

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

Firm Name: Grant Thornton LLP  
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS  
 For Quarter Ending: 03/31/2018

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
<b>A. General Info</b>			
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 individual value will exceed \$5 million. As of March 31, 2018 seven contracts exceed the integrity monitoring threshold: #1 Temporary By-Pass Cabling - Travis A919 Contract; #2 Administration Controls Building - Fine Wall Contract; #3 Program Management Services - AECOM/HDR Contract; #4 Floodwall Engineering - STV-MottMacDonald Contract; #6 Standby Power Plant Engineering - Black & Veatch Contract; #9 Motor Controls Center - Tomar Construction; and #12 Additional By-Pass Cabling - Travis Contract B036.	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	As of March 31, 2018 the following payments (associated with four of the above referenced contracts) have been made: #1 Travis - \$16,064,126; #2 Fine Wall - \$5,952,182; #3 AECOM/HDR - \$7,440,554; #4 STV-MottMacDonald - \$1,738,086; #6 Black & Veatch - \$878,527; #9 Tomar Construction - \$0; and #12 Travis - \$1,555,103.	
10.	Amount Provided to other State or Local Entities	\$0	

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11.	Completion Status of Contract or Program	<p>The Completion Status for each of the seven contracts, currently subject to our review, is as follows: #1) <b>Travis - Temporary By-Pass Cabling.</b> The work authorized under this contract has been completed. #2) <b>Fine Wall - Administration Controls Building -</b> This construction project was advertised on March 4, 2015 and awarded on June 4, 2015. As of March 31, 2018 the contractor had not completed open punch list items. #3) <b>AECOM/HDR - Program Management Services.</b> The AECOM/HDR contract was awarded on February 13, 2015. The initial contract period was for two years. PVSC issued the Notice to Proceed on April 2, 2015. On March 16, 2017 PVSC extended the AECOM-HDR contract an additional two years. As of March 31, 2018 AECOM-HDR is continuing work under an extended Task Order approved by PVSC. AECOM-HDR's contract total is \$12,514,151. #4) <b>STV-MottMacDonald JV - Floodwall Engineering.</b> The contract award was authorized on September 20, 2016. The contract was executed on November 14, 2016. As of March 31, 2018 STV-MottMacDonald had submitted its 60% design documents. #6) <b>Black &amp; Veatch - Standby Power Plant Engineering.</b> The contract award was authorized on July 14, 2017 with the contract being executed on October 20, 2016. As of March 31, 2018 Black &amp; Veatch's bidding documents for the equipment acquisition and site preparation work remained under review by the State Comptroller and PVSC's legal counsel. #9) <b>Tomar Construction - Motor Controls Center.</b> The construction contract award was authorized by PVSC on October 12, 2017. As of March 31, 2018 the contractor had not started construction. #12) <b>Travis - Additional By-Pass Cabling.</b> 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 March 31, 2018, all authorized work had been completed and paid.</p>	
12.	Expected Contract End Date/Time Period	<p>The contract end dates for the seven contracts currently subject to our review are as follows: #1) Travis - March 22, 2016; #2) Fine Wall - October 28, 2016; #3) AECOM/HDR - April 5, 2019; #4) STV-MottMacDonald JV - May 1, 2021; #6) Black &amp; Veatch - June 30, 2020; #9) Tomar Construction - October 2, 2021 and #12) Travis - March 10, 2018;</p>	
<b>B. Monitoring Activities</b>			

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13.	If FEMA funded, brief description of the status of the project worksheet and its support.	<p>Grant Thornton is currently monitoring seven projects. Funding is provided primarily through two Project Worksheets (PW):</p> <p><b>PW 4701 (Substations and Cables)</b> supports the Travis Inc. (Temporary By-Pass Cabling and Additional By-Pass Cabling) contracts; AECOM/HDR (Program Management Services) contract; Black &amp; Veatch (Standby Power Plant Engineering); STV-MottMacDonald (Floodwall Engineering) and Tomar Construction (Motor Controls Center) contracts . The authorized/eligible amount for PW 4701 is \$406.9 million.</p> <p><b>PW 4803 (Administration Controls Building)</b> supports the Fine Wall (Administration Controls Building) contract. PW 4803's authorized amount is \$10.6 million. PVSC has an appeal pending with FEMA to increase the PW's authorized funding.</p> <p>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.</p>	
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)	<p>Grant Thornton's activities during this quarter included attendance at the Bi-Weekly FEMA Coordination Meetings, Monthly Design Progress Meetings for the Floodwall Engineering and Standby Power Plant Engineering and the Construction Progress Meeting for the Motor Controls Center. 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 and others on the following dates: January 9, 2018 - PVSC Engineering, AECOM-HDR and STV-MottMacDonald; January 10, 2018 - PVSC Engineering, AECOM-HDR, and NJDEP; January 18, 2018 - PVSC Engineering, AECOM-HDR and Black &amp; Veatch; January 24, 2018 - PVSC Engineering, AECOM-HDR, and NJDEP; February 7, 2018 - PVSC Engineering, AECOM-HDR, and NJDEP; February 8, 2018- PVSC Engineering,, AECOM-HDR NJDEP and Tomar Construction; February 13, 2018 - PVSC Engineering, AECOM-HDR and STV-MottMacDonald; February 21, 2018 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; February 22, 2018 - PVSC Engineering, AECOM-HDR, NJDEP and Black &amp; Veatch; and March 1, 2018 - PVSC Engineering, AECOM-HDR, NJDEP and Tomar Construction. The Bi-Weekly progress meetings on March 7, 2018 and March 21, 2018 were cancelled due to weather.</p>	
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.	<p>PVSC has provided Grant Thornton copies of Travis, Fine Wall, AECOM/HDR, STV-MottMacDonald and Black &amp; Veatch 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.</p>	

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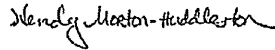
No.	Recipient/Data Elements	Response	Comments
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	During the Quarter Grant Thornton submitted its compliance review of the procurement processes for the Switchgears and Motor Controls Center contract (A916); and continued its in-depth review of the Travis invoices paid under the Temporary By-Pass (A919) and Additional By-Pass Cabling (B036) contracts for compliance with contract prices and labor rates. Grant Thornton continued to monitor the AECOM-HDR (Program Management Services), STV-MottMacDonald (Floodwall Engineering) and Black and Veatch (Standby Power Plant Engineering) contracts to verify compliance with contract pricing and/or deliverables.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	During the Quarter Grant Thornton reviewed 1) 1 invoice submitted by AECOM/HDR for Program Management Services; 2) 1 invoice submitted by STV-MottMacDonald for the Floodwall Engineering; and 3) 1 invoices submitted by Travis under the Additional By-Pass Cabling (B036) contract.  In aggregate, as of March 31, 2018, Grant Thornton has reviewed 169 of 169 Travis (A919) invoices; 18 of 18 Fine Wall invoices; 26 of 28 AECOM/HDR invoices; 2 of 4 STV-MottMacDonald invoices; 4 of 9 Black & Veatch invoices; and 46 of 59 Travis (B036) invoices.  The total value of the 169 reviewed Travis invoices represents \$16.1 million. The total value of the 18 Fine Wall reviewed invoices is \$6.0 million. The total value of the 26 AECOM/HDR invoices represents \$6.9 million. The total value of the 2 STV-MottMacDonald invoices represent \$936,297. The total value of the 4 Black & Veatch invoices represent \$489,084. The total value of the 46 Travis invoices under the B036 contract is \$1.4 million.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	During the Quarter Grant Thornton submitted its compliance review of procurement processes associated with the bidding and construction contract award for the Motor Controls Center. Grant Thornton worked with PVSC Engineering and Finance staff to review and reconcile the supporting documentation associated with our invoice reviews.. 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 work associated with the Additional By-Pass Cabling contract.. Based on our site visits we did not observe any work quality, health and safety, environmental or historical preservation issues. Construction activity associated with the Motor Controls Center had not begun during the quarter.	
21.	Provide details on any other items of note that have occurred in the past quarter	PVSC continues to provide Grant Thornton access to its procurement, financial and administrative files necessary to perform our reviews. During the quarter PVSC awarded an engineering contract to Black & Veatch in the amount of \$7.1 million for the design of swtichgear replacements and/or modifications as part of an advanced electrical system upgrade. Monitoring this contract is not part of Grant Thornton's current Task Order.	

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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.	
<b>C. Miscellaneous</b>			
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 204.5 hours for a cost of \$29,342.73. Travel related expenses totaled \$316.31 during the Quarter.	
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. 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. PVSC has submitted to FEMA Time Extension Requests on a timely basis and as necessary. There are two Time Extension Requests that are pending FEMA's approval. PVSC has submitted 13 PW Closeout Requests to NJOEM. As of March 31, 2018, 9 PWs have been closed.	

Name of Integrity Monitor:	Grant Thornton LLP
Name of Report Preparer:	Wendy Morton-Huddleston
Signature:	
Date:	2-Jul-18