

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 06/30/2022

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 June 30, 2022 eight (8) projects representing nine contracts exceeded the integrity monitoring threshold:</p> <p>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 #5 Floodwall Construction - Railroad - Poscillico JV; Project #6 Standby Power Plant Engineering - Black & Veatch Contract; Project #7 Standby Power Plant Construction - Siemens Contract and Kyle Conti Contract and Project #9 Switchgears and Motor Controls Center - Tomar Construction.</p> <p>The work under Projects #8 Phase 2 Motor Repairs, #10 Motor / Pump Repairs, #11 PAC Motor Repairs, and #12 Additional By-Pass Cabling did not exceed the integrity monitoring threshold.</p>	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	<p>As of June 30, 2022 the following payments (associated with the eight of the above referenced projects) have been made:</p> <p>Project #1 Temporary By-Pass Cabling - Travis - \$16,064,126; Project #2 Administration Controls Building - Fine Wall - \$6,247,151; Project #3 Program Management Service - AECOM/HDR - \$24,048,585; Project #4 Floodwall Engineering - STV-MottMacDonald - \$5,181,904; Project #5 Floodwall Construction - Railroad-Poscillico JV - \$95,871,399; Project #6 Standby Power Plant Engineering - Black & Veatch - \$5,738,744; Project #7 Standby Power Plant Construction - Siemens Energy - \$33,532,215 and Kyle Conti - \$3,904,413; and Project #9 Switchgears and Motor Controls Center - Tomar Construction - \$24,596,548.</p>	

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10.	Amount Provided to other State or Local Entities	\$0	
11.	Completion Status of Contract or Program	<p>The Completion Status for each of the eight projects, currently subject to our review, is as follows:</p> <p>#1) Temporary By-Pass Cabling - Travis contract. The work authorized under this contract has been completed.</p> <p>#2) Administration Controls Building - Finewall Construction. The work authorized under this contract has been completed.</p> <p>#3) Program Management Services - AECOM/HDR contract. 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 to April 5, 2021. On March 11, 2021 PVSC authorized Contract Amendment #10 extending the contract an additional two years to April 5, 2023</p> <p>#4) Floodwall Engineering - STV/Mott MacDonald (MM) contract. The contract award was authorized on September 20, 2016. The contract was executed on November 14, 2016. As of June 30, 2022 STV - MM is continuing to provide construction management services.</p> <p>#5) Floodwall Construction - Railroad - Poscillico Joint Venture contract. The construction contract was awarded in the amount of \$225,900,000. The Notice to Proceed issued on March 4, 2020. Construction work continues with the completion of the pile caps and steel sheeting; and the construction of stormwater pump stations and stormwater collection system.</p> <p>#6) Standby Power Plant Engineering - Black & Veatch contract. The contract award was authorized on July 14, 2016 with the contract being executed on October 20, 2016. Engineering design for the generators and site prep work has been completed with acquisition and site prep contracts awarded. As of June 30, 2022 Black & Veatch is continuing to provide construction management services. The engineering design of the Standby Power Plant's construction has been completed. The award of the construction contract is pending the issuance of the NJDEP Title V Air Permit</p> <p>#7a) Standby Power Plant Construction (Site Prep) - Kyle Conti Construction contract. The contract was awarded in the amount of \$5,496,000. The Site Prep work has been completed.</p> <p>#7b) Standby Power Plant Construction (Turbine Acquisition) - Siemens Energy contract. On May 16, 2019 PVSC recommended the award of the turbine generator acquisition to Siemens Energy. The generator purchase award totaled \$51,466,049. Fabrication of the generators has been completed. Delivery is dependent on the Standby Power Plant's construction.</p> <p>#7c) Standby Power Plant Construction (Facility Construction) - The construction contract was advertised on May 6, 2021 with bids received on October 14, 2021. As of June 30, 2022, the award of the construction contract is pending approval of the Title V Air Permit.</p> <p>#9) Switchgears and Motor Controls Center - Tomar Construction contract - The construction contract was awarded on October 12, 2017. All work has been completed and Tomar is finalizing all open punch list items.</p>	

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12.	Expected Contract End Date/Time Period	The contract end dates for the eight projects currently subject to our review are as follows: #1) Travis - March 22, 2016; #2) Fine Wall - October 28, 2016; #3) AECOM/HDR - April 5, 2023; #4) STV-MottMacDonald JV - May 1, 2024; #5) Railroad-Poscillico Joint Venture - December 2024; #6) Black & Veatch - December 18, 2022; #7 Siemens Energy - June 10, 2021 and Kyle Conti - February 3, 2020; and #9) Tomar Construction - December 31, 2021. The contract end dates for the Railroad-Poscillico JV and Tomar Construction contracts were extended due to the COVID-19 closure.	
B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Grant Thornton is currently monitoring six active projects. Funding is provided primarily through two Project Worksheets (PW): PW 4701 (Substations and Cables) supported the Temporary By-Pass Cabling Project (Travis contract); and supports ongoing Program Management Services (AECOM-HDR contract); Floodwall Engineering (STV-MottMacDonald contract); Floodwall Construction (Railroad Construction - Poscillico JV contract); Standby Power Plant Engineering (Black & Veatch contract); Standby Power Plant Construction - Generator Acquisition (Siemens Energy contract), Standby Power Plant Construction - Site Prep (Kyle Conti Construction contract) and Standby Power Plant Facility Construction (Pending Award) and Motor Controls Center Construction (Tomar Construction contract). The authorized/eligible amount for PW 4701 is \$448.8 million. The current end date of the PW's Period of Performance was April 29, 2022. PVSC submitted a Time Extension request extending the Period of Performance through October 30, 2025. The Time Extension Request was approved by FEMA but only extended to December 31, 2024. PVSC along with NJOEM has submitted a revised Scope Change Request for PW 4701 increasing the cost from \$448 million to \$504 million to address increase construction cost and related work. As of June 30, 2022 this Scope Change was pending FEMA's Approval. PW 4803 (Administration Controls Building) supported the Administration Building Reconstruction (Finewall Construction contract). PW 4803's authorized amount was \$12.2 million. All authorized work has been completed. FEMA closed this project on October 8, 2021.	

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14.	<p>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>	<p>Grant Thornton's activities during this quarter were limited to virtual attendance at the Bi-Weekly FEMA Coordination Meetings and the Construction Progress Meeting for the Floodwall Construction and Motor Controls Center.</p> <p>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: April 12, 2022 - PVSC Engineering, AECOM-HDR, STV-MM, PS&S, Jacobs Engineering, Railroad Construction - Posillico JV, and NJDEP; April 13, 2022 - PVSC Engineering, AECOM-HDR, FEMA, NJOEM and NJDEP; April 27, 2022 - PVSC Engineering, AECOM-HDR, FEMA, NJOEM and NJDEP; May 10, 2022 - PVSC Engineering, AECOM-HDR, STV-MM, PS&S, Jacobs Engineering, Railroad Construction - Posillico JV, and NJDEP; May 25, 2022 - PVSC Engineering, AECOM-HDR, FEMA, NJOEM and NJDEP; and June 14, 2022 - PVSC Engineering, AECOM-HDR, STV-MM, PS&S, Jacobs Engineering, Railroad Construction - Posillico JV, and NJDEP.</p>	
15.	<p>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>	<p>PVSC has provided Grant Thornton copies of Travis, Fine Wall, AECOM/HDR, STV-MottMacDonald, Railroad-Poscillico JV, 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>	
16.	<p>Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.</p>	<p>During the Quarter Grant Thornton continued to monitor the AECOM-HDR (Program Management Services), the 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 construction contract invoices for the Floodwall construction (Railroad - Poscillico JV) and Switchgear and Motor Controls Center construction (Tomar Construction). During the quarter Grant Thornton continued its monitoring of the contractor's performance and construction progress.</p>	

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17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	<p>In aggregate, as of June 30, 2022, Grant Thornton has reviewed 169 of 169 Travis (A919) invoices; 19 of 19 Fine Wall invoices; 74 of 78 AECOM/HDR invoices; 31 of 32 STV-MottMacDonald invoices; 24 of 26 Railroad-Poscillico JV invoices; 26 of 28 Black & Veatch invoices; 13 of 13 Kyle Conti invoices; 4 of 4 Siemens Energy invoices; and 41 of 43 Tomar invoices.</p> <p>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 74 AECOM/HDR invoices represents \$22.2 million. The total value of the 31 STV-MottMacDonald invoices represent \$5.2 million. The total value of the 24 Railroad-Poscillico JV invoice represents \$95.9 million. The total value of the 26 Black & Veatch invoices represent \$5.6 million. The total value of the 13 Kyle Conti invoices represent \$3.9 million. The total value of the 4 Siemens Energy invoice totals \$33.5 million. The total value of the 41 Tomar invoices represent \$23.9 million.</p>	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	During the Quarter Grant Thornton worked with PVSC Engineering and PVSC Finance staff to review contract invoices. PVSC has provided Grant Thornton the requested documentation.	
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 physical presence for the onsite construction oversight was limited due to COVID restrictions. All progress meeting were held virtually.	

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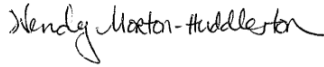
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21.	Provide details on any other items of note that have occurred in the past quarter	PVSC continues to provide Grant Thornton access to its procurement, financial and administrative files necessary to perform our reviews. PW Closeouts: As of June 30, 2022 PVSC has submitted a total of 33 Project Worksheets (PW) Closeouts to NJOEM and FEMA. FEMA has closed 23 PWs with the remaining 10 under review. Other FEMA Funded Work: Based on the scope of our contract Grant Thornton is not monitoring the following FEMA funded projects: <u>Plant Wide Improvements:</u> Riggs Distiller is continuing work on 7 task orders associated with 6 different PWs, with an estimated cost of \$9.2 million. Once this work is completed, PVSC will be able to closeout the 6 PWs <u>Advanced Electrical Engineering:</u> Phase 2 design work is 100% completed and final specifications and bid documents are being prepared.. <u>Advanced Electrical Construction (Phase I):</u> Tomar Construction received its Notice to Proceed on April 6, 2022 and has initiated site work during the quarter. <u>Replacement of the Underground Electric Cables and Utility Tunnel Bulkheads:</u> Five Star Electric completed approximately 50% of its demolition work, removing cables and cable trays during the quarter. None of these four projects are within the current scope of Grant Thornton's integrity monitoring contract.	
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 59.00 hours for a cost of \$8,290.22. Travel related expenses were \$0.00 during the Quarter due to travel restrictions associated with the COVID-19 Pandemic.	
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. In aggregate PVSC has submitted a total of 153 Time Extension Requests on 42 PWs . All have been submitted on a timely basis and as necessary. As of June 30, 2022, 2 Time Extension requests were pending approval by FEMA with 1 in development. All other Time Extension Requests have been approved. PVSC has submitted 33 PW Closeout Requests to NJOEM. As of June 30, 2022, 23 PWs have been closed by NJOEM and FEMA, with 6 being finalized by NJOEM and the remaining 4 were pending FEMA's review/finalization.	

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Name of Integrity Monitor:	Grant Thornton LLP
Name of Report Preparer:	Wendy Morton-Huddleston
Signature:	
Date:	1-Oct-22