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

Firm Name: **Addx Corporation**

Engagement: **Integrity Oversight Monitor**

For Quarter Ending: **09/30/2016**

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	Bayshore Regional Sewage Authority (BRSA)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	Federal Emergency Management Authority (FEMA)	
3.	State Funding (if applicable)	N/A	
4.	Award Type	Public Assistance - Category G	
5.	Award Amount	Stone Hill Contracting inc., Doylestown, PA	$17,185,821
6.	Contract/Program Person/Title	Bayshore Regional Sewage Authority (BRSA), Union Beach,NJ	Robert Fischer, Executive Director; George Rolon, Project Manager, New Jersey Environmental Infrastructure Trust (NJEIT)
7.	Brief Description, Purpose and Rationale of Project/Program	Due to high winds, heavy rain, subsequent flooding and storm surge from SuperStorm Sandy, the BRSA sustained major damage to two incinerators; the Dorr Oliver as well as the Niro incinerator, in addition to its adjacent equipment. The Project Worksheet (PW) relates to the demolition and reconstruction of these two incinerators and adjacent equipment.	
8.	Contract/Program Location	BRSA, Union Beach, NJ	
9.	Amount Expended to Date	$14,938,808.48 expended by Stone Hill Contracting	
10.	Amount Provided to other State or Local Entities	None	
11.	Completion Status of Contract or Program	Project is approximately 85% complete.	
12.	Expected Contract End Date/Time Period	12/31/2016	
B.	**Monitoring Activities**		

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13.	If FEMA funded, brief description of the status of the project worksheet and its support.	IFCO has been conducting numerous classroom and hands on training for BRSA plant personnel. SHC and Industrial Furnace Company (IFCO) requested rescheduling of the original September 27-28, 2016 Stack Test with the New Jersey Department of Environmental Protection-Bureau of Technical Services (NJDEP-BTS) to be pushed back to October 18-19, 2016. The primary cause of the slippage was attributed to electrical wiring and terminations for the NIRO Incinerator. MBE Electric, the electrical subcontractor, and IFCO have been efficiently working in tandem to pull, terminate, label, seal and test point to point and system terminations. At two other sanitary sewage incinerator sites preparing to meet the new federal stack tests emissions, the identical mercury removal equipment installed at those sites as well as at BRSA, manufactured by the same company, essentially spontaneously combusted. There was no loss of life. However, the fire suppression systems at the sites were inadequate and the mercury scrubbers were destroyed. On September 30, 2016, there was an emergency meeting of the mercury removal manufacturer, CPPE, with BRSA, IFCO, Hazen and Sawyer, the engineer (Hazen), and Addx's monitor. CPPE presented its investigation into the likely causes for fires at the other two sites. IFCO and CPPE sought to reassure BRSA with the following logic: BRSA purchased and installed a new suite of equipment, primarily manufactured and warranted by IFCO unlike at the other two sites – they did not contract with IFCO. Hence, BRSA has IFCO's overly sufficient and redundant installation of monitors and risk mitigation controls and operator training which were not present at the other two sites. The IFCO engineer recommended that the plant hire a third party facilitator to conduct a "hazard analysis," or HAZOPS – hazard operations. It is a controlled facilitation that allows the participants to walk through each part of the plant's process asking, 'what if' and assigning an acceptable and unacceptable level of risk and mitigation for each factor. Upon completion, the group has achieved consensus upon what hazard mitigation actions will take place at each stage of the plant's operation. And importantly, the group comes to consensus on what is and what isn't an acceptable level of risk and consequence at each stage and overall.	
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)	The Addx Monitor attended weekly progress meetings with BRSA, SHC & Hazen on 7/5/16, 7/12/16, 7/19/16, 8/2/26, 8/9/16, 8/16/16, 9/13/16, 9/20/16, 9/27/16. The Addx Monitor attended monthly scheduled update meeting on 8/2/16, 9/27/16. The Addx Monitor conducted a site inspection on 7/19/16, 8/23/16,. The Addx Monitor attended an emergency meeting with all parties 8/3/16. The Addx Monitor attended an emergency meeting with all parties plus CPPE, the mercury scrubber manufacturer on 9/30/16.	
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.	As previously noted, the NJEIT and BRSA have been very cooperative as part of this review. Addx compliance examiners have been able to review all project related documents to include contract, drawings, bonds, invoices and supporting documentation.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	In addition to continuing to analyze and review all invoices and materials as set forth in the project and review of certified payroll rates and hours compared with books and records, the Addx Monitor appears on site regularly to do monitoring, attend meetings, site inspections, and help ensure compliance with requirements.	

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No.	Recipient Data Elements	Response	Comments
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	Yes, payment requisitions are reviewed. Data analytics are performed during the review to ensure all claims for payments are supported with adequate documentation.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	Appear on site nearly every week to do monitoring, site inspections, and help ensure compliance with requirements.	
19.	Provide details of any integrity issues/findings	None	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	At two other sanitary sewage incinerator sites preparing to meet the new federal stack tests emissions, the identical mercury removal equipment installed at those sites as well as at BRSA, manufactured by the same company, have essentially spontaneously combusted. : BRSA purchased and installed a new suite of equipment, primarily manufactured and warranted by IFCO unlike at the other two sites – they did not contract with IFCO. Hence, BRSA has IFCO's overly sufficient and redundant installation of monitors and risk mitigation controls and operator training which were not present at the other two sites.	
21.	Provide details on any other items of note that have occurred in the past quarter	At two other sanitary sewage incinerator sites preparing to meet the new federal stack tests emissions, the identical mercury removal equipment installed at those sites as well as at BRSA, manufactured by the same company, have essentially spontaneously combusted. BRSA purchased and installed a new suite of equipment, primarily manufactured and warranted by IFCO unlike at the other two sites – they did not contract with IFCO. Hence, BRSA has IFCO's overly sufficient and redundant installation of monitors and risk mitigation controls and operator training which were not present at the other two sites.	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	Addx has been monitoring the procurement process, to include providing due diligence and a review of the solicitation documents. No irregularities were noted. Addx representatives continue to attend regularly scheduled weekly or bi-weekly meetings between BRSA and SHC representatives.	
C.	**Miscellaneous**		
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	Quarterly – 46 hours; $5,487.59 labor and $186.00 in the Other Director Costs (ODCs). Totaling $5,673.59 for the quarter ending 9/30/16.	
24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None	

Name of Integrity Monitor: Jennifer Sirois
Name of Report Preparer: Allison Kennett
Signature:
Date: 1/3/17