

From: [Administration Integrity OversightMonitor](#)
To: ["ADDX Corporation"](#); ["Brown & Company CPAs, PLLC"](#); ["CliftonLarsonAllen, LLP"](#); ["CohnReznick, LLP"](#); ["Customer Value Partners"](#); ["Deloitte Financial"](#); ["Fazio, Mannuzza, Roche, Tankel and Lopilusa, LLC"](#); ["Franklin & Turner"](#); ["FTI Consulting"](#); ["Grant Thornton"](#); ["Guidepost Solutions, LLC"](#); ["KPMG, LLP"](#); ["McEnerney, Brady & Co., LLC"](#); ["McGladrey, LLP"](#); ["Navigant Consulting, Inc."](#); ["ParenteBeard, LLC"](#); ["PricewaterhouseCooper, LLP"](#); ["Rothstein-Kass"](#); ["Schneider & Company"](#); ["Smart Devine"](#); ["Thacher Associates, LLC"](#); ["Wiss & Company, LLP"](#)
Subject: EQ2013-006-P3-Atlantic Highlands--Notice of Intent to Award
Date: Tuesday, February 11, 2014 4:46:00 PM

Successful Bidder: **KPMG, LLP**

This is notice of the Department of the Treasury's intent to award this engagement. This bid will be awarded to **KPMG, LLP** whose proposal is most advantageous to the State, price and other factors considered.

The successful bidder is instructed not to proceed until a Letter of Engagement, receipt of a Purchase Order, and a Task Order are issued by this office.

Thank you for your participation in the Department of the Treasury's bid for an Integrity Oversight Monitor.

Sincerely,

David Ridolfino
Associate Deputy Treasurer/IM State Contract Manager

Letter of Engagement

Thomas Stanton, Director
KPMG Forensic
345 Park Avenue
New York, NY 10154
Sent via email: [REDACTED]

February 11, 2014

Dear Mr. Stanton:

It is the intent of the Department of the Treasury to make a contract award to **KPMG, LLP** pursuant to the proposal submitted in response to the Engagement Query: **Atlantic Highlands – Marina and Piers**.

A signed Purchase Order and Task Order will be sent under a separate cover. You are instructed not to proceed until you receive a Purchase Order and Task Order from this office. We will be contacting you shortly to schedule the kick-off meeting.

Thank you for your participation in the Department of the Treasury's bid for an Integrity Oversight Monitor.

Sincerely,

David Ridolfino
Associate Deputy Treasurer
IM State Contract Manager

STATE OF NEW JERSEY AGENCY PURCHASE ORDER				DOCUMENT		DATE	REQUISITION NUMBER	FY		
				TC	AGY	NUMBER				
P O #: 7928478				PO	082	20007928478	02/24/14	R		14
				(PB2) TERM CONTRACT AUTHORIZATION				VENDOR ID NUMBER		00
CONTRACT NO	AGENCY REF	BUYER	TERMS	TOTAL AMOUNT						
84755	MLC	AMM	NONE	\$ 145302.40						

VENDOR NAME AND ADDRESS

KPMG LLP
 ACH-ELECTRONIC PAYMENTS
 51 JOHN F KENNEDY PARKWAY
 SHORT HILL NJ 07078

SHIP F.O.B. DESTINATION TO:

DIV OF ADMINISTRATION (822000/S003)
 FISCAL/PROCUREMENT OFFICE
 50 WEST STATE ST 8TH FL
 PO BOX 211
 TRENTON NJ 08625-0211

Direct Purchase or Special Procurement, Indicate Date Quotation Received →

BILL TO:

DEPT OF TREASURY (822000/B003)
 DIV OF ADMINISTRATION
 FISCAL/PROCUREMENT OFFICE
 50 WEST STATE ST 8TH FL
 PO BOX 211
 TRENTON NJ 08625-0211

IMPORTANT: THIS PURCHASE ORDER CONTAINS PROMPT PAYMENT INFORMATION

VENDOR REFERENCE

BFY 14

FUND	AGCY	ORG CODE	SUBORG	APPR UNIT	ACTIVITY CD	OBJECT CD	SUB-OBJ	REV SRCE	SUB-REV	PROJECT/JOB NO
703	082	2000		013	0999	3610				

RPT CT	AMOUNT
1	145302.40
2	
3	

INSTRUCTIONS TO VENDORS: ENCLOSE PACKING SLIP WITH SHIPMENTS. SUBMIT ALL BILLS ON ATTACHED STATE VOUCHER FORMS. IF PARTIAL BILLING SUBMIT BALANCE ON SEPARATE STATE VOUCHER FORMS. SHOW PURCHASE ORDER NUMBER ON ALL BILLS OF LADING. INVOICES AND CORRESPONDENCE TO THE STATE AGENCY INDICATED ABOVE. N.J.S.A. 54:32B-1 ET SEQ. EXEMPTS NJ STATE AGENCIES FROM SALES OR USE TAXES. DO NOT INCLUDE THEM IN YOUR PRICE.

ITEM NO.	COMMODITY CODE/DESCRIPTION OF ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT
00001	DELIVERY: AS SPECIFIED IN BID COMMODITY CODE: 958-39-086402 [FINANCIAL MANAGEMENT SERVICES] ITEM DESCRIPTION: CONTRACT LINE : 00049 POOL 3 - YEAR 1 PARTNER/PRINCIPAL/DIRECTOR PRINCIPAL	20.000	HOUR	325.00	\$ 6500.00
00002	COMMODITY CODE: 958-39-086402 [FINANCIAL MANAGEMENT SERVICES] ITEM DESCRIPTION: CONTRACT LINE : 00049 POOL 3 - YEAR 1 PARTNER/PRINCIPAL/DIRECTOR DIRECTOR	68.000	HOUR	325.00	\$ 22100.00
00003	COMMODITY CODE: 958-39-086404 [FINANCIAL MANAGEMENT SERVICES]	158.000	EACH	265.00	\$ 41870.00

AGENCY APPROVAL: This transaction is authorized by the Director, Division of Purchase and Property in accordance with the provision of Chap. 107 P.L. 1985 as amended. The issuing Agency's Approval Officer's signature guarantees compliance with all provisions governing the authorization granted by the Director. Signature affixed to this document serves as certification that: 1) items purchased under DPA authorization are not currently available under the provisions of a current State contract, nor from the State Distribution Center, nor from DEPTCOR (State Use Industries); 2) funds required and authorized for this purpose are available. Unauthorized use is subject to prosecution.

Anna M. Miller
 Authorized Signature
 Operations Manager FEB 24 2014
 Title Date

CONTINUATION SHEET

AGENCY PURCHASE ORDER

DIV OF ADMINISTRATION
 FISCAL/PROCUREMENT OFFICE
 50 WEST STATE ST 8TH FL
 PO BOX 211
 TRENTON NJ 08625

NUMBER : 7928478
 REQ NUMBER:
 VENDOR : KPMG LLP

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 2

NO.	COMMODITY/SERVICE DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
00004	ITEM DESCRIPTION: CONTRACT LINE : 00076 POOL 3 - YEAR 1 PROJECT MANAGER COMMODITY CODE: 958-39-086405 [FINANCIAL MANAGEMENT SERVICES]	6.000	EACH	285.00	\$ 1710.00
00005	ITEM DESCRIPTION: CONTRACT LINE : 00077 POOL 3 - YEAR 1 SUBJECT MATTER EXPERT COMMODITY CODE: 958-39-086406 [FINANCIAL MANAGEMENT SERVICES]	140.000	EACH	220.00	\$ 30800.00
00006	ITEM DESCRIPTION: CONTRACT LINE : 00078 POOL 3 - YEAR 1 SUPERVISORY/SENIOR CONSULTANT COMMODITY CODE: 962-58-085841 [PROFESSIONAL SERVICES (NOT OTHERWISE...)]	16509.900	EACH	1.00	\$ 16509.90
00007	ITEM DESCRIPTION: CONTRACT LINE : 00074 MONITORING POOLS PASS THROUGH LINE FOR OTHER DIRECT COSTS CATALOG NUMBER: KPMG CATALOG PRICE : \$ 1.00000 COMMODITY CODE: 962-58-085842 [PROFESSIONAL SERVICES (NOT OTHERWISE...)]	9312.500	EACH	1.00	\$ 9312.50
00008	ITEM DESCRIPTION: CONTRACT LINE : 00075 MONITORING POOLS PASS THROUGH LINE FOR TRAVEL AND REIMBURSEMENT COSTS CATALOG NUMBER: KPMG CATALOG PRICE : \$ 1.00000 COMMODITY CODE: 958-39-086416 [FINANCIAL MANAGEMENT SERVICES]	110.000	EACH	150.00	\$ 16500.00
	ITEM DESCRIPTION: CONTRACT LINE : 00083 POOL 3 - YEAR 2 ASSOCIATE/STAFF				

TASK ORDER #: ATLANTIC HIGHLANDS 3-1A-F
CONTRACT # T-2939
SUPERSTORM SANDY INTEGRITY MONITORING/ANTI-FRAUD
BOROUGH OF ATLANTIC HIGHLANDS – MARINA AND PIERS
STATE OF NEW JERSEY
EQ2013-006-P3

February 20, 2014

Authorizing Contract:

This Task Order is governed by the terms and conditions set forth in the contract (T2939) and associated Method of Operation, between the State of New Jersey and KPMG LLP (“KPMG”).

Task Order Name: State of New Jersey Super Storm Sandy Integrity Oversight Monitoring/Anti-Fraud, The Borough of Atlantic Highlands –Marina and Piers, Tasks A-F, Review and Assess Borough of Atlantic Highlands’ Financial and Administrative Functions and Review and Evaluate the Construction Deliverables for Applicable Contract.

1.0 Description of Task:

As the integrity oversight monitor KPMG will attend a kick off meeting with the Department of Treasury, review and assess Borough of Atlantic Highlands’ financial and administrative functions for applicable contract, review and evaluate the construction deliverables for this contract, assess for compliance, and provide ongoing quality assurance / quality control reviews.

2.0 Task Activities and Work Plan:

KPMG will review and assess the existing contract that the Borough of Atlantic Highlands has for the repair and rebuilding of their harbor marina and piers to ensure compliance with federal, state and local laws, regulations, and ordinances. Also they will ensure that financial and administrative functions adhere to all grant/assistance program guidelines, procurement rules and reporting requirements. Upon a finding of a likely criminal violation or lesser degree of any malfeasance, inefficiency, waste, fraud, abuse or mismanagement of funds, based on the requirements of the applicable law, program guidelines, rules and reporting requirements, report finding to the State Attorney General and State Comptroller immediately, and provide a copy to the State Contract Manager. KPMG will also review and evaluate the construction deliverables for this contract along with providing ongoing quality assurance/quality control reviews.

3.0 Key Deliverables and Approximate Timelines:

KPMG will begin providing these services immediately. The review and evaluation of the Borough’s financial and administrative functions is required to be completed within 40 business days of contract award. The review and evaluation of the Construction deliverables is also required to be completed within 40 business days of the contract award. . The remaining tasks are on-going and may have completions dates assigned in the future. KPMG will provide

monthly status reports to the Borough, copying the State Contract Manager. KPMG will also provide quarterly reports as required by the Integrity Monitoring Act.

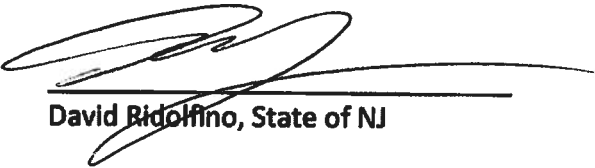
Contract Job Title	Hours	Hourly Rate	Total
Principal	20	\$325.00	\$ 6,500
Director	68	\$325.00	\$ 22,100
Subject Matter Expert	6	\$285.00	\$ 1,710
Project Managers	158	\$265.00	\$ 41,870
Senior Associate	140	\$220.00	\$ 30,800
Associate	110	\$150.00	\$ 16,500
Travel and Other Direct Costs			\$ 25,822

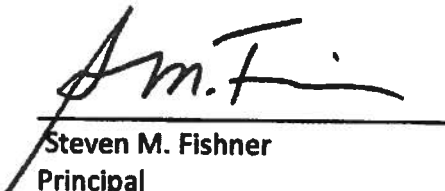
4.0 Costs and Cost Estimate:

You are hereby authorized a maximum of \$145,302 for this Task Order. KPMG is authorized to arrange the travel and other allowable expenses for the employees as necessary according to the terms of the KPMG contract with the State of New Jersey. Expenses involved with performance under this Task Order or in the production of materials needed for the project shall be authorized as part of the Task Order. The above cost is an estimate, and all charges will be based on actual costs and reflected in monthly invoice statements. KPMG will request authorization from the State Contract Manager before incurring any costs exceeding the maximum cost reflected above.

As agreed upon in the contract and associated Method of Operation, KPMG agrees to adhere to the Travel and Expense policies outlined therein.

Agreed to By:


David Bidolfino, State of NJ


Steven M. Fishner
Principal
KPMG LLP

(Date)

3-5-14

(Date)

March 4, 2014