

Firm Name: Grant Thornton LLP  
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS  
 For Quarter Ending: 03/31/2017

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 value will exceed \$5 million. As of March 31, 2017 six contracts exceed the integrity monitoring threshold: <b>#1 Temporary By-Pass Cabling</b> - Travis A919 Contract; <b>#2 Administration Controls Building</b> - Fine Wall Contract; <b>#3 Program Management Services</b> - AECOM/HDR Contract; <b>#4 Floodwall Engineering</b> - STV-MottMacDonald Contract; <b>#6 Standby Power Plant Engineering</b> - Black & Veatch Contract; and <b>#12 Additional By-Pass Cabling</b> - Travis Contract B036. A seventh contract #(9) anticipated to exceed the threshold relates to the Motor Control Center. This contract is anticipated to be bid in July or August 2017.	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	As of March 31, 2017 the following payments (associated with four of the above referenced contracts) have been made: <b>#1 Travis</b> - \$16,040,618; <b>#2 Fine Wall</b> - \$5,869,692; <b>#3 AECOM/HDR</b> - \$5,048,483; <b>#6 Black &amp; Veatch</b> - \$142,185 and <b>#12 Travis</b> - \$1,322,087. No Payments have been made on contract <b>#4 STV-MottMacDonald</b>	
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 six contracts, currently subject to our review, is as follows: <b>#1) Travis - Temporary By-Pass Cabling.</b> The work authorized under this contract has been completed. A replacement contract was awarded on March 22, 2016. Travis is completing work authorized under the A919 contract. <b># 2) Fine Wall - Administration Controls Building</b> - 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 March 31, 2017 the construction was behind schedule with approximately 99% of the contract work completed. <b>#3) 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. As of March 31, 2017 the contract period under the initial contract had been completed. The AECOM-HDR contract was extended for an additional two year period with an increased cost of \$5,801,590 on March 16, 2017. <b>#4) STV-MottMacDonald JV - Floodwall Engineering.</b> The contract award was authorized on September 20, 2016. The contract was executed on November 14, 2016. The design project's kick-off meeting was held on December 8, 2016. As of March 31, 2017 STV-MottMacDonald had submitted its Validation Report of the Basis of Design Document and requested additional survey and boring test at selected locations of the floodwall. <b>#6) Black &amp; Veatch - Standby Power Plant Engineering.</b> The contract award was authorized by the Commission on July 14, 2017 with the contract being executed on October 20, 2016. The design project's kick-off meeting was held on October 20, 2016. As of March 31, 2017 Black &amp; Veatch had completed the analysis of the Basis of Design Report. <b>#12) 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, 2017, 78% of the authorized work has been completed.</p>	
12.	Expected Contract End Date/Time Period	<p>The contract end dates for the six 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, 2017; #4) STV-MottMacDonald JV - May 1, 2021; #6 Black &amp; Veatch - June 30, 2020; and #12) Travis - March 10, 2018;</p>	
<b>B. Monitoring Activities</b>			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	<p>Grant Thornton is currently monitoring six 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); AECOM/HDR (Program Management Services); Black &amp; Veatch (Standby Power Plant Engineering) and STV-MottMacDonald (Floodwall Engineering) 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.</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>	

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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: January 4, 2017 - PVSC Engineering; January 11, 2017 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; January 11, 2017 - PVSC Engineering and AECOM-HDR; January 24, 2017 - Admin Controls Building Construction Progress Meeting; January 25, 2017 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; February 8, 2017 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; February 15, 2017 - PVSC Engineering, AECOM-HDR and CH2M for the Stormwater Pump Station Engineering kick-off meeting; February 22, 2017 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; February 22, 2017 - PVSC Engineering; March 8, 2017 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; March 9, 2017 - PVSC Administration; March 22, 2017 - PSVC Engineering, ACEOM-HDR, NJDEP and STV-MottMacDonald; March 22, 2017 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; and March 23, 2017 - PVSC Eningeering, AECOM-HDR, NJDEP and Black & Veatch.	
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.	
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 June 2016 and March 2017 and the Additional By-Pass Cabling (B036) contract between July 2016 and March 2017. 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 and deliverables. In March Grant Thornton began the review of the first Black & Veatch contract invoice.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	During the Quarter Grant Thornton reviewed 1) 2 invoices submitted by Travis and paid by PVSC for the Temporary By-Pass Cabling; 2) 4 invoices submitted by Fine Wall and paid by PVSC for the Administration Controls Building; 3) 3 invoices submitted by AECOM/HDR for Program Management Services; 4) 1 invoices submitted by Black & Veatch for the Standby Power Plant Engineering; and 5) 7 invoices submitted by Travis under the Additional By-Pass Cabling contract. In aggregate, as of March 31, 2017, Grant Thornton has reviewed 145 of 162 Travis (A919) invoices; 15 of 15 Fine Wall invoices; 20 of 20 AECOM/HDR invoices; 1 of 1 Black & Veatch invoice; and 25 of 32 Travis (B036) invoices. The total value of the 145 reviewed Travis invoices represents \$15.5 million. The total value of the 15 Fine Wall reviewed invoices is \$6.8 million. The total value of the 20 AECOM/HDR invoices represents \$5.1 million. The total value of the 1 Black & Veatch invoices represent \$142,185 million. The total value of the 25 Travis invoices under the B036 contract is \$1.4 million.	

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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. 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 construction completion of the Administration Controls Building. 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 continues to provide 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.	
<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 275.9 hours for a cost of \$43,232.69. Travel related expenses totaled \$653.20 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.	

Name of Integrity Monitor:	Grant Thornton LLP
Name of Report Preparer:	Jack Reagan
Signature:	
Date:	3-Jul-17

# PVSC Integrity Monitor - Legislative Quarterly Report

January 1, 2017 - March 31, 2017



## ***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	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	24.00				
Project Name - ID: PVSC Travis Tsk D / 100233.00.001.01D	0.00				
Project Name - ID: PVSC Travis Tsk E / 100233.00.001.01E	3.50				
Project Name - ID: PVSC Travis Tsk F / 100233.00.001.01F	3.50	31.00	\$ 4,581.80	\$ 8.71	\$ 4,590.51
Project Name - ID: PVSC Fine Wall Tsk C / 100233.00.002.01C	1.50				
Project Name - ID: PVSC Fine Wall Tsk D / 100233.00.002.01D	12.25				
Project Name - ID: PVSC Fine Wall Tsk E / 100233.00.002.01E	7.25				
Project Name - ID: PVSC Fine Wall Tsk F / 100233.00.002.01F	4.75	25.75	\$ 4,161.47	\$ 143.98	\$ 4,305.45
Project Name - ID: PVSC AECOM/HDR Tsk C / 100233.00.003.01C	30.75				
Project Name - ID: PVSC AECOM/HDR Tsk D / 100233.00.003.01D	0.00				
Project Name - ID: PVSC AECOM/HDR Tsk E / 100233.00.003.01E	18.25				
Project Name - ID: PVSC AECOM/HDR Tsk F / 100233.00.003.01F	5.75	54.75	\$ 8,976.78	\$ 254.58	\$ 9,231.36
Project Name - ID: PVSC Floodwall Eng Tsk C / 100233.00.004.01C	1.00				
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	6.75				
Project Name - ID: PVSC Floodwall Eng Tsk F / 100233.00.004.01F	4.25	12.00	\$ 2,137.92	\$ 58.08	\$ 2,196.00
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	5.50				
Project Name - ID: PVSC Power Gen Eng Tsk D / 100233.00.006.01D	5.50				
Project Name - ID: PVSC Power Gen Eng Tsk E / 100233.00.006.01E	5.25				
Project Name - ID: PVSC Power Gen Eng Tsk F / 100233.00.006.01F	4.25	20.50	\$ 3,488.60	\$ 112.31	\$ 3,600.91
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	0.00				
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	0.00				
Project Name - ID: PVSC Phase 2 RepairsTsk F / 100233.00.008.01F	0.40	0.40	\$ -	\$ -	\$ -
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	3.25				
Project Name - ID: PVSC Motor Controls Tsk E / 100233.00.009.01E	1.55				
Project Name - ID: PVSC Motor Controls Tsk F / 100233.00.009.01F	1.00	5.80	\$ 1,027.21	\$ 2.91	\$ 1,030.12
Project Name - ID: PVSC Mtr/PmpRepairs Tsk C / 100233.00.010.01C	0.00				
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	0.00				
Project Name - ID: PVSC Mtr/PmpRepairs Tsk F / 100233.00.010.01F	0.00	0.00	\$ -	\$ -	\$ -
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	0.00				
Project Name - ID: PVSC PAC Motors Elec TskF / 100233.00.011.01F	0.00	0.00	\$ -	\$ -	\$ -
Project Name - ID: PVSC AddByPassCablingTskC / 100233.00.012.01C	113.00				
Project Name - ID: PVSC AddByPassCablingTskD / 100233.00.012.01D	1.00				
Project Name - ID: PVSC AddByPassCablingTskE / 100233.00.012.01E	11.70				
Project Name - ID: PVSC AddByPassCablingTskF / 100233.00.012.01F	0.05	125.75	\$ 18,858.91	\$ 72.63	\$ 18,931.54
<b>Overall</b>	<b>275.95</b>	<b>275.95</b>	<b>\$ 43,232.69</b>	<b>\$ 653.20</b>	<b>\$ 43,885.89</b>