

State of New Jersey	
Department of Treasury	
Integrity Monitor Report	
Middlesex County Utility Authority - Pumping Stations Contract # T-2939; EQ2014-004-P2&P3	
For Quarter Ending: 6/30/2016	

The reporting period for this report is April 1, 2016 through June 30, 2016

Under Section A-60, this report must 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

No.	Recipient Data Elements	Response
<b>A. General Info</b>		
1.	Recipient of funding	Middlesex County Utility Authority (MCUA)
2.	Federal Funding Agency? (e.g. HUD, FEMA)	FEMA
3.	State Funding (if applicable)	Not Applicable
4.	Award Type	Grant
5.	Award Amount	Cruz Contractors, LLC (Cruz) - \$9,593,000 Allied Construction Group, Inc. (Allied) - \$8,038,156 Total - \$17,631,156 Sayreville and Edison Pumping Stations Mitigation Contracts - TBD (2016)
6.	Contract/Program Person/Title	Standby Contract for Forced Mains and Gravity Sewers - Cruz Rehabilitation and Upgrade of the Sayreville Pumping Station - Allied Future mitigation work on Sayreville and Edison Pumping Stations - Contracts anticipated to be awarded in May 2016 Program Person: Richard Fitamant, Executive Director
7.	Brief Description, Purpose and Rationale of Project/Program	<p>During the ongoing incident period of Post Super Storm Sandy, beginning on October 26, 2012, the Middlesex County Utilities Authority (MCUA) suffered substantial damage to its Sayreville Pump Station which utilizes six (6)-50 MGD (Million Gallons Daily) pumps and four (4)-40 MGD pumps to pump anywhere from 70 MGD of dry weather sanitary flow to 300 MGD of wet weather sanitary flow from 30 municipalities in Middlesex and Somerset counties to the central treatment plant. The storm surge inundated and damaged its onsite electrical substation and controls. Also, due to salt water intrusion the pumps, pump fittings, and pump motors were compromised and rendered inoperable. These damages prompted the sub-grantee to immediately secure emergency contracts to prevent further damage to the existing infrastructure and prevent raw sewage from being discharged into the waterways.</p> <p>Prior to Super Storm Sandy, Cruz was issued a standby contract for forced mains and gravity sewers which included provisions for dewatering and by-pass pumping. This standby contractor was utilized after Super Storm Sandy to perform emergency clean-up and restoration activities for both the original Sayreville Pumping Station and the Sayreville Relief Pumping Station resulting from storm damage.</p> <p>In June 2011, Allied was contracted to perform the rehabilitation and upgrade of the Sayreville Pumping Station. This contract has a provision for unforeseen circumstances which allows payment for any items that are above and beyond the original contract. In this case, the dewatering of the facility, emergency site preparation, and temporary repairs to electrical systems were not in the original contract but were addressed as change orders following the storm.</p> <p>On March 27, 2013, the Integrity Oversight Monitor Act ("the Act") was enacted for the purpose of authorizing the deployment of Integrity Oversight Monitors for recovery and rebuilding contracts resulting from Super Storm Sandy and subsequent major storms in New Jersey. The Act authorizes the State Treasurer to require integrity oversight monitor services on any State or non-State, federally funded, recovery and rebuilding contract of \$5 million or more.</p> <p>KPMG LLP ("KPMG") was engaged by the Department of Treasury ("DOT") on June 20, 2014 to serve as the Integrity Oversight Monitor ("IM") for MCUA Sayreville Pumping Station given that both Cruz and Allied's contracts which exceeded the \$5 million threshold required by the Act.</p> <p>Currently, MCUA is in the process of advertising the upcoming permanent mitigation projects on Sayreville Pumping Station and Edison Pumping Station.</p>

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8.	Contract/Program Location	Middlesex County Utility Authority 2571 Main Street Sayreville, NJ 08872
9.	Amount Expended to Date	Cruz Contractors, LLC - Task 1 (Bypass Systems to CTP): \$7,498,901.27 Task 2 (HSR Temporary Wet Weather Overflow Facilities): \$1,670,176.15  Allied Construction Group, Inc. - \$8,281,546.39 <b>Total - \$17,450,624</b>
10.	Amount Provided to other State or Local Entities	Not Applicable
11.	Completion Status of Contract or Program	Emergency Work for Sayreville Pumping Station- 100% Complete. Sayreville and Edison Pumping Stations Hazard Mitigation Projects - Design and Approval Stage Completed. Contract award in September 2016
12.	Expected Contract End Date/Time Period	Cruz Contractors, LLC - 4/30/15 Allied Construction Group, Inc. - 4/30/15 Sayreville and Edison Pumping Stations Mitigation Work - 2018


**B. Monitoring Activities**

13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Funding for the approved Hazard Mitigation Proposals (HMP) was obligated under the respective FEMA PWs for Sayreville and Edison Pump Station.  <ul style="list-style-type: none"> <li>For Sayreville Pump Station PW 5061, the HMP represents \$61,659,218.32 of the project worksheet's total value of \$73,877,840.25.</li> <li>For Edison Pump Station PW 5075, the HMP represents \$11,799,830.00 of the project worksheet's total value of \$15,760,971.59. Pursuant to the approved project worksheet, this HMP includes the construction of a floodwall surrounding the Edison Pump Station, the construction of an isolation vault with a bypass pumping system, and the construction of a riser ring to elevate the Northwest Access Shaft &amp; Tunnel top slab above the design 500-year flood elevation.</li> </ul>
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)	This quarter MCUA was in the process of finalizing and issuing the construction contractor solicitations for both pumping stations, resulting in minimal integrity monitoring work during the pre-construction period.
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.	This quarter MCUA was in the process of finalizing and issuing the construction contractor solicitations for both pumping stations, resulting in minimal integrity monitoring work during the pre-construction period.
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	This quarter MCUA was in the process of finalizing and issuing the construction contractor solicitations for both pumping stations, resulting in minimal integrity monitoring work during the pre-construction period.

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17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	KPMG did not review any new payment requisitions this quarter.
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	This quarter MCUA was in the process of finalizing and issuing the construction contractor solicitations for both pumping stations, resulting in minimal integrity monitoring work during the pre-construction period.
19.	Provide details of any integrity issues/findings	No noted issues this quarter.
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	No noted issues this quarter.
21.	Provide details on any other items of note that have occurred in the past quarter	No other items to note this quarter.
22.	Provide details of any actions taken to remediate waste, fraud and abuse	No actions required.
<b>C. Miscellaneous</b>		
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	Attached. See April - June 2016 Time & Expense Summary Tab.
24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None.
Name of Integrity Monitor:		KPMG
Name of Report Preparer:		Kevin Max
Signature:		
Date:		10/1/2016

Time Summary	
Resource	Hours Incurred (April - June 2016)
John Christensen	3.00
<b>Grand Total</b>	<b>3.00</b>