

Firm Name: Grant Thornton LLP  
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS  
 For Quarter Ending: 09/30/2015

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	\$444.8 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 \$444.8 million through 48 different Project Worksheets (PW). The scope of Grant Thornton's work is limited to 12 specific contracts whose value exceeds \$5 million. As of September 30, 2015 only three contracts exceeded the integrity monitoring threshold: 1) Temporary By-Pass Cabling - Travis Contract; 2) Administration Controls Building - Fine Wall Contract; and 3) Program Management Services - AECOM/HDR Contract	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	As of September 30, 2015 the following expenditures (associated with the three contracts) have been made 1) Travis - \$12,675,900; 2) Fine Wall - \$0; AECOM/HDR - \$668,034	
10.	Amount Provided to other State or Local Entities	\$0	
11.	Completion Status of Contract or Program	The Completion Status for each of the three contracts, currently subject to our review, is as follows: 1) Travis - Ongoing Time & Material Contract with an anticipated end date of December 31, 2015 or until a replacement contract is awarded. 2) Fine Wall - 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. 3) AECOM/HDR was awarded the Program Management Services contract on February 13, 2015. The initial contract period is for two years.	
12.	Expected Contract End Date/Time Period	The expected contract end dates for the three contract currently subject to our review are as follows: 1) Travis - December 31, 2015 or until a replacement contract is executed, 2) Fine Wall - September 13, 2016; 3) AECOM/HDR - February 13, 2017	
<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.	Of the three projects currently being monitored, funding is provided through two Project Worksheets (PW). The Travis and Program Management Services contracts are funded through PW 4701 for the Repair and/or Restoration of the PVSC's Power Substations and Electric Cables. The Fine Wall contract is funded through PW 4803 for the Repair and/or Restoration of the Administration Controls Building. In addition to the specific work of these contracts, the PWs also fund 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 the engagement's Kick-Off Meeting with Treasury staff and PVSC; review of the PVSC administrative and financial processes and initiating the review of PVSC procurement processes. Grant Thornton delivered to Treasury the Memorandum of Record for the Kick-Off Meeting and to PVSC our Administrative and Financial Process Review analysis. In order to complete the above reviews Grant Thornton met with PVSC on the following dates: July 8, 2015 - Kick-Off Meeting - PVSC's Executive Director, General Counsel, Chief Financial Officer, Purchasing Agent, and Chief Engineer; August 3, 2015 - PVSC's Purchasing Agent, Chief Financial Offer and Chief Engineer; August 24, 2015 - PVSC's General Counsel, Purchasing Agent, Chief Financial Offer and Chief Engineer; August 27, 2015 -PVSC's General Counsel; September 10, 2015 - PVSC's Chief Engineer; September 22, 2015 - PVSC's FEMA liason; September 28, 2015 - PVSC's General Counsel. In addition Grant Thornton has attended PVSC's Bi-Weekly FEMA Coordination meetings with FEMA, NJOEM, NJDEP, AECOM-HDR, PS&S and PVSC staff.	
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 provided to Grant Thornton copies of Bid Notices, Invitation to Bid (ITB), Requests for Qualification, Requests for Proposals, copies of related vendor proposals, copies of the vendors contracts, copies of the vendors' proposal disclosures, certification and statements. With this information Grant Thornton was able to confirm PVSC's compliance with FEMA and/or State administrative grant requirements and processes.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	During this period Grant Thornton began the review of PVSC contracting/procurement processes related to the three contracts subject to our review.	

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17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	No. During this first quarter of our engagement, Grant Thornton's tasks focused on PVSC's administrative, financial and procurement processes. Our review during the quarter did not include payment reviews.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	During this first quarterly period Grant Thornton had not begun its integrity monitoring tasks	
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 first quarterly period Grant Thornton provided limited construction oversight. 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 complete our reviews.	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	N/A	
<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 438.75 hours for a cost of \$78,742.33	
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. We did discuss however, two area where PVSC could strengthen its controls relative to its administrative processes dealing with business disclosures by members of a procurement's Evaluation Team (in addition to the annual Ethics Disclosure); and the inclusion of bid protest procedures in its bidding documents.	

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No.	Recipient Data Elements	Response	Comments
	Name of Report Preparer:  Signature:  Date:	Jack Reagan    4-Jan-16	

# PVSC Integrity Monitor - Legislative Quarterly Report

July 2015 - September 2015



## PVSC Integrity Monitor - Time and Expense Report

	<i>Hours</i>	<i>Subtotal Hours</i>	<i>Labor</i>	<i>Travel</i>	<i>Total</i>
Project Name - ID: PVSC Kick-Off Mtg Task A / 100233.00.00A.00A	30.00	30.00	\$ 5,462.14	\$ 313.29	\$ 5,775.43
Project Name - ID: PVSC Fin&AdminRevw Task B / 100233.00.00B.00B	193.75	193.75	\$ 33,606.92	\$ 3,125.26	\$ 36,732.18
Project Name - ID: PVSC Travis Tsk C / 100233.00.001.01C	80.00				
Project Name - ID: PVSC Travis Tsk D / 100233.00.001.01D	5.00				
Project Name - ID: PVSC Travis Tsk E / 100233.00.001.01E	4.35				
Project Name - ID: PVSC Travis Tsk F / 100233.00.001.01F	4.50	93.85	\$ 14,300.92	\$ 137.24	\$ 14,438.16
Project Name - ID: PVSC Fine Wall Tsk C / 100233.00.002.01C	24.00				
Project Name - ID: PVSC Fine Wall Tsk D / 100233.00.002.01D	9.50				
Project Name - ID: PVSC Fine Wall Tsk E / 100233.00.002.01E	7.35				
Project Name - ID: PVSC Fine Wall Tsk F / 100233.00.002.01F	3.75	44.60	\$ 7,842.65	\$ 112.44	\$ 7,955.09
Project Name - ID: PVSC AECOM/HDR Tsk C / 100233.00.003.01C	45.50				
Project Name - ID: PVSC AECOM/HDR Tsk D / 100233.00.003.01D	1.25				
Project Name - ID: PVSC AECOM/HDR Tsk E / 100233.00.003.01E	4.35				
Project Name - ID: PVSC AECOM/HDR Tsk F / 100233.00.003.01F	4.50	55.60	\$ 9,979.41	\$ 112.44	\$ 10,091.85
Project Name - ID: PVSC Floodwall Eng Tsk E / 100233.00.004.01E	2.25				
Project Name - ID: PVSC Floodwall Eng Tsk F / 100233.00.004.01F	0.25	2.50	\$ 445.40	\$ -	\$ 445.40
Project Name - ID: PVSC Floodwall Const TskE / 100233.00.005.01E	2.25				
Project Name - ID: PVSC Floodwall Const TskF / 100233.00.005.01F	0.25	2.50	\$ 445.40	\$ -	\$ 445.40
Project Name - ID: PVSC Power Gen Eng Tsk E / 100233.00.006.01E	2.25				
Project Name - ID: PVSC Power Gen Eng Tsk F / 100233.00.006.01F	0.25	2.50	\$ 445.40	\$ -	\$ 445.40
Project Name - ID: PVSC Power Gen Const TskE / 100233.00.007.01E	2.25				
Project Name - ID: PVSC Power Gen Const TskF / 100233.00.007.01F	0.25	2.50	\$ 445.40	\$ -	\$ 445.40
Project Name - ID: PVSC Phase 2 RepairsTsk C / 100233.00.008.01C	1.00				
Project Name - ID: PVSC Phase 2 RepairsTsk E / 100233.00.008.01E	1.35				
Project Name - ID: PVSC Phase 2 RepairsTsk F / 100233.00.008.01F	1.00	3.35	\$ 601.13	\$ -	\$ 601.13
Project Name - ID: PVSC Motor Controls Tsk E / 100233.00.009.01E	2.25				
Project Name - ID: PVSC Motor Controls Tsk F / 100233.00.009.01F	0.25	2.50	\$ 449.69	\$ -	\$ 449.69
Project Name - ID: PVSC Mtr/PmpRepairs Tsk C / 100233.00.010.01C	2.50				
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	0.75	4.85	\$ 868.37	\$ -	\$ 868.37
Project Name - ID: PVSC PAC Motors Elec TskE / 100233.00.011.01E	0.25	0.25	\$ 48.83	\$ -	\$ 48.83
<b>Overall</b>	<b>438.75</b>	<b>438.75</b>	<b>\$ 74,941.66</b>	<b>\$ 3,800.67</b>	<b>\$ 78,742.33</b>