit Agreement.

At December 31, 2013, $376.8 million in borrowings were outstanding on the Credit Facility. The average rate of interest charged on that balance was 2.07% as of December 31, 2013. At December 31, 2013, company-wide issued and outstanding letters of credit, and bank guarantee facilities of $201.9 million were outstanding. The remaining unused borrowing capacity as of December 31, 2013 was $385.6 million.

Our nonrecourse and other long-term debt, as of December 31 consist of the following:

($ in thousands)	2013	2012
Nonrecourse:		
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases. The note bears interest at 5.35%	$ 9,259	$ 10,374
Mortgage payable in monthly installments to December 2015, secured by real estate. The note bears interest at 6.59%	1,213	1,785
	10,472	12,159
Other:		
Revolving credit facility	$376,829	$235,500
Equipment financing, due in monthly installments to December 2015, secured by equipment. These notes bear interest ranging from 4.14% to 8.89%	2,446	4,348
Other notes payable	1,375	322
Total debt	391,122	252,329
Less current portion of debt	4,099	3,497
Total long-term portion of debt	$387,023	$248,832

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(9) Revolving Credit Facility and Long-Term Debt (Continued)

At December 31, 2013, future principal payments on long-term debt are as follows (in thousands):

Year Ending:		
2014	$	4,099
2015		3,197
2016		1,419
2017		378,265
2018		1,462
Thereafter		2,680
	$	391,122

(10) Operating Lease Obligations

We have entered into certain noncancellable leases, which are being accounted for as operating leases. At December 31, 2013, future minimum lease payments, without consideration of sublease income, are as follows (in thousands):

Year Ending:		
2014	$	98,999
2015		80,686
2016		66,140
2017		50,333
2018		31,364
Thereafter		37,207
	$	364,729

Rental expense charged to operations, net of sublease income, was $121.2 million, $125.8 million and $121.5 million during the years ended December 31, 2013, 2012 and 2011, respectively, including amortization of a deferred gain of $4.3 million in each of the years ended December 31, 2013 and 2012, and 2011 related to the sale-leaseback of our corporate offices. Certain of our operating leases contain provisions for a specific rent-free period and escalation clauses. We accrue rental expense during the rent-free period based on total expected rent payments to be made over the life of the related lease.

(11) Income Taxes

Income before provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)	2013	2012	2011
U.S. income	$ 129,049	$ 137,033	$ 146,721
Foreign income	39,993	8,009	22,506
Income before taxes	$ 169,042	$ 145,042	$ 169,227

Table of Contents

(11) Income Taxes (Continued)

The provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)	2013	2012	2011
Current income tax (benefit)/expense:			
Federal	$ (3,601)	$ 49,468	$ 55,576
Foreign	22,475	19,098	13,016
State and local	(2,656)	7,556	7,839
Total current income tax expense	16,218	76,122	76,431
Deferred income tax expense/(benefit):			
Federal	29,991	(22,481)	(17,619)
Foreign	(2,837)	2,810	(806)
State	7,336	(4,385)	(2,076)
Total deferred income tax benefit	34,490	(24,056)	(20,501)
Total income tax expense	$ 50,708	$ 52,066	$ 55,930

The reconciliations of income tax computed at the U.S. federal statutory tax rate to our effective income tax rate for the years ended December 31 are as follows:

($ in thousands)	2013	2012	2011
Pretax income	$ 169,042	$ 145,042	$ 169,227
Federal statutory rate	35%	35%	35%
Expected tax expense	59,165	50,765	59,229
Reconciling items:			
State income taxes, net of federal benefit	8,076	4,200	6,402
Nondeductible meals and entertainment	2,605	2,452	2,466
Section 199−Domestic manufacturer deduction	(3,591)	(4,263)	(5,472)
Subsidiary earnings	(3,488)	(7,001)	(6,126)
Permanent expenses	3,530	(5,124)	(3,091)
Foreign tax rate differential	(12,554)	(8,436)	(3,593)
Tax credits	(36,948)	(5,387)	(9,071)
Change in valuation allowance	(1,127)	17,685	2,140
Foreign permanent expenses and other	35,469	8,746	13,722
Other	(429)	(1,571)	(676)
Provision for income taxes	$ 50,708	$ 52,066	$ 55,930

The effective tax rate for the quarter ended and year ended December 31, 2013 was 24.5% and 30.0% compared to 38.0% and 35.9%, respectively for the same periods in the prior year. During the fourth quarter of 2013, the company restructured the legal ownership of certain foreign operations to align with their strategic priorities, to better manage project risk, and to enhance their treasury function. The restructuring enabled the company to utilize tax attributes in the determination of the tax provision that reduced the effective tax rate for the quarter ended and the year ended December 31, 2013.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(11) Income Taxes (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31 are as follows:

($ in thousands)	2013	2012
Deferred tax assets:		
Net foreign operating loss carryforwards	$ 155,445	$ 161,474
Deferred gain, insurance and other	25,504	29,829
Investments in affiliates	–	1,909
Accrued employee benefits	262,283	282,974
Total deferred tax assets	443,232	476,186
Valuation allowance	(226,970)	(231,717)
Net deferred tax assets	216,262	244,469
Deferred tax liabilities:		
Investments in affiliates	(15,827)	–
Depreciation and amortization	(19,465)	(13,663)
Net deferred tax liabilities	(35,292)	(13,663)
Net deferred tax assets	$ 180,970	$ 230,806

A valuation allowance is required to be established for those deferred tax assets where it is more likely than not that they will not be realized. The above valuation allowances relate primarily to operating loss carryforwards from foreign operations and employee benefits of $469.9 million and $498.0 million for the years ended December 31, 2013 and 2012, respectively. The foreign net operating losses can be carried forward for varying terms depending on the foreign jurisdiction between three years and an unlimited carry forward period. There was $7.3 million of foreign tax credit available for carryforward through 2022. Additionally, there was $0.8 and $1.3 million of research tax credit available for carryforward through 2032 and 2033, respectively.

Undistributed earnings of our foreign subsidiaries amounted to approximately $266.3 million at December 31, 2013. These earnings are considered to be permanently reinvested. Accordingly, no provision for U.S. federal and state income taxes or foreign withholding taxes has been made. If these earnings were repatriated as of December 31, 2013, approximately $19.2 million of income tax expense would be incurred. Cash held in international accounts at December 31, 2013 and 2012 was $247.8 million and $260.0 million, respectively.

The tax benefit from stock-based compensation awards for the years ended December 31, 2013, 2012 and 2011 was $6.1 million, $10.7 million and $13.1million, respectively. These amounts are reflected as additional paid-in capital in the consolidated statements of stockholders' equity and comprehensive income and are reported as financing activities in the consolidated statements of cash flows.

As of December 31, 2013 and 2012, we had $38.5 million and $30.2 million, respectively, recorded as a liability for uncertain tax positions and accrued interest. We recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2013 and 2012, we had approximately $6.8 million and $5.4 million, respectively, of accrued interest and penalties related to

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(11) Income Taxes (Continued)

uncertain tax positions. A reconciliation of the beginning and ending amount of uncertain tax positions as of December 31, 2012 and December 31, 2013 is as follows (in thousands):

Balance at December 31, 2011	$ 25,309
Additions for current year tax positions	1,349
Additions for prior year tax positions	1,002
Reductions for prior year tax positions	(866)
Settlement with taxing authorities	(168)
Reductions as a result of lapse of applicable statue of expirations	(1,866)
Balance at December 31, 2012	$ 24,760
Additions for current year tax positions	1,862
Additions for prior year tax positions	8,370
Reductions for prior year tax positions	(1,604)
Reductions as a result of lapse of applicable statue of expirations	(585)
Balance at December 31, 2013	$ 32,803

If recognized, the $32.8 million in uncertain tax positions would affect the effective tax rate. It is also possible that the reserve could change within twelve months of the reporting date related to the state research and experimentation credit as a result of tax authority settlement. The estimated range of unrecognized change is zero to $1.2 million at December 31, 2013.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the U.S., Canada, and the United Kingdom. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities in major tax jurisdictions for years before 2004.

(12) Earnings Per Share

Basic earnings per share ("EPS") excludes the dilutive effect of common stock equivalents and is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted EPS includes the dilutive effect of common stock equivalents, which consists of stock options, and is computed using the weighted-average number of common shares and common stock equivalents outstanding during the period.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(12) Earnings Per Share (Continued)

Reconciliations of basic and diluted EPS for the years ended December 31 are as follows:

($ in thousands)	2013	2012	2011
Numerator:			
Net income attributable to CH2M HILL	$118,334	$92,976	$113,297
Denominator:			
Basic weighted-average common shares outstanding	29,612	31,082	30,824
Dilutive effect of common stock equivalents	278	402	604
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents	29,890	31,484	31,428
Basic net income per common share	$ 4.00	$ 2.99	$ 3.68
Diluted net income per common share	$ 3.96	$ 2.95	$ 3.60

(13) Employee Benefit Plans

Deferred Compensation Plans

In 2009, we amended and restated the CH2M HILL Companies, Ltd. Deferred Compensation Retirement Plan ("DCRP") to form the CH2M HILL Supplemental Executive Retirement and Retention Plan ("SERRP"). The Plan is intended to be unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA"). Under this plan, each participant's account consists of various contributions made to the account by our Company on behalf of the participant. The SERRP was amended effective January 1, 2013 to, in general, allow participants to select the investment vehicles available under the plan. The plan can be used to provide additional retirement benefits for certain of our senior executives at the Company's discretion. Compensation expense was $1.5 million, $2.0 million, $3.9 million for the years ended December 31, 2013, 2012 and 2011, respectively.

In addition to the SERRP, we have a nonqualified deferred compensation plan that provides benefits payable to officers and certain highly compensated employees at specified future dates, or upon retirement, disability or death. In 2011, we amended and restated the Deferred Compensation Plan and Executive Deferred Compensation Plan to combine both plans into a single plan. The plan allows eligible participants to defer up to a certain amount of base compensation and incentive compensation received, in cash or common stock. It also allows a more select group of eligible participants, whose 401(k) Plan contributions are limited by the ERISA, to defer additional base compensation to which we may make a matching contribution. The plan is also used to provide additional retirement benefits for certain of our senior executives at levels to be determined from time-to-time by the Compensation Committee of the Board of Directors.

The deferred compensation plans are unfunded; therefore, benefits are paid from the general assets of our company. The participant's cash deferrals earn a return based on the participant's selection of investments in several hypothetical investment options. All deferrals of common stock must remain invested in common stock and are distributed in common stock. As of December 31, 2013 and 2012, amounts due under the deferred compensation plans were $89.2 and $75.2, respectively.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(13) Employee Benefit Plans (Continued)

Compensation expense for the two nonqualified plans was $1.4 million, $2.7 million and $4.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Death Benefit Only Plan

Effective as of September 13, 2012, we amended and restated the CH2M HILL Companies, Ltd. Death Benefit Only Plan. The plan provides for a payment of five times the base salary (pre-tax) in a lump sum to the beneficiary of select executives (including the named executive officers) upon his or her death. This is a pre-retirement employment benefit similar to term life insurance while the executive remains a CH2M HILL employee.

Stock Option Plans

In 2009, the Board of Directors and stockholders approved the CH2M HILL Companies, Ltd. 2009 Stock Option Plan ("2009 Stock Option Plan") which reserved 3,000,000 shares of our common stock for issuance upon exercise of stock options granted. Effective May 7, 2012, the 2009 Stock Option Plan was amended and restated to increase the number of reserved shares to 5,500,000. All options outstanding under the previously cancelled plans ("1999 and 2004 Stock Option Plans"), that expired or for any other reason cease to be exercisable, were rolled into the 2009 Stock Option Plan and are available for grant in addition to the 5,500,000 options reserved.

Stock options are granted at an exercise price equal to the fair market value of our common stock at the date of grant. Stock options granted generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of grant. The following table summarizes the activity relating to the 2009 Stock Option Plan during 2013:

Stock Options:	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2012	2,620,537	$ 44.65
Granted	652,308	$ 58.30
Exercised	(688,319)	$ 35.57
Forfeited	(125,910)	$ 52.91
Expired	(41,595)	$ 36.97
Outstanding at December 31, 2013	2,417,021	$ 50.61
Exercisable at December 31, 2013	982,074	$ 44.31
Available for future grants	5,884,954	

The weighted-average remaining contractual term for all options outstanding at December 31, 2013 and 2012 was 2.8 years and 2.7 years, respectively. The aggregate intrinsic value of all options outstanding was $26.9 million and $26.7 million, at December 31, 2013 and 2012, respectively. The weighted-average remaining contractual term for options vested and exercisable at December 31, 2013 and 2012 was 1.7 years and 1.5 years, respectively. The aggregate intrinsic value for the vested and exercisable options was $17.1 million and $20.3 million, at December 31, 2013 and 2012, respectively.

We received $4.8 million, $5.2 million and $4.6 million from options exercised during the years ended December 31, 2013, 2012 and 2011, respectively. Our stock option plans also allow participants to satisfy the exercise price and participant tax withholding obligation by tendering shares of company

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(13) Employee Benefit Plans (Continued)

stock that have been owned by the participants for at least six months. The intrinsic value associated with exercises was $12.2 million, $18.0 million and $16.4 million during the years ended December 31, 2013, 2012 and 2011, respectively.

We measure the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant date fair value of options granted during the years ended December 31, 2013 and 2012 was $6.99 and $5.85, respectively. The following assumptions were used in determining the fair value of options granted during 2013 and 2012:

	2013	2012
Risk-free interest rate	0.91%	0.62%
Expected dividend yield	0.00%	0.00%
Expected option life	4.2 Years	4.2 Years
Expected stock price volatility	12.30%	11.72%

We estimate the expected term of options granted based on historical experience of employee exercise behavior. We estimate the volatility of our common stock by using the weighted-average of historical volatility over the same period as the option term. We use the Treasury Yield Curve rates for the risk-free interest rate in the option valuation model with maturities similar to the expected term of the options. We do not anticipate paying any cash dividends on our common stock in the foreseeable future and therefore use an expected dividend yield of zero in the option valuation model. We are required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. All stock-based payment awards are amortized on a straight-line basis over the requisite service periods of the awards.

The total compensation expense recognized for stock options granted for the years ended December 31, 2013, 2012 and 2011 was $3.7 million, $2.1 million and $4.8 million, respectively. The remaining unrecognized compensation expense related to nonvested awards as of December 31, 2013 is $5.4 million. We expect to recognize this compensation expense over the weighted average remaining recognition period of 1.5 years, subject to forfeitures that may occur during that period.

Payroll Deduction Stock Purchase Plan

In November 1999, we established the Payroll Deduction Stock Purchase Plan ("PDSPP") which provides for the purchase of common stock at 90% of the market value as of the date of purchase through payroll deductions by participating employees. Eligible employees may purchase common stock totaling up to 15% of an employee's compensation through payroll deductions. An employee cannot purchase more than $25,000 of common stock under the PDSPP in any calendar year. The PDSPP is intended to qualify under Section 423 of the Internal Revenue Code ("IRC"). The PDSPP is not intended to qualify under Section 401(a) of the IRC and is not subject to ERISA. The PDSPP is non-compensatory since the plan is available to all stockholders and incorporates no option features such as a look-back period. Accordingly, no compensation expense is recognized in the financial statements for the PDSPP. During the years ended December 31, 2013, 2012 and 2011, a total of 464,514 shares, 540,134 shares and 527,503 shares, respectively, were issued under the PDSPP, for total proceeds of $24.8 million, $26.3 million and $24.4 million, respectively.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(13) Employee Benefit Plans (Continued)

Phantom Stock Plan

In January 2000, we established the Phantom Stock Plan, which provides eligible individuals with added incentives to continue in the long-term service of our company. Eligible individuals are generally individuals who are not residents of the U.S. Phantom stock grants are 100% vested on the grant date and may be redeemed after six months from the grant date. The value of phantom stock is equal to the market value of our common stock. All amounts granted under the Phantom Stock Plan are payable in cash only and are generally granted in connection with the short and long term incentive plans. Compensation expense under this plan is based on the value of the units on the date of grant.

During the year ended December 31, 2013, there were no units granted under the Phantom Stock Plan. During the years ended December 31, 2012 and 2011, a total of 711 units and 731 units, respectively, were granted under the Phantom Stock Plan. The fair values of the units granted under the Phantom Stock Plan during 2012 and 2011 were $57.01 and $49.90, respectively. Compensation expense related to the Phantom Stock Plan during 2013, 2012 and 2011 was zero, zero and $0.6 million, respectively.

The following table summarizes the activity relating to the Phantom Stock Plan during 2013:

	Number of Units
Balance at December 31, 2012	27,432
Exercised	(4,231)
Forfeited	(304)
Balance at December 31, 2013	22,897

Stock Appreciation Rights Plan

In February 1999, we established the Stock Appreciation Rights ("SARs") Plan. Eligible individuals are generally individuals who are not residents of the U.S. SARs are granted at an exercise price equal to the market value of our common stock and generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of the grant. All amounts granted under the SARs Plan are payable in cash only. Compensation expense under this plan is based on the vesting provisions and the market value of our common stock.

Compensation expense related to the SARs Plan during 2013, 2012 and 2011 was $0.2 million, $0.1 million and $0.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(13) Employee Benefit Plans (Continued)

The following table summarizes the activity relating to the SARs Plan during 2013:

	Number of Rights	Weighted Average Exercise Price	
Balance at December 31, 2012	18,589	$	46.26
Granted	10,666	$	58.87
Exercised	(3,471)	$	35.28
Cancelled	(1,874)	$	53.80
Balance at December 31, 2013	23,910	$	52.88

Incentive Plans

The Annual Incentive Plan ("AIP") aids in the recruitment, motivation, and retention of employees. Management determines which employees participate in the AIP. All of the 2013 and 2012 awards were paid in cash. Therefore no stock-based compensation was recognized in 2013 or 2012. During the year ended December 31, 2011, 58,045 shares were issued under the AIP. The fair value of the shares issued under the AIP was $46.75 for the year ended December 31, 2011. We accrued compensation expense related to common stock awards under the AIP in the amount of $2.7 million for the year ended December 31, 2011.

The Long Term Incentive Plan ("LTIP") rewards certain executives and senior leaders for the creation of value in the organization through the achievement of specific long-term (3 year) goals of earnings growth and strategic initiatives. The Compensation Committee of the Board reviews and endorses participation in the LTIP in any program year and a new program is established each year. During the years ended December 31, 2013, 2012 and 2011, a total of 235,590 shares, 304,736 shares and 219,087 shares, respectively, were issued under the LTIP at a fair value of $57.22, $57.01 and $46.75 per share, respectively. Compensation expense for common stock awards under the LTIP amounted to $4.1 million, $7.2 million and $11.8 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Restricted Stock Plan

In 2000, we established the Restricted Stock Policy Plan (as amended and restated in 2011 and 2013) which provides eligible individuals with added incentives to continue in the long-term service of our company. The awards are made for no consideration, vest over various periods, and may include performance requirements, but are considered outstanding at the time of grant. During the years ended December 31, 2013, 2012 and 2011, a total of 122,009 shares, 163,469 shares and 136,696 shares, respectively, were granted under the Restricted Stock Policy and Administration Plan.

We recognize compensation costs, net of forfeitures, over the vesting term based on the fair value of the restricted stock at the date of grant. The amount of compensation expense recognized under the Restricted Stock Policy and Administration Plan was $4.2 million, $6.7 million and $5.5 million for the years ended December 31, 2013, 2012 and 2011, respectively. As of December 31, 2013, there was $6.7 million of unrecognized compensation expense related to non-vested restricted stock grants. The expense is expected to be recognized over a weighted average period of 2.14 years.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(13) Employee Benefit Plans (Continued)

The following table summarizes the activity relating to the Restricted Stock Policy and Administration Plan during 2013:

	Non-vested Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2012	344,218	$ 45.92
Granted	122,009	$ 59.23
Vested	(175,324)	$ 45.48
Cancelled	(21,101)	$ 54.40
Balance at December 31, 2013	269,802	$ 51.57

The weighted-average fair values of the shares granted under the Restricted Stock Plan during 2013, 2012 and 2011 were $59.23, $54.96 and $50.37, respectively.

(14) Employee Retirement Plans

Retirement and Tax-Deferred Savings Plan

The Retirement and Tax-Deferred Savings Plan ("401(k) Plan") is a retirement plan that includes a cash or deferred arrangement that is intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code and provides benefits to eligible employees upon retirement. In September 2012, our Board of Directors approved the CH2M HILL Companies, LTD Amended and Restated 401(k) Plan which became effective January 1, 2013 ("401(k) Plan"). The 401(k) Plan allows for matching contributions up to 6% of employee's base compensation, although specific subsidiaries may have different limits on employer matching. The matching contributions may be made in both cash and/or stock. Employer defined contributions will no longer be made under the 401(k) Plan. Expenses related to matching contributions made in common stock for the 401(k) Plan were $36.5, $45.5 and $44.8 million for the 2013, 2012 and 2011, respectively.

Defined Benefit Plans

We sponsor several defined benefit pension plans primarily in the United States and the United Kingdom.

In the U.S., we have three noncontributory defined benefit pension plans. Plan benefits in two of the plans are frozen while one plan remains active. Benefits are generally based on years of service and compensation during the span of employment.

In the U.K., we assumed several defined benefit plans as part of our acquisition of Halcrow on November 10, 2011, of which the largest is the Halcrow Pension Scheme. These defined benefit plans have been closed to new entrants for many years. The information related to these plans is presented in the Non-U.S. Pension Plans columns of the tables below.

Defined Benefit Plans

We sponsor several defined benefit pension plans primarily in the United States and the United Kingdom.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

In the U.S., we have three noncontributory defined benefit pension plans. Plan benefits in two of the plans are frozen while one plan remains active. Benefits are generally based on years of service and compensation during the span of employment.

In the U.K., we assumed several defined benefit plans as part of our acquisition of Halcrow on November 10, 2011, of which the largest is the Halcrow Pension Scheme. These defined benefit plans have been closed to new entrants for many years. The information related to these plans is presented in the Non-U.S. Pension Plans columns of the tables below.

Benefit Expense

The weighted average actuarial assumptions used to compute the net periodic pension expense are based upon information available as of the beginning of the year, as presented in the following table.

	U.S. Pension Plans			Non-U.S. Pension Plans	
	2013	**2012**	**2011**	**2013**	**2012**
Discount rate	4.20%	5.30%	5.80%	4.50%	4.90%
Expected long-term rate of return on plan assets	6.75%	7.50%	7.50%	4.63%	5.81%
Rate of compensation increase	3.00%	3.00%	3.00%	4.00%	4.10%

The components of the net periodic pension expense for the years ended December 31 are detailed below:

	U.S. Pension Plans			Non-U.S. Pension Plans		
($ in thousands)	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Service cost	$ 3,833	$ 3,532	$ 3,666	$ 4,041	$ 2,350	$ 320
Interest cost	10,015	10,592	10,585	47,752	45,628	5,969
Expected return on plan assets	(10,801)	(10,756)	(10,462)	(32,440)	(36,647)	(5,674)
Amortization of prior service cost (credits)	(766)	(781)	(783)	–	–	–
Recognized net actuarial loss	7,490	5,546	3,549	931	–	–
Net expense included in current income	$ 9,771	$ 8,133	$ 6,555	$ 20,284	$ 11,331	$ 615

Benefit Obligations

The measurement date used for the U.S. and non-U.S. defined benefit pension plans is December 31. The significant actuarial weighted average assumptions used to compute the projected benefit obligations for the defined benefit pension plans at December 31 are as follows:

	U.S. Pension Plans		Non-U.S. Pension Plans	
	2013	**2012**	**2013**	**2012**
Discount rate	5.10%	4.20%	4.40%	4.50%
Rate of compensation increase	3.30%	3.00%	4.00%	4.00%

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

The discount rate assumption for the U.S. and U.K. defined benefit pension plans was determined using actuarial bond models. The models assume we purchase high quality, Aa-rated or better, corporate bonds such that the expected cash flow from the selected bond portfolio generally matches the timing of our projected benefit payments. The models develop the average yield on this portfolio of bonds as of the measurement date. This average yield is used as the discount rate.

The following table summarizes the change in the projected benefit obligation and plan assets for the defined benefit pension plans for the years ended December 31:

($ in thousands)	U.S. Pension Plans 2013	U.S. Pension Plans 2012	Non-U.S. Pension Plans 2013	Non-U.S. Pension Plans 2012
Benefit obligation at beginning of year	$ 245,077	$ 205,750	$ 1,063,952	$ 922,259
Service cost	3,833	3,532	4,041	2,350
Interest cost	10,015	10,592	47,752	45,628
Actuarial loss	(26,876)	34,584	52,050	82,069
Participant contributions	–	–	338	347
Currency translation	–	–	16,639	43,707
Benefits paid	(11,189)	(9,381)	(37,262)	(32,408)
Benefit obligation at end of year	$ 220,860	$ 245,077	$ 1,147,510	$ 1,063,952
Plan assets at beginning of year	$ 162,665	$ 141,491	$ 701,256	$ 623,972
Actual return on plan assets	12,274	18,195	52,571	57,968
Company contributions	8,189	12,360	23,120	21,674
Participant contributions	–	–	338	347
Currency translation	–	–	11,120	29,703
Benefits paid	(11,189)	(9,381)	(37,262)	(32,408)
Assets obtained from the Halcrow acquisition and other	–	–	–	–
Fair value of plan assets at end of year	$ 171,939	$ 162,665	$ 751,143	$ 701,256

Assuming no changes in current assumptions, the Company expects to fund approximately $40 million to $44 million in Company contributions for calendar year 2014.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

The expected benefit payments for the U.S. and non-U.S. defined benefit pension plans are as follows:

($ in thousands)	U.S. Pension Plans	Non-U.S. Pension Plans
2014	$ 12,654	$ 44,613
2015	13,307	42,747
2016	14,257	44,124
2017	15,123	45,534
2018	15,591	48,256
Thereafter	83,358	265,916
	$ 154,290	$ 491,190

Benefit Plan Assets

The target allocation for the U.S. pension plans and the weighted-average asset allocations for the defined benefit pension plans at December 31, 2013 and 2012 by asset category are set out below. For the non-U.S. pension plans, the targeted allocation of assets is generally related to the expected benefit payments over the next five to ten years. The target is to hold sufficient assets in fixed income securities to meet these cash flows. So as the benefit plan matures, an increasing proportion of plan assets will be held in fixed income securities.

	U.S. Pension Plans			Non-U.S. Pension Plans	
	Target Allocation	2013	2012	2013	2012
Equity securities	55%	63%	54%	38%	36%
Debt securities	45%	36%	46%	55%	50%
Other	–	1%	–%	7%	14%
Total	100%	100%	100%	100%	100%

The investment philosophy for the defined benefit pension plans is primarily to have the asset values and long-term rates of return exceed those of the relative benchmarks in order to protect and pay the expected future benefit payments to participants. Asset allocation decisions are made in an attempt to construct a total portfolio that achieves the desired expected risk and return needed to meet long term liabilities of the plans. For non-U.S. plans, the asset allocation decisions are often made by an independent board of trustees. In order to accomplish the investment philosophy and strategy, the benefit plan trustees monitor the asset classes allowed for investment, the strategic mix targets, and allowable ranges of such.

Investments in domestic and international equity securities are utilized with the expectation that they will provide a higher rate of return than debt securities for periods in excess of five to ten years, albeit with greater risk. Investments in debt securities, such as government and corporate bonds of domestic and international entities, are utilized with the expectation that they are generally low in risk and can meet the shorter term cash flow needs of the plans.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

We use long-term historical actual return experience with consideration of the expected investment mix of the plan assets, as well as future estimates of long-term investment returns to develop the expected rate of return assumptions used in calculating the net periodic pension cost.

The following tables summarize the fair values of our defined benefit pension plan assets by major asset category:

	U.S. Pension Plans			
($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Cash and cash equivalents	$ 1,610	$ 1,610	$ –	$ –
Equity funds	108,726	108,726	–	–
Fixed income securities	61,603	61,603	–	–
Total	$ 171,939	$ 171,939	$ –	$ –
December 31, 2012				
Cash and cash equivalents	$ 937	$ 937	$ –	$ –
Equity funds	87,143	87,143	–	–
Fixed income securities	74,585	74,585	–	–
Total	$ 162,665	$ 162,665	$ –	$ –

	Non-U.S. Pension Plans			
($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Cash and cash equivalents	$ 20,543	$ 18,380	$ 2,163	$ –
Equity funds	281,191	244,804	36,387	–
Fixed income securities	407,461	349,941	57,520	–
International property fund	14,186	1,148	11,708	1,330
Other	27,762	21,636	6,126	–
Total	$ 751,143	$ 635,909	$ 113,904	$ 1,330
December 31, 2012				
Cash and cash equivalents	$ 42,969	$ 41,988	$ 981	$ –
Equity funds	254,538	217,996	36,542	–
Fixed income securities	351,558	288,590	62,968	–
International property fund	31,697	1,632	30,065	–
Other	20,494	18,719	1,775	–
Total	$ 701,256	$ 568,925	$ 132,331	$ –

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

Funded Status

The following table presents the underfunded status of the defined benefit pension plans at December 31:

($ in thousands)	U.S. Pension Plans 2013	U.S. Pension Plans 2012	Non-U.S. Pension Plans 2013	Non-U.S. Pension Plans 2012
Projected benefit obligation	$220,860	$245,077	$1,147,510	$1,063,952
Fair value of plan assets	171,939	162,665	751,143	701,256
Overfunded status	–	–	765	–
Underfunded status	$ (48,921)	$ (82,412)	$ (397,132)	$ (362,696)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$ 60,004	$ 95,843	$ 115,399	$ 83,037
Net prior service cost (credits)	(7,115)	(7,881)	–	–
Total	$ 52,889	$ 87,962	$ 115,399	$ 83,037
Amounts to be recognized in the following year as a component of net periodic pension expense:				
Net actuarial loss	$ 4,598	$ 7,490	$ 1,195	918
Net prior service cost (credits)	(766)	(766)	–	–
Total	$ 3,832	$ 6,724	$ 1,195	918
Additional information:				
Accumulated benefit obligation	$216,824	$238,234	$1,139,224	$1,056,442

The liability for the underfunded status is included in long-term employee related liabilities on the consolidated balance sheets.

Other Postretirement Benefits

We sponsor a medical benefit plan for retired employees of certain subsidiaries. The plan is contributory, and retiree premiums are based on years of service at retirement. The benefits contain limitations and a cap on future cost increases. We fund postretirement medical benefits on a pay-as-you-go basis. Additionally, we have a frozen non-qualified pension plan that provides additional retirement benefits to certain senior executives that remained employed and retired from CH2M HILL on or after age 65.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

The non-qualified pension and postretirement healthcare benefit payments, including expected future services, are expected to be paid from plan assets and operating cash flows as follows:

($ in thousands)	Non-Qualified Pension Plan	Postretirement Benefit Plans
2014	$ 165	$ 2,603
2015	163	2,745
2016	155	2,911
2017	147	3,082
2018	141	3,269
2019-2023	613	18,619
	$ 1,384	$ 33,229

Benefit Expense

The measurement date used for non-qualified pension and other postretirement benefit plans is December 31. The actuarial assumptions used to compute the non-qualified pension benefit expense and postretirement benefit expense are based upon information available as of the beginning of the year, as presented in the following table.

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
	2013	2012	2011	2013	2012	2011
Actuarial assumptions at beginning of year:						
Discount rate	4.20%	5.30%	5.80%	4.20%	5.30%	5.80%
Initial healthcare costs trend rate	na	na	na	na	na	na
Ultimate healthcare cost trend rate	na	na	na	na	na	na
Year ultimate trend rate is reached	na	na	na	na	na	na

na−not applicable

We have instituted caps on the potential growth of our retiree healthcare costs. The retiree healthcare cost caps have been reached and apply in all future years. As healthcare costs continue to increase, these caps are intended to remain in force at current levels. As a result, a 1% change in the healthcare cost trends has no impact on the postretirement benefit obligation or costs.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

The components of the non-qualified pension benefit expense and postretirement benefit expense for the years ended December 31 are detailed below:

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
($ in thousands)	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Service cost	$ –	$ –	$ –	$ 1,816	$ 1,828	$ 1,971
Interest cost	81	38	34	2,196	2,416	2,519
Amortization of transition obligation	–	–	–	–	100	349
Amortization of prior service costs	–	–	–	206	341	354
Recognized net actuarial loss (gain)	21	36	12	336	–	50
Net expense included in current income	$ 102	$ 74	$ 46	$ 4,554	$ 4,685	$ 5,243

The discount rate used to compute the benefit obligations for the non-qualified pension plan and postretirement benefit plans at December 31, 2013 and 2012 were 5.10% and 4.20%, respectively.

The discount rate assumptions are set annually based on an actuarial bond model. The bond model assumes we purchase high quality corporate bonds such that the expected cash flows generally match the maturity of the benefits. The following table summarizes the change in benefit obligation and change in plan assets for the non-qualified pension and postretirement benefit plans for the years ended December 31:

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	**2013**	**2012**	**2013**	**2012**
Benefit obligation at beginning of year	$ 1,994	$ 770	$ 53,686	$ 46,821
Service cost	–	–	1,816	1,828
Interest cost	81	38	2,196	2,416
Transfer of existing obligations	–	1,200	–	–
Plan contributions	–	–	1,960	2,045
Actuarial loss (gain)	(341)	86	(10,907)	4,246
Participant contributions	–	–	41	25
Benefits paid	(126)	(100)	(4,456)	(3,695)
Benefit obligation at end of year	$ 1,608	$ 1,994	$ 44,336	$ 53,686

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Retirement Plans (Continued)

Funded Status

The following table presents the underfunded status of the non-qualified pension and postretirement benefit plans at December 31:

($ in thousands)	Non-Qualified Pension Plan 2013	Non-Qualified Pension Plan 2012	Postretirement Benefit Plans 2013	Postretirement Benefit Plans 2012
Projected benefit obligation	$ 1,608	$ 1,994	$ –	$ –
Accumulated benefit obligation	–	–	44,336	53,686
Underfunded status	$(1,608)	$(1,994)	$(44,336)	$(53,686)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$ 55	$ 416	$ (2,784)	$ 8,460
Net prior service cost	–	–	(262)	(56)
Transition obligation	–	–	–	–
Total	$ 55	$ 416	$ (3,046)	$ 8,404
Amounts to be recognized in the following year as a component of net periodic cost:				
Net actuarial loss	$ –	$ 21	$ (11)	$ 336
Transition obligation	–	–	–	–
Net prior service cost	–	–	(29)	206
Total	$ –	$ 21	$ (40)	$ 542

Benefits expected to be paid in 2014 are included in short-term employee related liabilities with the remaining liability balance included in long-term employee related liabilities on the consolidated balance sheets.

Multiemployer Plans

We participate in various multiemployer pension plans for certain employees represented by labor unions. We are required to make contributions to these plans in amounts established under collective bargaining agreements, generally based on the number of hours worked. We made contributions to the various plans totaling approximately $5.7 million, $6.1 million and $4.3 million for the years ended December 31, 2013, 2012 and 2011, respectively. We are unable to obtain additional financial information from the multiemployer pension plans sponsors in order to determine unfunded liability amounts and other plan data, however based upon the small number of our employees that have participated in these plans, we do not believe any of these amounts will have a material impact on our financial results.

We have employees who participate in benefit plans with the U.S. Department of Energy for which information is not provided because we are not responsible for the current or future funded status of those plans.

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(15) Segment Information

Through December 31, 2013, we organized our reporting structure into two segments−the EWF segment and the GEI segment. We evaluate performance based on several factors, of which the primary financial measure is operating income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. We use operating income as our measurement of segment profit. Corporate expenses, including costs for centralized management activities, are not allocable to individual operating segments and are included in "Corporate" below. These costs primarily include expenses associated with administrative functions such as executive management, legal, and general business development efforts.

Certain financial information for each segment is provided below (in thousands):

2013	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$ 3,215,938	$ 2,661,881	$ −	$5,877,819
Equity in earnings of joint ventures and affiliated companies	10,508	43,502	−	54,010
Depreciation and amortization	41,710	32,823	−	74,533
Operating income (loss)	83,941	127,571	(19,150)	192,362
Segment assets	1,430,611	1,625,786	−	3,056,397
Goodwill	223,991	349,496	−	573,487

2012	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$ 3,474,768	$ 2,685,785	$ −	$6,160,553
Equity in earnings of joint ventures and affiliated companies	22,612	41,062	−	63,674
Depreciation and amortization	45,711	33,920	−	79,631
Operating income (loss)	88,216	93,249	(22,626)	158,839
Segment assets	960,456	2,154,128	−	3,114,584
Goodwill	221,539	340,922	−	562,461

2011	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$ 2,784,418	$ 2,770,815	$ −	$5,555,233
Equity in earnings of joint ventures and affiliated companies	25,025	39,452	−	64,477
Depreciation and amortization	38,021	10,194	−	48,215
Operating income (loss)	99,642	106,970	(21,459)	185,153
Segment assets	813,600	1,940,439	−	2,754,039
Goodwill	217,756	327,687	−	545,443

During the years ended December 31, 2013 and 2012, we recorded significant losses on a fixed-price contract to design and construct significant improvements to an existing power generation facility. These losses resulted from multiple sources that caused labor and material cost overruns. As of December 31, 2013 this project was substantially complete.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(15) Segment Information (Continued)

We derived approximately 18%, 18% and 20% of our total revenues from contracts with the U.S. federal government in the years ended December 31, 2013, 2012 and 2011, respectively. Although we provide services in numerous countries, no single country outside of the U.S. accounted for 10% or greater of the total consolidated revenue. Total U.S. and international revenue for the years ended December 31 were as follows:

($ in thousands)	2013	2012	2011
U.S.	$ 3,915,091	$ 4,237,918	$ 4,185,501
International	1,962,728	1,922,635	1,369,732
Total	$ 5,877,819	$ 6,160,553	$ 5,555,233

(16) Commitments and Contingencies

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in our engineering and construction contracts. Letters of credit are provided to clients in the ordinary course of the contracting business in lieu of retention or for performance and completion guarantees on engineering and construction contracts. We also post surety bonds, which are contractual agreements issued by a surety, for the purpose of guaranteeing our performance on contracts. Bid bonds are also issued by a surety to protect owners and are subject to full or partial forfeiture for failure to perform obligations arising from a successful bid.

Commercial commitments outstanding as of December 31, 2013 are summarized below:

	Amount of Commitment Expiration Per Period				
($ in thousands)	Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$ 121.1	$ 10.5	$ 8.1	$ 24.9	$ 164.6
Bank guarantees	17.3	13.4	6.6	–	37.3
Surety and bid bonds	1,301.6	274.1	20.8	–	1,596.5
Total	$ 1,440.0	$ 298.0	$ 35.5	$ 24.9	$ 1,798.4

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from U.S. federal, state and municipal sources, our procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices. Such state and U.S. government investigations, whether relating to government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future U.S. government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on our results of operations of financial condition even if the final outcome is adverse to our company.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(16) Commitments and Contingencies (Continued)

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions and deductibles) are generally adequate to cover our liabilities, if any, with regard to such claims. Any amounts that are probable of payment are accrued when such amounts are estimable. As of December 31, 2013 and December 31, 2012, accruals for potential estimated claim liabilities were $15.5 million and $34.4 million, respectively.

In 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. In 2011 and 2012, eight former CH2M HILL Hanford Group ("CH2M HILL Subsidiary") employees pleaded guilty on felony charges related to time card fraud committed while working on the Hanford Tank Farm Project. As part of its investigation, the U.S. Attorney's Office raised the possibility of violations of the civil False Claims Act and criminal charges for possible violations of federal criminal statutes arising from CH2M HILL's Subsidiary overtime practices on the project. In September 2012, the government intervened in a civil False Claims Act case filed in the District Court for the Eastern District of Washington by one of the employees who plead guilty to time card fraud. In March 2013, we entered into a Non-Prosecution Agreement ("NPA") concluding the criminal investigation so long as we comply with the terms of the NPA. The NPA requires us to comply with ongoing requirements for three years after the effective date. By a separate agreement, we obtained dismissal of the civil False Claims Act case. We paid $18.5 million in total under both agreements. As a result, no criminal charges were brought against CH2M HILL Subsidiary or any CH2M HILL entities, and the civil False Claims Act case was dismissed.

In connection with the Halcrow acquisition, we assumed a lease obligation for office space which was entered into by a Halcrow subsidiary in 1981 and was previously occupied and used as one of their primary office locations. Subsequently, Halcrow vacated the space and was subleasing the building to third parties. The lease required Halcrow to continue to make lease payments until 2080 with rent escalating provisions that could have increased with market conditions. In 2012, we obtained a final third party determination of the fair value of this lease obligation and the associated real property in order to complete the purchase price allocation. As a result, the capital lease and related obligations, as well as the related building asset were included in the consolidated balance sheet as of December 31, 2012. Capital lease and related obligations as of December 31, 2012 were $66.1 million and was included primarily in other long-term liabilities in the consolidated balance sheet. We also assumed an operating lease for the associated land on which the building is located with total lease payments due over the remaining term of the lease totaling $36.8 million as of December 31, 2012. In September 2013, Halcrow entered into an agreement to terminate its obligations under the lease, including $66.1 million remaining on the capital lease and related obligations as well as the operating lease obligation, to a third party. Under the terms of this agreement Halcrow paid $27.0 million to the third party which resulted in a gain on termination of the obligations of $15.5 million. The related building asset and obligations were relieved from the consolidated balance sheets and the gain was recognized as a reduction in general and administrative expenses for the twelve months ended December 31, 2013.

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CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(17) Quarterly Financial Information (unaudited)

Our quarterly financial information for the years ended December 31, 2013 and 2012 is as follows:

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year Ended
2013					
Revenue	$ 1,447,749	$ 1,513,006	$ 1,472,603	$ 1,444,461	$ 5,877,819
Operating income	13,965	49,086	56,851	72,460	192,362
Net income attributable to CH2M HILL	7,114	27,496	33,693	50,031	118,334
Net income per common share					
Basic	$ 0.24	$ 0.92	$ 1.14	$ 1.71	$ 4.00
Diluted	$ 0.24	$ 0.91	$ 1.13	$ 1.70	$ 3.96
2012					
Revenue	$ 1,401,944	$ 1,540,612	$ 1,603,456	$ 1,614,541	$ 6,160,553
Operating income	9,604	46,030	47,822	55,383	158,839
Net income attributable to CH2M HILL	5,124	27,602	29,613	30,637	92,976
Net income per common share					
Basic	$ 0.16	$ 0.88	$ 0.95	$ 1.01	$ 2.99
Diluted	$ 0.16	$ 0.87	$ 0.94	$ 1.00	$ 2.95

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Englewood, Douglas County, State of Colorado, on February 24, 2014.

CH2M HILL COMPANIES, LTD.

By: /s/ JOANN SHEA
JoAnn Shea
Interim Chief Financial Officer and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates stated, through their attorney-in-fact as appointed in the power of attorney of February 14, 2014 included as Exhibit 24.1 filed herewith.

Signature	Title	Date
/s/ JACQUELINE C. HINMAN Jacqueline C. Hinman	Chief Executive Officer (Principal Executive Officer) and a Director	February 24, 2014
/s/ JOANN SHEA JoAnn Shea	Interim Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)	February 24, 2014
* Robert W. Bailey	Director	February 24, 2014
* Malcolm Brinded	Director	February 24, 2014
* Jerry D. Geist	Director	February 24, 2014
* Charles O. Holliday, Jr.	Director	February 24, 2014
* Lee A. McIntire	Director	February 24, 2014
* Gregory T. McIntyre	Director	February 24, 2014
* Michael E. McKelvy	Director	February 24, 2014

* Georgia R. Nelson	Director	February 24, 2014
* Michael A. Szomjassy	Director	February 24, 2014

Signature	Title	Date
* Barry L. Williams	Director	February 24, 2014

*By: /s/ JOANN SHEA
JoAnn Shea,
as attorney-in-fact

Exhibit 10.4

CH2M Hill Companies, Ltd.
Amended and Restated Restricted Stock Plan

ARTICLE I
INTRODUCTION

1.1 **Establishment**. CH2M Hill Companies, Ltd., a Delaware corporation ("CH2M HILL"), hereby amends and restates the CH2M Hill Companies, Ltd. Restricted Stock Policy and Administration Plan (the "Plan") effective September 13, 2013. All restricted stock grants previously issued and granted under the previous Restricted Stock Policy and Administration Plan shall remain in full force and effect as provided under the plan. All shares of common stock that may be canceled under the previous plan shall roll into the Plan and be available for grant under this Plan. This Plan permits the grants of Restricted Stock to eligible Participants.

1.2 **Purposes**. The purpose of the Plan is to provide selected individuals with added incentives to continue in the long-term service of CH2M HILL. The Plan is also designed to help CH2M HILL attract, retain and motivate high quality people and to provide financial incentives to Plan participants to maximize the financial performance of CH2M HILL, thereby increasing shareholder value.

ARTICLE II
DEFINITIONS

2.1 ***Affiliate*** means any corporation or other entity that is affiliated with CH2M HILL through stock or other equity ownership or otherwise which is designated by either the Committee or the Board as an entity whose eligible employees, directors, officers, or consultants may be selected to participate in the Plan. The Committee may select an entity to be designated as an Affiliate if CH2M HILL owns directly or indirectly at least 50% of the entity. The Board, in its sole discretion, may select an entity to be designated as an Affiliate if CH2M HILL owns directly or indirectly at least 10% of the entity.

2.2 ***Board*** means the Board of Directors of CH2M HILL Companies, Ltd.

2.3 ***Change in Control*** means:

(a) a third person (including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, but excluding an employee benefit plan of the Company) becomes the beneficial owner of shares of the Plan Sponsor having 25% or more of the total number of votes that may be cast for the election of the Board; or

(b) the shareholders of CH2M HILL approve (i) any agreement for a merger or consolidation in which the CH2M HILL will not survive as an independent entity or (ii) any sale, exchange or other disposition of all or substantially all of CH2M HILL' s assets; or

(c) any sale, exchange or other disposition of greater than 25% of the fair market value of CH2M HILL assets.

The Committee' s reasonable determination as to whether a Change in Control has occurred and the date on which the Change in Control occurs shall be final and conclusive.

2.4 ***Committee*** means the Compensation Committee of the Board empowered to take actions with respect to the administration of the Plan as described in Article V of this document.

2.5 ***CH2M HILL*** means CH2M HILL Companies, Ltd., a Delaware corporation.

2.6 ***Disability*** shall have the meaning given to such term in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended from time to time.

2.7 ***Internal Market*** means the limited internal market maintained by CH2M HILL for the purchase and sale of its common stock.

2.8 ***Participant*** means an employee, consultant, officer or director designated by the Committee during the term of the Plan to receive one or more awards under the Plan.

2.9 ***Plan*** means the CH2M HILL Companies, Ltd. Amended and Restated Restricted Stock Plan which amends and restates the Restricted Stock Policy and Administration Plan effective on January 1, 2000 as amended and restated as of February 11, 2011.

2.10 ***Restricted Stock*** means one share of CH2M HILL common stock granted pursuant to the Plan which is subject to the restrictions set forth in the Restricted Stock Grant Notice.

2.11 ***Restricted Stock Notice*** means the notice delivered from CH2M HILL to the Participant which sets forth the number of shares of Restricted Stock granted, the grant date, the nature of the restrictions, the mechanics of satisfying the Participant' s tax withholding obligations and any other terms as may be determined from time to time.

2.12 ***Stock*** means the common stock of CH2M HILL, and any stock issued or issuable in substitution for the common stock.

ARTICLE III
PARTICIPATION

The Committee, in its sole discretion shall, from time to time, determine which employees, directors, officers and consultants shall be Participants in the Plan, and be granted one or more awards of Restricted Stock.

ARTICLE IV
RESTRICTED STOCK

4.1 **Grant of Restricted Stock.** A Participant may be granted one or more shares of Restricted Stock. Restricted Stock shall be granted on and as of the date specified in the Restricted Stock

Notice. Each Restricted Stock award shall be separately approved, and the receipt of one award shall not result in automatic receipt of any other award. Upon determination by the Committee or its delegate to grant Restricted Stock to a Participant, CH2M HILL shall deliver a Restricted Stock Notice to the Participant. The Committee may delegate to one or more officers of CH2M HILL the authority to grant shares of Restricted Stock, subject to such limits and other terms and conditions as may be specified by the Committee. All grants of Restricted Stock to Section 16 officers must be approved by the Committee in advance of the grant.

4.2 **Restricted Stock Notice.** The specific terms of each Restricted Stock award granted under the Plan shall be set forth in the Restricted Stock Notice. A Restricted Stock Notice shall be delivered by CH2M HILL to the Participant to whom the award is granted and in such form as may be approved by the Committee.

(a) **Number of Shares of Restricted Stock.** The Restricted Stock Notice shall state the specific number of shares of Restricted Stock, as determined by the Committee.

(b) **Vesting of Restricted Stock**. The Restricted Stock Notice shall state the specific vesting schedule to which the Restricted Stock is subject including whether and to what extent performance features and metrics affect the vesting schedule and shall include the specific performance metrics, if any. In the absence of a vesting schedule in the Restricted Stock Notice, the entire award shall vest on the third anniversary of the date the award is granted.

(i) **Termination of Services for Any Reason.** Except as otherwise provided in (ii) or (iv) below, if a Participant terminates service for any reason and is not 100% vested in all Restricted Stock he holds as of the date of such termination, he shall be entitled only to the portion of Restricted Stock award which was vested on the day he terminates service, and shall not be entitled to any portion of the non-vested Restricted Stock under the Plan.

(ii) **Termination of Services by Reason of Death or Disability.** With respect to a Participant who terminates service by reason of death or Disability, the Participant shall become automatically 100% vested in all outstanding Restricted Stock held under the Plan.

(iii) **Definition of Termination of Services.** Termination of services occurs as of the first day on which the Participant is no longer performing services for CH2M HILL or its Affiliates, voluntarily or at CH2M HILL' s request. Whether a Participant has terminated service shall be determined by the Committee in its sole discretion. If the Participant' s employment or other service relationship is with an Affiliate and that entity ceases to be an Affiliate, a termination of service shall be deemed to have occurred when the entity ceases to be an Affiliate unless the Participant transfers his or her employment or other service relationship to CH2M HILL or its remaining Affiliates.

(iv) **Change in Control Vesting.** All Restricted Stock which have been granted prior to the date on which a Change in Control occurs shall be 100% vested as of the date on which a Change in Control occurs.

(c) **Cancellation of Restricted Stock Grant.** The Committee may cancel a Restricted Stock grant at any time upon written notice of cancellation to a Participant. Upon cancellation of a Restricted Stock grant, the Participant shall not have any right to continue vesting in the Restricted Stock granted under the Plan. Neither CH2M HILL nor the Committee shall have any liability to the Participant with respect to not yet vested Restricted Stock under the canceled Restricted Stock grant. As a precondition to such cancellation, CH2M HILL shall replace cancelled not yet vested Restricted Stock with instruments of approximately equal value as of the date of cancellation. "Equal value" shall be determined by the Committee in its sole discretion. Neither CH2M HILL nor the Committee shall have any liability to the Restricted Stock holder with respect to any adverse tax implications of such cancellation and substitution.

4.3 **Non-Transferability of Restricted Stocks**. No Restricted Stock shall be assignable or transferable.

4.4 **Restrictions on Transfers of Instruments Upon 100% Vesting.** All Restricted Stock transferred to a Participant in accordance with the Plan will be subject to the terms, conditions, and restrictions on Stock set forth in CH2M HILL' s Articles of Incorporation and Bylaws, as amended from time to time, including: (i) restrictions that grant CH2M HILL the right to repurchase shares upon termination of the shareholder' s affiliation with CH2M HILL; (ii) restrictions that grant CH2M HILL a right of first refusal if the shareholder wishes to sell shares other than in the Internal Market; and (iii) restrictions that require the approval of CH2M HILL for any other sale of shares.

Notwithstanding any other provision of the Plan, CH2M HILL will not be required to transfer Restricted Stock to any person if, immediately after the transfer, the recipient would own more shares of Stock than that person is permitted to own under the Articles of Incorporation and Bylaws of CH2M HILL, as amended from time to time.

4.5 **Withholding Requirement.** CH2M HILL is entitled to withhold the amount of taxes which CH2M HILL in its discretion deems necessary to satisfy any applicable federal, state and local tax withholding obligations arising from awards granted under the Plan, or to make other appropriate arrangements with the Participant to satisfy such obligations. At the time of vesting or lapse arising under awards granted under the Plan, the Participant shall pay to CH2M HILL any amount that CH2M HILL may reasonably determine to be necessary to satisfy such withholding obligation. The Participant may satisfy, in whole or in part, any withholding or employment-related tax obligation described in this section by causing CH2M HILL to withhold shares of Stock otherwise issuable to the Participant in connection with the award made under the Plan or by delivering a cash payment in immediately available funds to CH2M HILL. As specified in the Restricted Stock Notice, CH2M HILL may require that the tax withholding obligation be satisfied by the withholding of shares in connection with the award made under the Plan. The shares of Stock so withheld shall have an aggregate fair value equal to such withholding obligations as determined by CH2M HILL. In no case shall the shares withheld or delivered exceed the minimum required federal, state and FICA statutory withholding rates. The

fair value of the shares of Stock used to satisfy tax withholding obligation shall be determined by CH2M HILL as of the date that the amount of tax to be withheld is to be determined. CH2M HILL shall be authorized to take such actions as CH2M HILL may deem necessary (including, without limitation, in accordance with applicable law, withholding amounts from any compensation or other amounts owing from CH2M HILL to the Participant) to satisfy all obligations for the payment of such taxes.

4.6 **No Equity Holder Privileges.** No Participant shall have any privileges as an equity holder with respect to any non-vested Restricted Stock.

ARTICLE V
PLAN ADMINISTRATION

5.1 **Committee.** The Plan shall be administered by the Compensation Committee appointed by and serving at the pleasure of the Board. The composition of the Compensation Committee shall consist of those members as described in the Charter of the Committee, as may be amended from time to time (the “Charter”).

5.2 **Committee Meetings and Actions.** The Committee shall hold meetings and have the authority to take such action as determined in the Charter.

5.3 **Powers of Committee.** The Committee shall, in its sole discretion (i) select the Participants from among the eligible employees, directors, officers, and consultants, (ii) determine the awards to be made pursuant to the Plan, and (iii) determine the time at which such awards are to be made. . The Committee shall have the full and exclusive right to grant and determine terms and conditions of all awards granted under the Plan and establish such other terms under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of notice that shall set forth the terms and conditions of the grants under the Plan. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of CH2M HILL. The Committee may delegate to one or more officers of CH2M HILL the authority to grant shares of Restricted Stock, subject to such limits and other terms and conditions as may be specified by the Committee.

5.4 **<u>Interpretation of Plan</u>.** The determination of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding and conclusive upon all persons, including CH2M HILL, its shareholders, and all persons having any interest in Restricted Stock which may be or have been granted pursuant to the Plan.

5.5 **<u>Limitation of Liability and Indemnification</u>.**

(a) No member of the Committee shall be liable for any action or determination made in good faith.

(b) Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by CH2M HILL against and from any loss, cost, liability or expense that may be imposed upon or reasonably

incurred in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid in settlement thereof, with CH2M HILL' s approval, or paid in satisfaction of a judgment in any such action, suit or proceeding against him, provided such person shall give CH2M HILL an opportunity, at its own expense, to handle and defend the same before undertaking to handle and defend it on such person' s own behalf.

ARTICLE VI
ADJUSTMENTS TO RESTRICTED STOCK

6.1 **<u>Number of Restricted Stock</u>.** The number of Restricted Stock authorized for issuance under the Plan shall be determined at the discretion of the Committee. If adjustments are required under Sections 6.3 or 6.4 to the number of Restricted Stock granted, the number of Restricted Stock authorized under the Plan shall be adjusted in a similar manner. Restricted Stock that are granted under the Plan shall be applied to reduce the maximum number of Restricted Stock remaining available for grant under the Plan.

6.2 **<u>Unused Restricted Stock</u>.** Any Restricted Stock that for any reason are canceled shall automatically become available for grant under the Plan.

6.3 **<u>Adjustments for Stock Splits and Stock Dividends</u>.** If there is any increase or decrease in the number of outstanding Shares of Stock or any change in the rights and privileges of Shares of Stock (a) as a result of the payment of a Stock dividend or any other distribution payable in Stock, or (b) through a stock split, subdivision, consolidation, combination, reclassification or re-capitalization involving the Stock, then each Restricted Stock grant for which Restricted Stock are affected by one or more of the above events shall be modified as if the Restricted Stock which were affected had actually been Shares of Stock issued and outstanding, fully paid and nonassessable at the time of such occurrence.

6.4 **<u>Other Distributions and Changes in the Stock</u>.** If CH2M HILL distributes assets or securities of persons other than CH2M HILL (excluding cash or distributions referred to in Section 6.3) with respect to the Stock, or if CH2M HILL grants rights to subscribe pro rata for additional Shares of Stock or for any other securities of the Plan Sponsor to the holders of its Stock, or if there is any other change in the number or kind of outstanding Shares of Stock or of any stock or other securities into which the Stock will be changed or for which it has been exchanged, and if the Committee in its discretion determines that the event equitably requires an adjustment to any Restricted Stock Agreement, then such adjustments shall be made, or other action shall be taken, by the Committee as the Committee in its discretion deems appropriate.

ARTICLE VII
REQUIREMENTS OF LAW

7.1 **Requirements of Law.** All awards pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

7.2 **Governing Law.** The Plan and all agreements under the Plan shall be construed in accordance with and governed by the laws of the State of Colorado, United States of America.

ARTICLE VIII
AMENDMENT, MODIFICATION AND TERMINATION

The Board may amend or modify any provision of the Plan at any time. The Board may suspend the granting of any Restricted Stock under the Plan or terminate the Plan at any time.

The Board may determine that any not yet vested Restricted Stock granted under the Plan shall be subject to additional and/or modified terms and conditions, and the terms of the Restricted Stock grant shall be adjusted accordingly, as may be necessary to comply with or take account of any securities, exchange control, or taxation laws, regulations or practice of any territory which may have application to the relevant Participant.

ARTICLE IX
MISCELLANEOUS

9.1 **Gender and Number.** Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

9.2 **No Right to Continued Employment**. Nothing contained in the Plan or in any award granted under the Plan shall confer upon any Participant any right with respect to the continuation of the Participant' s employment by, or consulting relationship with, CH2M HILL and/or Affiliates, or interfere in any way with the right of CH2M HILL or Affiliates, subject to the terms of any separate employment agreement or other contract to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an award. Any Participant who leaves the employment of CH2M HILL shall not be entitled to any compensation for any loss of any right or any benefit or prospective right or benefit under this Plan which the Participant might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

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Exhibit 21.1

Subsidiaries of CH2M HILL Companies, Ltd.

CH2M HILL Alaska, Inc.

CH2M HILL Canada, Limited

CH2M HILL Constructors, Inc.

CH2M HILL Engineers, Inc.

CH2M HILL Global Holdings, S.a.r.l.

CH2M HILL, Inc.

CH2M HILL Netherlands Holding B.V.

CHIHB, LP

Halcrow Group Ltd.

Halcrow Holdings Ltd.

LG Constructors, Inc.

Operations Management International, Inc.

VECO Services, Inc.

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
CH2M HILL Companies, Ltd.:

We consent to the incorporation by reference in the registration statement (No. 333-148101) on Form S-4 and in the registration statement (No. 333-165649) on Form S-8 of CH2M HILL Companies, Ltd. and subsidiaries (the Company) of our report dated February 24, 2014, with respect to the consolidated balance sheets of the Company as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2013, and the effectiveness of internal control over financial reporting as of December 31, 2013, which appears in the December 31, 2013 annual report on Form 10-K and to the references to our firm under the heading "Selected Financial Data" included in the annual report on Form 10-K of the Company.

/s/ KPMG LLP
KPMG LLP

Denver, Colorado
February 24, 2014

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Exhibit 24.1

POWER OF ATTORNEY

Each person whose signature appears below does hereby make, constitute and appoint each of Jacqueline C. Hinman, Gregory S. Nixon and JoAnn Shea, acting individually, as such person's true and lawful attorney-in-fact and agent, with full power of substitution, resubstitution and revocation to execute, deliver and file with the U.S. Securities and Exchange Commission, the United Kingdom Conduct Authority and the corresponding securities regulatory agency in each other country where a registration or filing may be necessary or advised in connection with any offering of the Company's securities, including but not limited to: Argentina, Brazil, Canada, Hong Kong, India, Ireland, Mexico, Poland, Qatar, Singapore, the United Arab Emirates, and the United Kingdom, for and on such person's behalf, and in any and all capacities,

1. The Annual Report on Form 10-K of CH2M HILL Companies, Ltd. for the year ended December 31, 2013, any and all amendments (including post-effective amendments) thereto with all exhibits thereto and other documents in connection therewith, or foreign jurisdiction equivalent reports and statements;

2. A Prospectus for use in the member nations of the European Union pursuant to the EU Prospectus Directions and any and all amendments thereto with all exhibits and other documents in connection therewith, and

3. Such annual or other periodic reports on business, prospects, financial and results of operations as may be required in any such other country.

granting unto each of said attorneys-in fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or such person's substitute or substitutes may lawfully do or cause to be done by virtue hereof.

/s/ ROBERT W. BAILEY Robert W. Bailey	February 14, 2014
/s/ MALCOLM BRINDED Malcolm Brinded	February 14, 2014
/s/ JERRY D. GEIST Jerry D. Geist	February 14, 2014
/s/ JACQUELINE C. HINMAN Jacqueline C. Hinman	February 14, 2014
/s/ CHARLES O. HOLLIDAY, JR. Charles O. Holliday, Jr.	February 14, 2014
/s/ MICHAEL E. MCKELVY Michael E. McKelvy	February 14, 2014
/s/ LEE A. MCINTIRE Lee A. McIntire	February 14, 2014
/s/ GREGORY T. MCINTYRE	February 14, 2014

Gregory T. McIntyre

/s/ GEORGIA R. NELSON Georgia R. Nelson	February 14, 2014
/s/ MICHAEL A. SZOMJASSY Michael A. Szomjassy	February 14, 2014
/s/ BARRY L. WILLIAMS Barry L. Williams	February 14, 2014

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POWER OF ATTORNEY

Exhibit 31.1

CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jacqueline C. Hinman, certify that:

1. I have reviewed this annual report on Form 10-K of CH2M HILL Companies, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2014

/s/ JACQUELINE C. HINMAN

Jacqueline C. Hinman

Chief Executive Officer

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[CERTIFICATION Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

Exhibit 31.2

CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, JoAnn Shea, certify that:

1. I have reviewed this annual report on Form 10-K of CH2M HILL Companies, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2014

/s/ JOANN SHEA

JoAnn Shea

Interim Chief Financial Officer

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[CERTIFICATION Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002]

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Exhibit 32.1

CERTIFICATION

PURSUANT TO RULE 13A-14(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350)

In connection with the Annual Report of CH2M HILL Companies, Ltd. (the "Company") on Form 10-K for the annual period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jacqueline C. Hinman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002 that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

/s/ JACQUELINE C. HINMAN
Jacqueline C. Hinman
Chief Executive Officer

February 24, 2014

This certification "accompanies" the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32.2

CERTIFICATION

PURSUANT TO RULE 13A-14(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350)

In connection with the Annual Report of CH2M HILL Companies, Ltd. (the "Company") on Form 10-K for the annual period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, JoAnn Shea, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002 that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

/s/ JOANN SHEA

JoAnn Shea
Interim Chief Financial Officer
February 24, 2014

This certification "accompanies" the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Commitments and Contingencies (Tables)

12 Months Ended Dec. 31, 2013

Commitments and Contingencies

Schedule of commercial commitments outstanding

($ in thousands)	Amount of Commitment Expiration Per Period: Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$121.1	$10.5	$8.1	$24.9	$164.6
Bank guarantees	17.3	13.4	6.6	—	37.3
Surety and bid bonds	1,301.6	274.1	20.8	—	1,596.5
Total	$1,440.0	$298.0	$35.5	$24.9	$1,798.4

Revolving Credit Facility and Long-Term Debt (Details) (USD $)	12 Months Ended Dec. 31, 2013 Q	Dec. 31, 2012	Apr. 19, 2012	Dec. 06, 2010
Long-term debt				
Total debt	$ 391,122,000	$ 252,329,000		
Less: current portion of debt	4,099,000	3,497,000		
Total long-term portion of debt	387,023,000	248,832,000		
Revolving Credit Facility				
Line of credit				
Maximum borrowing capacity			900,000,000	600,000,000
Additional borrowing capacity, option to increase	200,000,000			
Maximum available for the issuance of standby letters of credit after amendment	500,000,000			
Maximum subfacility available for multicurrency borrowings	300,000,000			
Number of Consecutive Quarters Debt Instrument Covenant Compliance, Consolidated Leverage Ratio, Computed Based on Consolidated Funded Debt to Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization	4			
Amount outstanding	376,800,000			
Average rate of interest (as a percent)	2.07%			
Remaining unused borrowing capacity available under the credit facility	385,600,000			
Long-term debt				
Total debt	376,829,000	235,500,000		
Revolving Credit Facility | Letters of credit and bank guarantee facilities				
Line of credit				
Amount outstanding under letters of credit, and bank guarantee facilities	201,900,000			
Revolving Credit Facility | Variable rate base - option 1				
Line of credit				
Variable interest rate basis	eurodollar (based on a 1, 2, 3, or 6 month interset period), plus a margin based on the entity's consolidated leverage ratio			
Revolving Credit Facility | Variable rate base - option 2				

Line of credit		
Variable interest rate basis	Federal Funds Rate	
Basis points spread on variable interest rate (as a percent)	0.50%	
Revolving Credit Facility | Variable rate base - option 3		
Line of credit		
Variable interest rate basis	Agent's prime rate	
Revolving Credit Facility | Variable rate base - option 4		
Line of credit		
Variable interest rate basis	one month eurodollar	
Basis points spread on variable interest rate (as a percent)	1.00%	
Mortgage payable		
Long-term debt		
Total debt	10,472,000	12,159,000
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases, interest at 5.35%		
Long-term debt		
Interest rate on notes (as a percent)	5.35%	
Total debt	9,259,000	10,374,000
Mortgage payable in monthly installments to December 2015, secured by real estate, interest at 6.59%		
Long-term debt		
Interest rate on notes (as a percent)	6.59%	
Total debt	1,213,000	1,785,000
Equipment financing, due in monthly installments to December 2015, secured by equipment, interest ranging from 4.14% to 8.89%		
Long-term debt		
Minimum interest rate on notes (as a percent)	4.14%	
Maximum interest rate on notes (as a percent)	8.89%	
Total debt	2,446,000	4,348,000
Other notes payable		
Long-term debt		
Total debt	$ 1,375,000	$ 322,000

Employee Benefit Plan Assets (Details) (USD $) In Millions, unless otherwise specified	**Dec. 31, 2013**	**Dec. 31, 2012**
Employee Benefit Plan Assets		
Fair value of employee benefit plan assets	$ 80.0	$ 66.3

Commitments and Contingencies (Details) (USD $)	Dec. 31, 2013
Commercial Guarantee Commitments	
Less than 1 year	$ 1,440,000
1-3 Years	298,000
4-5 Years	35,500
Over 5 Years	24,900
Total Amount Committed	1,798,400
Letters of credit	
Commercial Guarantee Commitments	
Less than 1 year	121,100
1-3 Years	10,500
4-5 Years	8,100
Over 5 Years	24,900
Total Amount Committed	164,600
Bank guarantees	
Commercial Guarantee Commitments	
Less than 1 year	17,300
1-3 Years	13,400
4-5 Years	6,600
Total Amount Committed	37,300
Surety and bid bonds	
Commercial Guarantee Commitments	
Less than 1 year	1,301,600
1-3 Years	274,100
4-5 Years	20,800
Total Amount Committed	$ 1,596,500

Revolving Credit Facility and Long-Term Debt (Details 2) (USD $) In Thousands, unless otherwise specified	Dec. 31, 2013	Dec. 31, 2012
Future principal payments on long-term debt		
2014	$ 4,099	
2015	3,197	
2016	1,419	
2017	378,265	
2018	1,462	
Thereafter	2,680	
Total debt	$ 391,122	$ 252,329

Variable Interest Entities and Equity Method Investments (Details 3) (Affiliated unconsolidated companies)	12 Months Ended Dec. 31, 2013
Domestic | AGVIQ-CH2M HILL Joint Venture III	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Domestic | Americas Gateway Builders	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	40.00%
Domestic | CH2M-WG Idaho, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.50%
Domestic | Coastal Estuary Services	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.90%
Domestic | Connecting Idaho Partners	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Domestic | National Security Technologies, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	10.00%
Domestic | Savannah River Remediation LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	15.00%
Domestic | URS/CH2M OAK RIDGE LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	45.00%
Domestic | Washington Closure, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	30.00%
Foreign | A-one+ Integrated Highway Services	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	33.30%
Foreign | Cavendish Dounreay Partnership, Ltd.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	30.00%
Foreign | CH2M HILL BECA, Ltd.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | CH2M HILL Kunwon PMC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	54.00%

Foreign | CH2M Olayan	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Foreign | CLM Delivery Partner, Limited	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	37.50%
Foreign | Consorcio Integrador Rio de Janeiro	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Foreign | Consorcio Sondotecnica-Cobrape-CH2M	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	25.00%
Foreign | CPG Consultants CH2M HILL NIP Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | ECC-VECO, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | Halcrow (Shanghai) Engineering Consulting Co., LTD	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Foreign | Halcrow-Sinergia-Setepla Consortium	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	29.30%
Foreign | HWC Treatment Program Alliance Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | JJCH2M, a Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	40.00%
Foreign | Luggage Point Alliance	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | OMI BECA, Ltd.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | SMNM VECO Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | Sydney Water Corporation-Odour Management Program Alliance	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | Transcend Partners, Ltd.	
Investments in affiliated unconsolidated companies	

Percentage of ownership in affiliated unconsolidated companies	40.00%

Operating Lease Obligations (Tables)	12 Months Ended Dec. 31, 2013
Operating Lease Obligations	
Schedule of future minimum lease payments of noncancellable operating leases	At December 31, 2013, future minimum lease payments, without consideration of sublease income, are as follows (in thousands):

Year Ending:	
2014	$98,999
2015	80,686
2016	66,140
2017	50,333
2018	31,364
Thereafter	37,207
	$364,729

Income Taxes (Details) (USD $)	3 Months Ended		12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Income before provision for income taxes					
U.S. income			$ 129,049,000	$ 137,033,000	$ 146,721,000
Foreign income			39,993,000	8,009,000	22,506,000
Income before taxes			169,042,000	145,042,000	169,227,000
Current income tax (benefit) / expense:					
Federal			(3,601,000)	49,468,000	55,576,000
Foreign			22,475,000	19,098,000	13,016,000
State and local			(2,656,000)	7,556,000	7,839,000
Total current income tax expense			16,218,000	76,122,000	76,431,000
Deferred income tax expense / (benefit):					
Federal			29,991,000	(22,481,000)	(17,619,000)
Foreign			(2,837,000)	2,810,000	(806,000)
State			7,336,000	(4,385,000)	(2,076,000)
Total deferred income tax benefit			34,490,000	(24,056,000)	(20,501,000)
Total income tax expense			50,708,000	52,066,000	55,930,000
Reconciliations of income tax computed at the U.S. federal statutory tax rate to effective income tax rate					
Pretax income			169,042,000	145,042,000	169,227,000
Federal statutory rate (as a percent)			35.00%	35.00%	35.00%
Expected tax expense			59,165,000	50,765,000	59,229,000
Reconciling items:					
State income taxes, net of federal benefit			8,076,000	4,200,000	6,402,000
Nondeductible meals and entertainment			2,605,000	2,452,000	2,466,000
Section 199-Domestic manufacturer deduction			(3,591,000)	(4,263,000)	(5,472,000)
Subsidiary earnings			(3,488,000)	(7,001,000)	(6,126,000)
Permanent expenses			3,530,000	(5,124,000)	(3,091,000)
Foreign tax rate differential			(12,554,000)	(8,436,000)	(3,593,000)
Tax credits			(36,948,000)	(5,387,000)	(9,071,000)
Change in valuation allowance			(1,127,000)	17,685,000	2,140,000
Foreign permanent expenses and other			35,469,000	8,746,000	13,722,000
Other			(429,000)	(1,571,000)	(676,000)
Total income tax expense			50,708,000	52,066,000	55,930,000
Effective tax rate (as a percent)	24.50%	38.00%	30.00%	35.90%	
Deferred tax assets:					
Net foreign operating loss carryforwards	155,445,000	161,474,000	155,445,000	161,474,000	
Deferred gain, insurance and other	25,504,000	29,829,000	25,504,000	29,829,000	

Investments in affiliates		1,909,000		1,909,000	
Accrued employee benefits	262,283,000	282,974,000	262,283,000	282,974,000	
Total deferred tax assets	443,232,000	476,186,000	443,232,000	476,186,000	
Valuation allowance	(226,970,000)	(231,717,000)	(226,970,000)	(231,717,000)	
Net deferred tax assets	216,262,000	244,469,000	216,262,000	244,469,000	
Deferred tax liabilities:					
Investments in affiliates	(15,827,000)		(15,827,000)		
Depreciation and amortization	(19,465,000)	(13,663,000)	(19,465,000)	(13,663,000)	
Net deferred tax liabilities	(35,292,000)	(13,663,000)	(35,292,000)	(13,663,000)	
Net deferred tax assets	180,970,000	230,806,000	180,970,000	230,806,000	
Operating loss carryforwards from foreign operations and employee benefits	469,900,000	498,000,000	469,900,000	498,000,000	
Minimum period operating losses carry forwards in foreign jurisdiction			3 years		
Income taxes					
Undistributed earnings of foreign subsidiaries	266,300,000		266,300,000		
Approximate income tax expense if foreign earnings were repatriated			19,200,000		
Cash held in international accounts	247,800,000	260,000,000	247,800,000	260,000,000	
Tax benefit from stock-based compensation awards reflected as additional paid-in capital			6,100,000	10,700,000	13,100,000
Liability for uncertain tax positions and accrued interest	38,500,000	30,200,000	38,500,000	30,200,000	
Accrued interest and penalties related to uncertain tax positions	6,800,000	5,400,000	6,800,000	5,400,000	
Reconciliation of the beginning and ending amount of uncertain tax positions					
Beginning balance			24,760,000	25,309,000	
Additions for current year tax positions			1,862,000	1,349,000	
Additions for prior year tax positions			8,370,000	1,002,000	
Reductions for prior year tax positions			(1,604,000)	(866,000)	
Settlement with taxing authorities				(168,000)	
Reductions as a result of lapse of applicable statue of expirations			(585,000)	(1,866,000)	
Ending balance	32,803,000	24,760,000	32,803,000	24,760,000	25,309,000
Uncertain tax positions that if recognized would affect the effective tax rate	32,800,000		32,800,000		
Estimated range of unrecognized change, minimum	0		0		
Estimated range of unrecognized change, maximum	1,200,000		1,200,000		
Research | Tax credit carryforward through 2032					

Tax credit carryforward		
Tax credit carryforward	800,000	800,000
Research | Tax credit carryforward through 2033		
Tax credit carryforward		
Tax credit carryforward	1,300,000	1,300,000
Foreign		
Tax credit carryforward		
Tax credit carryforward	$ 7,300,000	$ 7,300,000

Commitments and Contingencies (Details 2) (USD $)	1 Months Ended		12 Months Ended			1 Months Ended		
	Mar. 31, 2013	Sep. 30, 2012 employee	Dec. 31, 2013	Dec. 31, 2012 employee	Dec. 31, 2011 employee	Dec. 31, 2011 Halcrow	Sep. 30, 2013 Halcrow Building lease	Dec. 31, 2012 Halcrow Building lease
Purchase price adjustments								
Accruals for potential estimated claim liabilities			$ 15,500,000	$ 34,400,000				
Number of former employees who pleaded guilty in United States District Court				8	8			
Number of former employees involved in civil False Claims Act case filed in the District Court for the Eastern District of Washington		1						
Term required to comply with ongoing requirements under the Non-Prosecution Agreement	3 years							
Legal settlement payment in total under both agreements			18,500,000					
Criminal charges			0					
Capital lease and related obligations								66,100,000
Operating lease payments due			364,729,000					36,800,000
Termination of obligation under the lease						136,800,000	66,100,000	
Payment on termination of lease obligation			27,033,000				27,000,000	
Gain on termination of lease obligations			$ 15,468,000				$ 15,500,000	

Summary of Business and Significant Accounting Policies (Policies)	12 Months Ended Dec. 31, 2013
Summary of Business and Significant Accounting Policies	
Principles of Consolidation and Basis of Presentation	***Principles of Consolidation and Basis of Presentation*** The consolidated financial statements include the accounts of CH2M HILL and all of its wholly owned subsidiaries after elimination of all intercompany accounts and transactions. Partially owned affiliates and joint ventures are evaluated for consolidation. The consolidated financial statements (referred to herein as "financial statements") are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The equity method of accounting is used for investments in companies which we do not control; however, we have the ability to exercise significant influence over operating and financial policies of the investee. Our consolidated net income includes our Company's proportionate share of the net income or loss of these companies. The cost method of accounting is used for our investments in companies that we do not control and for which we do not have the ability to exercise significant influence over operating and financial policies. These investments are recorded at cost. Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation.
Use of Estimates	***Use of Estimates*** The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates.
Capital Structure and Accumulated Other Comprehensive Loss	***Capital Structure*** Our Company has authorized 100,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of Class A preferred stock, par value $0.01 per share. The bylaws and articles of incorporation provide for the imposition of certain restrictions on the stock including, but not limited to, the right but not the obligation to repurchase shares upon termination of employment or affiliation, the right of first refusal and ownership limits. ***Accumulated Other Comprehensive Loss*** Accumulated other comprehensive loss consists of foreign currency translation adjustments, unrealized gain on equity investments and benefit plan adjustments. These components are included in the consolidated statements of stockholders' equity and consolidated statements of comprehensive income. Taxes are not provided on the foreign currency translation gains and losses as deferred taxes are not provided on the unremitted earnings of the foreign subsidiaries to which they relate. For the year ended December 31, 2013, changes to accumulated other comprehensive income are as follows (in thousands):

Benefit plans:	
Balance at beginning of year	$(143,171)
Reclassification adjustment	4,935
Other comprehensive loss recognized during the year	(7,988)
Balance at end of year	$(146,224)
Unrealized gain on equity investments:	
Balance at beginning of year	$854
Other comprehensive loss recognized during the year	(642)
Balance at end of year	$212
Foreign currency translation:	
Balance at beginning of year	$11,646

Other comprehensive loss recognized during the year	(4,597)
Balance at end of year	$7,049

Other comprehensive loss related to our benefit plans includes pretax reclassification adjustments of $8.2 million ($4.9 million, net of tax) for the year ended December 31, 2013 and is recognized in the Direct cost of services and overhead and the General and administrative lines of our Consolidated Statements of Income. See Note 15—*Employee Retirement Plans*.

Foreign Currency Translation

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars as of each balance sheet date. Translation gains and losses related to permanent investments in foreign subsidiaries are reflected in stockholders' equity as part of accumulated other comprehensive loss. Revenues and expenses are translated at the average exchange rate for the period and included in the consolidated statements of income. Foreign currency transaction gains and losses are recognized as incurred in the consolidated statements of income.

Revenue Recognition

Revenue Recognition

We earn revenue from different types of services performed under various types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Unbilled Revenue and Billings in Excess of Revenue

Unbilled Revenue and Billings in Excess of Revenue

Unbilled revenue represents the excess of contract revenue recognized over billings to date on contracts in process. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of revenue represent the excess of billings to date, per the contract terms, over revenue recognized on contracts in process.

Allowance for Uncollectible Accounts Receivable

Allowance for Uncollectible Accounts Receivable

We reduce accounts receivable by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance for uncollectible amounts based on their judgments in evaluating the aging of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

Fair Value Measurements

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Assets and liabilities are valued based upon observable and non-observable inputs. Valuations using Level 1 inputs are based off of unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date. Level 2 inputs utilize significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly; and valuations using Level 3 inputs are based off of significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during the year ended December 31, 2013.

Income Taxes

We account for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax effects of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than enactment of changes in the tax laws or rates. Deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized. Annually, we determine the amount of undistributed foreign earnings invested indefinitely in our foreign operations. Deferred taxes are not provided on those earnings. In addition, the calculation of tax assets and liabilities involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We record reserves for uncertain tax positions that do not meet these criteria.

Cash and Cash Equivalents

Highly liquid investments with original short-term maturities of less than three months are considered cash equivalents in the consolidated balance sheets and statements of cash flows. We maintain a cash management system which provides for cash sufficient to pay checks as they are submitted for payment and we invest cash in excess of this amount in interest-bearing short-term investments such as certificates of deposit and commercial paper. In addition, cash and cash equivalents on our consolidated balance sheets include cash held within our consolidated joint venture entities which is used for operating activities of those joint ventures. As of December 31, 2013 and 2012, cash and cash equivalents held in our consolidated joint ventures and reflected on the consolidated balance sheets totaled $112.2 million and $118.8 million, respectively.

Available-for-Sale Securities

Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in accumulated other comprehensive loss, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. The fair value of available-for-sale securities is estimated using Level 1 inputs.

Property, Plant and Equipment

All additions, including betterments to existing facilities, are recorded at cost. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in operating income in the year of disposition.

Depreciation for owned property is based on the estimated useful lives of the assets using the straight-line method for financial statement purposes. Useful lives for buildings range from 6 to 20 years. Furniture, fixtures, computers, software and other equipment are depreciated over their useful lives from 3 to 10 years. Leasehold improvements are depreciated over the shorter of their estimated useful life or the remaining term of the associated lease up to 10 years.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill acquired in a purchase business combination is not amortized, but instead, is tested for impairment at least annually in accordance with the provisions of the FASB Accounting Standards Codification ("ASC") 350, *Intangibles-Goodwill and Other* ("ASC 350"), as amended under Accounting Standards Update 2011-08 ("ASU 2011-08"). In performing the annual impairment test, we evaluate our goodwill at the reporting unit level which we have determined based upon our various lines of business within each of our reporting segments. Under the guidance of ASC 350, we have the option to assess either quantitative or qualitative factors to determine if it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair values of our reporting units are less than their carrying amounts, then the next step of the impairment test is unnecessary. If we conclude otherwise, then we are required to test goodwill for impairment under the two-step process. The two-step process involves comparing the estimated fair value of each reporting unit to the unit's carrying value, including goodwill. If the carrying value of a reporting unit exceeds its fair value, the goodwill of the reporting unit is not considered impaired; therefore, the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, we would then perform a second step to measure the amount of goodwill impairment loss to be recorded. We determine the fair value of our reporting units using a market approach. Our market based valuation method provides estimates of the fair value of our reporting units based on applying a multiple to our estimate of a cash flow metric for each business unit. Our annual goodwill impairment test is conducted as of October 1st of each year. For 2013, we selected the qualitative method to assess if it was not more likely than not that the carrying value of the reporting units exceeds their fair value and, as a result, we considered various relevant factors including current and expected macroeconomic conditions, industry and market considerations, specific reporting unit performance and other changes in the overall business. Based on these considerations, we concluded there was no indication of impairment of goodwill in any of our reporting units.

Other Long-Lived Assets

Other Long-Lived Assets

We may acquire other intangible assets in business combinations. Intangible assets are stated at fair value as of the date acquired in a business combination. We amortize intangible assets with finite lives on a straight-line basis over their expected useful lives, currently up to seven years. For those intangible assets with no legal, regulatory, contractual or other factors that would reasonably limit the useful life of the intangible asset, management has determined that the life is indefinite and therefore, they are not amortized.

Derivative instruments

Derivative instruments

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value on the consolidated balance sheets in other receivables or other accrued liabilities as applicable. The periodic change in the fair value of the derivative instruments is recognized in earnings.

Concentrations of Credit Risk

Concentrations of Credit Risk

Financial instruments which potentially subject our company to concentrations of credit risk consist principally of cash and cash equivalents, short term investments and trade receivables. Our cash is primarily held with major banks and financial institutions throughout the world and typically is insured up to a set amount. Accordingly, we believe the risk of any potential loss on deposits held in these institutions is minimal. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government, various states and municipalities, foreign government agencies, and a variety of U.S. and foreign corporations operating in a broad range of industries and geographic areas.

Contracts with the U.S. federal government and its prime contractors usually contain standard provisions for permitting the government to modify, curtail or terminate the contract for convenience of the government or such prime contractors if program requirements or budgetary constraints change. Upon such a termination, we are generally entitled to recover costs incurred, settlement expenses and profit on work completed prior to termination.

Recent Accounting Standards

Recent Accounting Standards

Effective January 1, 2013, we adopted Financial Accounting Standards Board ("FASB") Accounting Standard Update ("ASU") 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment.* ASU 2012-02 allows entities testing an indefinite-lived intangible asset other than goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of the asset. If it is determined, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not greater than the carrying amount, no further testing is necessary. The adoption of this standard did not impact our consolidated financial position, results of operations or cash flows.

Effective January 1, 2013, we adopted FASB ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* to amend the reporting of reclassifications out of Accumulated Other Comprehensive Income ("AOCI") to require an entity to report the effect of significant reclassifications out of AOCI on the respective line items in net income if the amount reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same reporting period. An entity shall provide this information together in one location, either on the face of the statement where net income is presented, or as a separate disclosure in the notes to the financial statements. As this update only required additional disclosures, adoption of this standard did not have a material impact on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued ASU 2013-04, *Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date*, which requires an entity to measure those obligations as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors as well as any additional amount the entity expects to pay on behalf of its co-obligors. ASU 2013-04 also requires an entity to disclose the nature and amount of those obligations. The amendments in this ASU are effective for our reporting periods beginning on December 31, 2013 and retrospective application is required. The adoption of ASU 2013-04 did not have a material impact on our consolidated financial statements.

In March 2013, the FASB issued ASU 2013-05, *Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*, to clarify the applicable guidance for the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary within a foreign entity. The amendments in this ASU are effective prospectively for fiscal years, and interim periods beginning with the Company's December 31, 2013 financial statements. The adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. The provisions of the rule requires, with certain exceptions, an unrecognized tax benefit to be presented as a reduction to a deferred tax asset in the financial statements for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The provisions relating to this update are prospective and effective for interim and annual periods beginning with the Company's December 31, 2013 financial statements. The implementation of ASU 2013-11 did not have a material impact on our consolidated financial statements.

Goodwill and Intangible Assets (Details) (USD $) In Thousands, unless otherwise specified	12 Months Ended	
	Dec. 31, 2013	Dec. 31, 2012
Changes in goodwill		
Balance at beginning of year	$ 562,461	$ 545,443
Foreign currency translation	11,026	17,018
Balance at end of year	$ 573,487	$ 562,461

Receivables, net (Details) (Customer concentration risk, Receivables, U.S. federal government)	12 Months Ended	
	Dec. 31, 2013	Dec. 31, 2012
Customer concentration risk | Receivables | U.S. federal government		
Receivables, net		
Percentage of net receivables accounted	18.00%	16.00%

Employee Retirement Plans (Tables)	12 Months Ended Dec. 31, 2013
Pension Plans	
Pension and Other Postretirement Benefits	
Schedule of actuarial assumptions used to compute the net periodic expense	

	U.S. Pension Plans			Non-U.S. Pension Plans	
	2013	2012	2011	2013	2012
Discount rate	4.20 %	5.30 %	5.80 %	4.50 %	4.90 %
Expected long-term rate of return on plan assets	6.75 %	7.50 %	7.50 %	4.63 %	5.81 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %	4.00 %	4.10 %

Schedule of components of the net periodic pension expense, non-qualified pension benefit expense and post-retirement benefit expense

($ in thousands)	U.S. Pension Plans 2013	2012	2011	Non-U.S. Pension Plans 2013	2012	2011
Service cost	$3,833	$3,532	$3,666	$4,041	$2,350	$320
Interest cost	10,015	10,592	10,585	47,752	45,628	5,969
Expected return on plan assets	(10,801)	(10,756)	(10,462)	(32,440)	(36,647)	(5,674)
Amortization of prior service cost (credits)	(766)	(781)	(783)	—	—	—
Recognized net actuarial loss	7,490	5,546	3,549	931	—	—
Net expense included in current income	$9,771	$8,133	$6,555	$20,284	$11,331	$615

Schedule of significant actuarial weighted average assumptions used to compute the benefit obligations for the plans

	U.S. Pension Plans 2013	2012	Non-U.S. Pension Plans 2013	2012
Discount rate	5.10 %	4.20 %	4.40 %	4.50 %
Rate of compensation increase	3.30 %	3.00 %	4.00 %	4.00 %

Schedule of change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans and change in plan assets for the pension plans

($ in thousands)	U.S. Pension Plans 2013	2012	Non-U.S. Pension Plans 2013	2012
Benefit obligation at beginning of year	$245,077	$205,750	$1,063,952	$922,259
Service cost	3,833	3,532	4,041	2,350
Interest cost	10,015	10,592	47,752	45,628
Actuarial loss	(26,876)	34,584	52,050	82,069
Participant contributions	—	—	338	347
Currency translation	—	—	16,639	43,707
Benefits paid	(11,189)	(9,381)	(37,262)	(32,408)
Benefit obligation at end of year	$220,860	$245,077	$1,147,510	$1,063,952
Plan assets at beginning of year	$162,665	$141,491	$701,256	$623,972
Actual return on plan assets	12,274	18,195	52,571	57,968
Company contributions	8,189	12,360	23,120	21,674
Participant contributions	—	—	338	347
Currency translation	—	—	11,120	29,703
Benefits paid	(11,189)	(9,381)	(37,262)	(32,408)
Assets obtained from the Halcrow acquisition and other	—	—	—	—
Fair value of plan assets at end of year	$171,939	$162,665	$751,143	$701,256

Schedule of expected benefit payments

($ in thousands)	U.S. Pension Plans	Non-U.S. Pension Plans
2014	$12,654	$44,613
2015	13,307	42,747
2016	14,257	44,124
2017	15,123	45,534
2018	15,591	48,256
Thereafter	83,358	265,916
	$154,290	$491,190

Schedule of target allocation and weighted-average asset allocations for the defined benefit pension plans by asset category

	U.S. Pension Plans Target Allocation	2013	2012	Non-U.S. Pension Plans 2013	2012
Equity securities	55 %	63 %	54 %	38 %	36 %
Debt securities	45 %	36 %	46 %	55 %	50 %
Other	— %	1 %	— %	7 %	14 %
Total	100 %	100 %	100 %	100 %	100 %

Summary of the fair values of defined benefit pension plan assets by major asset category

($ in thousands)	U.S. Pension Plans Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Cash and cash equivalents	$1,610	$1,610	$—	$—
Equity funds	108,726	108,726	—	—
Fixed income securities	61,603	61,603	—	—
Total	$171,939	$171,939	$—	$—
December 31, 2012				

Cash and cash equivalents	$937	$937	$—	$—
Equity funds	87,143	87,143	—	—
Fixed income securities	74,585	74,585	—	—
Total	$162,665	$162,665	$—	$—

	Non-U.S. Pension Plans			
($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Cash and cash equivalents	$20,543	$18,380	$2,163	$—
Equity funds	281,191	244,804	36,387	—
Fixed income securities	407,461	349,941	57,520	—
International property fund	14,186	1,148	11,708	1,330
Other	27,762	21,636	6,126	—
Total	$751,143	$635,909	$113,904	$1,330
December 31, 2012				
Cash and cash equivalents	$42,969	$41,988	$981	$—
Equity funds	254,538	217,996	36,542	—
Fixed income securities	351,558	288,590	62,968	—
International property fund	31,697	1,632	30,065	—
Other	20,494	18,719	1,775	—
Total	$701,256	$568,925	$132,331	$—

Schedule of underfunded status of the pension, non-qualified pension and post-retirement benefit plans

	U.S. Pension Plans		Non-U.S. Pension Plans	
($ in thousands)	2013	2012	2013	2012
Projected benefit obligation	$220,860	$245,077	$1,147,510	$1,063,952
Fair value of plan assets	171,939	162,665	751,143	701,256
Overfunded status	—	—	765	—
Underfunded status	$(48,921)	$(82,412)	$(397,132)	$(362,696)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$60,004	$95,843	$115,399	$83,037
Net prior service cost (credits)	(7,115)	(7,881)	—	—
Total	$52,889	$87,962	$115,399	$83,037
Amounts to be recognized in the following year as a component of net periodic pension expense:				
Net actuarial loss	$4,598	$7,490	$1,195	918
Net prior service cost (credits)	(766)	(766)	—	—
Total	$3,832	$6,724	$1,195	918
Additional information:				
Accumulated benefit obligation	$216,824	$238,234	$1,139,224	$1,056,442

Postretirement Benefit Plans

Pension and Other Postretirement Benefits

Schedule of actuarial assumptions used to compute the net periodic expense

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
	2013	2012	2011	2013	2012	2011
Actuarial assumptions at beginning of year:						
Discount rate	4.20 %	5.30 %	5.80 %	4.20 %	5.30 %	5.80 %
Initial healthcare costs trend rate	na	na	na	na	na	na
Ultimate healthcare cost trend rate	na	na	na	na	na	na
Year ultimate trend rate is reached	na	na	na	na	na	na

na—not applicable

Schedule of components of the net periodic pension expense, non-qualified pension benefit expense and post-retirement benefit expense

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
($ in thousands)	2013	2012	2011	2013	2012	2011
Service cost	$—	$—	$—	$1,816	$1,828	$1,971
Interest cost	81	38	34	2,196	2,416	2,519
Amortization of transition obligation	—	—	—	—	100	349
Amortization of prior service costs	—	—	—	206	341	354
Recognized net actuarial loss (gain)	21	36	12	336	—	50
Net expense included in current income	$102	$74	$46	$4,554	$4,685	$5,243

Schedule of change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans and change in plan assets for the pension plans

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	2013	2012	2013	2012
Benefit obligation at beginning of year	$1,994	$770	$53,686	$46,821
Service cost	—	—	1,816	1,828
Interest cost	81	38	2,196	2,416
Transfer of existing obligations	—	1,200	—	—
Plan contributions	—	—	1,960	2,045
Actuarial loss (gain)	(341)	86	(10,907)	4,246
Participant contributions	—	—	41	25
Benefits paid	(126)	(100)	(4,456)	(3,695)
Benefit obligation at end of year	$1,608	$1,994	$44,336	$53,686

Schedule of expected benefit payments

($ in thousands)	Non-Qualified Pension Plan	Postretirement Benefit Plans
2014	$165	$2,603

2015	163	2,745
2016	155	2,911
2017	147	3,082
2018	141	3,269
2019-2023	613	18,619
	$1,384	$33,229

Schedule of underfunded status of the pension, non-qualified pension and post-retirement benefit plans

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	**2013**	**2012**	**2013**	**2012**
Projected benefit obligation	$1,608	$1,994	$—	$—
Accumulated benefit obligation	—	—	44,336	53,686
Underfunded status	$(1,608)	$(1,994)	$(44,336)	$(53,686)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$55	$416	$(2,784)	$8,460
Net prior service cost	—	—	(262)	(56)
Transition obligation	—	—	—	—
Total	$55	$416	$(3,046)	$8,404
Amounts to be recognized in the following year as a component of net periodic cost:				
Net actuarial loss	$—	$21	$(11)	$336
Transition obligation	—	—	—	—
Net prior service cost	—	—	(29)	206
Total	$—	$21	$(40)	$542

Fair Value of Financial Instruments (Details) (USD $)	Dec. 31, 2013	Dec. 31, 2012
Carrying Amount | Mortgage notes payable		
Carrying value and estimated fair value of financial instruments		
Long-term debt	$ 10,472,000	$ 12,159,000
Carrying Amount | Equipment financing		
Carrying value and estimated fair value of financial instruments		
Long-term debt	2,446,000	4,348,000
Fair Value | Level 2 | Mortgage notes payable		
Carrying value and estimated fair value of financial instruments		
Long-term debt	9,260,000	10,718,000
Fair Value | Level 2 | Equipment financing		
Carrying value and estimated fair value of financial instruments		
Long-term debt	2,279,000	3,716,000
Fair Value | Level 1		
Carrying value and estimated fair value of financial instruments		
Fair value of securities classified as available-for-sale	$ 1,100,000	$ 2,100,000

Segment Information (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2013 item	Dec. 31, 2012	Dec. 31, 2011
Segment information											
Number of segments									2		
Revenue from external customers	$ 1,444,461	$ 1,472,603	$ 1,513,006	$ 1,447,749	$ 1,614,541	$ 1,603,456	$ 1,540,612	$ 1,401,944	$ 5,877,819	$ 6,160,553	$ 5,555,233
Equity in earnings of joint ventures and affiliated companies									54,010	63,674	64,477
Depreciation and amortization									74,533	79,631	48,215
Operating income (loss)	72,460	56,851	49,086	13,965	55,383	47,822	46,030	9,604	192,362	158,839	185,153
Segment assets	3,056,397				3,114,584				3,056,397	3,114,584	2,754,039
Goodwill	573,487				562,461				573,487	562,461	545,443
Operating | Energy, Water and Facilities											
Segment information											
Revenue from external customers									3,215,938	3,474,768	2,784,418
Equity in earnings of joint ventures and affiliated companies									10,508	22,612	25,025
Depreciation and amortization									41,710	45,711	38,021
Operating income (loss)									83,941	88,216	99,642
Segment assets	1,430,611				960,456				1,430,611	960,456	813,600
Goodwill	223,991				221,539				223,991	221,539	217,756
Operating | Government, Environment and Infrastructure											
Segment information											
Revenue from external customers									2,661,881	2,685,785	2,770,815
Equity in earnings of joint ventures and affiliated companies									43,502	41,062	39,452
Depreciation and amortization									32,823	33,920	10,194
Operating income (loss)									127,571	93,249	106,970
Segment assets	1,625,786				2,154,128				1,625,786	2,154,128	1,940,439
Goodwill	349,496				340,922				349,496	340,922	327,687
Corporate											
Segment information											
Operating income (loss)									$ (19,150)	$ (22,626)	$ (21,459)

Employee Retirement Plans (Details) (The Retirement and Tax-Deferred Savings Plan ("401(k) Plan"), USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Defined Contribution Plan Disclosure			
Expenses related to defined contributions made in common stock for 401(k) Plan	$ 36.5	$ 45.5	$ 44.8
Maximum			
Defined Contribution Plan Disclosure			
Employer contribution limit per calendar quarter to 401 (k) plan (as a percent of base compensation)	6.00%		

Property, Plant and Equipment (Details) (USD $)	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Property, plant and equipment			
Property, plant and equipment, gross	$ 482,358,000	$ 472,815,000	
Less: Accumulated depreciation	(255,933,000)	(260,808,000)	
Net property, plant and equipment	226,425,000	212,007,000	
Depreciation expense	39,100,000	41,000,000	37,100,000
Land			
Property, plant and equipment			
Property, plant and equipment, gross	22,120,000	23,012,000	
Building and land improvements			
Property, plant and equipment			
Property, plant and equipment, gross	93,088,000	112,062,000	
Furniture and fixtures			
Property, plant and equipment			
Property, plant and equipment, gross	26,560,000	25,963,000	
Computer and office equipment			
Property, plant and equipment			
Property, plant and equipment, gross	146,645,000	110,094,000	
Field equipment			
Property, plant and equipment			
Property, plant and equipment, gross	121,186,000	115,378,000	
Leasehold improvements			
Property, plant and equipment			
Property, plant and equipment, gross	$ 72,759,000	$ 86,306,000	

Receivables, net	12 Months Ended Dec. 31, 2013

Receivables, net

Receivables, net

(2) Receivables, net

Receivables are stated at net realizable values and consist of receivables billed to clients as well as receivables for which revenue has been earned but has not yet been billed. The U.S. federal government accounted for approximately 18% and 16% of our net receivables at December 31, 2013 and 2012, respectively. No other customer exceeded 10% of total receivables at December 31, 2013 or 2012.

The change in the allowance for uncollectible accounts consists of the following for the years ended December 31:

($ in thousands)	2013	2012	2011
Balance at beginning of year	$10,072	$7,520	$12,076
Provision charged to expense	4,487	4,060	5,846
Accounts written off	(3,437)	(579)	(9,576)
Other	(2,705)	(929)	(826)
Balance at end of year	$8,417	$10,072	$7,520

Employee Retirement Plans (Details 2) (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013 plan	Dec. 31, 2012	Dec. 31, 2011
U.S. Pension Plans			
Pension and Other Postretirement Benefits			
Number of noncontributory defined benefit pension plans	3		
Number of noncontributory defined benefit pension plans discontinued	2		
Number of noncontributory defined benefit pension plans remains active	1		
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	4.20%	5.30%	5.80%
Expected long-term rate of return on plan assets (as a percent)	6.75%	7.50%	7.50%
Rate of compensation increase (as a percent)	3.00%	3.00%	3.00%
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Service costs	$ 3,833	$ 3,532	$ 3,666
Interest costs	10,015	10,592	10,585
Expected return on plan assets	(10,801)	(10,756)	(10,462)
Amortization of prior service cost (credits)	(766)	(781)	(783)
Recognized net actuarial loss (gain)	7,490	5,546	3,549
Net expense included in current income	9,771	8,133	6,555
Expected future services paid from plan assets and operating cash flows			
2014	12,654		
2015	13,307		
2016	14,257		
2017	15,123		
2018	15,591		
Thereafter	83,358		
Total expected future benefit payments	154,290		
Non-U.S. Pension Plans			
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	4.50%	4.90%	
Expected long-term rate of return on plan assets (as a percent)	4.63%	5.81%	
Rate of compensation increase (as a percent)	4.00%	4.10%	
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Service costs	4,041	2,350	320
Interest costs	47,752	45,628	5,969
Expected return on plan assets	(32,440)	(36,647)	(5,674)
Recognized net actuarial loss (gain)	931		
Net expense included in current income	20,284	11,331	615
Expected future services paid from plan assets and operating cash flows			
2014	44,613		
2015	42,747		

2016	44,124		
2017	45,534		
2018	48,256		
Thereafter	265,916		
Total expected future benefit payments	491,190		
Non-Qualified Pension Plans			
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	4.20%	5.30%	5.80%
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Interest costs	81	38	34
Recognized net actuarial loss (gain)	21	36	12
Net expense included in current income	102	74	46
Expected future services paid from plan assets and operating cash flows			
2014	165		
2015	163		
2016	155		
2017	147		
2018	141		
Thereafter	613		
Total expected future benefit payments	1,384		
Employee age required to participate in the plan	65 years		
Postretirement Benefit Plans			
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	4.20%	5.30%	5.80%
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Service costs	1,816	1,828	1,971
Interest costs	2,196	2,416	2,519
Amortization of transition obligation		100	349
Amortization of prior service cost (credits)	206	341	354
Recognized net actuarial loss (gain)	336		50
Net expense included in current income	4,554	4,685	5,243
Expected future services paid from plan assets and operating cash flows			
2014	2,603		
2015	2,745		
2016	2,911		
2017	3,082		
2018	3,269		
Thereafter	18,619		
Total expected future benefit payments	$ 33,229		

Receivables, net (Details 2) (Uncollectible Accounts, USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Uncollectible Accounts			
Change in allowance for uncollectible accounts			
Balance at beginning of year	$ 10,072	$ 7,520	$ 12,076
Provision charged to expense	4,487	4,060	5,846
Accounts written off	(3,437)	(579)	(9,576)
Other	(2,705)	(929)	(826)
Balance at end of year	$ 8,417	$ 10,072	$ 7,520

Property, Plant and Equipment (Tables)	12 Months Ended Dec. 31, 2013
Property, Plant and Equipment	
Components of property, plant and equipment	

($ in thousands)	2013	2012
Land	$22,120	$23,012
Building and land improvements	93,088	112,062
Furniture and fixtures	26,560	25,963
Computer and office equipment	146,645	110,094
Field equipment	121,186	115,378
Leasehold improvements	72,759	86,306
	482,358	472,815
Less: Accumulated depreciation	(255,933)	(260,808)
Net property, plant and equipment	$226,425	$212,007

Variable Interest Entities and Equity Method Investments (Tables)

12 Months Ended Dec. 31, 2013

Variable Interest Entities and Equity Method Investments

Schedule of summarized financial information for unconsolidated VIEs and equity method investments

($ in thousands)	2013	2012
FINANCIAL POSITION:		
Current assets	$611,879	$802,755
Noncurrent assets	25,366	48,623
Total assets	$637,245	$851,378
Current liabilities	$407,687	$522,152
Noncurrent liabilities	3,119	22,755
Partners'/Owners' equity	226,439	306,471
Total liabilities and equity	$637,245	$851,378
CH2M HILL's share of equity	$92,287	$118,008

($ in thousands)	2013	2012	2011
RESULTS OF OPERATIONS:			
Revenue	$2,515,747	$2,787,830	$3,037,595
Direct costs	(2,305,945)	(2,513,302)	(2,779,990)
Gross margin	209,802	274,528	257,605
General and administrative expenses	(37,880)	(39,408)	(50,307)
Operating income	171,922	235,120	207,298
Other (loss) income, net	(6,024)	(15,095)	130
Net income	$165,898	$220,025	$207,428
CH2M HILL's share of net income	$54,010	$63,674	$64,477

Schedule of significant investments in affiliated unconsolidated companies

	% Ownership	
Domestic:		
AGVIQ—CH2M HILL Joint Venture III	49.0	%
Americas Gateway Builders	40.0	%
CH2M / WG Idaho, LLC	50.5	%
Coastal Estuary Services	49.9	%
Connecting Idaho Partners	49.0	%
National Security Technologies, LLC	10.0	%
Savannah River Remediation LLC	15.0	%
URS/CH2M OAK RIDGE LLC	45.0	%
Washington Closure, LLC	30.0	%
Foreign:		
A-one+ Integrated Highway Services.	33.3	%
Cavendish Dounreay Partnership, Ltd.	30.0	%
CH2M HILL BECA, Ltd.	50.0	%
CH2M HILL—Kunwon PMC	54.0	%
CH2M Olayan	49.0	%
CLM Delivery Partner, Limited	37.5	%
Consorcio Integrador Rio de Janeiro	49.0	%
Consorcio Sondotecnica-Cobrape-CH2M	25.0	%
CPG Consultants—CH2M HILL NIP Joint Venture	50.0	%
ECC-VECO, LLC	50.0	%
Halcrow (Shanghai) Engineering Consulting Co., LTD	49.0	%
Halcrow-Sinergia-Setepla Consortium	29.3	%
HWC Treatment Program Alliance Joint Venture	50.0	%
JJCH2M, a Joint Venture	40.0	%
Luggage Point Alliance	50.0	%
OMI BECA, Ltd.	50.0	%
SMNM VECO Joint Venture	50.0	%
Sydney Water Corporation-Odour Management Program Alliance	50.0	%
Transcend Partners, Ltd	40.0	%

Operating Lease Obligations (Details) (USD $)	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Future minimum lease payments of noncancellable operating leases			
2014	$ 98,999,000		
2015	80,686,000		
2016	66,140,000		
2017	50,333,000		
2018	31,364,000		
Thereafter	37,207,000		
Total future minimum lease payments of noncancellable operating leases	364,729,000		
Rental expense	121,200,000	125,800,000	121,500,000
Amortization of a deferred gain related to sale-leaseback of corporate offices	$ 4,300,000	$ 4,300,000	$ 4,300,000

Variable Interest Entities and Equity Method Investments (Details) (USD $)	Dec. 31, 2013	Dec. 31, 2012
Investments in unconsolidated affiliates		
Investments in unconsolidated affiliates	$ 92,287,000	$ 118,008,000
Consolidated VIEs		
Variable interest entities		
Total assets of VIEs consolidated	158,600,000	
Total liabilities of VIEs consolidated	105,000,000	
Unconsolidated VIE's		
Investments in unconsolidated affiliates		
Investments in unconsolidated affiliates	$ 92,300,000	$ 118,000,000

Goodwill and Intangible Assets (Tables)	12 Months Ended Dec. 31, 2013

Goodwill and Intangible Assets

Schedule of changes in goodwill

($ in thousands)	2013	2012
Balance at beginning of year	$562,461	$545,443
Foreign currency translation	11,026	17,018
Balance at end of year	$573,487	$562,461

Schedule of components of finite-lived intangible assets

($ in thousands)	Cost	Accumulated Amortization	Net finite-lived intangible assets
December 31, 2013			
Contracted backlog	$79,576	$(70,306)	$9,270
Customer relationships	162,444	(88,436)	74,008
Tradename	24,588	(11,208)	13,380
Total finite-lived intangible assets	$266,608	$(169,950)	$96,658
December 31, 2012			
Contracted backlog	$81,014	$(64,850)	$16,164
Customer relationships	160,651	(62,386)	98,265
Tradename	24,862	(5,634)	19,228
Total finite-lived intangible assets	$266,527	$(132,870)	$133,657

Schedule of future estimated amortization expense related to these intangible assets

At December 31, 2013, the future estimated amortization expense related to these intangible assets is (in thousands):

Year Ending:	
2014	$33,468
2015	25,437
2016	21,276
2017	15,743
2018	734
	$96,658

Fair Value of Financial Instruments (Tables)

12 Months Ended Dec. 31, 2013

Fair Value of Financial Instruments

Estimated fair values of financial instruments where carrying values do not approximate fair value

($ in thousands)	2013 Carrying Amount	2013 Fair Value	2012 Carrying Amount	2012 Fair Value
Mortgage notes payable	$10,472	$9,260	$12,159	$10,718
Equipment financing	2,446	2,279	4,348	3,716

Summary of Business and Significant Accounting Policies	12 Months Ended Dec. 31, 2013
Summary of Business and Significant Accounting Policies	
Summary of Business and Significant Accounting Policies	

(1) Summary of Business and Significant Accounting Policies

Summary of Business

CH2M HILL Companies, Ltd. and subsidiaries ("We", "Our", "CH2M HILL" or the "Company") is a project delivery firm founded in 1946. We are a large employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, engineering-procurement-construction ("EPC"), operations and maintenance, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry and utilities, around the world. A substantial portion of our professional fees are derived from projects that are funded directly or indirectly by government entities.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of CH2M HILL and all of its wholly owned subsidiaries after elimination of all intercompany accounts and transactions. Partially owned affiliates and joint ventures are evaluated for consolidation. The consolidated financial statements (referred to herein as "financial statements") are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

The equity method of accounting is used for investments in companies which we do not control; however, we have the ability to exercise significant influence over operating and financial policies of the investee. Our consolidated net income includes our Company's proportionate share of the net income or loss of these companies. The cost method of accounting is used for our investments in companies that we do not control and for which we do not have the ability to exercise significant influence over operating and financial policies. These investments are recorded at cost.

Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates.

Capital Structure

Our Company has authorized 100,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of Class A preferred stock, par value $0.01 per share. The bylaws and articles of incorporation provide for the imposition of certain restrictions on the stock including, but not limited to, the right but not the obligation to repurchase shares upon termination of employment or affiliation, the right of first refusal and ownership limits.

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars as of each balance sheet date. Translation gains and losses related to permanent investments in foreign subsidiaries are reflected in stockholders' equity as part of accumulated other comprehensive loss. Revenues and expenses are translated at the average exchange rate for the period and included in the consolidated statements of income. Foreign currency transaction gains and losses are recognized as incurred in the consolidated statements of income.

Revenue Recognition

We earn revenue from different types of services performed under various types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Unbilled Revenue and Billings in Excess of Revenue

Unbilled revenue represents the excess of contract revenue recognized over billings to date on contracts in process. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of revenue represent the excess of billings to date, per the contract terms, over revenue recognized on contracts in process.

Allowance for Uncollectible Accounts Receivable

We reduce accounts receivable by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance for uncollectible amounts based on their judgments in evaluating the aging of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Assets and liabilities are valued based upon observable and non-observable inputs. Valuations using Level 1 inputs are based off of unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date. Level 2 inputs utilize significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly; and valuations using Level 3 inputs are based off of significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during the year ended December 31, 2013.

Income Taxes

We account for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax effects of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than enactment of changes in the tax laws or rates. Deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized. Annually, we determine the amount of undistributed foreign earnings invested indefinitely in our foreign operations. Deferred taxes are not provided on those earnings. In addition, the calculation of tax assets and liabilities involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We record reserves for uncertain tax positions that do not meet these criteria.

Cash and Cash Equivalents

Highly liquid investments with original short-term maturities of less than three months are considered cash equivalents in the consolidated balance sheets and statements of cash flows. We maintain a cash management system which provides for cash sufficient to pay checks as they are submitted for payment and we invest cash in excess of this amount in interest-bearing short-term investments such as certificates of deposit and commercial paper. In addition, cash and cash equivalents on our consolidated balance sheets include cash held within our consolidated joint venture entities which is used for operating activities of those joint ventures. As of December 31, 2013 and 2012, cash and cash equivalents held in our consolidated joint ventures and reflected on the consolidated balance sheets totaled $112.2 million and $118.8 million, respectively.

Available-for-Sale Securities

Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in accumulated other comprehensive loss, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. The fair value of available-for-sale securities is estimated using Level 1 inputs.

Property, Plant and Equipment

All additions, including betterments to existing facilities, are recorded at cost. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in operating income in the year of disposition.

Depreciation for owned property is based on the estimated useful lives of the assets using the straight-line method for financial statement purposes. Useful lives for buildings range from 6 to 20 years. Furniture, fixtures, computers, software and other equipment are depreciated over their useful lives from 3 to 10 years. Leasehold improvements are depreciated over the shorter of their estimated useful life or the remaining term of the associated lease up to 10 years.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill acquired in a purchase business combination is not amortized, but instead, is tested for impairment at least annually in accordance with the provisions of the FASB Accounting Standards Codification ("ASC") 350, *Intangibles-Goodwill and Other* ("ASC 350"), as amended under Accounting Standards Update 2011-08 ("ASU 2011-08"). In performing the annual impairment test, we evaluate our goodwill at the reporting unit level which we have determined based upon our various lines of business within each of our reporting segments. Under the guidance of ASC 350, we have the option to assess either quantitative or qualitative factors to determine if it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If after assessing the totality of events or circumstances, we determine that it is not more likely than not that the fair values of our reporting units are less than their carrying amounts, then the next step of the impairment test is unnecessary. If we conclude otherwise, then we are required to test goodwill for impairment under the two-step process. The two-step process involves comparing the estimated fair value of each reporting unit to the unit's carrying value, including goodwill. If the carrying value of a reporting unit exceeds its fair value, the goodwill of the reporting unit is not considered impaired; therefore, the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, we would then perform a second step to measure the amount of goodwill impairment loss to be recorded. We determine the fair value of our reporting units using a market approach. Our market based valuation method provides estimates of the fair value of our reporting units based on applying a multiple to our estimate of a cash flow metric for each business unit. Our annual goodwill impairment test is conducted as of October 1st of each year. For 2013, we selected the qualitative method to assess if it was not more likely than not that the carrying value of the reporting units exceeds their fair value and, as a result, we considered various relevant factors including current and expected macroeconomic conditions, industry and market considerations, specific reporting unit performance and other changes in the overall business. Based on these considerations, we concluded there was no indication of impairment of goodwill in any of our reporting units.

Other Long-Lived Assets

We may acquire other intangible assets in business combinations. Intangible assets are stated at fair value as of the date acquired in a business combination. We amortize intangible assets with finite lives on a straight-line basis over their expected useful lives, currently up to seven years.

For those intangible assets with no legal, regulatory, contractual or other factors that would reasonably limit the useful life of the intangible asset, management has determined that the life is indefinite and therefore, they are not amortized.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments, unrealized gain on equity investments and benefit plan adjustments. These components are included in the consolidated statements of stockholders' equity and consolidated statements of comprehensive income. Taxes are not provided on the foreign currency translation gains and losses as deferred taxes are not provided on the unremitted earnings of the foreign subsidiaries to which they relate. For the year ended December 31, 2013, changes to accumulated other comprehensive income are as follows (in thousands):

Benefit plans:	
Balance at beginning of year	$(143,171)
Reclassification adjustment	4,935
Other comprehensive loss recognized during the year	(7,988)
Balance at end of year	$(146,224)
Unrealized gain on equity investments:	
Balance at beginning of year	$854
Other comprehensive loss recognized during the year	(642)
Balance at end of year	$212
Foreign currency translation:	
Balance at beginning of year	$11,646
Other comprehensive loss recognized during the year	(4,597)
Balance at end of year	$7,049

Other comprehensive loss related to our benefit plans includes pretax reclassification adjustments of $8.2 million ($4.9 million, net of tax) for the year ended December 31, 2013 and is recognized in the Direct cost of services and overhead and the General and administrative lines of our Consolidated Statements of Income. See Note 15—*Employee Retirement Plans*.

Derivative instruments

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value on the consolidated balance sheets in other receivables or other accrued liabilities as applicable. The periodic change in the fair value of the derivative instruments is recognized in earnings.

Concentrations of Credit Risk

Financial instruments which potentially subject our company to concentrations of credit risk consist principally of cash and cash equivalents, short term investments and trade receivables. Our cash is primarily held with major banks and financial institutions throughout the world and typically is insured up to a set amount. Accordingly, we believe the risk of any potential loss on deposits held in these institutions is minimal. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government, various states and municipalities, foreign government agencies, and a variety of U.S. and foreign corporations operating in a broad range of industries and geographic areas.

Contracts with the U.S. federal government and its prime contractors usually contain standard provisions for permitting the government to modify, curtail or terminate the contract for convenience of the government or such prime contractors if program requirements or budgetary constraints change. Upon such a termination, we are generally entitled to recover costs incurred, settlement expenses and profit on work completed prior to termination.

Recent Accounting Standards

Effective January 1, 2013, we adopted Financial Accounting Standards Board ("FASB") Accounting Standard Update ("ASU") 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment.* ASU 2012-02 allows entities testing an indefinite-lived intangible asset other than goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of the asset. If it is determined, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not greater than the carrying amount, no further testing is necessary. The adoption of this standard did not impact our consolidated financial position, results of operations or cash flows.

Effective January 1, 2013, we adopted FASB ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* to amend the reporting of reclassifications out of Accumulated Other Comprehensive Income ("AOCI") to require an entity to report the effect of significant reclassifications out of AOCI on the respective line items in net income if the amount reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same reporting period. An entity shall provide this information together in one location, either on the face of the statement where net income is presented, or as a separate disclosure in the notes to the financial statements. As this update only required additional disclosures, adoption of this standard did not have a material impact on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued ASU 2013-04, *Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date*, which requires an entity to measure those obligations as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors as well as any additional amount the entity expects to pay on behalf of its co-obligors. ASU 2013-04 also requires an entity to disclose the nature and amount of those obligations. The amendments in this ASU are effective for our reporting periods beginning on December 31, 2013 and retrospective application is required. The adoption of ASU 2013-04 did not have a material impact on our consolidated financial statements.

In March 2013, the FASB issued ASU 2013-05, *Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*, to clarify the applicable guidance for the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary within a foreign entity. The amendments in this ASU are effective prospectively for fiscal years, and interim periods beginning with the Company's December 31, 2013 financial statements. The adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. The provisions of the rule requires, with certain exceptions, an unrecognized tax benefit to be presented as a reduction to a deferred tax asset in the financial statements for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The provisions relating to this update are prospective and effective for interim and annual periods beginning with the Company's December 31, 2013 financial statements. The implementation of ASU 2013-11 did not have a material impact on our consolidated financial statements.

Revolving Credit Facility and Long-Term Debt (Tables)

12 Months Ended

Dec. 31, 2013

Revolving Credit Facility and Long-Term Debt

Components of nonrecourse and other long-term debt

($ in thousands)	2013	2012
Nonrecourse:		
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases. The note bears interest at 5.35%	$9,259	$10,374
Mortgage payable in monthly installments to December 2015, secured by real estate. The note bears interest at 6.59%	1,213	1,785
	10,472	12,159
Other:		
Revolving credit facility	$376,829	$235,500
Equipment financing, due in monthly installments to December 2015, secured by equipment. These notes bear interest ranging from 4.14% to 8.89%	2,446	4,348
Other notes payable	1,375	322
Total debt	391,122	252,329
Less current portion of debt	4,099	3,497
Total long-term portion of debt	$387,023	$248,832

Schedule of future principal payments on long-term debt

At December 31, 2013, future principal payments on long-term debt are as follows (in thousands):

Year Ending:	
2014	$4,099
2015	3,197
2016	1,419
2017	378,265
2018	1,462
Thereafter	2,680
	$391,122

Quarterly Financial Information (unaudited) (Tables)	12 Months Ended Dec. 31, 2013
Quarterly Financial Information (unaudited)	
Schedule of quarterly financial information	

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year Ended
2013					
Revenue	$1,447,749	$1,513,006	$1,472,603	$1,444,461	$5,877,819
Operating income	13,965	49,086	56,851	72,460	192,362
Net income attributable to CH2M HILL	7,114	27,496	33,693	50,031	118,334
Net income per common share					
Basic	$0.24	$0.92	$1.14	$1.71	$4.00
Diluted	$0.24	$0.91	$1.13	$1.70	$3.96
2012					
Revenue	$1,401,944	$1,540,612	$1,603,456	$1,614,541	$6,160,553
Operating income	9,604	46,030	47,822	55,383	158,839
Net income attributable to CH2M HILL	5,124	27,602	29,613	30,637	92,976
Net income per common share					
Basic	$0.16	$0.88	$0.95	$1.01	$2.99
Diluted	$0.16	$0.87	$0.94	$1.00	$2.95

Fair Value of Financial Instruments (Details 2) (Forward foreign exchange contracts)	Dec. 31, 2012 contract	12 Months Ended Dec. 31, 2013 Maximum
Derivative financial instruments		
Term of forward foreign exchange contracts		5 years
Foreign exchange contracts outstanding	0	

Quarterly Financial Information (unaudited) (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Quarterly Financial Information (unaudited)											
Revenue	$ 1,444,461	$ 1,472,603	$ 1,513,006	$ 1,447,749	$ 1,614,541	$ 1,603,456	$ 1,540,612	$ 1,401,944	$ 5,877,819	$ 6,160,553	$ 5,555,233
Operating income	72,460	56,851	49,086	13,965	55,383	47,822	46,030	9,604	192,362	158,839	185,153
Net income attributable to CH2M HILL	$ 50,031	$ 33,693	$ 27,496	$ 7,114	$ 30,637	$ 29,613	$ 27,602	$ 5,124	$ 118,334	$ 92,976	$ 113,297
Net income per common share											
Basic (in dollars per share)	$ 1.71	$ 1.14	$ 0.92	$ 0.24	$ 1.01	$ 0.95	$ 0.88	$ 0.16	$ 4.00	$ 2.99	$ 3.68
Diluted (in dollars per share)	$ 1.70	$ 1.13	$ 0.91	$ 0.24	$ 1.00	$ 0.94	$ 0.87	$ 0.16	$ 3.96	$ 2.95	$ 3.60

Consolidated Balance Sheets (USD $) In Thousands, unless otherwise specified	Dec. 31, 2013	Dec. 31, 2012
Current assets:		
Cash and cash equivalents	$ 294,261	$ 310,638
Available-for-sale securities	1,074	2,135
Receivables, net-		
Client accounts	779,159	794,903
Unbilled revenue	611,197	570,914
Other	21,503	19,606
Income tax receivable	15,999	6,905
Deferred income taxes	51,379	75,556
Prepaid expenses and other current assets	80,923	82,299
Total current assets	1,855,495	1,862,956
Investments in unconsolidated affiliates	92,287	118,008
Property, plant and equipment, net	226,425	212,007
Goodwill	573,487	562,461
Intangible assets, net	96,658	133,657
Deferred income taxes	129,591	155,250
Employee benefit plan assets and other	82,454	70,245
Total assets	3,056,397	3,114,584
Current liabilities:		
Current portion of long-term debt	4,099	3,497
Accounts payable and accrued subcontractor costs	463,516	568,507
Billings in excess of revenue	358,590	385,985
Accrued payroll and employee related liabilities	337,546	335,457
Other accrued liabilities	188,600	216,907
Total current liabilities	1,352,351	1,510,353
Long-term employee related liabilities	574,816	574,406
Long-term debt	387,023	248,832
Other long-term liabilities	99,623	164,285
Total liabilities	2,413,813	2,497,876
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Preferred stock, Class A $0.01 par value, 50,000,000 shares authorized; none issued		
Common stock, $0.01 par value, 100,000,000 shares authorized; 28,782,277 and 29,845,190 issued and outstanding at December 31, 2013 and 2012, respectively	288	298
Retained earnings	763,095	734,033
Accumulated other comprehensive loss	(138,963)	(130,671)
Total CH2M HILL common stockholders' equity	624,420	603,660
Noncontrolling interests	18,164	13,048
Total equity	642,584	616,708

Total liabilities and stockholders' equity	$ 3,056,397	$ 3,114,584

Variable Interest Entities and Equity Method Investments (Details 2) (USD $) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
FINANCIAL POSITION:											
Current assets	$ 1,855,495				$ 1,862,956				$ 1,855,495	$ 1,862,956	
Total assets	3,056,397				3,114,584				3,056,397	3,114,584	2,754,039
Current liabilities	1,352,351				1,510,353				1,352,351	1,510,353	
Partners'/Owners' equity	624,420				603,660				624,420	603,660	
Total liabilities and stockholders' equity	3,056,397				3,114,584				3,056,397	3,114,584	
RESULTS OF OPERATIONS:											
Revenue	1,444,461	1,472,603	1,513,006	1,447,749	1,614,541	1,603,456	1,540,612	1,401,944	5,877,819	6,160,553	5,555,233
Direct cost of services and overhead									(4,686,005)	(4,967,318)	(4,487,584)
General and administrative									(1,053,462)	(1,098,070)	(946,973)
Operating income	72,460	56,851	49,086	13,965	55,383	47,822	46,030	9,604	192,362	158,839	185,153
CH2M HILL's share of net income									54,010	63,674	64,477
Unconsolidated VIE's | Equity method investments											
FINANCIAL POSITION:											
Current assets	611,879				802,755				611,879	802,755	
Noncurrent assets	25,366				48,623				25,366	48,623	
Total assets	637,245				851,378				637,245	851,378	
Current liabilities	407,687				522,152				407,687	522,152	
Noncurrent liabilities	3,119				22,755				3,119	22,755	
Partners'/Owners' equity	226,439				306,471				226,439	306,471	
Total liabilities and stockholders' equity	637,245				851,378				637,245	851,378	
CH2M HILL's share of equity	92,287				118,008				92,287	118,008	
RESULTS OF OPERATIONS:											
Revenue									2,515,747	2,787,830	3,037,595
Direct cost of services and overhead									(2,305,945)	(2,513,302)	(2,779,990)
Gross margin									209,802	274,528	257,605
General and administrative									(37,880)	(39,408)	(50,307)
Operating income									171,922	235,120	207,298
Other (loss) income, net									(6,024)	(15,095)	130
Net income									165,898	220,025	207,428
CH2M HILL's share of net income									$ 54,010	$ 63,674	$ 64,477

Consolidated Statements of Stockholders' Equity (USD $) In Thousands, except Share data, unless otherwise specified	Total	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest
Balance at Dec. 31, 2010	$ 554,168	$ 305		$ 563,343	$ (18,768)	$ 9,288
Balance (in shares) at Dec. 31, 2010		30,527,473				
Increase (Decrease) in Stockholders' Equity						
Net income	125,429			113,297		12,132
Other comprehensive income:						
Foreign currency translation adjustments	(15,052)				(15,185)	133
Benefit plan adjustments, net of tax	(26,868)				(26,868)	
Unrealized loss on equity investments, net of tax	(34)				(34)	
Distributions to affiliates, net	(11,799)					(11,799)
Shares issued in connection with stock based compensation and employee benefit plans	115,255	16	115,239			
Shares issued in connection with stock based compensation and employee benefit plans (in shares)		1,535,357				
Shares issued in connection with purchase of Halcrow Holdings, Ltd.	18,841	3	18,838			
Shares issued in connection with purchase of Halcrow Holdings, Ltd. (in shares)		342,379				
Shares purchased and retired	(93,627)	(13)	(134,077)	40,463		
Shares purchased and retired (in shares)		(1,354,555)				
Balance at Dec. 31, 2011	666,313	311		717,103	(60,855)	9,754
Balance (in shares) at Dec. 31, 2011		31,050,654				
Increase (Decrease) in Stockholders' Equity						
Net income	98,297			92,976		5,321
Other comprehensive income:						
Foreign currency translation adjustments	13,384				13,383	1

Benefit plan adjustments, net of tax	(83,066)				(83,066)	
Unrealized loss on equity investments, net of tax	(133)				(133)	
Distributions to affiliates, net	(2,028)					(2,028)
Shares issued in connection with stock based compensation and employee benefit plans	81,154	12	81,142			
Shares issued in connection with stock based compensation and employee benefit plans (in shares)		1,236,561				
Shares purchased and retired	(157,213)	(25)	(81,142)	(76,046)		
Shares purchased and retired (in shares)		(2,442,025)				
Balance at Dec. 31, 2012	616,708	298		734,033	(130,671)	13,048
Balance (in shares) at Dec. 31, 2012	29,845,190	29,845,190				
Increase (Decrease) in Stockholders' Equity						
Net income	131,152			118,334		12,818
Other comprehensive income:						
Foreign currency translation adjustments	(4,596)				(4,597)	1
Benefit plan adjustments, net of tax	(3,053)				(3,053)	
Unrealized loss on equity investments, net of tax	(642)				(642)	
Distributions to affiliates, net	(7,703)					(7,703)
Shares issued in connection with stock based compensation and employee benefit plans	64,583	11	64,572			
Shares issued in connection with stock based compensation and employee benefit plans (in shares)		1,115,748				
Shares purchased and retired	(153,865)	(21)	(64,572)	(89,272)		
Shares purchased and retired (in shares)		(2,178,661)				
Balance at Dec. 31, 2013	$ 642,584	$ 288		$ 763,095	$ (138,963)	$ 18,164
Balance (in shares) at Dec. 31, 2013	28,782,277	28,782,277				

Employee Benefit Plans (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Supplemental Executive Retirement and Retention Plan ("SERRP")			
Deferred compensation plans			
Compensation expense	$ 1.5	$ 2.0	$ 3.9
Nonqualified deferred compensation plans			
Deferred compensation plans			
Compensation expense	1.4	2.7	4.1
Number of nonqualified plans	2		
Amounts due under deferred compensation plans	$ 89.2	$ 75.2	
Death Benefit Only Plan			
Deferred compensation plans			
Multiple of base salary as payment on death of participants	5		

Earnings Per Share (Tables)

	12 Months Ended Dec. 31, 2013

Earnings Per Share

Reconciliation of basic and diluted EPS

($ in thousands)	2013	2012	2011
Numerator:			
Net income attributable to CH2M HILL	$118,334	$92,976	$113,297
Denominator:			
Basic weighted-average common shares outstanding	29,612	31,082	30,824
Dilutive effect of common stock equivalents	278	402	604
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents	29,890	31,484	31,428
Basic net income per common share	$4.00	$2.99	$3.68
Diluted net income per common share	$3.96	$2.95	$3.60

Employee Retirement Plans (Details 5) (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
U.S. Pension Plans			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	$ 220,860	$ 245,077	$ 205,750
Accumulated benefit obligation	216,824	238,234	
Fair value of employee benefit plan assets	171,939	162,665	141,491
Underfunded status	48,921	82,412	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	60,004	95,843	
Net prior service cost (credits)	(7,115)	(7,881)	
Total	52,889	87,962	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)	4,598	7,490	
Net prior service cost (credits)	(766)	(766)	
Total	3,832	6,724	
Additional information:			
Accumulated benefit obligation	216,824	238,234	
Non-U.S. Pension Plans			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	1,147,510	1,063,952	922,259
Accumulated benefit obligation	1,139,224	1,056,442	
Fair value of employee benefit plan assets	751,143	701,256	623,972
Overfunded status	765		
Underfunded status	397,132	362,696	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	115,399	83,037	
Total	115,399	83,037	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)	1,195	918	
Total	1,195	918	
Additional information:			
Accumulated benefit obligation	1,139,224	1,056,442	
Non-Qualified Pension Plan			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			

Projected benefit obligation	1,608	1,994	770
Underfunded status	1,608	1,994	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	55	416	
Total	55	416	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)		21	
Total		21	
Postretirement Benefit Plans			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	44,336	53,686	46,821
Accumulated benefit obligation	44,336	53,686	
Fair value of employee benefit plan assets	44,336	53,686	
Underfunded status	44,336	53,686	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	(2,784)	8,460	
Net prior service cost (credits)	(262)	(56)	
Total	(3,046)	8,404	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)	(11)	336	
Net prior service cost (credits)	(29)	206	
Total	(40)	542	
Additional information:			
Accumulated benefit obligation	$ 44,336	$ 53,686	

Segment Information

12 Months Ended
Dec. 31, 2013

Segment Information

Segment Information

(15) Segment Information

Through December 31, 2013, we organized our reporting structure into two segments—the EWF segment and the GEI segment. We evaluate performance based on several factors, of which the primary financial measure is operating income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. We use operating income as our measurement of segment profit. Corporate expenses, including costs for centralized management activities, are not allocable to individual operating segments and are included in "Corporate" below. These costs primarily include expenses associated with administrative functions such as executive management, legal, and general business development efforts.

Certain financial information for each segment is provided below (in thousands):

2013	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$3,215,938	$2,661,881	$—	$5,877,819
Equity in earnings of joint ventures and affiliated companies	10,508	43,502	—	54,010
Depreciation and amortization	41,710	32,823	—	74,533
Operating income (loss)	83,941	127,571	(19,150)	192,362
Segment assets	1,430,611	1,625,786	—	3,056,397
Goodwill	223,991	349,496	—	573,487

2012	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$3,474,768	$2,685,785	$—	$6,160,553
Equity in earnings of joint ventures and affiliated companies	22,612	41,062	—	63,674
Depreciation and amortization	45,711	33,920	—	79,631
Operating income (loss)	88,216	93,249	(22,626)	158,839
Segment assets	960,456	2,154,128	—	3,114,584
Goodwill	221,539	340,922	—	562,461

2011	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$2,784,418	$2,770,815	$—	$5,555,233
Equity in earnings of joint ventures and affiliated companies	25,025	39,452	—	64,477
Depreciation and amortization	38,021	10,194	—	48,215
Operating income (loss)	99,642	106,970	(21,459)	185,153
Segment assets	813,600	1,940,439	—	2,754,039
Goodwill	217,756	327,687	—	545,443

During the years ended December 31, 2013 and 2012, we recorded significant losses on a fixed-price contract to design and construct significant improvements to an existing power generation facility. These losses resulted from multiple sources that caused labor and material cost overruns. As of December 31, 2013 this project was substantially complete.

We derived approximately 18%, 18% and 20% of our total revenues from contracts with the U.S. federal government in the years ended December 31, 2013, 2012 and 2011, respectively. Although we provide services in numerous countries, no single country outside of the U.S. accounted for 10% or greater of the total consolidated revenue. Total U.S. and international revenue for the years ended December 31 were as follows:

($ in thousands)	2013	2012	2011
U.S.	$3,915,091	$4,237,918	$4,185,501
International	1,962,728	1,922,635	1,369,732
Total	$5,877,819	$6,160,553	$5,555,233

Employee Benefit Plans (Tables)	12 Months Ended Dec. 31, 2013

Employee Benefit Plans

Schedule of activity relating to the 2009 Stock Option Plan

Stock Options:	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2012	2,620,537	$44.65
Granted	652,308	$58.30
Exercised	(688,319)	$35.57
Forfeited	(125,910)	$52.91
Expired	(41,595)	$36.97
Outstanding at December 31, 2013	2,417,021	$50.61
Exercisable at December 31, 2013	982,074	$44.31
Available for future grants	5,884,954	

Schedule of assumptions used in determining the fair value of options granted

	2013	2012
Risk-free interest rate	0.91%	0.62%
Expected dividend yield	0.00%	0.00%
Expected option life	4.2 Years	4.2 Years
Expected stock price volatility	12.30%	11.72%

Schedule of activity relating to the Phantom Stock Plan

	Number of Units
Balance at December 31, 2012	27,432
Exercised	(4,231)
Forfeited	(304)
Balance at December 31, 2013	22,897

Schedule of activity relating to the SARs Plan

	Number of Rights	Weighted Average Exercise Price
Balance at December 31, 2012	18,589	$46.26
Granted	10,666	$58.87
Exercised	(3,471)	$35.28
Cancelled	(1,874)	$53.80
Balance at December 31, 2013	23,910	$52.88

Summary of activity relating to the Restricted Stock Policy and Administration Plan

	Non-vested Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2012	344,218	$45.92
Granted	122,009	$59.23
Vested	(175,324)	$45.48
Cancelled	(21,101)	$54.40
Balance at December 31, 2013	269,802	$51.57

Quarterly Financial Information (unaudited)

12 Months Ended Dec. 31, 2013

Quarterly Financial Information (unaudited)

Quarterly Financial Information (unaudited)

(17) Quarterly Financial Information (unaudited)

Our quarterly financial information for the years ended December 31, 2013 and 2012 is as follows:

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year Ended
2013					
Revenue	$1,447,749	$1,513,006	$1,472,603	$1,444,461	$5,877,819
Operating income	13,965	49,086	56,851	72,460	192,362
Net income attributable to CH2M HILL	7,114	27,496	33,693	50,031	118,334
Net income per common share					
Basic	$0.24	$0.92	$1.14	$1.71	$4.00
Diluted	$0.24	$0.91	$1.13	$1.70	$3.96
2012					
Revenue	$1,401,944	$1,540,612	$1,603,456	$1,614,541	$6,160,553
Operating income	9,604	46,030	47,822	55,383	158,839
Net income attributable to CH2M HILL	5,124	27,602	29,613	30,637	92,976
Net income per common share					
Basic	$0.16	$0.88	$0.95	$1.01	$2.99
Diluted	$0.16	$0.87	$0.94	$1.00	$2.95

Segment Information (Details 2) (Government Contracts Concentration Risk, Revenue, U.S. federal government)	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Government Contracts Concentration Risk | Revenue | U.S. federal government			
Revenue concentration			
Percentage of benchmark derived from specified source	18.00%	18.00%	20.00%

Consolidated Statements of Cash Flows (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Cash flows from operating activities:			
Net income	$ 131,152	$ 98,297	$ 125,429
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	74,533	79,631	48,215
Stock-based employee compensation	50,682	61,390	71,495
Loss on disposal of property, plant and equipment	5,039	886	2,403
Gain on termination of lease obligation	(15,468)		
Allowance for uncollectible accounts	4,487	4,060	5,846
Deferred income taxes	31,908	(21,958)	(22,107)
Undistributed earnings from unconsolidated affiliates	(54,010)	(63,674)	(64,477)
Distributions of income from unconsolidated affiliates	54,332	42,449	57,597
Contributions to defined benefit pension plans	(31,309)	(34,034)	(14,659)
Changes in current assets and liabilities, net of businesses acquired:			
Receivables and unbilled revenue	(42,183)	(216,070)	25,513
Prepaid expenses and other	(8,076)	(33,676)	(18,209)
Accounts payable and accrued subcontractor costs	(100,885)	167,945	(34,605)
Billings in excess of revenues	(14,584)	(8,717)	85,775
Accrued payroll and employee related liabilities	5,630	36,034	28,814
Other accrued liabilities	(32,378)	(15,135)	(12,420)
Current income taxes	(9,789)	29,862	(68,279)
Long-term employee related liabilities and other	44,161	6,901	41,069
Net cash provided by operating activities	93,242	134,191	257,400
Cash flows from investing activities:			
Capital expenditures	(93,157)	(46,710)	(30,202)
Acquisitions, net of cash acquired			(187,678)
Investments in unconsolidated affiliates	(41,114)	(24,491)	(29,162)
Distributions of capital from unconsolidated affiliates	70,663	37,172	23,627
Proceeds from sale of operating assets	5,692	956	6,415
Net cash used in investing activities	(57,916)	(33,073)	(217,000)
Cash flows from financing activities:			
Borrowings on long-term debt	1,662,136	1,438,455	451,129
Payments on long-term debt	(1,523,190)	(1,279,010)	(476,796)
Repurchases and retirements of common stock	(146,044)	(157,213)	(93,627)
Payment on termination of lease obligation	(27,033)		
Acquisition payments	(2,670)	(9,174)	
Excess tax benefits from stock-based compensation	6,083	10,741	13,066
Net distributions to noncontrolling interests	(7,703)	(2,028)	(11,799)
Net cash (used in) provided by financing activities	(38,421)	1,771	(118,027)
Effect of exchange rate changes on cash	(13,282)	(517)	(4,512)

(Decrease) Increase in cash and cash equivalents	(16,377)	102,372	(82,139)
Cash and cash equivalents, beginning of year	310,638	208,266	290,405
Cash and cash equivalents, end of year	294,261	310,638	208,266
Supplemental disclosures:			
Cash paid for interest	12,122	9,704	3,994
Cash paid for income taxes	$ 6,253	$ 34,932	$ 113,426

Consolidated Balance Sheets (Parenthetical) (USD $)	Dec. 31, 2013	Dec. 31, 2012
Consolidated Balance Sheets		
Preferred stock, Class A par value (in dollars per share)	$ 0.01	$ 0.01
Preferred stock, Class A shares authorized	50,000,000	50,000,000
Preferred stock, Class A shares issued	0	0
Common stock, par value (in dollars per share)	$ 0.01	$ 0.01
Common stock, shares authorized	100,000,000	100,000,000
Common stock, shares issued	28,782,277	29,845,190
Common stock, shares outstanding	28,782,277	29,845,190

Operating Lease Obligations	12 Months Ended Dec. 31, 2013

Operating Lease Obligations

Operating Lease Obligations

(10) Operating Lease Obligations

We have entered into certain noncancellable leases, which are being accounted for as operating leases. At December 31, 2013, future minimum lease payments, without consideration of sublease income, are as follows (in thousands):

Year Ending:	
2014	$98,999
2015	80,686
2016	66,140
2017	50,333
2018	31,364
Thereafter	37,207
	$364,729

Rental expense charged to operations, net of sublease income, was $121.2 million, $125.8 million and $121.5 million during the years ended December 31, 2013, 2012 and 2011, respectively, including amortization of a deferred gain of $4.3 million in each of the years ended December 31, 2013 and 2012, and 2011 related to the sale-leaseback of our corporate offices. Certain of our operating leases contain provisions for a specific rent-free period and escalation clauses. We accrue rental expense during the rent-free period based on total expected rent payments to be made over the life of the related lease.

Document and Entity Information (USD $) In Billions, except Share data, unless otherwise specified	12 Months Ended Dec. 31, 2013	Feb. 07, 2014	Jun. 30, 2013
Document and Entity Information			
Entity Registrant Name	CH2M HILL COMPANIES LTD		
Entity Central Index Key	0000777491		
Document Type	10-K		
Document Period End Date	Dec. 31, 2013		
Amendment Flag	false		
Current Fiscal Year End Date	--12-31		
Entity Well-known Seasoned Issuer	No		
Entity Voluntary Filers	No		
Entity Current Reporting Status	Yes		
Entity Filer Category	Large Accelerated Filer		
Entity Public Float			$ 1.7
Entity Common Stock, Shares Outstanding		28,779,436	
Document Fiscal Year Focus	2013		
Document Fiscal Period Focus	FY		

Income Taxes

12 Months Ended Dec. 31, 2013

Income Taxes

Income Taxes

(11) Income Taxes

Income before provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)	2013	2012	2011
U.S. income	$129,049	$137,033	$146,721
Foreign income	39,993	8,009	22,506
Income before taxes	$169,042	$145,042	$169,227

The provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)	2013	2012	2011
Current income tax (benefit)/expense:			
Federal	$(3,601)	$49,468	$55,576
Foreign	22,475	19,098	13,016
State and local	(2,656)	7,556	7,839
Total current income tax expense	16,218	76,122	76,431
Deferred income tax expense/ (benefit):			
Federal	29,991	(22,481)	(17,619)
Foreign	(2,837)	2,810	(806)
State	7,336	(4,385)	(2,076)
Total deferred income tax benefit	34,490	(24,056)	(20,501)
Total income tax expense	$50,708	$52,066	$55,930

The reconciliations of income tax computed at the U.S. federal statutory tax rate to our effective income tax rate for the years ended December 31 are as follows:

($ in thousands)	2013	2012	2011
Pretax income	$169,042	$145,042	$169,227
Federal statutory rate	35%	35%	35%
Expected tax expense	59,165	50,765	59,229
Reconciling items:			
State income taxes, net of federal benefit	8,076	4,200	6,402
Nondeductible meals and entertainment	2,605	2,452	2,466
Section 199—Domestic manufacturer deduction	(3,591)	(4,263)	(5,472)
Subsidiary earnings	(3,488)	(7,001)	(6,126)
Permanent expenses	3,530	(5,124)	(3,091)
Foreign tax rate differential	(12,554)	(8,436)	(3,593)
Tax credits	(36,948)	(5,387)	(9,071)
Change in valuation allowance	(1,127)	17,685	2,140
Foreign permanent expenses and other	35,469	8,746	13,722
Other	(429)	(1,571)	(676)
Provision for income taxes	$50,708	$52,066	$55,930

The effective tax rate for the quarter ended and year ended December 31, 2013 was 24.5% and 30.0% compared to 38.0% and 35.9%, respectively for the same periods in the prior year. During the fourth quarter of 2013, the company restructured the legal ownership of certain foreign operations to align with their strategic priorities, to better manage project risk, and to enhance their treasury function. The restructuring enabled the company to utilize tax attributes in the determination of the tax provision that reduced the effective tax rate for the quarter ended and the year ended December 31, 2013.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31 are as follows:

($ in thousands)	2013	2012
Deferred tax assets:		
Net foreign operating loss carryforwards	$155,445	$161,474
Deferred gain, insurance and other	25,504	29,829
Investments in affiliates	—	1,909
Accrued employee benefits	262,283	282,974
Total deferred tax assets	443,232	476,186
Valuation allowance	(226,970)	(231,717)
Net deferred tax assets	216,262	244,469
Deferred tax liabilities:		
Investments in affiliates	(15,827)	—
Depreciation and amortization	(19,465)	(13,663)
Net deferred tax liabilities	(35,292)	(13,663)
Net deferred tax assets	$180,970	$230,806

A valuation allowance is required to be established for those deferred tax assets where it is more likely than not that they will not be realized. The above valuation allowances relate primarily to operating loss carryforwards from foreign operations and employee benefits of $469.9 million and $498.0 million for the years ended December 31, 2013 and 2012, respectively. The foreign net operating losses can be carried forward for varying terms depending on the foreign jurisdiction between three years and an unlimited carry forward period. There was $7.3 million of foreign tax credit available for carryforward through 2022. Additionally, there was $0.8 and $1.3 million of research tax credit available for carryforward through 2032 and 2033, respectively.

Undistributed earnings of our foreign subsidiaries amounted to approximately $266.3 million at December 31, 2013. These earnings are considered to be permanently reinvested. Accordingly, no provision for U.S. federal and state income taxes or foreign withholding taxes has been made. If these earnings were repatriated as of December 31, 2013, approximately $19.2 million of income tax expense would be incurred. Cash held in international accounts at December 31, 2013 and 2012 was $247.8 million and $260.0 million, respectively.

The tax benefit from stock-based compensation awards for the years ended December 31, 2013, 2012 and 2011 was $6.1 million, $10.7 million and $13.1million, respectively. These amounts are reflected as additional paid-in capital in the consolidated statements of stockholders' equity and comprehensive income and are reported as financing activities in the consolidated statements of cash flows.

As of December 31, 2013 and 2012, we had $38.5 million and $30.2 million, respectively, recorded as a liability for uncertain tax positions and accrued interest. We recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2013 and 2012, we had approximately $6.8 million and $5.4 million, respectively, of accrued interest and penalties related to uncertain tax positions. A reconciliation of the beginning and ending amount of uncertain tax positions as of December 31, 2012 and December 31, 2013 is as follows (in thousands):

Balance at December 31, 2011	$25,309
Additions for current year tax positions	1,349
Additions for prior year tax positions	1,002
Reductions for prior year tax positions	(866)
Settlement with taxing authorities	(168)
Reductions as a result of lapse of applicable statue of expirations	(1,866)
Balance at December 31, 2012	$24,760
Additions for current year tax positions	1,862
Additions for prior year tax positions	8,370
Reductions for prior year tax positions	(1,604)
Reductions as a result of lapse of applicable statue of expirations	(585)
Balance at December 31, 2013	$32,803

If recognized, the $32.8 million in uncertain tax positions would affect the effective tax rate. It is also possible that the reserve could change within twelve months of the reporting date related to the state research and experimentation credit as a result of tax authority settlement. The estimated range of unrecognized change is zero to $1.2 million at December 31, 2013.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the U.S., Canada, and the United Kingdom. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities in major tax jurisdictions for years before 2004.

Consolidated Statements of Income (USD $) In Thousands, except Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Consolidated Statements of Income			
Gross revenue	$ 5,877,819	$ 6,160,553	$ 5,555,233
Equity in earnings of joint ventures and affiliated companies	54,010	63,674	64,477
Operating expenses:			
Direct cost of services and overhead	(4,686,005)	(4,967,318)	(4,487,584)
General and administrative	(1,053,462)	(1,098,070)	(946,973)
Operating income	192,362	158,839	185,153
Other income (expense):			
Interest income	1,742	1,496	534
Interest expense	(12,244)	(9,972)	(4,328)
Income before provision for income taxes	181,860	150,363	181,359
Provision for income taxes	(50,708)	(52,066)	(55,930)
Net income	131,152	98,297	125,429
Less: Income attributable to noncontrolling interests	(12,818)	(5,321)	(12,132)
Net income attributable to CH2M HILL	$ 118,334	$ 92,976	$ 113,297
Net income attributable to CH2M HILL per common share:			
Basic (in dollars per share)	$ 4.00	$ 2.99	$ 3.68
Diluted (in dollars per share)	$ 3.96	$ 2.95	$ 3.60
Weighted average number of common shares:			
Basic (in shares)	29,612,309	31,081,679	30,823,954
Diluted (in shares)	29,889,844	31,483,901	31,427,823

Employee Benefit Plan Assets	12 Months Ended Dec. 31, 2013
Employee Benefit Plan Assets	
Employee Benefit Plan Assets	**(5) Employee Benefit Plan Assets** We have investments that support deferred compensation arrangements and other employee benefit plans. These assets are recorded at fair market value primarily using Level 2 inputs. As of December 31, 2013 and 2012, the fair market value of these assets were $80.0 million and $66.3 million, respectively, and are included in employee benefit plan assets and other on the consolidated balance sheets.

Property, Plant and Equipment	12 Months Ended Dec. 31, 2013

Property, Plant and Equipment

Property, Plant and Equipment

(4) Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31:

($ in thousands)	2013	2012
Land	$22,120	$23,012
Building and land improvements	93,088	112,062
Furniture and fixtures	26,560	25,963
Computer and office equipment	146,645	110,094
Field equipment	121,186	115,378
Leasehold improvements	72,759	86,306
	482,358	472,815
Less: Accumulated depreciation	(255,933)	(260,808)
Net property, plant and equipment	$226,425	$212,007

Depreciation expense is reflected in the consolidated statements of income in direct costs and general and administrative costs depending on the intended use of the asset and totaled $39.1 million, $41.0 million and $37.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Commitments and Contingencies

12 Months Ended Dec. 31, 2013

Commitments and Contingencies

Commitments and Contingencies

(16) Commitments and Contingencies

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in our engineering and construction contracts. Letters of credit are provided to clients in the ordinary course of the contracting business in lieu of retention or for performance and completion guarantees on engineering and construction contracts. We also post surety bonds, which are contractual agreements issued by a surety, for the purpose of guaranteeing our performance on contracts. Bid bonds are also issued by a surety to protect owners and are subject to full or partial forfeiture for failure to perform obligations arising from a successful bid.

Commercial commitments outstanding as of December 31, 2013 are summarized below:

	Amount of Commitment Expiration Per Period				
($ in thousands)	Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$121.1	$10.5	$8.1	$24.9	$164.6
Bank guarantees	17.3	13.4	6.6	—	37.3
Surety and bid bonds	1,301.6	274.1	20.8	—	1,596.5
Total	$1,440.0	$298.0	$35.5	$24.9	$1,798.4

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from U.S. federal, state and municipal sources, our procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices. Such state and U.S. government investigations, whether relating to government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future U.S. government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on our results of operations of financial condition even if the final outcome is adverse to our company.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions and deductibles) are generally adequate to cover our liabilities, if any, with regard to such claims. Any amounts that are probable of payment are accrued when such amounts are estimable. As of December 31, 2013 and December 31, 2012, accruals for potential estimated claim liabilities were $15.5 million and $34.4 million, respectively.

In 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. In 2011 and 2012, eight former CH2M HILL Hanford Group ("CH2M HILL Subsidiary") employees pleaded guilty on felony charges related to time card fraud committed while working on the Hanford Tank Farm Project. As part of its investigation, the U.S. Attorney's Office raised the possibility of violations of the civil False Claims Act and criminal charges for possible violations of federal criminal statutes arising from CH2M HILL's Subsidiary overtime practices on the project. In September 2012, the government intervened in a civil False Claims Act case filed in the District Court for the Eastern District of Washington by one of the employees who plead guilty to time card fraud. In March 2013, we entered into a Non-Prosecution Agreement ("NPA") concluding the criminal investigation so long as we comply with the terms of the NPA.

The NPA requires us to comply with ongoing requirements for three years after the effective date. By a separate agreement, we obtained dismissal of the civil False Claims Act case. We paid $18.5 million in total under both agreements. As a result, no criminal charges were brought against CH2M HILL Subsidiary or any CH2M HILL entities, and the civil False Claims Act case was dismissed.

In connection with the Halcrow acquisition, we assumed a lease obligation for office space which was entered into by a Halcrow subsidiary in 1981 and was previously occupied and used as one of their primary office locations. Subsequently, Halcrow vacated the space and was subleasing the building to third parties. The lease required Halcrow to continue to make lease payments until 2080 with rent escalating provisions that could have increased with market conditions. In 2012, we obtained a final third party determination of the fair value of this lease obligation and the associated real property in order to complete the purchase price allocation. As a result, the capital lease and related obligations, as well as the related building asset were included in the consolidated balance sheet as of December 31, 2012. Capital lease and related obligations as of December 31, 2012 were $66.1 million and was included primarily in other long-term liabilities in the consolidated balance sheet. We also assumed an operating lease for the associated land on which the building is located with total lease payments due over the remaining term of the lease totaling $36.8 million as of December 31, 2012. In September 2013, Halcrow entered into an agreement to terminate its obligations under the lease, including $66.1 million remaining on the capital lease and related obligations as well as the operating lease obligation, to a third party. Under the terms of this agreement Halcrow paid $27.0 million to the third party which resulted in a gain on termination of the obligations of $15.5 million. The related building asset and obligations were relieved from the consolidated balance sheets and the gain was recognized as a reduction in general and administrative expenses for the twelve months ended December 31, 2013.

Earnings Per Share	12 Months Ended Dec. 31, 2013

Earnings Per Share

Earnings Per Share

(12) Earnings Per Share

Basic earnings per share ("EPS") excludes the dilutive effect of common stock equivalents and is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted EPS includes the dilutive effect of common stock equivalents, which consists of stock options, and is computed using the weighted-average number of common shares and common stock equivalents outstanding during the period.

Reconciliations of basic and diluted EPS for the years ended December 31 are as follows:

($ in thousands)	2013	2012	2011
Numerator:			
Net income attributable to CH2M HILL	$118,334	$92,976	$113,297
Denominator:			
Basic weighted-average common shares outstanding	29,612	31,082	30,824
Dilutive effect of common stock equivalents	278	402	604
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents	29,890	31,484	31,428
Basic net income per common share	$4.00	$2.99	$3.68
Diluted net income per common share	$3.96	$2.95	$3.60

Fair Value of Financial Instruments	12 Months Ended Dec. 31, 2013

Fair Value of Financial Instruments

Fair Value of Financial Instruments

(8) Fair Value of Financial Instruments

Cash and cash equivalents, client accounts receivable, unbilled revenue, accounts payable and accrued subcontractor costs and billings in excess of revenue are carried at cost, which approximates fair value due to their short maturities. Fair value of long-term debt, including the current portion, is estimated based on Level 2 inputs, except the amount outstanding on the revolving credit facility for which the carrying value approximates fair value. Fair value is determined by discounting future cash flows using interest rates available for issues with similar terms and average maturities. The estimated fair values of our financial instruments where carrying values do not approximate fair value are as follows:

	2013		2012	
($ in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage notes payable	$10,472	$9,260	$12,159	$10,718
Equipment financing	2,446	2,279	4,348	3,716

The fair value of marketable securities classified as available-for-sale, which totaled $1.1 million and $2.1 million at December 31, 2013 and 2012, respectively, were valued based on Level 1 inputs whereby a readily determinable market value exists for the specific asset.

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. These currency derivative instruments are carried on the balance sheet at fair value and are typically based upon Level 2 inputs including third party quotes. At December 31, 2013, we had forward foreign exchange contracts on world currencies with varying durations, none of which extend beyond five years. At December 31, 2012, there were no foreign exchange contracts outstanding.

Employee Benefit Plans (Details 2) (USD $)	12 Months Ended				
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	May 07, 2012	Dec. 31, 2009
Stock Option Plans					
Share-based Compensation Arrangement by Share-based Payment Award					
Number of shares reserved				5,500,000	3,000,000
Expiration term	5 years				
Stock options, Number of Shares					
Outstanding at the beginning of the period (in shares)	2,620,537				
Granted (in shares)	652,308				
Exercised (in shares)	(688,319)				
Forfeited (in shares)	(125,910)				
Expired (in shares)	(41,595)				
Outstanding at the end of the period (in shares)	2,417,021	2,620,537			
Exercisable at the end of the period (in shares)	982,074				
Available for future grants (in shares)	5,884,954				
Stock Options, Weighted Average Exercise Price					
Outstanding at the beginning of the period (in dollars per share)	$ 44.65				
Granted (in dollars per share)	$ 58.30				
Exercised (in dollars per share)	$ 35.57				
Forfeited (in dollars per share)	$ 52.91				
Expired (in dollars per share)	$ 36.97				
Outstanding at the end of the period (in dollars per share)	$ 50.61	$ 44.65			
Exercisable at the end of the period (in dollars per share)	$ 44.31				
Outstanding weighted -average remaining contractual term at the end the period	2 years 9 months 18 days	2 years 8 months 12 days			
Weighted-average remaining contractual term for options vested	1 year 8 months 12 days	1 year 6 months			
Weighted-average remaining contractual term of options exercisable	1 year 6 months	1 year 6 months			
Weighted-average grant date fair value of options granted (in dollars per share)	$ 6.99	$ 5.85			
Additional share-based compensation information					
Outstanding aggregate intrinsic value at the end of the period (in dollars)	$ 26,900,000	$ 26,700,000			
Aggregate intrinsic value of options exercisable	17,100,000	20,300,000			
Cash received from the exercises of stock option	4,800,000	5,200,000	4,600,000		
Minimum ownership period for tendering shares to satisfy exercise price and tax withholding obligation	6 months				

Intrinsic value of option exercises (in dollars)	12,200,000	18,000,000	16,400,000
Assumption of measure fair value of options			
Risk-free interest rate (as a percent)	0.91%	0.62%	
Expected dividend yield (as a percent)	0.00%	0.00%	
Expected option life	4 years 2 months 12 days	4 years 2 months 12 days	
Expected stock price volatility (as a percent)	12.30%	11.72%	
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	3,700,000	2,100,000	4,800,000
Remaining unrecognized compensation expense related to nonvested awards	5,400,000		
Weighted average remaining recognition period	1 year 6 months		
Stock Option Plans | Awards exercisable after one year from the date of grant			
Share-based Compensation Arrangement by Share-based Payment Award			
Percentage of vesting of share-based compensation awards	25.00%		
Stock Option Plans | Awards exercisable after two years from the date of grant			
Share-based Compensation Arrangement by Share-based Payment Award			
Percentage of vesting of share-based compensation awards	25.00%		
Stock Option Plans | Awards exercisable after three years from the date of grant			
Share-based Compensation Arrangement by Share-based Payment Award			
Percentage of vesting of share-based compensation awards	50.00%		
Payroll Deduction Stock Purchase Plan ("PDSPP")			
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	0	0	0
Percentage of market value of common stock as of the date of purchase	90.00%		
Maximum percentage of payroll deductions on annual compensation	15.00%		
Maximum dollar amount of common stock that an employee may purchase in any calendar year	25,000		
Shares issued	464,514	540,134	527,503
Proceeds from issuance	24,800,000	26,300,000	24,400,000
Phantom Stock Plan			
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	0	0	600,000

Percentage of awards vested on the date of grant	100%		
Minimum period after the grant date to redeem shares	6 months		
Stock activity other than options			
Outstanding at the beginning of the period (in shares)	27,432		
Granted (in shares)	0	711	731
Exercised (in shares)	(4,231)		
Forfeited/Cancelled (in shares)	(304)		
Outstanding at the end of the period (in shares)	22,897	27,432	
Weighted Average Grant Date Fair Value			
Granted (in dollars per share)		$ 57.01	$ 49.90
Stock Appreciation Rights Plan			
Share-based Compensation Arrangement by Share-based Payment Award			
Expiration term	5 years		
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	200,000	100,000	100,000
Stock activity other than options			
Outstanding at the beginning of the period (in shares)	18,589		
Granted (in shares)	10,666		
Exercised (in shares)	(3,471)		
Forfeited/Cancelled (in shares)	(1,874)		
Outstanding at the end of the period (in shares)	23,910	18,589	
Weighted Average Exercise Price			
Outstanding at the beginning of the period (in dollars per share)	$ 46.26		
Granted (in dollars per share)	$ 58.87		
Exercised (in dollars per share)	$ 35.28		
Forfeited/Cancelled (in dollars per share)	$ 53.80		
Outstanding at the end of the period (in dollars per share)	$ 52.88	$ 46.26	
Stock Appreciation Rights Plan | Awards exercisable after one year from the date of grant			
Share-based Compensation Arrangement by Share-based Payment Award			
Percentage of vesting of share-based compensation awards	25.00%		
Stock Appreciation Rights Plan | Awards exercisable after two years from the date of grant			
Share-based Compensation Arrangement by Share-based Payment Award			
Percentage of vesting of share-based compensation awards	25.00%		
Stock Appreciation Rights Plan | Awards exercisable after three years from the date of grant			

Share-based Compensation Arrangement by Share-based Payment Award			
Percentage of vesting of share-based compensation awards	50.00%		
Annual Incentive Plan			
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	0	0	2,700,000
Shares issued			58,045
Weighted Average Grant Date Fair Value			
Granted (in dollars per share)			$ 46.75
Long Term Incentive Plan			
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	4,100,000	7,200,000	11,800,000
The period over which long-term goals are assessed to determine eligibility for the award under the plan	3 years		
Shares issued	235,590	304,736	219,087
Weighted Average Grant Date Fair Value			
Granted (in dollars per share)	$ 57.22	$ 57.01	$ 46.75
Restricted Stock Plan			
Share-based Compensation Additional Disclosures			
Total compensation cost recognized	4,200,000	6,700,000	5,500,000
Remaining unrecognized compensation expense related to nonvested awards	$ 6,700,000		
Weighted average remaining recognition period	2 years 1 month 20 days		
Stock activity other than options			
Outstanding at the beginning of the period (in shares)	344,218		
Granted (in shares)	122,009	163,469	136,696
Vested (in shares)	(175,324)		
Cancelled (in shares)	(21,101)		
Outstanding at the end of the period (in shares)	269,802	344,218	
Weighted Average Grant Date Fair Value			
Outstanding at the beginning of the period (in dollars per share)	$ 45.92		
Granted (in dollars per share)	$ 59.23	$ 54.96	$ 50.37
Vested (in dollars per share)	$ 45.48		
Cancelled (in dollars per share)	$ 54.40		
Outstanding at the end of the period (in dollars per share)	$ 51.57	$ 45.92	

Acquisitions	12 Months Ended Dec. 31, 2013
Acquisitions	
Acquisitions	**(6) Acquisitions** On July 29, 2011, we acquired Booz Allen Hamilton's State and Local Government Transportation and Consulting ("BAH") business. The purchase price was $28.5 million adjusted for working capital and other purchase price adjustments and was paid in cash. We performed an analysis of the fair market value of the tangible assets acquired and liabilities assumed as well as any identifiable intangible assets purchased. Included in the intangible assets acquired are the estimated fair value of customer relationships of $8.8 million and contracted backlog of $1.2 million, with useful lives of seven and three years, respectively. In addition, we recorded $10.5 million in goodwill related to the acquisition. The results of operations for this acquisition are reported in the Government, Environment and Infrastructure operating segment since the date of the acquisition. On November 10, 2011, we purchased all the share capital of Halcrow for approximately £124.0 million ($197.3 million). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure. Halcrow's employees provide services to our clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. Halcrow's clients include public and private-sector organizations around the world, including local, regional and national governments, asset owners, international funding agencies, regulators, financial institutions, contractors, developers and operators. The purchase price was paid to the selling stockholders of Halcrow in the form of $41.7 million of cash, $18.8 million of common stock of CH2M HILL, based on the stock price on the closing date, and $136.8 million of notes payable which were satisfied in full in December 2011. The results of operations for this acquisition are reported in both the Government, Environment and Infrastructure operating segment and the Energy, Water and Facilities operating segment since the date of the acquisition.

Goodwill and Intangible Assets	12 Months Ended Dec. 31, 2013

Goodwill and Intangible Assets

Goodwill and Intangible Assets

(7) Goodwill and Intangible Assets

The following table presents the changes in goodwill during the years ended December 31:

($ in thousands)	2013	2012
Balance at beginning of year	$562,461	$545,443
Foreign currency translation	11,026	17,018
Balance at end of year	$573,487	$562,461

Intangible assets with finite lives consist of the following:

($ in thousands)	Cost	Accumulated Amortization	Net finite-lived intangible assets
December 31, 2013			
Contracted backlog	$79,576	$(70,306)	$9,270
Customer relationships	162,444	(88,436)	74,008
Tradename	24,588	(11,208)	13,380
Total finite-lived intangible assets	$266,608	$(169,950)	$96,658
December 31, 2012			
Contracted backlog	$81,014	$(64,850)	$16,164
Customer relationships	160,651	(62,386)	98,265
Tradename	24,862	(5,634)	19,228
Total finite-lived intangible assets	$266,527	$(132,870)	$133,657

All intangible assets are being amortized over their expected lives of between three and seven years. The amortization expense reflected in the consolidated statements of income totaled $35.4 million, $38.6 million and $11.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. These intangible assets are expected to be fully amortized in 2018. At December 31, 2013, the future estimated amortization expense related to these intangible assets is (in thousands):

Year Ending:	
2014	$33,468
2015	25,437
2016	21,276
2017	15,743
2018	734
	$96,658

Revolving Credit Facility and Long-Term Debt	12 Months Ended Dec. 31, 2013

Revolving Credit Facility and Long-Term Debt

Revolving Credit Facility and Long-Term Debt

(9) Revolving Credit Facility and Long-Term Debt

We finance our operations, acquisitions and capital expenditures using a variety of capital vehicles. On December 6, 2010, we entered into a Credit Agreement providing for an unsecured revolving Credit Facility (the "Credit Facility") in an amount up to $600.0 million. We entered into an amendment to the original Credit Agreement on September 27, 2011 which provided modifications to certain covenants and other provisions of the Credit Agreement to take into account the acquisition of Halcrow. On April 19, 2012, we amended and restated our Credit Agreement ("Amended Credit Agreement") providing for an unsecured revolving Credit Facility (the "Credit Facility"), for the purposes of increasing the size of the Credit Facility to $900.0 million, extending the maturity to April 19, 2017, increasing the capacity of certain sub-facilities as well as improving our borrowing rates. Under the terms of the Amended Credit Agreement we may be able to invite existing and new lenders to increase the amount available to be borrowed under the agreement by up to $200 million. The revised credit facility has a subfacility for the issuance of standby letters of credit in a face amount up to $500.0 million and a subfacility up to $300.0 million for multicurrency borrowings.

Revolving loans under the Credit Facility bear interest, at our option, at a rate equal to either (i) the base rate plus a margin based on our consolidated leverage ratio or (ii) the eurodollar rate, based on interest periods of one, two, three or six months, plus a margin based on our consolidated leverage ratio. The base rate is defined as the highest of (i) the "Federal Funds Rate," as published from time to time by the Federal Reserve Bank of New York, plus 0.5%, (ii) the Agent's "prime rate" in effect from time to time, and (iii) the one month eurodollar rate in effect from time to time, plus 1.0%. Our "consolidated leverage ratio" on any date is the ratio of our consolidated total funded debt to our consolidated adjusted earnings before interest, taxes, depreciation and amortization for the preceding four fiscal quarters. The definition of consolidated adjusted earnings before interest, taxes, depreciation and amortization was amended to allow for the addition of, among other things, all expenses associated with the non-cash portion of all stock-based compensation. We are also obligated to pay other closing fees, commitment fees and letter of credit fees customary for a credit facility of this size and type. Under the terms of the amended agreement, the margin added to either the base rate or the eurodollar rate has decreased, which provides us with access to capital at lower overall borrowing rates.

The Amended Credit Agreement contains customary representations and warranties and conditions to borrowing, including customary affirmative and negative covenants, which include covenants that limit or restrict our ability to incur indebtedness and other obligations, grant liens to secure their obligations, make investments, merge or consolidate, dispose of assets outside the ordinary course of business, in each case subject to customary exceptions for credit facilities of this size and type. We are also required to comply with a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. As of December 31, 2013, we were in compliance with the covenants required by the Amended Credit Agreement.

At December 31, 2013, $376.8 million in borrowings were outstanding on the Credit Facility. The average rate of interest charged on that balance was 2.07% as of December 31, 2013. At December 31, 2013, company-wide issued and outstanding letters of credit, and bank guarantee facilities of $201.9 million were outstanding. The remaining unused borrowing capacity as of December 31, 2013 was $385.6 million.

Our nonrecourse and other long-term debt, as of December 31 consist of the following:

($ in thousands)	**2013**	**2012**
Nonrecourse:		
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases. The note bears interest at 5.35%	$9,259	$10,374
Mortgage payable in monthly installments to December 2015,	1,213	1,785

secured by real estate. The note bears interest at 6.59%		
	10,472	12,159
Other:		
Revolving credit facility	$376,829	$235,500
Equipment financing, due in monthly installments to December 2015, secured by equipment. These notes bear interest ranging from 4.14% to 8.89%	2,446	4,348
Other notes payable	1,375	322
Total debt	391,122	252,329
Less current portion of debt	4,099	3,497
Total long-term portion of debt	$387,023	$248,832

At December 31, 2013, future principal payments on long-term debt are as follows (in thousands):

Year Ending:	
2014	$4,099
2015	3,197
2016	1,419
2017	378,265
2018	1,462
Thereafter	2,680
	$391,122

Employee Retirement Plans (Details 4) (USD $) In Thousands, unless otherwise specified	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
U.S. Pension Plans			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	$ 171,939	$ 162,665	$ 141,491
U.S. Pension Plans | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	171,939	162,665	
U.S. Pension Plans | Cash and cash equivalents			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	1,610	937	
U.S. Pension Plans | Cash and cash equivalents | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	1,610	937	
U.S. Pension Plans | Equity funds			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	108,726	87,143	
U.S. Pension Plans | Equity funds | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	108,726	87,143	
U.S. Pension Plans | Fixed income securities			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	61,603	74,585	
U.S. Pension Plans | Fixed income securities | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	61,603	74,585	
Non-U.S. Pension Plans			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	751,143	701,256	623,972
Non-U.S. Pension Plans | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	635,909	568,925	
Non-U.S. Pension Plans | Level 2			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	113,904	132,331	
Non-U.S. Pension Plans | Level 3			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	1,330		
Non-U.S. Pension Plans | Cash and cash equivalents			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	20,543	42,969	
Non-U.S. Pension Plans | Cash and cash equivalents | Level 1			

Pension and Other Postretirement Benefits		
Total investment assets at fair value	18,380	41,988
Non-U.S. Pension Plans | Cash and cash equivalents | Level 2		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	2,163	981
Non-U.S. Pension Plans | Equity funds		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	281,191	254,538
Non-U.S. Pension Plans | Equity funds | Level 1		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	244,804	217,996
Non-U.S. Pension Plans | Equity funds | Level 2		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	36,387	36,542
Non-U.S. Pension Plans | Fixed income securities		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	407,461	351,558
Non-U.S. Pension Plans | Fixed income securities | Level 1		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	349,941	288,590
Non-U.S. Pension Plans | Fixed income securities | Level 2		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	57,520	62,968
Non-U.S. Pension Plans | International property fund		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	14,186	31,697
Non-U.S. Pension Plans | International property fund | Level 1		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	1,148	1,632
Non-U.S. Pension Plans | International property fund | Level 2		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	11,708	30,065
Non-U.S. Pension Plans | International property fund | Level 3		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	1,330	
Non-U.S. Pension Plans | Other		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	27,762	20,494
Non-U.S. Pension Plans | Other | Level 1		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	21,636	18,719
Non-U.S. Pension Plans | Other | Level 2		
Pension and Other Postretirement Benefits		
Total investment assets at fair value	$ 6,126	$ 1,775

Employee Retirement Plans (Details 6) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Multiemployer Plans			
Contributions by employer	$ 5.7	$ 6.1	$ 4.3

Employee Retirement Plans (Details 3) (USD $)	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Pension Plans | Minimum			
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Company contributions expected to be funded for calendar year 2014	$ 40,000,000		
Target Allocation			
Period investments in domestic and international equity securities are utilized with the expectation of higher rate of return than debt securities	5 years		
Pension Plans | Maximum			
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Company contributions expected to be funded for calendar year 2014	44,000,000		
Target Allocation			
Period investments in domestic and international equity securities are utilized with the expectation of higher rate of return than debt securities	10 years		
U.S. Pension Plans			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	5.10%	4.20%	
Rate of compensation increase (as a percent)	3.30%	3.00%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	245,077,000	205,750,000	
Service costs	3,833,000	3,532,000	3,666,000
Interest costs	10,015,000	10,592,000	10,585,000
Actuarial loss (gain)	(26,876,000)	34,584,000	
Benefits paid	(11,189,000)	(9,381,000)	
Benefit obligation at end of year	220,860,000	245,077,000	205,750,000
Change in plan assets for the pension plans			
Plan assets at beginning of year	162,665,000	141,491,000	
Actual return on plan assets	12,274,000	18,195,000	
Company contributions	8,189,000	12,360,000	
Benefits paid	(11,189,000)	(9,381,000)	
Fair value of plan assets at end of year	171,939,000	162,665,000	141,491,000
Target Allocation			
Total (as a percent)	100.00%		
Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	100.00%	100.00%	
U.S. Pension Plans | Equity securities			
Target Allocation			
Total (as a percent)	55.00%		

Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	63.00%	54.00%	
U.S. Pension Plans | Debt securities			
Target Allocation			
Total (as a percent)	45.00%		
Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	36.00%	46.00%	
U.S. Pension Plans | Other			
Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	1.00%		
Non-U.S. Pension Plans			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	4.40%	4.50%	
Rate of compensation increase (as a percent)	4.00%	4.00%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	1,063,952,000	922,259,000	
Service costs	4,041,000	2,350,000	320,000
Interest costs	47,752,000	45,628,000	5,969,000
Actuarial loss (gain)	52,050,000	82,069,000	
Participant contributions	338,000	347,000	
Currency translation	16,639,000	43,707,000	
Benefits paid	(37,262,000)	(32,408,000)	
Benefit obligation at end of year	1,147,510,000	1,063,952,000	922,259,000
Change in plan assets for the pension plans			
Plan assets at beginning of year	701,256,000	623,972,000	
Actual return on plan assets	52,571,000	57,968,000	
Company contributions	23,120,000	21,674,000	
Participant contributions	338,000	347,000	
Currency translation	11,120,000	29,703,000	
Benefits paid	(37,262,000)	(32,408,000)	
Fair value of plan assets at end of year	751,143,000	701,256,000	623,972,000
Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	100.00%	100.00%	
Non-U.S. Pension Plans | Equity securities			
Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	38.00%	36.00%	
Non-U.S. Pension Plans | Debt securities			
Weighted average asset actual allocations for the benefit plans			
Total (as a percent)	55.00%	50.00%	
Non-U.S. Pension Plans | Other			
Change in plan assets for the pension plans			
Fair value of plan assets at end of year	27,762,000	20,494,000	
Weighted average asset actual allocations for the benefit plans			

Total (as a percent)	7.00%	14.00%	
Non-U.S. Pension Plans | Minimum			
Target Allocation			
Target allocation period	5 years		
Non-U.S. Pension Plans | Maximum			
Target Allocation			
Target allocation period	10 years		
Non-Qualified Pension Plan			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	5.10%	4.20%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	1,994,000	770,000	
Interest costs	81,000	38,000	34,000
Transfer of existing obligations		1,200,000	
Actuarial loss (gain)	(341,000)	86,000	
Benefits paid	(126,000)	(100,000)	
Benefit obligation at end of year	1,608,000	1,994,000	770,000
Change in plan assets for the pension plans			
Benefits paid	(126,000)	(100,000)	
Postretirement Benefit Plans			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	5.10%	4.20%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	53,686,000	46,821,000	
Service costs	1,816,000	1,828,000	1,971,000
Interest costs	2,196,000	2,416,000	2,519,000
Plan contributions	1,960,000	2,045,000	
Actuarial loss (gain)	(10,907,000)	4,246,000	
Participant contributions	41,000	25,000	
Benefits paid	(4,456,000)	(3,695,000)	
Benefit obligation at end of year	44,336,000	53,686,000	46,821,000
Change in plan assets for the pension plans			
Plan assets at beginning of year	53,686,000		
Participant contributions	41,000	25,000	
Benefits paid	(4,456,000)	(3,695,000)	
Fair value of plan assets at end of year	$ 44,336,000	$ 53,686,000	

Income Taxes (Tables)	12 Months Ended Dec. 31, 2013

Income Taxes

Schedule of income before provision for income taxes

($ in thousands)	2013	2012	2011
U.S. income	$129,049	$137,033	$146,721
Foreign income	39,993	8,009	22,506
Income before taxes	$169,042	$145,042	$169,227

Schedule of provision for income taxes

($ in thousands)	2013	2012	2011
Current income tax (benefit)/expense:			
Federal	$(3,601)	$49,468	$55,576
Foreign	22,475	19,098	13,016
State and local	(2,656)	7,556	7,839
Total current income tax expense	16,218	76,122	76,431
Deferred income tax expense/(benefit):			
Federal	29,991	(22,481)	(17,619)
Foreign	(2,837)	2,810	(806)
State	7,336	(4,385)	(2,076)
Total deferred income tax benefit	34,490	(24,056)	(20,501)
Total income tax expense	$50,708	$52,066	$55,930

Schedule of reconciliations of income tax computed at the U.S. federal statutory tax rate to effective income tax rate

($ in thousands)	2013	2012	2011
Pretax income	$169,042	$145,042	$169,227
Federal statutory rate	35 %	35 %	35 %
Expected tax expense	59,165	50,765	59,229
Reconciling items:			
State income taxes, net of federal benefit	8,076	4,200	6,402
Nondeductible meals and entertainment	2,605	2,452	2,466
Section 199—Domestic manufacturer deduction	(3,591)	(4,263)	(5,472)
Subsidiary earnings	(3,488)	(7,001)	(6,126)
Permanent expenses	3,530	(5,124)	(3,091)
Foreign tax rate differential	(12,554)	(8,436)	(3,593)
Tax credits	(36,948)	(5,387)	(9,071)
Change in valuation allowance	(1,127)	17,685	2,140
Foreign permanent expenses and other	35,469	8,746	13,722
Other	(429)	(1,571)	(676)
Provision for income taxes	$50,708	$52,066	$55,930

Schedule of tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities

($ in thousands)	2013	2012
Deferred tax assets:		
Net foreign operating loss carryforwards	$155,445	$161,474
Deferred gain, insurance and other	25,504	29,829
Investments in affiliates	—	1,909
Accrued employee benefits	262,283	282,974
Total deferred tax assets	443,232	476,186
Valuation allowance	(226,970)	(231,717)
Net deferred tax assets	216,262	244,469
Deferred tax liabilities:		
Investments in affiliates	(15,827)	—
Depreciation and amortization	(19,465)	(13,663)
Net deferred tax liabilities	(35,292)	(13,663)
Net deferred tax assets	$180,970	$230,806

Schedule of reconciliation of the beginning and ending amount of uncertain tax positions

Balance at December 31, 2011	$25,309
Additions for current year tax positions	1,349
Additions for prior year tax positions	1,002
Reductions for prior year tax positions	(866)
Settlement with taxing authorities	(168)
Reductions as a result of lapse of applicable statue of expirations	(1,866)
Balance at December 31, 2012	$24,760
Additions for current year tax positions	1,862
Additions for prior year tax positions	8,370
Reductions for prior year tax positions	(1,604)
Reductions as a result of lapse of applicable statue of expirations	(585)
Balance at December 31, 2013	$32,803

Goodwill and Intangible Assets (Details 2) (USD $)	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Intangible assets with finite lives			
Cost	$ 266,608,000	$ 266,527,000	
Accumulated Amortization	(169,950,000)	(132,870,000)	
Net finite-lived intangible assets	96,658,000	133,657,000	
Finite-lived intangible assets			
Amortization expense	35,400,000	38,600,000	11,100,000
Future estimated amortization expense of intangible assets			
2014	33,468,000		
2015	25,437,000		
2016	21,276,000		
2017	15,743,000		
2018	734,000		
Net finite-lived intangible assets	96,658,000	133,657,000	
Minimum			
Finite-lived intangible assets			
Amortization period of intangible assets	3 years		
Maximum			
Finite-lived intangible assets			
Amortization period of intangible assets	7 years		
Contracted backlog			
Intangible assets with finite lives			
Cost	79,576,000	81,014,000	
Accumulated Amortization	(70,306,000)	(64,850,000)	
Net finite-lived intangible assets	9,270,000	16,164,000	
Future estimated amortization expense of intangible assets			
Net finite-lived intangible assets	9,270,000	16,164,000	
Customer relationships			
Intangible assets with finite lives			
Cost	162,444,000	160,651,000	
Accumulated Amortization	(88,436,000)	(62,386,000)	
Net finite-lived intangible assets	74,008,000	98,265,000	
Future estimated amortization expense of intangible assets			
Net finite-lived intangible assets	74,008,000	98,265,000	
Tradename			
Intangible assets with finite lives			
Cost	24,588,000	24,862,000	
Accumulated Amortization	(11,208,000)	(5,634,000)	
Net finite-lived intangible assets	13,380,000	19,228,000	
Future estimated amortization expense of intangible assets			
Net finite-lived intangible assets	$ 13,380,000	$ 19,228,000	

Employee Retirement Plans

12 Months Ended
Dec. 31, 2013

Employee Retirement Plans

Employee Retirement Plans

(14) Employee Retirement Plans

Retirement and Tax-Deferred Savings Plan

The Retirement and Tax-Deferred Savings Plan ("401(k) Plan") is a retirement plan that includes a cash or deferred arrangement that is intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code and provides benefits to eligible employees upon retirement. In September 2012, our Board of Directors approved the CH2M HILL Companies, LTD Amended and Restated 401(k) Plan which became effective January 1, 2013 ("401(k) Plan"). The 401(k) Plan allows for matching contributions up to 6% of employee's base compensation, although specific subsidiaries may have different limits on employer matching. The matching contributions may be made in both cash and/or stock. Employer defined contributions will no longer be made under the 401(k) Plan. Expenses related to matching contributions made in common stock for the 401(k) Plan were $36.5, $45.5 and $44.8 million for the 2013, 2012 and 2011, respectively.

Defined Benefit Plans

We sponsor several defined benefit pension plans primarily in the United States and the United Kingdom.

In the U.S., we have three noncontributory defined benefit pension plans. Plan benefits in two of the plans are frozen while one plan remains active. Benefits are generally based on years of service and compensation during the span of employment.

In the U.K., we assumed several defined benefit plans as part of our acquisition of Halcrow on November 10, 2011, of which the largest is the Halcrow Pension Scheme. These defined benefit plans have been closed to new entrants for many years. The information related to these plans is presented in the Non-U.S. Pension Plans columns of the tables below.

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Benefit Expense

The weighted average actuarial assumptions used to compute the net periodic pension expense are based upon information available as of the beginning of the year, as presented in the following table.

	U.S. Pension Plans			Non-U.S. Pension Plans	
	2013	2012	2011	2013	2012
Discount rate	4.20 %	5.30 %	5.80 %	4.50 %	4.90 %
Expected long-term rate of return on plan assets	6.75 %	7.50 %	7.50 %	4.63 %	5.81 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %	4.00 %	4.10 %

The components of the net periodic pension expense for the years ended December 31 are detailed below:

	U.S. Pension Plans			Non-U.S. Pension Plans		
($ in thousands)	2013	2012	2011	2013	2012	2011
Service cost	$3,833	$3,532	$3,666	$4,041	$2,350	$320
Interest cost	10,015	10,592	10,585	47,752	45,628	5,969

Expected return on plan assets	(10,801)	(10,756)	(10,462)	(32,440)	(36,647)	(5,674)
Amortization of prior service cost (credits)	(766)	(781)	(783)	—	—	—
Recognized net actuarial loss	7,490	5,546	3,549	931	—	—
Net expense included in current income	$9,771	$8,133	$6,555	$20,284	$11,331	$615

Benefit Obligations

The measurement date used for the U.S. and non-U.S. defined benefit pension plans is December 31. The significant actuarial weighted average assumptions used to compute the projected benefit obligations for the defined benefit pension plans at December 31 are as follows:

	U.S. Pension Plans		Non-U.S. Pension Plans	
	2013	**2012**	**2013**	**2012**
Discount rate	5.10 %	4.20 %	4.40 %	4.50 %
Rate of compensation increase	3.30 %	3.00 %	4.00 %	4.00 %

The discount rate assumption for the U.S. and U.K. defined benefit pension plans was determined using actuarial bond models. The models assume we purchase high quality, Aa-rated or better, corporate bonds such that the expected cash flow from the selected bond portfolio generally matches the timing of our projected benefit payments. The models develop the average yield on this portfolio of bonds as of the measurement date. This average yield is used as the discount rate.

The following table summarizes the change in the projected benefit obligation and plan assets for the defined benefit pension plans for the years ended December 31:

	U.S. Pension Plans		Non-U.S. Pension Plans	
($ in thousands)	**2013**	**2012**	**2013**	**2012**
Benefit obligation at beginning of year	$245,077	$205,750	$1,063,952	$922,259
Service cost	3,833	3,532	4,041	2,350
Interest cost	10,015	10,592	47,752	45,628
Actuarial loss	(26,876)	34,584	52,050	82,069
Participant contributions	—	—	338	347
Currency translation	—	—	16,639	43,707
Benefits paid	(11,189)	(9,381)	(37,262)	(32,408)
Benefit obligation at end of year	$220,860	$245,077	$1,147,510	$1,063,952
Plan assets at beginning of year	$162,665	$141,491	$701,256	$623,972
Actual return on plan assets	12,274	18,195	52,571	57,968
Company contributions	8,189	12,360	23,120	21,674
Participant contributions	—	—	338	347
Currency translation	—	—	11,120	29,703

Benefits paid	(11,189)	(9,381)	(37,262)	(32,408)
Assets obtained from the Halcrow acquisition and other	—	—	—	—
Fair value of plan assets at end of year	$171,939	$162,665	$751,143	$701,256

Assuming no changes in current assumptions, the Company expects to fund approximately $40 million to $44 million in Company contributions for calendar year 2014.

The expected benefit payments for the U.S. and non-U.S. defined benefit pension plans are as follows:

($ in thousands)	U.S. Pension Plans	Non-U.S. Pension Plans
2014	$12,654	$44,613
2015	13,307	42,747
2016	14,257	44,124
2017	15,123	45,534
2018	15,591	48,256
Thereafter	83,358	265,916
	$154,290	$491,190

Benefit Plan Assets

The target allocation for the U.S. pension plans and the weighted-average asset allocations for the defined benefit pension plans at December 31, 2013 and 2012 by asset category are set out below. For the non-U.S. pension plans, the targeted allocation of assets is generally related to the expected benefit payments over the next five to ten years. The target is to hold sufficient assets in fixed income securities to meet these cash flows. So as the benefit plan matures, an increasing proportion of plan assets will be held in fixed income securities.

	U.S. Pension Plans			Non-U.S. Pension Plans	
	Target Allocation	2013	2012	2013	2012
Equity securities	55 %	63 %	54 %	38 %	36 %
Debt securities	45 %	36 %	46 %	55 %	50 %
Other	—	1 %	— %	7 %	14 %
Total	100 %	100 %	100 %	100 %	100 %

The investment philosophy for the defined benefit pension plans is primarily to have the asset values and long-term rates of return exceed those of the relative benchmarks in order to protect and pay the expected future benefit payments to participants. Asset allocation decisions are made in an attempt to construct a total portfolio that achieves the desired expected risk and return needed to meet long term liabilities of the plans. For non-U.S. plans, the asset allocation decisions are often made by an independent board of trustees. In order to accomplish the investment philosophy and strategy, the benefit plan trustees monitor the asset classes allowed for investment, the strategic mix targets, and allowable ranges of such.

Investments in domestic and international equity securities are utilized with the expectation that they will provide a higher rate of return than debt securities for periods in excess of five to ten years, albeit with greater risk. Investments in debt securities, such as government and corporate bonds of domestic and international entities, are utilized with the expectation that they are generally low in risk and can meet the shorter term cash flow needs of the plans.

We use long-term historical actual return experience with consideration of the expected investment mix of the plan assets, as well as future estimates of long-term investment returns to develop the expected rate of return assumptions used in calculating the net periodic pension cost.

The following tables summarize the fair values of our defined benefit pension plan assets by major asset category:

U.S. Pension Plans

($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Cash and cash equivalents	$1,610	$1,610	$—	$—
Equity funds	108,726	108,726	—	—
Fixed income securities	61,603	61,603	—	—
Total	$171,939	$171,939	$—	$—
December 31, 2012				
Cash and cash equivalents	$937	$937	$—	$—
Equity funds	87,143	87,143	—	—
Fixed income securities	74,585	74,585	—	—
Total	$162,665	$162,665	$—	$—

	Non-U.S. Pension Plans			
($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Cash and cash equivalents	$20,543	$18,380	$2,163	$—
Equity funds	281,191	244,804	36,387	—
Fixed income securities	407,461	349,941	57,520	—
International property fund	14,186	1,148	11,708	1,330
Other	27,762	21,636	6,126	—
Total	$751,143	$635,909	$113,904	$1,330
December 31, 2012				
Cash and cash equivalents	$42,969	$41,988	$981	$—
Equity funds	254,538	217,996	36,542	—
Fixed income securities	351,558	288,590	62,968	—
International property fund	31,697	1,632	30,065	—
Other	20,494	18,719	1,775	—
Total	$701,256	$568,925	$132,331	$—

Funded Status

The following table presents the underfunded status of the defined benefit pension plans at December 31:

	U.S. Pension Plans		Non-U.S. Pension Plans	
($ in thousands)	2013	2012	2013	2012

Projected benefit obligation	$220,860	$245,077	$1,147,510	$1,063,952
Fair value of plan assets	171,939	162,665	751,143	701,256
Overfunded status	—	—	765	—
Underfunded status	$(48,921)	$(82,412)	$(397,132)	$(362,696)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$60,004	$95,843	$115,399	$83,037
Net prior service cost (credits)	(7,115)	(7,881)	—	—
Total	$52,889	$87,962	$115,399	$83,037
Amounts to be recognized in the following year as a component of net periodic pension expense:				
Net actuarial loss	$4,598	$7,490	$1,195	918
Net prior service cost (credits)	(766)	(766)	—	—
Total	$3,832	$6,724	$1,195	918
Additional information:				
Accumulated benefit obligation	$216,824	$238,234	$1,139,224	$1,056,442

The liability for the underfunded status is included in long-term employee related liabilities on the consolidated balance sheets.

Other Postretirement Benefits

We sponsor a medical benefit plan for retired employees of certain subsidiaries. The plan is contributory, and retiree premiums are based on years of service at retirement. The benefits contain limitations and a cap on future cost increases. We fund postretirement medical benefits on a pay-as-you-go basis. Additionally, we have a frozen non-qualified pension plan that provides additional retirement benefits to certain senior executives that remained employed and retired from CH2M HILL on or after age 65.

The non-qualified pension and postretirement healthcare benefit payments, including expected future services, are expected to be paid from plan assets and operating cash flows as follows:

($ in thousands)	Non-Qualified Pension Plan	Postretirement Benefit Plans
2014	$165	$2,603
2015	163	2,745
2016	155	2,911
2017	147	3,082
2018	141	3,269
2019-2023	613	18,619
	$1,384	$33,229

Benefit Expense

The measurement date used for non-qualified pension and other postretirement benefit plans is December 31. The actuarial assumptions used to compute the non-qualified pension benefit expense and postretirement benefit expense are based upon information available as of the beginning of the year, as presented in the following table.

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
	2013	2012	2011	2013	2012	2011
Actuarial assumptions at beginning of year:						
Discount rate	4.20 %	5.30 %	5.80 %	4.20 %	5.30 %	5.80 %
Initial healthcare costs trend rate	na	na	na	na	na	na
Ultimate healthcare cost trend rate	na	na	na	na	na	na
Year ultimate trend rate is reached	na	na	na	na	na	na

na—not applicable

We have instituted caps on the potential growth of our retiree healthcare costs. The retiree healthcare cost caps have been reached and apply in all future years. As healthcare costs continue to increase, these caps are intended to remain in force at current levels. As a result, a 1% change in the healthcare cost trends has no impact on the postretirement benefit obligation or costs.

The components of the non-qualified pension benefit expense and postretirement benefit expense for the years ended December 31 are detailed below:

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
($ in thousands)	2013	2012	2011	2013	2012	2011
Service cost	$—	$—	$—	$1,816	$1,828	$1,971
Interest cost	81	38	34	2,196	2,416	2,519
Amortization of transition obligation	—	—	—	—	100	349
Amortization of prior service costs	—	—	—	206	341	354
Recognized net actuarial loss (gain)	21	36	12	336	—	50
Net expense included in current income	$102	$74	$46	$4,554	$4,685	$5,243

The discount rate used to compute the benefit obligations for the non-qualified pension plan and postretirement benefit plans at December 31, 2013 and 2012 were 5.10% and 4.20%, respectively.

The discount rate assumptions are set annually based on an actuarial bond model. The bond model assumes we purchase high quality corporate bonds such that the expected cash flows generally match the maturity of the benefits. The following table summarizes the change in benefit obligation and change in plan assets for the non-qualified pension and postretirement benefit plans for the years ended December 31:

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	2013	2012	2013	2012
Benefit obligation at beginning of year	$1,994	$770	$53,686	$46,821

Service cost	—	—	1,816	1,828
Interest cost	81	38	2,196	2,416
Transfer of existing obligations	—	1,200	—	—
Plan contributions	—	—	1,960	2,045
Actuarial loss (gain)	(341)	86	(10,907)	4,246
Participant contributions	—	—	41	25
Benefits paid	(126)	(100)	(4,456)	(3,695)
Benefit obligation at end of year	$1,608	$1,994	$44,336	$53,686

Funded Status

The following table presents the underfunded status of the non-qualified pension and postretirement benefit plans at December 31:

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	**2013**	**2012**	**2013**	**2012**
Projected benefit obligation	$1,608	$1,994	$—	$—
Accumulated benefit obligation	—	—	44,336	53,686
Underfunded status	$(1,608)	$(1,994)	$(44,336)	$(53,686)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$55	$416	$(2,784)	$8,460
Net prior service cost	—	—	(262)	(56)
Transition obligation	—	—	—	—
Total	$55	$416	$(3,046)	$8,404
Amounts to be recognized in the following year as a component of net periodic cost:				
Net actuarial loss	$—	$21	$(11)	$336
Transition obligation	—	—	—	—
Net prior service cost	—	—	(29)	206
Total	$—	$21	$(40)	$542

Benefits expected to be paid in 2014 are included in short-term employee related liabilities with the remaining liability balance included in long-term employee related liabilities on the consolidated balance sheets.

Multiemployer Plans

We participate in various multiemployer pension plans for certain employees represented by labor unions. We are required to make contributions to these plans in amounts established under collective bargaining agreements, generally based on the number of hours worked. We made contributions to the various plans totaling approximately $5.7 million, $6.1 million and $4.3 million for the years ended December 31, 2013, 2012 and 2011, respectively. We are unable to obtain additional financial information from the multiemployer pension plans sponsors in order to determine unfunded liability amounts and other plan data, however based upon the small number of our employees that have participated in these plans, we do not believe any of these amounts will have a material impact on our financial results.

We have employees who participate in benefit plans with the U.S. Department of Energy for which information is not provided because we are not responsible for the current or future funded status of those plans.

Summary of Business and Significant Accounting Policies (Tables)	12 Months Ended Dec. 31, 2013
Summary of Business and Significant Accounting Policies	
Schedule of accumulated other comprehensive loss	For the year ended December 31, 2013, changes to accumulated other comprehensive income are as follows (in thousands):

Benefit plans:	
Balance at beginning of year	$(143,171)
Reclassification adjustment	4,935
Other comprehensive loss recognized during the year	(7,988)
Balance at end of year	$(146,224)
Unrealized gain on equity investments:	
Balance at beginning of year	$854
Other comprehensive loss recognized during the year	(642)
Balance at end of year	$212
Foreign currency translation:	
Balance at beginning of year	$11,646
Other comprehensive loss recognized during the year	(4,597)
Balance at end of year	$7,049

Acquisitions (Details)	12 Months Ended	0 Months Ended							1 Months Ended
	Dec. 31, 2011 USD ($)	Dec. 31, 2013 USD ($)	Dec. 31, 2012 USD ($)	Jul. 29, 2011 Booz Allen Hamilton USD ($)	Jul. 29, 2011 Booz Allen Hamilton Customer relationships USD ($)	Jul. 29, 2011 Booz Allen Hamilton Contracted backlog USD ($)	Nov. 10, 2011 Halcrow USD ($)	Nov. 10, 2011 Halcrow GBP (£)	Dec. 31, 2011 Halcrow USD ($)
Acquisitions									
Purchase price				$ 28,500,000			$ 197,300,000	£ 124,000,000	
Useful lives					7 years	3 years			
Cash paid							41,700,000		
Value of common stock issued	18,841,000						18,800,000		
Notes payable paid in full									136,800,000
Fair values of the assets acquired and liabilities assumed									
Intangible assets, net					8,800,000	1,200,000			
Goodwill	$ 545,443,000	$ 573,487,000	$ 562,461,000	$ 10,500,000					

Summary of Business and Significant Accounting Policies (Details) (USD $)	12 Months Ended Dec. 31, 2013	Dec. 31, 2012
Summary of Business and Significant Accounting Policies		
Common stock, shares authorized	100,000,000	100,000,000
Common stock, par value (in dollars per share)	$ 0.01	$ 0.01
Preferred stock, Class A shares authorized	50,000,000	50,000,000
Preferred stock, Class A par value (in dollars per share)	$ 0.01	$ 0.01
Cash and cash equivalents related to joint ventures	$ 112,200,000	$ 118,800,000
Benefit plans:		
Balance at beginning of year	(143,171,000)	
Reclassification adjustment	4,935,000	
Other comprehensive loss recognized during the year	(7,988,000)	
Balance at end of year	(146,224,000)	
Unrealized gain on equity investments:		
Balance at beginning of year	854,000	
Other comprehensive loss recognized during the year	(642,000)	
Balance at end of year	212,000	
Foreign currency translation:		
Balance at beginning of year	11,646,000	
Other comprehensive loss recognized during the year	(4,597,000)	
Balance at end of year	7,049,000	
Pretax reclassification adjustments included in other comprehensive loss related to our benefit plans includes pretax reclassification adjustments	$ 8,200,000	
Minimum		
Other Long-Lived Assets		
Useful lives of intangible assets	3 years	
Maximum		
Other Long-Lived Assets		
Useful lives of intangible assets	7 years	
Buildings | Minimum		
Property, plant and equipment		
Useful lives of assets	6 years	
Buildings | Maximum		
Property, plant and equipment		
Useful lives of assets	20 years	
Furniture, fixtures, computers, software and other equipment | Minimum		
Property, plant and equipment		
Useful lives of assets	3 years	
Furniture, fixtures, computers, software and other equipment | Maximum		
Property, plant and equipment		
Useful lives of assets	10 years	

Leasehold improvements | Maximum

Property, plant and equipment

Useful lives of assets	10 years

Consolidated Statements of Comprehensive Income (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Consolidated Statements of Comprehensive Income			
Net Income	$ 131,152	$ 98,297	$ 125,429
Other comprehensive income (loss):			
Foreign currency translation adjustments	(4,596)	13,384	(15,052)
Benefit plan adjustments, net of tax	(3,053)	(83,066)	(26,868)
Unrealized loss on available-for-sale investments and other, net of tax	(642)	(133)	(34)
Other comprehensive loss	(8,291)	(69,815)	(41,954)
Comprehensive income	122,861	28,482	83,475
Less: comprehensive income attributable to noncontrolling interests	(12,818)	(5,321)	(12,132)
Comprehensive income attributable to CH2M HILL	$ 110,043	$ 23,161	$ 71,343

Variable Interest Entities and Equity Method Investments	12 Months Ended Dec. 31, 2013
Variable Interest Entities and Equity Method Investments	
Variable Interest Entities and Equity Method Investments	

(3) Variable Interest Entities and Equity Method Investments

We routinely enter into teaming arrangements to perform projects for our clients. Such arrangements are customary in the engineering and construction industry and generally are project specific. The arrangements facilitate the completion of projects that are jointly contracted with our partners. These arrangements are formed to leverage the skills of the respective partners and include consulting, construction, design, design-build, program management and operations and maintenance contracts. Our risk of loss on these arrangements is usually shared with our partners. The liability of each partner is usually joint and several, which means that each partner may become liable for the entire risk of loss on the project.

We perform a qualitative assessment to determine whether our company is the primary beneficiary once an entity is identified as a variable interest entity ("VIE"). A qualitative assessment begins with an understanding of the nature of the risks in the entity as well as the nature of the entity's activities including terms of the contracts entered into by the entity, ownership interests issued by the entity and how they were marketed, and the parties involved in the design of the entity. All of the variable interests held by parties involved with the VIE are identified and a determination of which activities are most significant to the economic performance of the entity and which variable interest holder has the power to direct those activities are made. Most of the VIEs with which our company is involved have relatively few variable interests and are primarily related to our equity investments, subordinated financial support, and subcontracting arrangements. We consolidate those VIEs in which we have both the power to direct the activities of the VIE that most significantly impact the VIEs economic performance and the obligation to absorb losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE. As of December 31, 2013, total assets of VIEs that were consolidated were $158.6 million and total liabilities were $105.0 million.

We held investments in unconsolidated affiliates of $92.3 million and $118.0 million for the years ended December 31, 2013 and 2012, respectively. Our proportionate share of net income or loss is included as equity in earnings of joint ventures and affiliated companies in the consolidated statements of income. In general, the equity investment in our unconsolidated affiliates is equal to our current equity investment plus our portion of the entities' undistributed earnings. We provide certain services, including engineering, construction management and computer and telecommunications support, to these unconsolidated entities. These services are billed to the joint ventures in accordance with the provisions of the agreements.

Summarized financial information for our unconsolidated VIEs and equity method investments as of and for the years ended December 31 is as follows:

($ in thousands)	2013	2012
FINANCIAL POSITION:		
Current assets	$611,879	$802,755
Noncurrent assets	25,366	48,623
Total assets	$637,245	$851,378
Current liabilities	$407,687	$522,152
Noncurrent liabilities	3,119	22,755
Partners'/Owners' equity	226,439	306,471
Total liabilities and equity	$637,245	$851,378
CH2M HILL's share of equity	$92,287	$118,008

($ in thousands)	2013	2012	2011
RESULTS OF OPERATIONS:			

Revenue	$2,515,747	$2,787,830	$3,037,595
Direct costs	(2,305,945)	(2,513,302)	(2,779,990)
Gross margin	209,802	274,528	257,605
General and administrative expenses	(37,880)	(39,408)	(50,307)
Operating income	171,922	235,120	207,298
Other (loss) income, net	(6,024)	(15,095)	130
Net income	$165,898	$220,025	$207,428
CH2M HILL's share of net income	$54,010	$63,674	$64,477

We have the following significant investments in affiliated unconsolidated companies:

	% Ownership
Domestic:	
AGVIQ—CH2M HILL Joint Venture III	49.0 %
Americas Gateway Builders	40.0 %
CH2M / WG Idaho, LLC	50.5 %
Coastal Estuary Services	49.9 %
Connecting Idaho Partners	49.0 %
National Security Technologies, LLC	10.0 %
Savannah River Remediation LLC	15.0 %
URS/CH2M OAK RIDGE LLC	45.0 %
Washington Closure, LLC	30.0 %
Foreign:	
A-one+ Integrated Highway Services.	33.3 %
Cavendish Dounreay Partnership, Ltd.	30.0 %
CH2M HILL BECA, Ltd.	50.0 %
CH2M HILL—Kunwon PMC	54.0 %
CH2M Olayan	49.0 %
CLM Delivery Partner, Limited	37.5 %
Consorcio Integrador Rio de Janeiro	49.0 %
Consorcio Sondotecnica-Cobrape-CH2M	25.0 %
CPG Consultants—CH2M HILL NIP Joint Venture	50.0 %
ECC-VECO, LLC	50.0 %
Halcrow (Shanghai) Engineering Consulting Co., LTD	49.0 %
Halcrow-Sinergia-Setepla Consortium	29.3 %
HWC Treatment Program Alliance Joint Venture	50.0 %
JJCH2M, a Joint Venture	40.0 %
Luggage Point Alliance	50.0 %
OMI BECA, Ltd.	50.0 %
SMNM VECO Joint Venture	50.0 %
Sydney Water Corporation-Odour Management Program Alliance	50.0 %
Transcend Partners, Ltd	40.0 %

Earnings Per Share (Details) (USD $) In Thousands, except Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Numerator:											
Net income attributable to CH2M HILL (in dollars)	$ 50,031	$ 33,693	$ 27,496	$ 7,114	$ 30,637	$ 29,613	$ 27,602	$ 5,124	$ 118,334	$ 92,976	$ 113,297
Denominator:											
Basic weighted average common shares outstanding									29,612,309	31,081,679	30,823,954
Dilutive effect of common stock equivalents (in shares)									278,000	402,000	604,000
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents									29,889,844	31,483,901	31,427,823
Basic net income per common share (in dollars per share)	$ 1.71	$ 1.14	$ 0.92	$ 0.24	$ 1.01	$ 0.95	$ 0.88	$ 0.16	$ 4.00	$ 2.99	$ 3.68
Diluted net income per common share (in dollars per share)	$ 1.70	$ 1.13	$ 0.91	$ 0.24	$ 1.00	$ 0.94	$ 0.87	$ 0.16	$ 3.96	$ 2.95	$ 3.60

Segment Information (Details 3) (USD $) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Total U.S. and international revenue											
Revenue	$ 1,444,461	$ 1,472,603	$ 1,513,006	$ 1,447,749	$ 1,614,541	$ 1,603,456	$ 1,540,612	$ 1,401,944	$ 5,877,819	$ 6,160,553	$ 5,555,233
U.S.											
Total U.S. and international revenue											
Revenue									3,915,091	4,237,918	4,185,501
International											
Total U.S. and international revenue											
Revenue									$ 1,962,728	$ 1,922,635	$ 1,369,732

Receivables, net (Tables)

12 Months Ended Dec. 31, 2013

Receivables, net

Schedule of changes in the allowance for uncollectible accounts

($ in thousands)	2013	2012	2011
Balance at beginning of year	$10,072	$7,520	$12,076
Provision charged to expense	4,487	4,060	5,846
Accounts written off	(3,437)	(579)	(9,576)
Other	(2,705)	(929)	(826)
Balance at end of year	$8,417	$10,072	$7,520

Segment Information (Tables)	12 Months Ended Dec. 31, 2013

Segment Information

Schedule of financial information related to segments

Certain financial information for each segment is provided below (in thousands):

2013	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$3,215,938	$2,661,881	$—	$5,877,819
Equity in earnings of joint ventures and affiliated companies	10,508	43,502	—	54,010
Depreciation and amortization	41,710	32,823	—	74,533
Operating income (loss)	83,941	127,571	(19,150)	192,362
Segment assets	1,430,611	1,625,786	—	3,056,397
Goodwill	223,991	349,496	—	573,487

2012	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$3,474,768	$2,685,785	$—	$6,160,553
Equity in earnings of joint ventures and affiliated companies	22,612	41,062	—	63,674
Depreciation and amortization	45,711	33,920	—	79,631
Operating income (loss)	88,216	93,249	(22,626)	158,839
Segment assets	960,456	2,154,128	—	3,114,584
Goodwill	221,539	340,922	—	562,461

2011	Energy, Water and Facilities	Government, Environment and Infrastructure	Corporate	Financial Statement Balances
Revenue from external customers	$2,784,418	$2,770,815	$—	$5,555,233
Equity in earnings of joint ventures and affiliated companies	25,025	39,452	—	64,477
Depreciation and amortization	38,021	10,194	—	48,215
Operating income (loss)	99,642	106,970	(21,459)	185,153
Segment assets	813,600	1,940,439	—	2,754,039
Goodwill	217,756	327,687	—	545,443

Schedule of total U.S. and international revenue

($ in thousands)	2013	2012	2011
U.S.	$3,915,091	$4,237,918	$4,185,501
International	1,962,728	1,922,635	1,369,732
Total	$5,877,819	$6,160,553	$5,555,233

Employee Benefit Plans

Employee Benefit Plans

Employee Benefit Plans

12 Months Ended Dec. 31, 2013

(13) Employee Benefit Plans

Deferred Compensation Plans

In 2009, we amended and restated the CH2M HILL Companies, Ltd. Deferred Compensation Retirement Plan ("DCRP") to form the CH2M HILL Supplemental Executive Retirement and Retention Plan ("SERRP"). The Plan is intended to be unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA"). Under this plan, each participant's account consists of various contributions made to the account by our Company on behalf of the participant. The SERRP was amended effective January 1, 2013 to, in general, allow participants to select the investment vehicles available under the plan. The plan can be used to provide additional retirement benefits for certain of our senior executives at the Company's discretion. Compensation expense was $1.5 million, $2.0 million, $3.9 million for the years ended December 31, 2013, 2012 and 2011, respectively.

In addition to the SERRP, we have a nonqualified deferred compensation plan that provides benefits payable to officers and certain highly compensated employees at specified future dates, or upon retirement, disability or death. In 2011, we amended and restated the Deferred Compensation Plan and Executive Deferred Compensation Plan to combine both plans into a single plan. The plan allows eligible participants to defer up to a certain amount of base compensation and incentive compensation received, in cash or common stock. It also allows a more select group of eligible participants, whose 401(k) Plan contributions are limited by the ERISA, to defer additional base compensation to which we may make a matching contribution. The plan is also used to provide additional retirement benefits for certain of our senior executives at levels to be determined from time-to-time by the Compensation Committee of the Board of Directors.

The deferred compensation plans are unfunded; therefore, benefits are paid from the general assets of our company. The participant's cash deferrals earn a return based on the participant's selection of investments in several hypothetical investment options. All deferrals of common stock must remain invested in common stock and are distributed in common stock. As of December 31, 2013 and 2012, amounts due under the deferred compensation plans were $89.2 and $75.2, respectively.

Compensation expense for the two nonqualified plans was $1.4 million, $2.7 million and $4.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Death Benefit Only Plan

Effective as of September 13, 2012, we amended and restated the CH2M HILL Companies, Ltd. Death Benefit Only Plan. The plan provides for a payment of five times the base salary (pre-tax) in a lump sum to the beneficiary of select executives (including the named executive officers) upon his or her death. This is a pre-retirement employment benefit similar to term life insurance while the executive remains a CH2M HILL employee.

Stock Option Plans

In 2009, the Board of Directors and stockholders approved the CH2M HILL Companies, Ltd. 2009 Stock Option Plan ("2009 Stock Option Plan") which reserved 3,000,000 shares of our common stock for issuance upon exercise of stock options granted. Effective May 7, 2012, the 2009 Stock Option Plan was amended and restated to increase the number of reserved shares to 5,500,000. All options outstanding under the previously cancelled plans ("1999 and 2004 Stock Option Plans"), that expired or for any other reason cease to be exercisable, were rolled into the 2009 Stock Option Plan and are available for grant in addition to the 5,500,000 options reserved.

Stock options are granted at an exercise price equal to the fair market value of our common stock at the date of grant. Stock options granted generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of grant. The following table summarizes the activity relating to the 2009 Stock Option Plan during 2013:

Stock Options:	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2012	2,620,537	$44.65
Granted	652,308	$58.30
Exercised	(688,319)	$35.57
Forfeited	(125,910)	$52.91
Expired	(41,595)	$36.97
Outstanding at December 31, 2013	2,417,021	$50.61
Exercisable at December 31, 2013	982,074	$44.31
Available for future grants	5,884,954	

The weighted-average remaining contractual term for all options outstanding at December 31, 2013 and 2012 was 2.8 years and 2.7 years, respectively. The aggregate intrinsic value of all options outstanding was $26.9 million and $26.7 million, at December 31, 2013 and 2012, respectively. The weighted-average remaining contractual term for options vested and exercisable at December 31, 2013 and 2012 was 1.7 years and 1.5 years, respectively. The aggregate intrinsic value for the vested and exercisable options was $17.1 million and $20.3 million, at December 31, 2013 and 2012, respectively.

We received $4.8 million, $5.2 million and $4.6 million from options exercised during the years ended December 31, 2013, 2012 and 2011, respectively. Our stock option plans also allow participants to satisfy the exercise price and participant tax withholding obligation by tendering shares of company stock that have been owned by the participants for at least six months. The intrinsic value associated with exercises was $12.2 million, $18.0 million and $16.4 million during the years ended December 31, 2013, 2012 and 2011, respectively.

We measure the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant date fair value of options granted during the years ended December 31, 2013 and 2012 was $6.99 and $5.85, respectively. The following assumptions were used in determining the fair value of options granted during 2013 and 2012:

	2013	2012
Risk-free interest rate	0.91%	0.62%
Expected dividend yield	0.00%	0.00%
Expected option life	4.2 Years	4.2 Years
Expected stock price volatility	12.30%	11.72%

We estimate the expected term of options granted based on historical experience of employee exercise behavior. We estimate the volatility of our common stock by using the weighted-average of historical volatility over the same period as the option term. We use the Treasury Yield Curve rates for the risk-free interest rate in the option valuation model with maturities similar to the expected term of the options. We do not anticipate paying any cash dividends on our common stock in the foreseeable future and therefore use an expected dividend yield of zero in the option valuation model. We are required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. All stock-based payment awards are amortized on a straight-line basis over the requisite service periods of the awards.

The total compensation expense recognized for stock options granted for the years ended December 31, 2013, 2012 and 2011 was $3.7 million, $2.1 million and $4.8 million, respectively. The remaining unrecognized compensation expense related to nonvested awards as of December 31, 2013 is $5.4 million. We expect to recognize this compensation expense over the weighted average remaining recognition period of 1.5 years, subject to forfeitures that may occur during that period.

Payroll Deduction Stock Purchase Plan

In November 1999, we established the Payroll Deduction Stock Purchase Plan ("PDSPP") which provides for the purchase of common stock at 90% of the market value as of the date of purchase through payroll deductions by participating employees. Eligible employees may purchase common stock totaling up to 15% of an employee's compensation through payroll deductions. An employee cannot purchase more than $25,000 of common stock under the PDSPP in any calendar year. The PDSPP is intended to qualify under Section 423 of the Internal Revenue Code ("IRC"). The PDSPP is not intended to qualify under Section 401(a) of the IRC and is not subject to ERISA. The PDSPP is non-compensatory since the plan is available to all stockholders and incorporates no option features such as a look-back period. Accordingly, no compensation expense is recognized in the financial statements for the PDSPP. During the years ended December 31, 2013, 2012 and 2011, a total of 464,514 shares, 540,134 shares and 527,503 shares, respectively, were issued under the PDSPP, for total proceeds of $24.8 million, $26.3 million and $24.4 million, respectively.

Phantom Stock Plan

In January 2000, we established the Phantom Stock Plan, which provides eligible individuals with added incentives to continue in the long-term service of our company. Eligible individuals are generally individuals who are not residents of the U.S. Phantom stock grants are 100% vested on the grant date and may be redeemed after six months from the grant date. The value of phantom stock is equal to the market value of our common stock. All amounts granted under the Phantom Stock Plan are payable in cash only and are generally granted in connection with the short and long term incentive plans. Compensation expense under this plan is based on the value of the units on the date of grant.

During the year ended December 31, 2013, there were no units granted under the Phantom Stock Plan. During the years ended December 31, 2012 and 2011, a total of 711 units and 731 units, respectively, were granted under the Phantom Stock Plan. The fair values of the units granted under the Phantom Stock Plan during 2012 and 2011 were $57.01 and $49.90, respectively. Compensation expense related to the Phantom Stock Plan during 2013, 2012 and 2011 was zero, zero and $0.6 million, respectively.

The following table summarizes the activity relating to the Phantom Stock Plan during 2013:

	Number of Units
Balance at December 31, 2012	27,432
Exercised	(4,231)
Forfeited	(304)
Balance at December 31, 2013	22,897

Stock Appreciation Rights Plan

In February 1999, we established the Stock Appreciation Rights ("SARs") Plan. Eligible individuals are generally individuals who are not residents of the U.S. SARs are granted at an exercise price equal to the market value of our common stock and generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of the grant. All amounts granted under the SARs Plan are payable in cash only. Compensation expense under this plan is based on the vesting provisions and the market value of our common stock.

Compensation expense related to the SARs Plan during 2013, 2012 and 2011 was $0.2 million, $0.1 million and $0.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

The following table summarizes the activity relating to the SARs Plan during 2013:

	Number of Rights	Weighted Average Exercise Price
Balance at December 31, 2012	18,589	$46.26
Granted	10,666	$58.87
Exercised	(3,471)	$35.28
Cancelled	(1,874)	$53.80
Balance at December 31, 2013	23,910	$52.88

Incentive Plans

The Annual Incentive Plan ("AIP") aids in the recruitment, motivation, and retention of employees. Management determines which employees participate in the AIP. All of the 2013 and 2012 awards were paid in cash. Therefore no stock-based compensation was recognized in 2013 or 2012. During the year ended December 31, 2011, 58,045 shares were issued under the AIP. The fair value of the shares issued under the AIP was $46.75 for the year ended December 31, 2011. We accrued compensation expense related to common stock awards under the AIP in the amount of $2.7 million for the year ended December 31, 2011.

The Long Term Incentive Plan ("LTIP") rewards certain executives and senior leaders for the creation of value in the organization through the achievement of specific long-term (3 year) goals of earnings growth and strategic initiatives. The Compensation Committee of the Board reviews and endorses participation in the LTIP in any program year and a new program is established each year. During the years ended December 31, 2013, 2012 and 2011, a total of 235,590 shares, 304,736 shares and 219,087 shares, respectively, were issued under the LTIP at a fair value of $57.22, $57.01 and $46.75 per share, respectively. Compensation expense for common stock awards under the LTIP amounted to $4.1 million, $7.2 million and $11.8 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Restricted Stock Plan

In 2000, we established the Restricted Stock Policy Plan (as amended and restated in 2011 and 2013) which provides eligible individuals with added incentives to continue in the long-term service of our company. The awards are made for no consideration, vest over various periods, and may include performance requirements, but are considered outstanding at the time of grant. During the years ended December 31, 2013, 2012 and 2011, a total of 122,009 shares, 163,469 shares and 136,696 shares, respectively, were granted under the Restricted Stock Policy and Administration Plan.

We recognize compensation costs, net of forfeitures, over the vesting term based on the fair value of the restricted stock at the date of grant. The amount of compensation expense recognized under the Restricted Stock Policy and Administration Plan was $4.2 million, $6.7 million and $5.5 million for the years ended December 31, 2013, 2012 and 2011, respectively. As of December 31, 2013, there was $6.7 million of unrecognized compensation expense related to non-vested restricted stock grants. The expense is expected to be recognized over a weighted average period of 2.14 years.

The following table summarizes the activity relating to the Restricted Stock Policy and Administration Plan during 2013:

	Non-vested Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2012	344,218	$45.92
Granted	122,009	$59.23
Vested	(175,324)	$45.48
Cancelled	(21,101)	$54.40
Balance at December 31, 2013	269,802	$51.57

The weighted-average fair values of the shares granted under the Restricted Stock Plan during 2013, 2012 and 2011 were $59.23, $54.96 and $50.37, respectively.