

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 12/31/2019

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	<p>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 projects where the anticipated contract values would exceed \$5 million. As of December 31, 2019 seven (7) projects representing eight contracts exceeded the integrity monitoring threshold: Project #1 Temporary By-Pass Cabling - Travis A919 Contract; Project #2 Administration Controls Building - Fine Wall Contract; Project #3 Program Management Services - AECOM/HDR Contract; Project #4 Floodwall Engineering - STV-MottMacDonald Contract; Project #6 Standby Power Plant Engineering - Black & Veatch Contract; Project #7 Standby Power Plant Construction - Siemens Contract and Kyle Conti Contract and #9 Motor Controls Center - Tomar Construction.</p> <p>Work under #5 Floodwall Construction has not been awarded.</p> <p>The work under Contracts #8 Phase 2 Motor Repairs, #10 Motor / Pump Repairs, #11 PAC Motor Repairs, and #12 Additional By-Pass Cabling - Travis Contract B036 did not exceed the integrity monitoring threshold.</p>	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	As of December 31, 2019 the following payments (associated with the seven of the above referenced projects) have been made: Project #1 Travis - \$16,064,126; Project #2 Fine Wall - \$6,247,151; Project #3 AECOM/HDR - \$12,586,745; Project #4 STV-MottMacDonald - \$3,653,689; Project #6 Black & Veatch - \$1,934,910; Project #7 Siemens Energy - \$2,461,922 and Kyle Conti - \$2,659,479; and #9 Tomar Construction - \$5,169,857.	
10.	Amount Provided to other State or Local Entities	\$0	

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 12/31/2019

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
11.	Completion Status of Contract or Program	<p>The Completion Status for each of the eight contracts, currently subject to our review, is as follows: #1) Travis - Temporary By-Pass Cabling. The work authorized under this contract has been completed. # 2) Fine Wall - Administration Controls Building - The work authorized under this contract has been completed. #3) AECOM/HDR - Program Management Services. The AECOM/HDR contract was awarded on February 13, 2015. The initial contract period was for two years. On March 16, 2017 PVSC extended the AECOM-HDR contract an additional two years. On March 12, 2019 PVSC authorized Contract Amendment #8 extending the contract an additional two years and increased the funding by \$7,076,343. The additional Contract Amendments increased the total authorized ceiling on the contract to \$19,590,495. #4) STV-MottMacDonald JV - Floodwall Engineering. The contract award was authorized on September 20, 2016. The contract was executed on November 14, 2016. As of December 31, 2019, the 100% design documents had been completed. #6) Black & Veatch - Standby Power Plant Engineering. The contract award was authorized on July 14, 2017 with the contract being executed on October 20, 2016. Engineering design for the generators and site prep work has been completed. #7a Standby Power Plant Construction - Site Prep. On June 8, 2019 PVSC issued the Notice to Proceed for the site prep construction to Kyle Conti Construction. The contract was awarded in the amount of \$5,496,000. As of December 31, 2019 Kyle Conti Construction was approximately 75% complete. #7b Standby Power Plant Construction - Turbine Acquisition. On May 16, 2019 PVSC recommended the award of the turbine generator acquisition to Siemens Energy. The generator purchase award totaled \$51,466,049. #9 Tomar Construction - Motor Controls Center. The construction contract award was authorized by PVSC on October 12, 2017. As of December 31, 2019 Tomar had complete the initial site work and was driving foundation piles. PVSC is monitoring the contractor's progress on a bi-weekly basis.</p>	
12.	Expected Contract End Date/Time Period	<p>The contract end dates for the eight 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, 2021; #4) STV-MottMacDonald JV - May 1, 2021; #6) Black & Veatch - June 30, 2020; #7 Siemens Energy - June 10, 2021 and Kyle Conti - February 3, 2020; and #9) Tomar Construction - October 2, 2021.</p>	
B. Monitoring Activities			

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 12/31/2019

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
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	<p>Grant Thornton is currently monitoring six active projects. Funding is provided primarily through two Project Worksheets (PW):</p> <p>PW 4701 (Substations and Cables) supports the Travis Inc. (Temporary By-Pass Cabling and Additional By-Pass Cabling) contracts; AECOM/HDR (Program Management Services) contract; STV-MottMacDonald (Floodwall Engineering); Black & Veatch (Standby Power Plant Engineering); Siemens Energy and Kyle Conti Construction (Standby Power Plant Construction) and Tomar Construction (Motor Controls Center) contracts. The authorized/eligible amount for PW 4701 is \$406.9 million.</p> <p>PW 4803 (Administration Controls Building) supported the Fine Wall (Administration Controls Building) contract. PW 4803's authorized amount is \$12.2 million. PVSC's appeal to increase the PW's authorized funding was approved on March 26, 2019. PVSC is in the process of closing this project worksheet.</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 Standby Power Plant Site Prep and 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.</p> <p>During the quarter Grant Thornton met with PVSC and others on the following dates: October 3, 2019 - PVSC Engineering, AECOM-HDR, URS (AECOM), NJDEP and Tomar Construction; October 16, 2019 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; October 30, 2019 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; November 7, 2019 - PVSC Engineering, AECOM-HDR, URS (AECOM), NJDEP and Tomar Construction; November 13, 2019 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; December 5, 2019 - PVSC Engineering, AECOM-HDR, URS (AECOM), NJDEP and Tomar Construction; and December 11, 2019 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP;</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, Black & Veatch, Siemens Energy, Kyle Conti Construction and Tomar Construction 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>	

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 12/31/2019

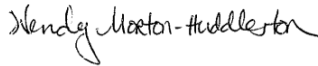
Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
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 to monitor the AECOM-HDR (Program Management Services), STV-MottMacDonald (Floodwall Engineering) and Black and Veatch (Standby Power Plant Engineering) engineering contracts to verify compliance with contract pricing and/or deliverables. Grant Thornton continued its review of the invoice submissions from Kyle Conti Construction for the Standby Power Plant Site Prep contract and Tomar Construction for the Motor Controls Center contract; and continued its monitoring of the contractor's performance and construction progress.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	In aggregate, as of December 31, 2019, Grant Thornton has reviewed 169 of 169 Travis (A919) invoices; 19 of 19 Fine Wall invoices; 48 of 49 AECOM/HDR invoices; 15 of 16 STV-MottMacDonald invoices; 14 of 15 Black & Veatch invoices; 6 of 7 Kyle Conti invoices; and 1 of 1 Siemens Energy invoice; and 14 of 16 Tomar invoices. The total value of the 169 reviewed Travis invoices represents \$16.1 million. The total value of the 19 Fine Wall reviewed invoices is \$6.2 million. The total value of the 48 AECOM/HDR invoices represents \$12.3 million. The total value of the 15 STV-MottMacDonald invoices represent \$3.4 million. The total value of the 14 Black & Veatch invoices represent \$1.4 million. The total value of the 6 Kyle Conti invoices represent \$2.4 million. The total value of the 1 Siemen Energy invoice total \$2.4 million. The total value of the 14 Tomar invoices represent \$4.2 million.	
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 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 Standby Power Plant Site Prep contract and the Motor Controls Center contract. Based on our site visits we did not observe any work quality, health and safety, environmental or historical preservation issues.	

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 12/31/2019

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
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 engineering design work was completed on the following projects: Plant-wide Replacement of Underground Electric and Utility Tunnel Bulkheads - \$45.0 million; Stormwater Pump Stations - \$21.0 million; and Stormwater Collection System - \$15.5 million. Construction work continues on Plant Wide PW Improvements - \$16 million; and engineering design work is proceeding on the Advanced Electrical Repairs - \$12.0 million. None of these projects are within the current scope of Grant Thornton's integrity monitoring contract. PVSC decided to combine the construction bid of the Stormwater Pump Stations and Stormwater Collection System with the Floodwall Protection System into a single bid and award. Bids were received on November 8, 2019 with an apparent low bid of \$159 million. Bid Proposals were still under review as of December 31, 2019.	
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.	
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 204.75 hours for a cost of \$28,495.58. Travel related expenses totaled \$306.88 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 a total of 47 Time Extension Requests . All have been submitted on a timely basis and as necessary. As of December 31, 2019 all Time Extension Requests had been approved by FEMA. PVSC has submitted 20 PW Closeout Requests to NJOEM. As of December 31, 2019, 10 PWs have been closed by NJOEM and FEMA.	

Name of Integrity Monitor:	Grant Thornton LLP
Name of Report Preparer:	Wendy Morton-Huddleston
Signature:	
Date:	1-Apr-20