

Firm Name: EisnerAmper LLP  
Work Authorization No. 2 Hudson-Bergen Light Rail (HBLR) Repair and Recovery and Locally Prioritized Resilience (NJ-44-X003)  
 Engagement: Integrity Oversight Monitoring Contract 14-033B  
 For Quarter Ending: 06/30/2020

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
1.	Recipient of funding	New Jersey Transit Corporation	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	Federal Transit Administration	
3.	State Funding (if applicable)	Not applicable	
4.	Award Type	FTA-Public Transportation Emergency Relief Program	
5.	Award Amount	<b>Total Project:</b> \$44,904,852	
6.	Contract/Program Person/Title	Jignasa Desai-McCleary, Chief, Procurement & Support Services	
7.	Brief Description, Purpose and Rationale of Project/Program	<p>The Hudson-Bergen Light Rail Repair and Recovery and Locally Prioritized Resilience is comprised of the following scope of work:</p> <ul style="list-style-type: none"> <li>- <b>Sandy DMG. 05 HBLR 4 Track &amp; Row:</b> Repair/replacement of damaged track components (rail resurfacing, lubricators, heaters, drainage swales, inlets, culverts and ballast washout and related activities.</li> <li>- <b>Sandy DMG. 05 HBLR 4 Vehicle Base Facility:</b> Replacement of damaged yard switch machines, installation of storage container for critical parts, auxiliary power repairs, and switch heater repairs, purchase of Wheel Truing Machine and installation of VBF, and the purchase of off site wheel truing services.</li> <li>- <b>Sandy DMG. 05 HBLR 4 Signals and Communications:</b> Replacement of mainline switches, impedance bond boxes, repairs at grade crossings, replacement of communication components, installation of Mill Creek CIH and testing and replacement of signal cable.</li> <li>- <b>Sandy DMG. 05 HBLR 4 Traction Power/Station Dist. Power:</b> Testing and replacement of Auxiliary Power Cable, repair Traction Power Cables and associated costs for design, project administration, construction, the purchase of necessary equipment and materials, and other related costs.</li> </ul>	
8.	Contract/Program Location	HBLR Line - Jersey City/Hudson County	
9.	Amount Expended to Date	\$37,752,918.15	Note: Expenditure figures in the report are presented for the entire HBLR project, whereas previously they were limited to the contracts within EisnerAmper's scope.
10.	Amount Provided to other State or Local Entities	None	
11.	Completion Status of Contract or Program	In progress	
12.	Expected Contract End Date/Time Period	12/31/2023	
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Not applicable	
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>Held conference call on April 14, 2020 with J. Victor (NJT HR). Held a conference call on April 15, 2020 and June 9, 2020 with NJT IAD to discuss monitoring activities. Held a conference call on April 17, 2020 with NJT IAD and Procurement department to discuss monitoring activities. Held a conference call on April 21, 2020 and May 20, 2020 with NJT CP with NJT IAD to discuss findings and observations in connection with monitoring activities performed. Held a conference call on April 23, 2020 and June 22, 2020 with Procurement, CP and IAD to discuss Print IDs to NPC reconciliation. Held a conference call on May 4, 2020 with J. O'Hern and A. Marvi regarding monitoring activities. Held a conference call on May 7, 2020 with TFC (N. Buisman and S. Brooks) regarding project update. Held conference calls on April 16, 2020 and April 30, 2020 with NJT IAD regarding project updates.</p>	

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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.	Received NPC status logs from NJT Procurement (March 2020, April 2020, May 2020). Received procurement documents for various NPCs. Received FTA grant documents and PRINTS ID quarterly reports. Received checked copies of receipted invoice during the month of December 2019 and January 2020.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	Testing of procurement files and invoices for a selection of NPCs, conducted various conference calls to discuss monitoring activities. Perform monitoring procedures related to Grant Management.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	Payment requisitions were provided and are being tested by EisnerAmper for a selection of invoices.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	Continued testing of procurement files and invoices, holding conference calls related to anticipated fieldwork for construction monitoring.	
19.	Provide details of any integrity issues/findings	<p>The IOM noted the following findings as part of monitoring procedures performed through April 27, 2017:</p> <p>a. Regarding two Notice(s) of Proposed Change(s) (NPCs), IOM notes that the total amounts invoiced by the Contractor of the HBLR Project were in excess of contract values.</p> <p>b. IOM notes that there were 15 instances where an Independent Cost Estimate ("ICE") was not obtained prior to receiving a cost proposal for a NPC.</p> <p>c. IOM notes four instances where the Invoice Review Checklist required by NJT Policy to be completed and signed before authorizing vendor payment of invoice were incomplete and/or unsigned.</p> <p>d. IOM notes a number of instances where a Cost Analysis was not prepared for a procurement action as required by the NJ Transit Procurement Manual.</p> <p>e. IOM notes that a Price Analysis was not consistently prepared in conjunction with the ICE for a number of Procurement actions as required by the NJ Transit Procurement Manual.</p>	<p>NJ Transit did not pay these invoices until the directive values were increased to meet or exceed the invoiced values.</p> <p>NJ Transit Procurement asserted that the procurement process was not impacted by the fact that cost proposals were received prior to the completion of an ICE for a NPC.</p> <p>NJ Transit noted that the invoice review process was being developed during the approvals of the invoices identified by the IOM. When the invoice review process was formalized in September 2014, the Invoice Review Checklist became a requirement.</p> <p>It was noted that informal cost analysis was included in the PM Memos, which served as a mitigation control.</p> <p>NJ Transit Procurement noted that because the HBLR Project was a sole source procurement a price analysis was not prepared.</p>
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	On March 9, 2020, Governor Phil Murphy declared a State of Emergency and a Public Health Emergency, effective immediately, to ramp up New Jersey's efforts to contain the spread of COVID-19. Based on our communications and monitoring, this has not appear to have affected the project.	
21.	Provide details on any other items of note that have occurred in the past quarter	None noted	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	Not applicable	

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23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See attached hours summary.	
24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None noted	

Name of Integrity Monitor:	EisnerAmper LLP
Name of Report Preparer:	Elliott Lee
Signature:	
Date: September 29, 2020	

**State of New Jersey**  
**Department of Treasury**  
**Work Authorization No. 2 Hudson-Bergen Light Rail (HBLR)**  
**Repair and Recovery and Locally Prioritized Resilience (NJ-44-X003)**  
**Integrity Oversight Monitoring Contract 14-033B**

Attachment for Question #23

Professional	Hours
Elliott Lee	17.55
Nancy Pham	64.05
Marisol Gonzalez	36.95
David A. Cace	0.40
Timothy Van Noy	4.80
Elwood Hill*	2.00
Stephanie Blue*	1.00
	126.75

\* Member of EisnerAmper's DBE firm.