

**NJ TRANSIT Contract No. 14-033C
Integrity Oversight Monitoring Services
Work Authorization No. 2**

**Integrity Oversight Monitoring Services for the Meadowlands Maintenance
Complex and the Rail Operations Center Project (MMC) Projects**

Attachment A – Scope of Work

PROJECT DESCRIPTION

The IOM firm selected for this Work Authorization shall provide integrity oversight monitoring services in connection with NJ TRANSIT Contract No. 17-006X Construction of Permanent Site Flood Protection Measures to Protect NJ TRANSIT'S Meadows Maintenance Complex (MMC) and Rail Operations Center (ROC) and Jacob Engineering Group, Inc.'s ("Consultant's") scope of work under Task Order Contract (TOC) 13-006B - Task Order Assignment (TOA) No. 5 governing the provision of the design consulting services (together referred to as the MMC/ROC Project).

SCOPE OF WORK:

Tasks and services to be performed by the selected IOM firm at minimum include:

Task A – Monitoring Consultant/Vendor Compliance with Applicable Laws and Contract Requirements:

1. Monitoring the Consultant and sub-consultants to ensure its compliance with applicable laws, regulations, codes, programs and contractual requirements.
2. Satisfying applicable FTA Federal Procurement Requirements and FTA Federal Register Notice Requirements for Oversight Monitoring (See Federal Register May 29, 2013 pages 32301- 32302), State of New Jersey Department of Treasury Requirements under N.J.S.A.52:15D-2 and providing necessary investigative services as required by NJT Internal Audit Department.

Task B – Developing and Implementing Integrity Programs

1. Programs and procedures to prevent and deter fraud, corruption, conflicts of interest and illegal activity by entities doing, or seeking to do, business with NJT; procedures shall include methods to remediate or mitigate fraud, waste, corruption and abuse.
2. Assisting with a program for facilitating the reporting of illegal and improper conduct by employees, Consultants, customers, etc., through measures such as education and awareness, posters, leaflets, hotlines, etc.
3. Training (If Applicable) - the IOM firm shall provide fraud, waste and abuse awareness or other training as may be required by NJT.

Task C – Conducting Background Checks, Reviews of Documents and Investigations

1. Background checks of businesses, principals, officials, employees and other individuals by utilizing research of public records, databases, interviews, or other

appropriate methods.

2. Review of documents, including disclosure forms, payment requests, Change Orders, invoices, certified payrolls, manifests, etc., submitted by vendors for honesty and accuracy.
3. Investigations and inquiries; including interviews, site visits and surveillances, as well as research into public records and databases, for the prevention and detection of violations, fraudulent and/or illegal acts.

Task D – Reporting

1. Report quarterly to the State Treasurer utilizing prescribed forms as to the two (2) in-scope NJ TRANSIT Resilience Program MMC/ROC Projects noted in Project Description above under a Work Authorization in a timely manner as to activities performed in accordance with N.J.S.A.52:15D-2.
2. Report integrity monitoring activities and results periodically to NJT as required in the Deliverables section below and as may be requested by NJT.
3. Be in compliance with malfeasance and inefficiency reporting protocols developed by the State Treasurer.
4. Immediately upon making a finding of a likely criminal violation or lesser degree of waste, fraud or abuse, report to New Jersey Attorney General and State Comptroller.

Task E – Preparing and Maintaining a Fraud Risk Assessment.

Provide a fraud risk assessment of the contract activities for the two (2) in-scope NJ TRANSIT Resilience Program MMC/ROC Projects noted in – Project Description above including, at a minimum:

- a) The identification of potential fraud, waste, abuse and/or potential criminal activity risks/ scenarios/schemes including prioritization and probability and potential impact. The IOM firm shall review all applicable design contract (TOC 13-006C) and applicable construction contract requirements and processes for susceptibility to fraud, waste, abuse and/or potential criminal activity.
- b) Specific methodology and detailed work programs/audit programs/other procedures that will be employed by the IOM firm to mitigate, minimize and/or identify fraud, waste, abuse and/or potential criminal activity for each risk/scenario/scheme identified for NJ TRANSIT.
- c) A detailed plan for key fraud, waste, abuse and/or potential criminal activity risks. This plan must include but not be limited to:

- i. Prioritized fraud, waste, abuse and/or potential criminal activity risk/scenario/schemes identified in the fraud risk assessment.
- ii. Detailed strategy for the life of the project for how each risk will be addressed.
- iii. Deliverables for each risk.
- iv. Level of effort (hours) needed for each risk by personnel category.
- v. Other relevant data.

d) Specific deliverables for each work program/audit program/other procedures.

Task F – Project-wide Activities

Provide any activity that pertains to the overall conduct of IOM project initiative and may include:

- 1. Provide periodic project status updates to the NJT Internal Audit Department (“IAD”).
- 2. Attend required safety and other training as needed.
- 3. Preparing invoices and supporting documentation.
- 4. Any other project-wide activity that is directed by IAD.

Additional activities to be conducted by the IOM firm, may include, but not be limited to the following in coordination with NJT Internal Audit Department:

- 1. Assessing the scope of work provided under the applicable MMC/ROC projects as noted in Project Description with respect to efficiency and effectiveness.
- 2. Reviewing information and activities in relation to the applicable MMC/ROC Projects noted in the Project Description above.
- 3. Attending program area status meetings, risk meetings, and other meetings as needed, in consultation with NJT Internal Audit Department.
- 4. Auditing to ensure procurement compliance.
- 5. Taking actions to detect, investigate, prevent and remediate, waste, fraud and abuse.
- 6. Other activities that may be defined or required by NJT Internal Audit Department.

DELIVERABLES:

All deliverables must be in sufficient detail to allow:

- 1. NJT to verify and evaluate the conclusions, recommendations, plans, documentation, etc. provided.

2. NJT to assess, in its sole judgment, the quality and acceptance of deliverables provided.
3. The IOM firm, NJT or a third party to execute the detailed monitoring work plan.

The IOM firm must ensure compliance with the following:

A. Work Authorization Deliverables

At a minimum, the following deliverables will be provided to the NJT Internal Audit Project Manager based on the approved detailed monitoring work plan. All detailed monitoring work plans **MUST** be in the format provided by NJT. Deliverables to support work will include but not be limited to the following:

1. Fraud Risk Mitigation Strategy and Detailed Monitoring Work Plan
2. Workpapers, reports and other required documentation in the format and content required by NJT to support all work.
3. Presenting reports, findings and other results of audits, reviews, investigations and other assigned tasks, and incorporating comments provided by NJT as appropriate and resubmitting the reports as final.
4. Audits as required under the Work Authorization.
5. Other deliverables that may be defined or required.

B. Required Reports and Documents

1. Findings of potential fraud, malfeasance, or criminal activity
Upon a finding of a likely criminal violation or lesser degree of any malfeasance, inefficiency, waste, fraud, abuse or mismanagement of funds, report findings to the Office of the State Comptroller and the Attorney General/OSC Taskforce with a copy to NJT Auditor General **immediately** consistent with the requirements of N.J.S.A.52:15D-2.
2. Weekly Status Updates

A weekly status update will be required each Monday by noon following the prior week's work in the NJT prescribed format (to be provided upon engagement). The weekly status updates will be based on a template provided by NJT Internal Audit which includes the following:

1. Total hours per Detailed Monitoring Work Plan
2. Hours by Risk Category per Detailed Monitoring Work Plan

3. Workpapers Provided to-date by Risk Category, Potential Fraud Risk
4. Items That Require Clarification
5. Weekly Accomplishments/Deliverables Provided
6. Risk Category/Potential Fraud Risk/Monitoring Procedures in-Progress
7. Risk Categories/Potential Fraud Risk/Monitoring Procedures Planned in the Next Two Weeks
8. Document/Information Requests

3. Quarterly Report

On the first business day of each calendar quarter, the IOM firm shall provide to the State Treasurer, for distribution to the Legislature and the Governor, a report detailing the IOM firm's provision of services during the three-month period second preceding the due date of the report and any previously unreported provision of services, which shall include, but not be limited to, detailed findings concerning the IOM firm's provision of services and recommendations for corrective or remedial action relative to findings of malfeasance and inefficiency. The report shall not include any information which may compromise a potential criminal investigation or prosecution or any proprietary information. The report shall include a privilege log which shall detail each denial of sensitive information that the IOM firm exercises in preparing the report for transmission to the Legislature and the Governor.

4. FTA Quarterly Report

Two weeks after the quarter ends, the IOM firm is required to provide all information as identified by NJT Internal Audit Department to meet the FTA quarterly reporting requirements.

5. Time Logs

Copies (and upon request, originals) of time logs shall be maintained by the IOM and shall include information on the allocation of hours worked by the IOM and staff to the respective federally-funded programs and all other data required in order to ensure compliance with all federal requirements.

6. Requests for Information/Documents

Submit all document and information requests to the NJT Internal Audit Project Manager via email. The email should contain in the subject line "Document/Information Request – Project Name".

7. Close-Out Report:

In addition to other reporting requirements, prior to the expiration of the IOM Work Authorization, or on an interim basis as necessary for longer-term engagements, the IOM firm shall submit a summary report of audit findings, observations, and process recommendations and/or best practice recommendations to NJT for its review and consideration. This report shall contain findings and observations from the IOM's review of documentation, site visits, and other work that was performed during the IOM Work Authorization term. Also based on its work during the IOM Work Authorization term, the report shall contain industry best practice recommendations regarding the processes it observed. The report will be due to NJT Internal Audit three weeks after NJT IA has completed its final review and acceptance of the workpapers for the IOM WA. Due dates for interim reports will be mutually agreed upon by the parties.

SCHEDULE

The services to be provided by the IOM under this Work Authorization are scheduled to be completed by June 20, 2021. The term of this Work Authorization is based upon the projected schedule of the MMC/ROC Projects and may be amended at the discretion of NJT.

BACKGROUND CHECKS

IOM firm personnel assigned to this Work Authorization must provide documented evidence that they have had appropriate background checks or agree to obtain a background check prior to commencing the Work Authorization.

CONFLICT OF INTEREST

Integrity Oversight Monitors shall not be a firm or an affiliate thereof involved in Superstorm Sandy Program Management or in the design, preparation or delivery of Superstorm Sandy Recovery and Resiliency contracts, task orders, projects, services and programs or have any other potential or actual conflict as determined by NJT.

The vendors/contractors for the MMC/ROC for which this Work Authorization applies are as follows:

Vendor	Contact
Project Manager:	NJ TRANSIT
Environmental:	NJ TRANSIT
Designer:	Jacobs Engineering, Inc.
Contractor:	DMR Construction
	There are four (4) subcontractors.

	<p>One (1) DBE firm C.H.S Construction Co. and</p> <p>Three (3) Non-DBE Brennan Industrial Contractors Inc., Walz & Krenzer, Inc. and Raymond Glass Company Inc.</p>
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Throughout the term of the Work Authorization, should the IOM, or its affiliates, or subsidiaries, or sub-consultants respond to a procurement or enter into a joint venture, partnership or subcontract relationship of any tier to provide any services, such as construction management, architectural and engineering, design, project management, or other related services, the IOM must notify NJ TRANSIT immediately. The IOM also is required to consult with NJ TRANSIT where there is concern on the part of the IOM or its sub-consultant that a conflict may exist.

NJ TRANSIT will determine whether the IOM or its sub-consultant has a conflict on a case by case basis. NJ TRANSIT has the sole discretion to determine whether a conflict or potential conflict is found to have arisen by such action on the part of the IOM or its affiliates, subsidiaries, or sub-consultants. NJ TRANSIT's determination regarding any question(s) of conflict of interest shall be final. Additionally, NJ TRANSIT may take all appropriate action as it deems necessary in accordance with the terms and conditions of the Contract.

The IOM and sub-consultant personnel who are assigned to this Work Authorization will be required to maintain in confidence all information disclosed and made available by NJ TRANSIT in association with the Work Authorization. IOM Firms will be required to execute a "Confidentiality and No Conflict of Interest Certification" prior to commencing the Work Authorization.

CONFLICT OF INTEREST WITH FUTURE CONTRACTORS & SUB-CONTRACTORS

Vendors/contractors to which the Work Authorization applies, may not be known at the time a Work Authorization is issued to the IOM. Once the vendor/contractor(s) has been identified, the IOM shall provide NJ TRANSIT with any anticipated or potential or suspected or actual conflicts that the IOM or its sub-consultant may incur during the projected course of a Work Authorization. Please refer to the chart above for the list of known and unknown vendors.

Existence of conflicts will be determined on a case-by-case basis by NJ TRANSIT. At the time that the vendor/contractor has been identified by NJ TRANSIT, and an apparent conflict of interest exists, NJ TRANSIT will discuss the matter and take any appropriate action, which may include reassignment of the Work Authorization.