

For the Quarter Ending: 09/30/2014

No.	Recipient Data Elements	Response	Comments
<b>A. General Info</b>			
1.	Recipient of funding	Atlantic Highlands Harbor	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	FEMA	
3.	State Funding (if applicable)	Not Applicable	
4.	Award Type	Grant	
5.	Award Amount	\$19,315,327	
6.	Contract/Program Person/Title	PA-02-NJ-4086-PW-01733(0) - Atlantic Highlands Harbor Marina and Piers /Adam Hubeny / Borough Administrator; Task Order # Atlantic Highlands 3-1A-F Contract # T- 2939	
7.	Brief Description, Purpose and Rationale of Project/Program	Hurricane Sandy's combination of strong winds, waves and high tide resulted in an intense storm surge which submerged the piers and produced extremely high forces on the structural members. All twelve piers were significantly damaged. Damage included severely uplifted, misaligned and broken piles, several split or broken headers and stringers, missing or broken decking, and severely damaged secondary components including wave screens, railings, mooring piles and all utilities located on the piers (water, electric, sanitary and fuel system). Also damaged were the Americans with Disabilities Act (ADA) access ramps, observation decks, launching ramps and bulkheads	
8.	Contract/Program Location	PA-02-NJ-4086-PW-01733(0) / 2 Simon Lake Drive, Atlantic Highlands, NJ	
9.	Amount Expended to Date	JH Reid (including Skyline Steel): Payment Certificate No. 1 – No. 16 = \$15,376,829.09 T & M - \$1,111,186 Sullivan - \$403,925 Borough of Avon-By-The-Sea: \$24,500 <b>Total - \$16,916,440.09</b>	
10.	Amount Provided to other State or Local Entities	\$24,500 - Borough of Avon-By-The-Sea for 60 LF of Metal Sheeting	
11.	Completion Status of Contract or Program	100% Complete.	
12.	Expected Contract End Date/Time Period	Oct-14	
<b>B. Monitoring Activities</b>			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	On February 7, 2013, Atlantic Highlands Harbor ("the Harbor") completed the Project Worksheet ("PW") UEBHG20 for the rehabilitation of the Atlantic Highland Marina and Piers. The Harbor engaged T & M Associates of Middletown New Jersey to a prepare the site condition survey report for the PW and was also assisted by a FEMA project specialist and their FEMA representative. The PW was executed by FEMA PAC Crew Leader Charles Deason on February 26, 2013 in the amount of \$19,315,327	
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)	<ul style="list-style-type: none"> <li>• Monitored work being performed by J.H. Reid on the railings for the catwalk</li> <li>• Monitored work being performed for punch-list items</li> <li>• Conducted a prevailing wage analysis to assess whether J.H. Reid is in compliance with NJ prevailing wage requirements</li> </ul>	

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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.	KPMG requested, obtained and reviewed the following documentation to assess if the appropriate information has been provided by the Atlantic Highlands Harbor: <ul style="list-style-type: none"> <li>• Received daily emails from Atlantic Highlands containing a list of J.H. Reid employees working on the bulkhead and punch-list items</li> <li>• Received and reviewed payment application no 15. totaling \$199,442.22 and no. 16 totaling \$359,383.22 from J. H. Reid for the bulkhead construction</li> <li>• Received and reviewed J.H. Reid's certified payroll covering the period of 04/28/2014 through 07/13/2014 that corresponded to J.H Reid's Payment Applications Nos. 13 through 16.</li> </ul>	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	In order to monitor and assess if the Borough's financial and administrative functions adhere to grant/assistance program guidelines, procurement rules, and reporting requirements, KPMG requested, obtained and reviewed the following documentation: <ul style="list-style-type: none"> <li>• Received and reviewed J.H. Reid's certified payroll covering the period of 04/28/2014 through 07/13/2014 that corresponded to J.H Reid's Payment Applications No's. 13 through 16. Specifically, KPMG downloaded the Prevailing Wage Rate Determination document developed by the NJ Department of Labor and Workforce Development ("Prevailing Wage Rate Schedule" ) covering the aforementioned cycle and on a sample basis, compared the Prevailing Wage Rate Schedule to the hourly rates reported in the J.H. Reid Certified Payroll.</li> </ul>	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	Yes. In order to monitor and assess whether payments and change orders were disbursed consistent with applicable directives, KPMG performed the following procedures for payment applications 15 and 16: <ul style="list-style-type: none"> <li>• Analyzed documents provided for proper authorization of transactions;</li> <li>• Analyzed documents to assess proper segregation of duties. This included assigning different people the responsibilities of authorizing transactions, and recording transactions;</li> <li>• Obtained payment certification from contractor;</li> <li>• Obtained certified payrolls; and</li> <li>• Obtained wire transfer details or cancelled checks.</li> </ul>	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	In order to prevent and detect, fraud waste and abuse KPMG performed continuous monitoring of the project. Some of the specific activities performed this quarter included the following: <ul style="list-style-type: none"> <li>• Instructed Atlantic Highlands to track J.H. Reid personnel working on the bulkhead and punch list repairs.</li> </ul>	

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19.	Provide details of any integrity issues/findings	<p><b>General Findings</b>                      Based upon procedures performed, KPMG found that the Borough has made significant efforts to comply with requirements outlined in the FEMA Public Assistance Program and implemented controls to oversee and monitor the construction of the Atlantic Highlands Harbor Reconstruction Project. KPMG has made the following recommendations to the Borough which, if properly implemented, should improve the Borough's internal controls for this program:  <b>Labor Reporting</b> – The Harbor was not recording data pertaining to the contractor resources on site each day to complete the last few punch list items. This is extremely important in order to verify prevailing wage is being paid and whether contractor's doing the work are actually union employees with the appropriate classification.</p>	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	None noted in the third quarter.	
21.	Provide details on any other items of note that have occurred in the past quarter	<p>The bulkhead work was completed in the third quarter.</p> <p>Techno Marine finalized the punch list items in the third quarter. The pins required to complete the ADA ramp were lost in transit causing a delay in completion of the ADA ramp.</p>	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	In order to prevent and detect, fraud waste and abuse KPMG instructed Atlantic Highlands to track J.H. Reid personnel working on the bulkhead and punch list items. In addition, KPMG requested and received a daily email containing a list of J.H. Reid employees working on the Marina.	
<b>C. Miscellaneous</b>			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See Time and Expense Tab	
24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	Covered in Previous Sections.	

Name of Integrity Monitor:	KPMG
Name of Report Preparer:	Andrew Curtin
Signature:	
Date:	12/30/2014

KPMG- Atlantic Highlands Marina and Piers

Resource	Title	Rate	Hours Incurred (July - Sept)	Summary of services provided
Nicolas Koniski	Sr. Associate	\$ 220	7	Conducted a prevailing wage analysis to assess whether J.H. Reid is in compliance with NJ prevailing wage requirements.
Ryan Coco	Manager	\$ 265	36	Continue to provide ongoing quality assurance/quality control reviews for the duration of this project. Reviewed contractor status reports and undergoing a payment application review.
Thomas Stanton	Director	\$ 325	10.5	Prepared and reviewed monthly reports and reviewed contractor status reports and undergoing a payment application review.
<b>Grand Total</b>			<b>53.5</b>	

Resource	Expense Amount	Summary of Expenses (July - September)
<b>Grand Total</b>	<b>\$0</b>	