

**ENGAGEMENT QUERY****EQ2014-003-P1: New Jersey Economic Development Authority - Sandy Contracts****I. GENERAL INFORMATION:**

On March 27, 2013, P.L. 2013, Chapter 37 (N.J.S.A. § 52:15D-1, et seq.), 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 Superstorm Sandy and subsequent major storms in NJ. 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. Pursuant to the Act, the Treasurer established a pool of qualified integrity monitors (Pool) from which the Treasurer could require the use of services on any State or federally funded recovery and rebuilding contracts. Consequently, the Treasurer has required integrity oversight monitoring on any such contracts valued at \$5 million or more.

The Department of Treasury (Treasury), on behalf of the New Jersey Economic Development Authority (EDA) is seeking quotes pursuant to the “Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud Services for Disaster Recovery Assistance” RFQ, and the “Prequalification Pools: Auditing and Other Related Services in Support of Disaster Recovery” RFP from prequalified contractors in Pool 1: Program and Process Management Auditor (Contractor).

This State is seeking to retain the services of a prequalified Contractor with knowledge of the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD) Community Development Block Grant - Disaster Relief (CDBG-DR) funds, and experience with state and local procurement processes, particularly the New Jersey Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.).

The purpose of this Engagement Query is to provide an integrity oversight monitor to EDA for contracts in excess of \$5 million in order to minimize the risk of deobligation, and prevent or rectify the duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and mismanagement of funds.

The Contractor will be responsible for reviewing and evaluating the financial and administrative functions for this contract; reviewing and evaluating deliverables; developing recommendations and strategies to ensure maximum Federal recoveries and prevent associated risks, if necessary; and providing forensic and ongoing quality assurance/quality control reviews and assessments.

Contract award is subject to the availability of federal funding. The level and amount of work to be awarded to the Integrity Oversight Integrity Monitor is not guaranteed.

**A. Background**

Following Superstorm Sandy, the Department of Community Affairs (DCA) was allocated approximately \$1.8 million in funding from HUD under the CDBG-DR program in the first tranche of dollars provided to New Jersey. EDA is considered a sub-recipient to DCA, and is

currently administering \$300 million in HUD funding for economic revitalization. There are four programs under economic revitalization: Stronger NJ Business Grant Program, Stronger NJ Loan Program, Stronger NJ Neighborhood and Community Revitalization Program, and Tourism Marketing.

EDA procured the services of two firms to assist with the administration of funding and recovery process for the Stronger NJ Business Grant Program, and marketing for the Tourism Marketing Program. These programs have allocations from the CDBG-DR program of \$100 million and of \$25 million respectively.

The focus of this Engagement Query is on contracts for the Stronger NJ Business Grant Program administered by Public Financial Management (PFM) Group (contract value approximately \$9 million) and the Tourism Marketing Programs administered by the MWW Group (MWW) (contract value approximately \$4.7 million).

The MWW contract has not exceeded the \$5M threshold. Therefore, an Integrity Monitor is not required at this time. Although additional federal money for the Tourism Marketing program has been requested, it has not been approved yet.

The State's intent is to procure the same Integrity Oversight Monitor for both the PFM and MWW contracts should the MWW contract exceed the \$5 million threshold. Therefore, the Contractor is expected to provide two separate price quotes: one for Integrity Oversight Monitoring Services for the PFM contract, and one for Integrity Oversight Monitor Services for both the PFM and MWW contracts. Financial and administrative reviews and evaluations, contractor recommendations, and suggested strategies will be similar, if not, identical for both PFM and MWW contracts. These efforts will already be in place should an Integrity Oversight Monitor be required for the MWW contract. The State expects to see a more aggressive pricing structure in the second price quote by achieving economies of scale.

## **B. Project Description**

EDA procured the services of the PFM and MWW to assist with marketing and outreach services relative to the State of New Jersey's recovery from Superstorm Sandy. PFM was hired to design, staff, and implement a fully operational Superstorm Sandy Recovery Business Grant Program Processing Operation. By the Program deadline of December 31, 2013, a total of 3,360 applications were received and are in various stages of review. Currently, PFM is still engaged and under contract to provide operational support the Stronger New Jersey Business Grant Program. The scope of work/solicitation for this contract can be found on the State of New Jersey Comptroller's Sandy Transparency website at:

[http://nj.gov/comptroller/sandytransparency/contracts/pdf/pfm\\_solicitation.pdf](http://nj.gov/comptroller/sandytransparency/contracts/pdf/pfm_solicitation.pdf)

Additional details related to this contract can also be found on this site:

<http://nj.gov/comptroller/sandytransparency/contracts/sandy/approved/contracts.html>

MWW was hired to plan, research, create, design, write, produce, budget, administer, measure results and improve its advertising and public relations campaigns. The scope of work/solicitation for this contract can be found on the State of New Jersey Comptroller's Sandy Transparency website at:

[http://nj.gov/comptroller/sandytransparency/contracts/pdf/mww\\_solicitation.pdf](http://nj.gov/comptroller/sandytransparency/contracts/pdf/mww_solicitation.pdf)

Additional details related to this contract can also be found on this site.

### C. Risk Assessment Summary

Ernst and Young (EY) completed a risk assessment for the PFM Group contract (value \$9 million) and the MWW contract (valued at \$4.7 million) based on information provided by EDA officials through January 24, 2013, and includes:

- FY 2010, FY2011 and FY2012 audit reports
- Meeting among NJ State Treasury, DCA, Cohn Reznick and EY on November 13, 2013
- Call among NJ State Treasury, EDA and EY on December 18, 2013
- Call between Cohn Reznick and EY on January 24, 2014
- Sandy Recovery Program information as of November 6, 2013
  - New Jersey Department of Community Affairs Action Plan Amendment 4
- EDA memorandum dated November 15, 2013 describing the Retail Fuel Station – Energy Resiliency Program guidelines
- Office of Inspector General for the Department of the Treasury Audit Report on State Small Business Credit Initiative (SSBCI)
- Solicitation, proposal, contract information, and evaluation committee reports for PFM and MWW.

### D. Items Noted during Risk Assessment

- The programs and associated federal funding levels are new to EDA.
- The tasks required of the consultants are new and the scopes of work include developing and implementing new procedures to administer millions of federal funding, as well as the creation and management of a \$25 million advertising campaign.
- The audited FY2012 and FY2011 financial statements (by Ernst & Young LLP) did not disclose any deficiencies.
- The dollar value of one contract subject to risk assessment exceeds the P.L.2013, Chapter 37 (A60) proscribed threshold of \$5 million. The other contract subject to risk assessment exceeds the discretionary threshold of \$2 million. The two contracts subject to risk assessment commenced in the spring of 2013 and are multi-year engagements; the PFM contract extends through May 2015 and the MWW contract extends through April 2016.
- The two remaining EDA programs, The Stronger NJ Business Loans (\$100 million program) and Neighborhood and Community Redevelopment Programs (three programs totaling \$75 million) will be administered in-house. No outside contracts will be procured.
- The HUD Inspector General is conducting a review to examine whether the State administered the Tourism and Marketing Campaign in accordance with applicable departmental and Federal requirements.

- Per Executive Order 125, EDA is required to submit all potential State procurements involving expenditure of federal resources to the NJ State Comptroller for review prior to the commencement of the procurement process.
- Cohn Reznick performed a detailed review of both the MWW and PFM contracts, which included the procurement process, reasonableness of the invoices (including the underlying costs, calculation of labor and sub-contractor details) and adherence to terms of the contract.

## II. SCOPE OF WORK (SOW) REQUIREMENTS:

The Contractor must be able to perform all of the following tasks:

- A. Attend a kick-off meeting with representatives from the Department to discuss the tasks and deliverables required under this work assignment. The Contractor is responsible for documenting and providing minutes of the meeting to the State Contract Manager within ten (10) days of the meeting.
- B. Review and evaluate the EDA's financial and administrative functions for this contract.
  1. Ensure that these functions adhere to all grant/assistance program guidelines, procurement rules, and reporting requirements.
  2. Verify that the contract was procured in accordance with all Federal, State and Local laws, regulations, and ordinances.
  3. Verify that payments were disbursed consistent with applicable directives, and that there were no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds.
  4. To the extent necessary, perform a forensic review of the PFM contract (and the MWW contract, if applicable) to determine if delivery of contract requirements and required deliverables were met.
  5. If weaknesses, errors, etc. are detected, develop recommendations and strategies to ensure maximum Federal recoveries, compliance with all laws, and prevention of associated risks through project closeout.

Report findings to the EDA and copy the State Contract Manager.

- C. Provide ongoing quality assurance/quality control reviews for the duration of this engagement.
  1. Ensure that remaining payments are disbursed consistent with applicable directives, and that there are no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds.

Report findings to the EDA and copy the State Contract Manager.

- D. Provide deliverables as set forth in this Engagement Query.

**Please note:** The Contractor is expected to administer forensic accounting and other specialty accounting services as required; and to comply with all Federal, State and Local laws, regulations, and ordinances, as they are applicable to the program.

Each interested contractor is strongly urged to review the Act, contracts G-9004 and T-2939 and the respective Method of Operation, and this Engagement Query to determine the best approach to develop its proposal and to meet the requirements of all tasks listed in this engagement query.

### III. DELIVERABLES

The Contractor must ensure compliance with the following:

#### A. Required Timelines

1. Task A is required to be completed within 10 days of the kick-off meeting.
2. Task B is required to be completed within 40 days of receipt of kick-off meeting.
3. All other tasks shall be performed on an ongoing basis and in a timely manner for the duration of this engagement, and may have completion dates assigned by Treasury.
4. Status is to be reported to the State Contract Manager on a monthly and quarterly basis as set forth below.

#### 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 State Comptroller and the Attorney General **immediately** consistent with the requirements of the Act.
2. Monthly Status Reports
  - Provide update on activities conducted on, or for, each task to include the type of activity, analysis, results, recommendations, resolutions, and/or preventative measures; and follow up on any previous outstanding issues. Provide monthly status reports to the State Contract Manager.
3. Quarterly Report (**Attachment 1**)
  - On the first business day of each calendar quarter, the Contractor shall provide to the State Treasurer, for distribution to the Legislature and the Governor, a report detailing the Contractor'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 Contractor'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 omission of any such information.
4. Time Logs

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

**Please note:** Contractor timesheets must show all hours for the entire day, including the hours spent on other clients.

#### **IV. OTHER CONTRACTOR REQUIREMENTS**

The Contractor is required to comply with all of the terms, including pricing, of its State contract (contract G-9004 or T-2939, as applicable), the applicable provisions of the New Jersey Standard Terms and Conditions, and the associated Method of Operation for the selected contracts. For the purpose of this engagement, the Contractor's indemnification obligation shall be limited in the aggregate to 500% of the value of the contract

Contracts are available on the Department of the Treasury, Division of Purchase and Property website:

Contract G-9004 [http://www.state.nj.us/treasury/purchase/nea/contracts/g9004\\_13-r-23144.shtml](http://www.state.nj.us/treasury/purchase/nea/contracts/g9004_13-r-23144.shtml)

Contract T-2939 [http://www.state.nj.us/treasury/purchase/nea/contracts/t2939\\_14-x-23110.shtml](http://www.state.nj.us/treasury/purchase/nea/contracts/t2939_14-x-23110.shtml)

Or, on the NJ Sandy Transparency website:

<http://nj.gov/comptroller/sandytransparency/contracts/sandy/>

#### **V. LENGTH OF ENGAGEMENT**

The PFM contract is expected to end May 5, 2015. The term of this engagement is based on the PFM contract term and shall be for a period of approximately 14 months. It may be extended for all or part of one year. The term will be extended to include the MWW contract if necessary. This engagement will begin once Task Orders and Purchase Orders are issued, and will end when all deliverables have been met and accepted by the State.

#### **VI. CONFLICT OF INTEREST**

Any person with FEMA/CDBG responsibilities, decision-making power or information may not obtain a financial interest or benefit from FEMA/CDBG activity or have any interest in the contract(s) or subcontract(s). Firms are prohibited from acting as a contractor for both the auditing and integrity monitoring requirements for the same project.

#### **VII. CONFLICT FOR FUTURE ENGAGEMENTS**

The Department of the Treasury will determine, on a case-by-case basis, if the Contractor will be eligible to receive additional integrity monitoring engagements. If it is determined that

award of this engagement presents a conflict of interest for participation in future engagements, the Contractor will be precluded from accepting subsequent Engagement Queries.

## VIII. PROPOSAL CONTENT

The Contractor shall provide a detailed proposal with a detailed budget to perform the SOW in this engagement to the State Contract Manager:

Dave Ridolfino, Associate Deputy State Treasurer  
[IntegrityOversightMonitor@treas.state.nj.us](mailto:IntegrityOversightMonitor@treas.state.nj.us)  
 by **5pm April 4, 2014**

Questions related to this Engagement Query must be submitted to:

[IntegrityOversightMonitor@treas.state.nj.us](mailto:IntegrityOversightMonitor@treas.state.nj.us)  
 by **5pm on March 21, 2014**

**Note:** Use the attached template to submit questions. The compilation of all questions and answers will be sent to the group prior to the Engagement Query response due date. **(Attachment 2)**

If the contractor is unable to bid because of a conflict of interest or scheduling, the contractor must provide notice to the Department within **three (3)** business days of the receipt of Engagement Query.

### **The contractor's proposal must contain the following elements:**

- A. A detailed proposal including a detailed budget, to perform the scope of work reflecting the requirements of the engagement query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;
- B. A contract schedule that shall identify the performance milestones and associated deliverable items to be submitted as evidence of completion of each task and/or sub-task;
- C. Person-hour and/or labor category mix: A comprehensive chart showing the person-hours proposed to meet the requirements of the Engagement Query. The chart shall be designed to reflect the tasks, sub-tasks, or other work elements required by the Engagement Query. The chart shall set forth, for each task, sub-task or other work element, the total number of person-hours, by labor category, proposed to complete the contract. The hourly rates used for each labor category shall be the hourly rates, or lower than the hourly rates specified in the contract. The person hours must be those originally bid or lower. The Contractor is to fill in each task listed in Section II Scope of Work in the column provided, and determine how many hours are required to complete each task. Provide a separate quote sheet for each scenario outlined for each year covering the entire term of this engagement. **(Attachment 3);**

- D. Estimated travel and direct costs for the duration of the engagement. Refer to contract T2939: 3.7 Travel Expenses and Reimbursements and Section 6.7.2 Bidders' Price Schedule; and contract G9004: 3.6 Travel Expenses and Reimbursements, and Section 6.0 Cost Proposal. (**Note:** Include **total travel** and **direct costs** on **Attachment 3** in the boxes provided.);
- E. A description of FEMA consulting experience on similar projects that demonstrates knowledge of eligibility, documentation and procurement requirements. Include client results in recovering the proposing contractor's fees as direct administrative costs, and a list of any deobligation of funds by FEMA or HUD in any of your projects;
- F. Detailed list of engagements or task orders in which the firm is currently providing services for any type of disaster recovery, including those of sub-contractors proposed for this engagement. The list must include the name of the contracting entity; a detailed list of the scope of services and the contract term; and identification of any sub-contractors to be utilized for this engagement which must be consistent with those identified in the original proposal/bid;
- G. Summary of experience of the primary and sub-contractor for engagements of similar scope and size; and
- H. Resumes of any primary contractor or sub-contractor individuals proposed for this engagement.

**IX. SELECTION PROCESS**

The State Contract Manager, on behalf of the Treasurer, or the using agency will review the proposals and select the Contractor whose proposal is most advantageous, price and other factors considered.

The State Contract Manager, on behalf of the Treasurer or the using agency will then issue a letter of engagement with a "not to exceed" clause to the engaged firm and begin the issuance of Task Orders. A firm may submit pricing lower than its original bid price for a specific project. The firm will then be held to that lower pricing for all future engagements.

**X. LIQUIDATED DAMAGES**

To the extent that actions of the contractor result in failure to meet performance standards, the State may suffer damages that could be difficult or impossible to quantify.

Given the significance of rehabilitation of New Jersey communities, businesses, and programs, the necessity that all resources dedicated to the recovery from Superstorm Sandy be applied in an efficient manner, and the need to take all necessary precautions to prevent, detect, and remediate waste, fraud, and abuse, the State and the Contractor agree to the specified liquidated damage amounts for late delivery of the following deliverables.

The methodology utilized to calculate liquidated damages pertaining to reviewing and evaluating financial and administrative functions to determine risk, and reporting on status are



based on the assumption that failure to have these key elements in place will directly result in loss of Federal funds. In addition, failure to provide reports could prevent the State from taking action to rectify issues early on, and may also cause harm to the public in the form of waste by the government and inefficiency in rebuilding projects.

<b>Task</b>	<b>Deliverable</b>	<b>Due Date</b>	<b>Liquidated Damages</b>
Task B	Review and evaluate the financial and administrative functions	Within 40 business days of receipt of kick-off meeting	\$1000 a day for each day past due date
Monthly Status Reports	Provide update on activities conducted on, or for, each task to include the type of activity, analysis, results, recommendations, resolutions, and/or preventative measures; and follow-up on any previous outstanding issues.	On the first business day of each month	\$1000 a day for each day past due date
Quarterly Reports	Report detailing the integrity oversight monitor's provision of services during the three-month period second preceding the due date of the report and any previously unreported provision of services	On the first business day of each calendar quarter	\$1000 a day for each day past due date

**XI. NOTICE OF EXECUTIVE ORDER 125 REQUIREMENT FOR POSTING OF WINNING PROPOSAL AND CONTRACT DOCUMENTS**

Pursuant to Executive Order No. 125, signed by Governor Christie on February 8, 2013, the Office of the State Comptroller (OSC) is required to make all approved State contracts for the allocation and expenditure of federal reconstruction resources available to the public by posting such contracts on an appropriate State website. Such contracts are posted on the New Jersey Sandy Transparency website located at:

<http://nj.gov/comptroller/sandytransparency/contracts/sandy/>

The contract resulting from this Engagement Query is subject to the requirements of Executive Order No. 125. Accordingly, the OSC will post a copy of the contract, including the Engagement

Query, the winning bidder's proposal and other related contract documents for the above contract on the Sandy Transparency website.

In submitting its proposal, a bidder may designate specific information as not subject to disclosure. However, such bidder must have a good faith legal and/ or factual basis to assert that such designated portions of its proposal (i) are proprietary and confidential financial or commercial information or trade secrets or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter, and a redacted copy of the proposal should be provided.

The State reserves the right to make the determination as to what is proprietary or confidential, and will advise the winning bidder accordingly. The State will not honor any attempt by a winning bidder to designate its entire proposal as proprietary, confidential and/or to claim copyright protection for its entire proposal. In the event of any challenge to the winning bidder's assertion of confidentiality with which the State does not concur, the bidder shall be solely responsible for defending its designation.

## **XII. ATTACHMENTS**

Attachment 1: Quarterly Report Template

Attachment 2: Question Template

Attachment 3: Cost Quote

**Engagement Query Questions or Request for Clarification  
Engagement Query #: EQ2014-003-P1--EDA Sandy Contracts**

**Addendum 1**

**Part 1: Modification**

#	Page #	Engagement Query Section	Modification
1	6	Other Contractor Requirements	<p><b>Change:</b> "For the purpose of this engagement, the Contractor's indemnification obligation shall be limited in the aggregate to 500% of the value of the contract."</p> <p><b>To:</b> "For the purpose of this engagement, the Contractor's indemnification is subject to the provisions and limitation outlined in Section 5.17.1 within Contract T2939"</p>

**Part 2: Questions and Answers**

#	Page #	Engagement Query Section	Question	Answer
1	6	Other Contract Requirements	<p>For the purpose of this engagement, the Contractor's indemnification obligation shall be limited in the aggregate to 500% of the value of the contract."</p> <p>Would it be possible for you to please explain what that exactly means in relation to additional requirements for us as a CPA Auditing firm?</p>	<p>This clause sets an upper limit to the value for which a contractor may be obligated to indemnify the State/Party for whom the Task Order is issued should there be such a need to pursue indemnification. RFP Section 5.17.1 is supplementing Section 4.1 of the NJ Standard Terms and Conditions by limiting the contractor's liability to 500% of the value of the contract except for the examples listed in the RFP Section.</p> <p>Additionally, all contractors must have \$5M in Professional Liability Insurance.</p>
2	7	Section VIII	<p>Paragraph E refers to FEMA consulting experience on similar projects. As these programs are funded by HUD CDBG-DR, is it the State's intention that HUD consulting experience should be described?</p>	<p>It is the State's intention to have contractors list all relevant experience, including HUD experience.</p>
3	2	Section I.C Risk Assessment	<p>The Engagement Query references Ernst and Young's completion of a Risk Assessment for both contracts</p>	

		Summary	<p>which are the subject of this integrity monitoring engagement.</p> <p>Besides the Summary and Items Notes provided in the Engagement Query, are the details of the Risk Assessment public information?</p> <p>Will any of these details be provided by EDA to the bidders?</p>	<p>The information contained in the risk assessment is advisory, consultative, and deliberative material.</p> <p>This information will be provided to the firm awarded a Task Order resulting from this Engagement Query.</p>
4	3	Section I.D Items Noted during Risk Assessment	<p>The Engagement Query references CohnReznick's participation in the meeting with Ernst and Young and Treasury and the performance of a detailed review of both contracts which are the subject of this integrity monitoring engagement.</p> <p>Does CohnReznick's engagement under DCA include the development of process and procedures for EDA's management of these new programs?</p> <p>Is the results of that detailed review public information under OPRA?</p> <p>Will the results of the detailed review be provided to the bidders?</p>	<p>CohnReznick's contract is available on the NJ Sandy Transparency site: <a href="http://nj.gov/comptroller/sandytransparency/contracts/sandy/approved/contracts.html">http://nj.gov/comptroller/sandytransparency/contracts/sandy/approved/contracts.html</a></p> <p>The information contained in the review is advisory, consultative, and deliberative material.</p> <p>This information will be provided to the firm awarded a Task Order resulting from this Engagement Query.</p>
5	4	Section II Scope of Work	<p>The Engagement Query references under Task B that the contractor will review and evaluate EDA's financial and administrative functions.</p> <p>Does this mean only EDA's administrative activities or does this encompass PFM's financial and administrative functions (and potentially MWW)?</p>	<p>This task applies to EDA's administrative functions.</p>
6	4	Section II Scope of Work	<p>The Engagement Query references under Task B.3 that the contractor</p>	

			<p>will “verify that payment were disbursed . . . and that there were no duplication of benefits . . . .”</p> <p>Does this require the review at the sub sub-recipient level of the funding processed through PFM to the business level grantee?</p>	<p>This question is unclear. The State cannot provide an answer.</p>
7	4	Section II Scope of Work	<p>The Engagement Query references under Task B.3 that the contractor will “verify that payment were disbursed consistent with applicable directives....”</p> <p>Can you please provide an estimate on how many payments have been made, how frequently they are made and how many payments are you expecting in the next 14 months?</p> <p>Also can you advise on how large or small the payments typically are?</p>	<p>The PFM invoices are received monthly and the largest dollar amount is \$1,065,000.</p> <p>The contract for the first year runs through May 2014 and EDA has requested payment for four invoices.</p> <p>The largest dollar amount for MWW invoices was \$6,986,519.80, and thirteen payments have been made to MWW.</p>
8	4	Section II Scope of Work	<p>The Engagement Query references under Task B that the contractor will “to the extent necessary” perform a forensic review of the PFM (and MWW if applicable).</p> <p>Does a forensic review have to be performed or not?</p> <p>Will the cost of a forensic review be priced separately if it determined to be necessary?</p>	<p>A forensic review should be performed if necessary.</p> <p>The cost of the forensic review will not be priced separately.</p>
9	8	Section IX Selection Process	<p>The State Contract Manager or the using agency will issue a letter of engagement once a Contractor has been selected.</p> <p>What is the anticipated timing/date when this letter of engagement will be issued? What is the anticipated date that Task Orders will be issued?</p>	<p>The expectation is to issue a letter of engagement in late-April.</p>

			Should the Contractors anticipate that the engagement (for the first year of the contract) will be after the Year 2 contract prices go into effect?	The State cannot make that assumption.
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State of New Jersey  
 Department of Treasury  
 Integrity Monitoring Reporting Model  
 For Quarter Ending: xx/xx/2014

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
<b>A. General Info</b>			
1.	Recipient of funding		
2.	Federal Funding Agency? (e.g. HUD, FEMA)		
3.	State Funding (if applicable)		
4.	Award Type		
5.	Award Amount		
6.	Contract/Program Person/Title		
7.	Brief Description, Purpose and Rationale of Project/Program		
8.	Contract/Program Location		
9.	Amount Expended to Date		
10.	Amount Provided to other State or Local Entities		
11.	Completion Status of Contract or Program		
12.	Expected Contract End Date/Time Period		
<b>B. Monitoring Activities</b>			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.		
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)		

**State of New Jersey**  
**Department of Treasury**  
**Integrity Monitoring Reporting Model**  
**For Quarter Ending: xx/xx/2014**

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No.	Recipient Data Elements	Response	Comments
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.		
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.		
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe		
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.		
19.	Provide details of any integrity issues/findings		



State of New Jersey  
 Department of Treasury  
 Integrity Monitoring Reporting Model  
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No.	Recipient Data Elements	Response	Comments
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).		
21.	Provide details on any other items of note that have occurred in the past quarter		
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters		
<b>C. Miscellaneous</b>			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review		
24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.		

Name of Integrity Monitor: Name of Report Preparer: Signature: Date:
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**Engagement Query Questions or Request for Clarification**

**Firm:**

**Engagement Query #:**

<b>Page #</b>	<b>Engagement Query Section</b>	<b>Question</b>

