

Firm Name: **Grant Thornton LLP**
Engagement: **PVSC Integrity Oversight Monitor EQ2015-001-PS**
For Quarter Ending: **09/30/2016**

Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
A. General Info			
1.	Recipient of funding	Passaic Valley Sewerage Commission (PVSC)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	FEMA	
3.	State Funding (if applicable)	N/A	
4.	Award Type	FEMA 406 Restoration and 406 Mitigation Funding	
5.	Award Amount	\$446.1 million	
6.	Contract/Program Person/Title	E. David Barth, Grant Thornton Project Manager	
7.	Brief Description, Purpose and Rationale of Project/Program	Passaic Valley Sewerage Commission has received federal FEMA funding in the amount \$446.1 million through 47 different Project Worksheets (PW). The scope of Grant Thornton's work is limited to 12 specific contracts whose anticipated value will exceed \$5 million. As of September 30, 2016 only four contracts exceeded the integrity monitoring threshold: 1) Temporary By-Pass Cabling - Travis A919 Contract; 2) Administration Controls Building - Fine Wall Contract; and 3) Program Management Services - AECOM/HDR Contract; and one contract is anticipated to exceed the threshold: 4) Additional By-Pass Cabling - Travis B036 Contract.	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	As of September 30, 2016 the following payments (associated with the four contracts) have been made: 1) Travis - \$15,828,782; 2) Fine Wall - \$4,246,416; 3) AECOM/HDR - \$4,050,825; and 4) Travis - \$659,067 .	
10.	Amount Provided to other State or Local Entities	\$0	
11.	Completion Status of Contract or Program	The Completion Status for each of the four contracts, currently subject to our review, is as follows: 1) Travis - Temporary By-Pass Cabling. The work authorized under this contract has been completed. A replacement contract was awarded on March 22, 2016. 2) Fine Wall - Administration Controls Building - This construction project was advertised on March 4, 2015 and awarded on June 4, 2015. PVSC issued the Notice to Proceed on September 14, 2015. As of September 30, 2016 approximately 70% of the contract work had been completed. 3) AECOM/HDR - Program Management Services. The AECOM/HDR contract was awarded on February 13, 2015. The initial contract period is for two years. PVSC issued the Notice to Proceed on April 2, 2015. As of September 30, 2016 approximately 63% of the contract work had been completed. 4) Travis - Additional By-Pass Cabling. The contract award was authorized on March 10, 2016 as a two year term contract with individual Task Orders being issued for specific work. As of September 30, 2016, 58% of the authorized work has been completed.	

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12.	Expected Contract End Date/Time Period	The contract end dates for the four contract currently subject to our review are as follows: 1) Travis - March 22, 2016; 2) Fine Wall - October 28, 2016; 3) AECOM/HDR - April 5, 2017 and 4) Travis - March 10, 2018	
B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Grant Thornton is currently monitoring four projects. Funding is provided primarily through two Project Worksheets (PW): PW 4701 (Substations and Cables) supports the Travis Inc. (Temporary By-Pass Cabling and Additional By-Pass Cabling) and AECOM/HDR (Program Management Services) contracts . The authorized/eligible amount for PW 4701 is \$406.9 million. PW 4803 (Administration Controls Building) supports the Fine Wall (Administration Controls Building) contract. PW 4803's authorized amount is \$10.6 million. In addition to the specific work of these contracts, the PWs also funds other work not currently part of our review either because the contract values are less than the \$5 million threshold or the proposed projects have not been initiated.	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	Grant Thornton's activities during this quarter included attendance at the Bi-Weekly FEMA Coordination Meetings and Monthly Construction Progress Meetings for the Administration Controls Building. During the quarter Grant Thornton communicated on a monthly basis the status of its' monitoring activities to the Treasury Integrity Monitor Liaison. During the quarter Grant Thornton met with PVSC on the following dates: July 13, 2016 - PVSC Purchasing Agent; July 13, 2016 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; July 19, 2016 - Construction Progress Meeting; July 20, 2016 - PVSC Purchasing Agent; July 27, 2016 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; July 27, 2016 - PVSC Chief Financial Officer; August 1, 2016 - AECOM-HDR; August 10, 2016 - PVSC Engineering, AECOM-HDR, NJOEM, and NJDEP; August 11, 2016 - PVSC Engineering and AECOM-HDR; August 16, 2016 - Construction Progress Meeting; August 17, 2016 - PVSC Engineering and AECOM-HDR; August 30, 2016 - PVSC Engineering and Hatch Mott and MacDonald; September 7, 2016 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; September 7, 2016 - PVSC Chief Financial Office and Purchasing Agent; September 7, 2016 - PVSC Engineering; September 14, 2016 - PVSC Executive Director and PVSC Engineering; September 20, 2016 - Construction Progress Meeting.	
15.	Brief Description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	PVSC has provided Grant Thornton copies of Travis, Fine Wall and AECOM/HDR invoices and supporting documentation With this information Grant Thornton was able to confirm PVSC's compliance with FEMA and/or State administrative grant requirements and processes; and identify any issues that represented potential loss of Federal reimbursements.	

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16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	During the Quarter Grant Thornton continued its in depth review of the Travis invoices paid under the Temporary By-Pass (A919) contract between March 2016 and May 2016 and began the review of Travis invoices paid under the Additional By-Pass Cabling (B036) contract . Grant Thornton continued its review of the AECOM-HDR and Fine Wall Construction invoices for the Program Management Services and Administration Controls Building contracts respectively to verify compliance with contract pricing.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	During the Quarter Grant Thornton reviewed 1) 10 invoices submitted by Travis and paid by PVSC for the Temporary By-Pass Cabling; 2) 2 invoices submitted by Fine Wall and paid by PVSC for the Administration Controls Building; 3) 1 invoice submitted by AECOM/HDR for Program Management Services; and 4) 8 invoices submitted by Travis under the Additional By-Pass Cabling contract. In aggregate, as of September 30, 2016, Grant Thornton has reviewed 130 of 155 Travis (A919) invoices, 9 of 9 Fine Wall invoices and 15 of 16 AECOM/HDR invoices; and 8 of 12 Travis (B036) invoices. The total value of the 155 Travis invoices represents \$15.83 million. The total value of the 9 Fine Wall invoices is \$4.25 million. The total value of the 16 AECOM/HDR invoices represents \$3.88 million. The total value of the 12 Travis invoices under the B036 contract is \$659,067.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	During the Quarter Grant Thornton worked with PVSC Engineering and Finance staff to review and reconcile the supporting documentation that may be questionable. PVSC has provided Grant Thornton the requested documentation. All questions have been answered.	
19.	Provide details of any integrity issues/findings	None noted	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	During this quarterly period Grant Thornton's construction oversight was limited to the Administration Controls Building Construction. Based on our site visits we did not observe any work quality, health and safety, environmental or historical preservation issues.	
21.	Provide details on any other items of note that have occurred in the past quarter	PVSC has provided Grant Thornton access to its procurement, financial and administrative files necessary to perform our reviews.	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	No action has been taken or been necessary during the quarter. Issues noted in previous quarters have been addressed prior to this quarter.	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See Attached Time and Expense Report. During the quarter Grant Thornton provided a total of 326.25 hours for a cost of \$51,519.53	

State of New Jersey
Department of the Treasury
Integrity Oversight Monitoring Reporting Model

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24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	Based on our review of PVSC's financial and administrative processes, we concluded that PVSC's processes are appropriate for complying with FEMA grant management requirements and NJOEM standards. PVSC's financial and administrative processes provide the framework for ensuring that the functions adhere to grant program guidelines, procurement rules and reporting requirements. Proper controls appear to be in place to minimize the risk of deobligation of federal funds; duplication of benefits; process and payment errors; and waste, fraud and abuse.	

Name of Integrity Monitor:

Grant Thornton LLP

Name of Report Preparer:

Jack Reagan

Signature:



Date:

3-Jan-17

PVSC Integrity Monitor - Legislative Quarterly Report

July 1, 2016 to September 30, 2016



PVSC Integrity Monitor - Time and Expense Report

	Hours	Subtotal Hours	Labor	Travel	Total
Project Name - ID: PVSC Kick-Off Mtg Task A / 100233.00.00A.00A	0.00	0.00	\$ -	\$ -	\$ -
Project Name - ID: PVSC Fin&AdminRevw Task B / 100233.00.00B.00B	0.00	0.00	\$ -	\$ -	\$ -
Project Name - ID: PVSC Travis Tsk C / 100233.00.001.01C	35.50				
Project Name - ID: PVSC Travis Tsk D / 100233.00.001.01D	0.00				
Project Name - ID: PVSC Travis Tsk E / 100233.00.001.01E	0.35				
Project Name - ID: PVSC Travis Tsk F / 100233.00.001.01F	2.55	38.40	\$ 5,450.06	\$ 8.13	\$ 5,458.19
Project Name - ID: PVSC Fine Wall Tsk C / 100233.00.002.01C	0.00				
Project Name - ID: PVSC Fine Wall Tsk D / 100233.00.002.01D	38.00				
Project Name - ID: PVSC Fine Wall Tsk E / 100233.00.002.01E	3.95				
Project Name - ID: PVSC Fine Wall Tsk F / 100233.00.002.01F	2.55	44.50	\$ 5,671.72	\$ 190.88	\$ 5,862.60
Project Name - ID: PVSC AECOM/HDR Tsk C / 100233.00.003.01C	36.75				
Project Name - ID: PVSC AECOM/HDR Tsk D / 100233.00.003.01D	1.00				
Project Name - ID: PVSC AECOM/HDR Tsk E / 100233.00.003.01E	46.70				
Project Name - ID: PVSC AECOM/HDR Tsk F / 100233.00.003.01F	2.55	87.00	\$ 14,573.20	\$ 281.68	\$ 14,854.88
Project Name - ID: PVSC Floodwall Eng Tsk C / 100233.00.004.01C	5.50				
Project Name - ID: PVSC Floodwall Eng Tsk D / 100233.00.004.01D	0.00				
Project Name - ID: PVSC Floodwall Eng Tsk E / 100233.00.004.01E	1.95				
Project Name - ID: PVSC Floodwall Eng Tsk F / 100233.00.004.01F	2.55	10.00	\$ 1,875.93	\$ 31.97	\$ 1,907.90
Project Name - ID: PVSC Floodwall Const TskC / 100233.00.005.01C	0.00				
Project Name - ID: PVSC Floodwall Const TskD / 100233.00.005.01D	0.00				
Project Name - ID: PVSC Floodwall Const TskE / 100233.00.005.01E	0.00				
Project Name - ID: PVSC Floodwall Const TskF / 100233.00.005.01F	0.00	0.00	\$ -	\$ -	\$ -
Project Name - ID: PVSC Power Gen Eng Tsk C / 100233.00.006.01C	30.00				
Project Name - ID: PVSC Power Gen Eng Tsk D / 100233.00.006.01D	0.00				
Project Name - ID: PVSC Power Gen Eng Tsk E / 100233.00.006.01E	2.20				
Project Name - ID: PVSC Power Gen Eng Tsk F / 100233.00.006.01F	2.55	34.75	\$ 6,705.56	\$ 31.97	\$ 6,737.53
Project Name - ID: PVSC Power Gen Const TskC / 100233.00.007.01C	0.00				
Project Name - ID: PVSC Power Gen Const TskD / 100233.00.007.01D	0.00				
Project Name - ID: PVSC Power Gen Const TskE / 100233.00.007.01E	0.00				
Project Name - ID: PVSC Power Gen Const TskF / 100233.00.007.01F	0.00	0.00	\$ -	\$ -	\$ -
Project Name - ID: PVSC Phase 2 RepairsTsk C / 100233.00.008.01C	0.75				
Project Name - ID: PVSC Phase 2 RepairsTsk D / 100233.00.008.01D	0.00				
Project Name - ID: PVSC Phase 2 RepairsTsk E / 100233.00.008.01E	0.35				
Project Name - ID: PVSC Phase 2 RepairsTsk F / 100233.00.008.01F	2.55	3.65	\$ 650.28	\$ 13.37	\$ 663.65
Project Name - ID: PVSC Motor Controls Tsk C / 100233.00.009.01C	0.00				
Project Name - ID: PVSC Motor Controls Tsk D / 100233.00.009.01D	0.00				
Project Name - ID: PVSC Motor Controls Tsk E / 100233.00.009.01E	1.60				
Project Name - ID: PVSC Motor Controls Tsk F / 100233.00.009.01F	2.55	4.15	\$ 739.36	\$ 7.40	\$ 746.76
Project Name - ID: PVSC Mtr/PmpRepairs Tsk C / 100233.00.010.01C	0.75				
Project Name - ID: PVSC Mtr/PmpRepairs Tsk D / 100233.00.010.01D	0.00				
Project Name - ID: PVSC Mtr/PmpRepairs Tsk E / 100233.00.010.01E	1.60				
Project Name - ID: PVSC Mtr/PmpRepairs Tsk F / 100233.00.010.01F	2.55	4.90	\$ 872.98	\$ 13.38	\$ 886.36
Project Name - ID: PVSC PAC Motors Elec TskC / 100233.00.011.01C	0.00				
Project Name - ID: PVSC PAC Motors Elec TskD / 100233.00.011.01D	0.00				

Project Name - ID: PVSC PAC Motors Elec TskE / 100233.00.011.01E	1.35				
Project Name - ID: PVSC PAC Motors Elec TskF / 100233.00.011.01F	2.55	3.90	\$ 694.82	\$ 7.57	\$ 702.39
Project Name - ID: PVSC AddByPassCablingTskC / 100233.00.012.01C	85.75				
Project Name - ID: PVSC AddByPassCablingTskD / 100233.00.012.01D	0.00				
Project Name - ID: PVSC AddByPassCablingTskE / 100233.00.012.01E	6.70				
Project Name - ID: PVSC AddByPassCablingTskF / 100233.00.012.01F	2.55	95.00	\$ 13,651.60	\$ 47.67	\$ 13,699.27
Overall	326.25	326.25	\$ 50,885.51	\$ 634.02	\$ 51,519.53