Fluor Wins Department of Energy Contract For Closure Work at Fernald Site

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Fluor Corporation (NYSE: FLR) announced today that the U.S. Department of Energy (DOE) has awarded Fluor Fernald, a unit of Fluor Global Services, a $2.4 billion, 10-year cost reimbursable, incentive fee contract for the closure of the Fernald Environmental Management Project. The actual fee earned will be determined by cost and schedule performance. The value of services is expected to amount to $290 million per year and is based on annual funding authorization from the government.

“We are very pleased with the Department’s decision to award us a closure contract at Fernald,” said Jim Stein, president and chief executive officer of Fluor Global Services. “Fluor Fernald has cut over a decade from the original cleanup schedule and reduced taxpayer cost for the project by $3.1 billion. Now, our challenge is to further accelerate the schedule and reduce costs.”

Fluor has operated as the prime contractor at Fernald, a former uranium processing facility located near Cincinnati, Ohio, since 1992. During that time, the company has made substantive, visible cleanup progress, earning Fluor Fernald the support of local stakeholders, labor unions and regulators.

Fluor Fernald accomplishments include:
- Developed original accelerated closure plan;
- Completed Safe Shutdown of the site two years and $7 million under budget;
- Demolished 90 of 278 buildings;
- Completed waste placement in cell 1 of the On-Site Disposal Facility.
- Treated more than 6.5 billion gallons of contaminated water from the Great Miami Aquifer.
- Shipped 29 unit trains containing a total of 167,000 tons of low-level waste to Envirocare in Utah.

In addition to the benefits realized on the local level, Fluor is also recognized throughout the DOE complex as the leader in accelerated cleanup, transferring both management expertise and proven technologies to other DOE sites.

To accomplish this goal of closure at Fernald, the company has extended its teaming agreements with the Jacobs Engineering Group and Nuclear Fuel Services (NFS), and added the expertise of Waste Management Federal Services (WMFS) and TRS Staffing Solutions.

“"As a company, we are focusing our energies on the things we do well," said Stein. "We have a proven track record of success working for the Department of Energy, and we plan to continue to grow that portion of our business."

Fluor, ranked No. 1 in the engineering and construction category of Fortune Magazine's annual listing of the “World's Most Admired Companies,” is also overseeing the cleanup at the Hanford site and is seeking to expand its presence in the government arena.

Jacobs Engineering Group is one of the nation's largest engineering and construction companies and will support the Fluor team by providing engineering and project management expertise.

Since 1957, Nuclear Fuel Services (NFS) has provided DOE with superior nuclear fuel and waste processing. NFS offers innovative solutions for reintroducing Fernald's remaining nuclear material back into the nation's fuel cycle.

Waste Management Federal Services (WMFS) will accelerate the disposition of the site's legacy waste by at least two years. Each year, WMFS disposes of more than 14 million cubic feet of radioactive waste for DOE and other commercial clients.

TRS Staffing Solutions, a unit of Fluor Corporation, will manage the site's skill-mix needs and help transition workers to other employment as Fluor achieves closure at Fernald.

“We've put together the best possible team to accomplish accelerated closure at a reduced cost without compromising safety or quality," said John Bradburne, president and chief executive officer of Fluor Fernald. "We're looking forward to the challenges ahead."

With 1999 revenues of $12.4 billion, Fluor Corporation provides services on a global basis in the fields of engineering, procurement, construction, maintenance, operations, project management, business services and coal production.

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