

## Letter of Engagement

April 11, 2022

Successful Bidder:

On behalf of the Department of Transportation, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to Rumph and Associates, P.C. pursuant to the Engagement Query issued on March 15, 2022 and Rumph and Associates, P.C.'s proposal dated April 4, 2022.

All terms and conditions of the Engagement Query, including but not limited to the Scope of Work, milestones, timelines, standards, deliverables and liquidated damages are incorporated into this Letter of Engagement and made a part hereof by reference.

The total cost of this Engagement shall not exceed \$20,393.13.

The Integrity Monitor is instructed not to proceed until a purchase order is issued.

Thank you for your participation in the Integrity Monitor program.

Sincerely,

Mona Cartwright  
IM State Contract Manager

## **INTEGRITY MONITOR ENGAGEMENT QUERY**

Contract G4018 – Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs

New Jersey Department of Transportation (NJDOT)  
Category 3 services per Section 3.1.1 of the IOM RFQ

### **I. GENERAL INFORMATION:**

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nation-wide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. Since then, Congress has enacted legislation to stimulate economic recovery and assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“E.O. 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO).

Pursuant to E.O. 166, the Taskforce has issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of COVID-19 Recovery Funds and Programs pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now use to discharge their responsibilities under E.O. 166. The Integrity Monitor’s executed State of NJ Standard Terms and Conditions (SSTC) will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

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This Engagement Query is issued by the Department of the Treasury on behalf of the NJDOT.

The purpose of this Engagement Query is to contract with an Integrity Monitor who will review the NJDOT's construction policies and procedures that will be followed for the four (4) construction projects identified in this query.

The capitalized terms in this Engagement Query shall have the same meanings as set forth in the IOM RFQ.

## **A. Background**

The NJDOT requires an Integrity Monitor to review NJDOT's construction policies that will be followed for the four (4) construction projects identified below and funded through the Coronavirus Response and Relief Supplemental Appropriations Act 2021, division M, Public Law 116-260 (CRRSAA). See Implementation Guidance, Highway Infrastructure Programs at Attachment A. The policies identified in the Scope of Work below will be utilized for all four (4) construction projects.

### **1. Route 130 Bridge Over Big Timber Creek – To be awarded around 6/2022**

This project addresses the deficiencies through bridge replacement in the structure carrying the Route 130 Bridge over Big Timber Creek M.P. 25.33-25.58 in the Borough of Westville & Brooklawn, Gloucester & Camden Counties. Three (3) total bridges are being replaced. The project shall meet all ADA requirements associated with the work at intersections where feasible. All work proposed is within the ROW. Access easements will be required. Drainage, and utility work are anticipated.

### **2. Route 76 676 Bridges Contract 3 – To be awarded around 1/2023**

The project will replace: the bridge decks and superstructure of Route 76/676 over the Main Branch of Newton Creek, and Route 76 over Nicholson Road; and the deck and superstructure of Route 676 Southbound over the Main Branch of Newton Creek. Some pavement resurfacing of Route 676 to the bridge decks at North Branch of Newton Creek and on Route 76 Southbound will be included. Two bridges; Route 676 Southbound over Main Branch of Newton Creek, and Route 76 over Main Branch of Newton Creek, will be widened. Resurfacing at; Morgan Boulevard Eastbound to the Route 676 Northbound loop ramp, Collings Avenue to Route 676 Northbound, Route 676 Southbound to Collings Avenue Westbound, Route 676 Southbound to Collings Avenue Eastbound, Collings Avenue to Route 676 Southbound, and Route 676 Southbound to Route 76C Eastbound will also be performed. The projects also includes; ADA improvements at the Morgan Boulevard and Route 676 ramp;

intersection and traffic signal modifications at the Collings Avenue and Route 676 Northbound ramp intersection, and the Collings Avenue and Route 676 Southbound ramp intersection.

### **3. Route 47 Bridge Over Big Timber Creek – To be awarded around 6/2022**

Roadway flooding areas due to inadequate drainage. Rt. 47 over Big Timber Creek: The flooding sites are Rt. 130 MP 25.5-25.8 and Rt. 47 MP 74.8-75.2 Bridge replacement for Rt. 47 over Big Timber Creek.

### **4. Route 4 Jones Road Bridge – To be awarded around 6/2022**

NJDOT is replacing the existing Jones Road over Route 4 Bridge. The structure, originally constructed in 1931, has been classified as structurally deficient and functionally obsolete due to the poor condition of the substructure and deck, as well as inadequate geometry, and thus has been recommended for replacement. Additional components of the project include providing a bus shelter at the existing Route 4 WB bus stop, providing missing sidewalk links to and from the existing Route 4 EB and WB bus stops, and drainage improvements to reduce flooding in the proximity of the Jones Road/Route 4 interchange.

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

### **A) Kick-Off Meeting**

The Integrity Monitor shall be prepared to meet with the Agency Contract Manager at the NJDOT headquarters, 1035 Parkway Avenue, Trenton NJ within five (5) business days after receiving a letter of engagement to proceed with this project.

### **B) NJDOT Policy Review**

The Integrity Monitor shall perform a review of the below listed NJDOT policies to identify the opportunity for potential fraud, corruption and cost abuse issues by construction contractors directly related to the policies. The Integrity Monitor shall present a written report on its findings to the State Contract Manager for approval. The Integrity Monitor is not responsible for correcting any deficiencies in policies or processes, but has an obligation to advise the State Contract Manager of any concerns.

- 1) [Construction Procedures Handbook - 2011, Construction and Materials, Engineering \(state.nj.us\)](http://state.nj.us)
- 2) [Change Control Board Procedures \(state.nj.us\)](http://state.nj.us)
- 3) [Disadvantaged and Small Business Programs Unit, Civil Rights/Affirmative Action, Doing Business \(state.nj.us\)](http://state.nj.us)

### **Contract Timeframe**

The bidder should include a contract schedule to complete its review of the NJDOT policies which shall be no later than September 30, 2022. At least one (1) meeting per month shall be held with the Agency Contract Manager to address questions, concerns and progress.

### **Potential Problems**

The bidder should set forth a summary of any and all problems that the bidder anticipates during the project. For each problem identified, the bidder should provide its proposed solution.

### **Risk Assessment Summary**

The DOT's internal risk assessment is included as Attachment A to provide information to the Integrity Monitors.

### **Reporting Requirement**

#### **1. Quarterly Integrity Monitor Reports**

- a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the Using Agency on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the Quarterly Report template attached hereto. If the Integrity Monitor report contains findings of waste, fraud or abuse, the Using Agency has an opportunity to respond within 15 days after receipt.
- b. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly report, including any comments from the Using Agency, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the COVID-19 transparency website pursuant to E.O. 166.

#### **2. Additional Reports**

- a. E.O. 166 directs the Office of the State Comptroller, (OSC) to oversee the work of Integrity Monitors. Therefore, in accordance with E.O. 166 and the IOM Guidelines, OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented.

- b. The Integrity Monitor shall deliver a final detailed report of its finding from the review of the NJDOT's policies with conclusions obtained from the previously submitted quarterly reports no later than September 1, 2022.

### **III. Proposal Content:**

At minimum, the Integrity Monitor's proposal shall include the following:

- 1) A detailed proposal, including describing how the Integrity Monitor intends to accomplish the scope of work.
- 2) A detailed budget identifying staff classifications and hourly rates which shall not exceed the rates in the Integrity Monitor's BAFO Price Schedule, totaled to a firm, fixed price to complete the scope of work using the attached Price Matrix at Attachment D.
- 3) A timeline for submission of the deliverables required by this Engagement Query not to exceed September 30, 2022.
- 4) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

### **IV. Submission of Proposals:**

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on Monday, April 4, 2022. Proposals must be submitted via email as set forth below:

TO: State Contract Manager  
Mona Cartwright, Fiscal Manager, Department of the Treasury  
[REDACTED]

With a copy to the Agency Contract Manager: [REDACTED]

### **V. Duration of the Engagement:**

The Engagement will commence upon the issuance of a Letter of Engagement and expire on September 30, 2022. At the option of the Using Agency, this Letter of Engagement may be extended. Any extension to this Letter of Engagement, however, may not to exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ,

### **VI. CONTRACT TERMINATION**

The IOM's failure to comply with the requirements of the Engagement, including but not limited to E.O. 166, the IOM RFQ, the IOM Guidelines and this Engagement Query may constitute a breach of contract and may result in termination of the contract by the Using Agency or imposition of such other remedy as the Using Agency deems appropriate in accordance with Section 9.0 of the RFQ.

### **VII. LIQUIDATED DAMAGES**

At the Using Agency's option, liquidated damages may be assessed each time any of the below events occur, due to an act or omission of the IOM. The Using Agency and the IOM agree that it would be extremely difficult to determine actual damages that the Using Agency will sustain as the result of the IOM's failure to meet its contractual requirements. Any breach by the IOM could prevent the Using Agency from complying with E.O. 166, the IOM Guidelines, and laws applicable to the use and expenditure of COVID-19 Recovery Funds and other public funds; will adversely impact the Using Agency's ability to ensure identification and mitigation of risks; and may lead to damages suffered by the Using Agency and the State as a whole. If the IOM fails to meet its contractual obligations, the Using Agency may assess liquidated damages against IOM as follows, and the IOM agrees that these liquidated damages are reasonable and not a penalty:

Failure to deliver any written report on the date agreed upon in writing at the time of assignment	\$100 per day
Failure to attend pre-scheduled meetings as agreed upon in writing at the time of assignment.	\$150 per day

**VIII. Questions regarding this Engagement Query :**

Any questions related to the Scope of Work must be submitted electronically by 3:00 p.m. on Tuesday, March 22, 2022. They must be submitted via email to [REDACTED] with a copy to the State Contract Manager; Mona Cartwright, [REDACTED]

**IX. Selection Process**

The Agency Contract Manager will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered. The State Contract Manager will then issue a Letter of Engagement with a "not to exceed" clause to the selected proposer

Prior to issuing a Letter of Engagement, the Agency Contract Manager in consultation with the Accountability Officer, will independently determine whether the proposed Integrity Monitor has any potential conflicts with the Engagement.

**ATTACHMENTS**

Attachment A: Implementation Guidance, Highway Infrastructure Programs – Coronavirus response and Relief Supplemental Appropriations Act, 2021, February 24, 2021, Federal Highway Administration, USDOT  
Attachment B: DOT Risk Assessment  
Attachment C: Integrity Oversight Monitor Guidelines, updated as of June, 2021

Attachment D: Quarterly Report Template [Using agency to attach appropriate report for  
Category of services desired.]  
Attachment E: Price Matrix



Notice of Executive Order 166 Requirement for Posting of Winning Proposal  
and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller ("OSC") is required to make all approved State contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate State website. Such contracts will be posted on the New Jersey transparency website developed by the Governor's Disaster Recovery Office (GDRO Transparency Website). The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer's proposal and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal 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. A Proposer's failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

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



# Memorandum

Subject: **INFORMATION**: Highway Infrastructure Programs - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (HIP-CRRSAA) Implementation Guidance

Date: February 24, 2021

From: /s/ original signed by

Reply to Attn. of:  
HISM-10

Hari Kalla  
Associate Administrator  
Office of Infrastructure

Brian R. Bezio  
Chief Financial Officer

To: Division Administrators  
Directors of Field Services

The attached implementation guidance provides information to Federal-aid Division Offices, State transportation agencies, local governments, and grantee recipients, on Highway Infrastructure Program funding appropriated by title IV of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, division M, Public Law 116-260, as it relates to funding, Federal share, eligibility, and other requirements.

If there are questions, please contact David Bartz at [REDACTED] or by e-mail at [REDACTED], or contact Christopher Newman at [REDACTED] or [REDACTED], of the Office of Stewardship, Oversight and Management (HISM-10).

If there are questions concerning financial management and Fiscal Management Information System project agreements, please contact Tony DeSimone at [REDACTED] or by e-mail at [REDACTED], of the Office of Financial and Management Programs (HCFB-31).

Attachment

## Highway Infrastructure Programs - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (HIP-CRRSAA)

### ***Implementation Guidance (February 24, 2021)***

Title IV of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), division M, Public Law (Pub. L. No. 116-260), enacted on December 27, 2020, appropriated an additional \$10,000,000,000 for Highway Infrastructure Programs (HIP). Of such amount, \$9,840,057,332 shall be set aside and apportioned for activities eligible under section 133(b) of title 23, United States Code (U.S.C.) (Section III.A.). Such funds may also be used for Special Authority purposes (referred to in this document as “Special Authority”) (Section III.B.) or may be transferred to public tolling agencies or a ferry system that provides a public transportation benefit (Section III.C.), as described in this guidance. This guidance addresses only the funding provided to the States and refers to these funds as HIP-CRRSAA funds. The purpose of this guidance is to provide information on the HIP-CRRSAA as it relates to funding, Federal share, eligibility, and other requirements.

The remainder of the funding is set aside for other activities that are not the subject of this guidance. This includes \$114,568,862 set aside for activities eligible under the Tribal Transportation Program as described in 23 U.S.C. 202; \$35,845,307 set aside for activities eligible under the Puerto Rico Highway Program as described in 23 U.S.C. 165(b)(2)(C)(iii); and \$9,528,499 set aside for activities eligible under the Territorial Highway Program as described in 23 U.S.C. 165(c)(6).

### **I. General**

- A. Program Purpose:** The purpose of the HIP-CRRSAA is to provide funding to address coronavirus disease 2019 (COVID-19) impacts related to Highway Infrastructure Programs. The non-traditional cost categories eligible under the HIP-CRRSAA appropriation and discussed below (Sections III.B. and III.C.) are statutorily eligible cost objectives authorized by Congress (see 2 CFR 200.1, defining cost objective).
- B. Appropriation of Funds:** The HIP heading in the CRRSAA appropriates \$10,000,000,000 from the General Fund of the Treasury for fiscal year (FY) 2021. Of this funding, \$9,840,057,332 is available for activities eligible under 23 U.S.C. 133(b), and other eligible uses described in that heading and discussed in detail below. As allowed under the HIP-CRRSAA, FHWA proportionally applied an administrative takedown to fund the oversight of activities carried out with these funds. After the \$9,840,057 administrative takedown, a total of \$9,830,217,275 was apportioned to the States on January 15, 2021 by Federal Highway Administration (FHWA) Notice N4510.851. These HIP-CRRSAA funds are in addition to any other funds, including contract authority, provided in FY 2021.
- C. Obligation Authority:** As a general fund appropriation, HIP-CRRSAA funding is not subject to any obligation limitation that applies to Federal-aid contract authority.

Specifically, the amounts made available shall not be subject to any limitations on obligations for Federal-aid highways or highway safety construction programs set forth in any Act.

- D. Period of Availability for Obligation and Expenditure:** HIP-CRRSAA funds remain available for obligation through September 30, 2024. Any such amounts not obligated on or before September 30, 2024, shall lapse. Once the period for obligation has expired, these funds will only remain available for adjusting and liquidating obligations as authorized in accordance with 31 U.S.C. 1553. Obligated HIP-CRRSAA balances are available for expenses properly charged to the account and incurred until September 30, 2029. After that date, any unexpended balances of obligated HIP-CRRSAA funds shall be cancelled in accordance with 31 U.S.C. 1552 and shall no longer be available for obligation or expenditure.
- E. Federal Share:** The Federal share payable with HIP-CRRSAA funds shall be, at the option of the State, up to 100%. HIP-CRRSAA funds may not be used as the non-Federal match for other Federal programs unless there is specific statutory authority (2 CFR 200.306(b)(5)). HIP-CRRSAA does not provide authority for use of HIP-CRRSAA funds as a non-Federal match for other Federal programs, including Federal-aid programs under title 23, United States Code. In general, financing proposals that result in only minimal amounts of HIP-CRRSAA funds in projects should be avoided unless they are based on sound project management decisions (23 CFR 630.106(g)).
- F. Applicability of Title 23 and Other Statutory Requirements:** Except as otherwise provided, the applicable statutory provisions contained in title 23, U.S.C. are applicable to projects and activities carried out with HIP-CRRSAA funds. Specific requirements that apply to all HIP-CRRSAA apportioned funds include Buy America (23 U.S.C. 313) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.).
- G. Fund Administration:** Except as otherwise provided, HIP-CRRSAA funds shall be administered as if apportioned under chapter 1 of title 23, U.S.C. The State, through its Department of Transportation (DOT) in accordance with 23 U.S.C. 302, is the direct recipient of HIP-CRRSAA funds apportioned pursuant to the HIP heading in the CRRSAA and is responsible for administration of these funds. If the State DOT acts as a pass-through entity of Federal assistance, the State DOT maintains the pass-through responsibilities specified in 2 CFR 200.332.
- H. Project Agreement:** Specific Improvement Type Codes are provided for use in the Fiscal Management Information System (FMIS) for the obligation of HIP-CRRSAA funds for Special Authority purposes. See Section III.B. of this guidance.
- I. Disadvantaged Business Enterprises:** Section 1101(b) of Public Law 114-94 (FAST Act), Disadvantaged Business Enterprises, applies to all HIP-CRRSAA apportioned funds.

- J. Deobligations of Other Title 23 Obligated Funds:** Project Agreements should not be modified to replace one Federal fund category with another unless specifically authorized by statute. (23 CFR 630.110(a)).
- K. Advance Construction:** HIP-CRRSAA funds are available for Advance Construction (AC) “conversion” (obligation and outlay) (23 U.S.C. 115(b)). For expenses to be recognized and eligible for AC “conversion,” the activity / project must have been authorized prior to incurrence of costs, as per 23 CFR 1.9(a) and general grant administration requirements. AC projects must be included in the Statewide Transportation Improvement Program (STIP) (23 U.S.C. 115(c)), except as otherwise provided.
- L. Real Property Rights:** If HIP-CRRSAA funds are used on a facility, the sale, lease, or other disposition of real property rights in the facility must be in accordance with 23 CFR Part 710. If HIP-CRRSAA funds are used to acquire real property, proceeds from the disposition of any interest in the property shall be used for purposes eligible under title 23, U.S.C.

## **II. Funding Distribution and Transfers**

- A. Apportionment to States:** HIP-CRRSAA funds have been apportioned to the States in the same ratio as the distribution of obligation authority under section 120(a)(5) of the Department of Transportation Appropriations Act, 2021, tit. I, div. L., Pub. L. 116-260.
- B. Suballocation to Urbanized Areas with Population Over 200,000:** HIP-CRRSAA funds are suballocated to urbanized areas with a population over 200,000 as described in 23 U.S.C. 133(d)(1)(A)(i) in the ratio that the funds suballocated to such area in FY 2021 bears to the combined amount of funds apportioned to the State under 23 U.S.C. 104(b)(2) for FY 2020 and FY 2021.
- C. Set-Asides:** The CRRSAA makes no further set-aside or suballocations of these HIP-CRRSAA funds.
- D. Transfers:** For those projects more suitably administered by another Federal agency (including flex funding transfers to the Federal Transit Administration), transfers may be made in accordance with FHWA Order 4551.1, dated August 12, 2013, Fund Transfers to Other Agencies and Among Title 23 Programs (<https://www.fhwa.dot.gov/legisregs/directives/orders/45511.cfm>).
- E. HIP-CRRSAA Program Codes:** The FMIS Program Codes for these HIP-CRRSAA funds are:



Program Code	Program Description	CFDA Number
Z970 (Parent)	Highway Infrastructure - COVID Supplemental - 23 U.S.C. 133(b) activities in any area of the State	20.205
Z971 (Child)	Highway Infrastructure - COVID Special Authority - special eligibilities in any area of the State	20.205
Z972 (Parent)	Highway Infrastructure - COVID Supplemental - 23 U.S.C. 133(b) activities in urbanized areas with a population over 200,000	20.205
Z973 (Child)	Highway Infrastructure - COVID Special Authority - special eligibilities in urbanized areas with a population over 200,000	20.205

**III. Eligible Activities and Requirements:** HIP-CRRSAA funds may be obligated for activities eligible under 23 U.S.C. 133(b). At the discretion of the State, such funds may also be used for HIP-CRRSAA Special Authority purposes (Section III.B.) or may be transferred to public tolling agencies or a ferry system that provides a public transportation benefit (Section III.C.) as provided in HIP-CRRSAA.

Due to the differing application of certain title 23 provisions and planning requirements, it is not anticipated States will pursue obligation of funds under the HIP-CRRSAA Special Authority purposes on projects that could otherwise be funded under the HIP-CRRSAA 23 U.S.C. 133(b) authority or with Federal-aid apportioned funds. If a State is contemplating such an obligation, this should be discussed with the FHWA Division Office, HISM-10, and HCFB-31, so funds management and sound internal controls can be determined.

**A. Activities Eligible Under 23 U.S.C. 133(b):** This section applies to HIP-CRRSAA funds obligated under the authority for activities eligible under 23 U.S.C. 133(b).

- 1. FMIS Program Codes:** HIP-CRRSAA funds obligated for activities eligible under 23 U.S.C. 133(b) should be obligated with Program Code Z970 (activities in any area of the State) or Z972 (activities in urbanized areas with a population over 200,000).
- 2. Eligible Activities - 23 U.S.C. 133(b):** Additional information on 23 U.S.C. 133(b) eligible activities is located in Section D.1.b. of the Surface Transportation Block Grant Program (STBG) Implementation Guidance (Revised by the FAST Act) issued March 7, 2016 (<https://www.fhwa.dot.gov/specialfunding/stp/160307.cfm>).

3. **Location of Projects:** HIP-CRRSAA funds obligated under the authority for activities eligible under 23 U.S.C. 133(b) are subject to 23 U.S.C. 133(c), which specifies that projects may not be undertaken on a road functionally classified as a local road or a rural minor collector unless the road was on a Federal-aid highway system on January 1, 1991, except: (1) for a bridge or tunnel project (other than the construction of a new bridge or tunnel at a new location); (2) for a project described in paragraphs (4) through (11) of 23 U.S.C. 133(b); (3) for a project described in 23 U.S.C. 101(a)(29), as in effect on the day before the date of enactment of the FAST Act (December 4, 2015); and (4) as approved by the Secretary. Further, 23 U.S.C. 133(g)(1), allowing a portion of Surface Transportation Block Grant funds to be obligated on roads functionally classified as minor collectors, does not apply to HIP-CRRSAA funds obligated under the authority for activities eligible under 23 U.S.C. 133(b).
4. **Applicability of Planning Requirements:** HIP-CRRSAA funds obligated under the authority for activities eligible under 23 U.S.C. 133(b) are subject to 23 U.S.C. 133(d)(5), which requires programming and expenditure of funds for projects to be consistent with sections 134 and 135 of title 23, U.S.C. Such HIP-CRRSAA-funded projects must be identified in the Statewide Transportation Improvement Program/Transportation Improvement Program (STIP/TIP) and be consistent with the Long-Range Statewide Transportation Plan and the Metropolitan Transportation Plan(s), as applicable.
5. **Treatment of Projects:** As required under HIP-CRRSAA, projects for activities eligible under 23 U.S.C. 133(b) shall be subject to the requirements of 23 U.S.C. 133(i) (shall be treated as projects on a Federal-aid highway under chapter 1 of title 23, U.S.C.). Additional information on Treatment of Projects is provided in section J of the STBG Implementation Guidance (Revised by the FAST Act) issued March 7, 2016 (<https://www.fhwa.dot.gov/specialfunding/stp/160307.cfm>).
6. **Increased Costs on Existing Federal-aid Projects:** For an existing project that has increased costs and exceeds the estimate in the current project authorization using other apportioned Federal-aid funding, where a State seeks authorization for a modification to obligate HIP-CRRSAA funds under the authority for activities eligible under 23 U.S.C. 133(b) for changes to the authorized project, HIP-CRRSAA funds may be obligated under such authority provided the modification results in additional costs that are above the already committed State/Federal funds for the project (23 CFR 630.110(a)). The added activity must otherwise meet the HIP-CRRSAA requirements, and Federal funds shall not be paid on account of any cost incurred prior to authorization (23 CFR 1.9(a)).
7. **Cost Incurred Prior to Obligation:** HIP-CRRSAA funds obligated under the authority for activities eligible under 23 U.S.C. 133(b) shall not participate in costs incurred prior to the date of project agreement, except as provided by 23 CFR 1.9(b). (23 CFR 630.106(b)).
8. **Documentation:** An obligation is a definite commitment of the Federal government that creates a legal liability for payment based upon a documented

and binding agreement between a Federal agency and an authorized grant recipient or other legal entity (including another Federal agency). This documentation must support that the obligation is for purposes authorized by law. Section 1501 of title 31, U.S.C., defines the documentary evidence requirements for Federal government obligations. Additional discussion, including record retention, is provided in the Project Funds Management Guide for State Grants Update memo issued May 23, 2018 (<https://www.fhwa.dot.gov/cfo/projfundsmgt.cfm>).

- B. Activities Eligible Under Special Authority:** This section applies to HIP-CRRSAA funds obligated under the Special Authority eligibility for costs related to preventive maintenance, routine maintenance, operations, personnel, including salaries of employees (including those employees who have been placed on administrative leave) or contractors, debt service payments, availability payments and coverage for other revenue losses.
- 1. FMIS Program Codes:** HIP-CRRSAA funds obligated under the HIP-CRRSAA Special Authority eligibility should be obligated with Program Code Z971 (special eligibilities in any area of the State) or Z973 (special eligibilities in urbanized areas with a population over 200,000).
  - 2. Eligible Costs - Special Authority:** The non-traditional cost categories noted above under the HIP-CRRSAA appropriation are statutorily eligible cost objectives authorized by Congress (see 2 CFR 200.1, defining cost objective). Except for States, Tribal governments, Puerto Rico, or territorial governments seeking to use HIP-CRRSAA funds for “coverage for other revenue losses,” or public tolling agencies or a ferry system that provides a public transportation benefit seeking reimbursement for “coverage for other revenue losses of a tolled facility or ferry system” (see Section III.C.), Congress did not require that a State or other non-Federal entity demonstrate (document) a revenue loss to seek reimbursement for the non-traditional cost objectives Congress made eligible under the appropriation. Consistent with 2 CFR 200.405, Special Authority costs statutorily eligible for reimbursement under the HIP-CRRSAA, other than “coverage for other revenue losses,” are eligible for reimbursement whether or not the State or other non-Federal entity experienced a revenue loss. Provided the State or other non-Federal eligible entity incurred a cost for these other identified “Special Authority” cost objective(s) and the State or other non-Federal entity demonstrates that a cost was incurred and is allocable to the identified HIP-CRRSAA cost objective(s), the cost is an allowable cost under the HIP-CRRSAA appropriation and 2 CFR 200.403 of the Cost Principles (pertaining to factors affecting allowability of costs under a Federal award). These factors include that costs must be necessary, reasonable, and allocable to the performance of the Federal award, except where otherwise authorized by statute (2 CFR 200.403(a)).
  - 3. Location of Projects:** The location requirements specified in 23 U.S.C. 133(c), do not apply to HIP-CRRSAA Special Authority projects.



4. **Applicability of Planning Requirements:** HIP-CRRSAA Special Authority projects are not required to be included in a metropolitan transportation plan, a long-range statewide transportation plan, a transportation improvement program or a statewide transportation improvement program under sections 134 or 135 of title 23, U.S.C., or chapter 53 of title 49, U.S.C., as applicable. Consistent with this provision, programming and expenditure of HIP-CRRSAA funds for Special Authority purposes are not subject to planning requirements in 23 U.S.C. 134-135 or 23 CFR Part 450 that relate to the development of STIPs and TIPs. When a metropolitan planning organization (MPO) for a transportation management area (TMA) is responsible for selecting projects for HIP-CRRSAA funding in the TMA, the selection is done in consultation with the State and any affected public transportation operator (23 U.S.C. 134(k)(4)(A)). When the State selects National Highway System (NHS) projects for HIP-CRRSAA funding in a TMA, the selection is done in cooperation with the MPO for the TMA (23 U.S.C. 134(k)(4)(B)). When the State selects projects for HIP-CRRSAA funding in any other area of the State, the selection is done in cooperation with the MPO, nonmetropolitan local officials with responsibility for transportation, or Regional Transportation Planning Organization, as applicable (23 U.S.C. 134(j)(5) and 135(g)(6)).
5. **Treatment of Projects:** The treatment of projects requirements, under 23 U.S.C. 133(i), do not apply to HIP-CRRSAA funds if the funds are used for an activity not eligible under 23 U.S.C. 133(b).
6. **Construction:** Construction, as defined in 23 U.S.C. 101(a)(4), completed with HIP-CRRSAA funds is subject to: (1) the maintenance requirements in 23 U.S.C. 116(b); (2) the letting of contracts requirements in 23 U.S.C. 112; and (3) the prevailing rate of wage requirements in 23 U.S.C. 113. Preventive maintenance projects funded with HIP-CRRSAA funds are construction projects because: (a) preventive maintenance is made eligible for Federal assistance under 23 U.S.C. 116(e); (b) preventive maintenance is defined to include pavement preservation programs and activities in 23 U.S.C. 116(a); and (c) the title 23 definition of construction includes preservation (23 U.S.C. 101(a)(4)(B)). Additionally, operations projects funded with HIP-CRRSAA funds are construction projects if they meet the definition of construction in 23 U.S.C. 101(a)(4).
7. **Non-Construction:** Non-construction activities carried out with HIP-CRRSAA funds are not subject to: (1) the maintenance requirements in 23 U.S.C. 116(b), (2) the letting of contracts requirements in 23 U.S.C. 112; or (3) the prevailing rate of wage requirements in 23 U.S.C. 113. Non-construction activities include “non-construction” operations (Section III.B.8.c.), routine maintenance, personnel, including salaries of employees (including those employees who have been placed on administrative leave) or contractors, debt service payments, availability payments and coverage for other revenue losses.
8. **Eligible Activities:** Examples of the scopes of projects that may be funded under the HIP-CRRSAA Special Authority include, but are not limited to: preventive maintenance on non-Federal-aid highways, routine maintenance on any public

road, State DOT operations costs (not otherwise Federal-aid reimbursed, such as indirect costs), State DOT personnel costs (not otherwise Federal-aid reimbursed, such as indirect costs), debt service payments for highway surface transportation facilities (not otherwise Federal-aid reimbursed), and transit operating costs for local public agencies. Specific eligible activities are listed below.

- a. Preventive Maintenance:** Preventive Maintenance is discussed in 23 U.S.C. 116(e). Consistent with 23 U.S.C. 116(e), preventive maintenance activities may also be eligible under the HIP-CRRSAA eligibility for activities eligible under 23 U.S.C. 133(b) (discussed in Section III.A.), if the activities meet the requirements discussed in Section III.A. If obligating under the 133(b) authority, as discussed in Section III.A., then obligations should be made using the applicable 23 U.S.C. 133(b) eligibility program codes (Section III.A.1.). HIP-CRRSAA funds obligated for preventive maintenance shall not participate in costs incurred prior to the date of project agreement, except as provided by 23 CFR 1.9(b). (23 CFR 630.106(b)). *Improvement Type Codes: 60-Highway Infrastructure Preventive Maintenance, 47-Bridge Preservation, or 53-Tunnel Preventive Maintenance (as applicable).*
- b. Routine Maintenance:** Routine Maintenance is described in the February 25, 2016 memo, Guidance on Highway Preservation and Maintenance (<https://www.fhwa.dot.gov/preservation/memos/160225.cfm>). Routine maintenance is the responsibility of the State under 23 U.S.C. 116(b), is not included in the 23 U.S.C. 101(a)(4) definition of construction, and is, therefore, not subject to title 23 construction requirements. Routine maintenance is an eligible use of funds under the HIP-CRRSAA Special Authority. However, if the routine maintenance activity is performed by contract, States and subrecipients are required to follow 2 CFR 200.317 and 1201.317, respectively. Routine maintenance may also be performed by State or local forces through normal operations. HIP-CRRSAA Special Authority provides for Federal participation in routine maintenance costs incurred prior to the date of project agreement. *Improvement Type Code: 61-Routine Maintenance.*
- c. Operations:** The HIP-CRRSAA Special Authority provides for direct funding of operations costs. Operations costs may include, but are not limited to, labor costs, administrative costs, costs of utilities, and rent, for the highway surface transportation operations of State DOTs or local governments. Except where otherwise authorized by statute, costs must: 1) be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity, and 2) be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost (2 CFR 200.403). Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances, either as a direct or an indirect cost, in order to avoid possible double-charging of Federal awards (2 CFR 200.412).

HIP-CRRSAA Special Authority provides for Federal participation in non-construction operations costs incurred prior to the date of project agreement. HIP-CRRSAA funds obligated for operation projects that meet the definition of construction in 23 U.S.C. 101(a)(4), shall not participate in costs incurred prior to the date of project agreement, except as provided by 23 CFR 1.9(b). (23 CFR 630.106(b)). *Improvement Type Code: 62-Operations. To facilitate proper tracking, personnel costs should be coded under the Personnel Improvement Type Code (Section III.B.8.d.).*

- d. **Personnel:** This item includes salaries of employees (including those employees who have been placed on administrative leave) or contractors. Also consult the direct / indirect discussion under Operations (Section III.B.8.c). HIP-CRRSAA Special Authority provides for Federal participation in personnel costs incurred prior to the date of project agreement. *Improvement Type Code: 27-Administration.*
- e. **Debt Service Payments:** Section 122 of title 23, U.S.C., makes bond-related costs eligible for Federal reimbursement on any Federal-aid project eligible under title 23, U.S.C. The definition of “construction” in 23 U.S.C. 101 also includes a reference to bond-related costs. The HIP-CRRSAA provides that debt service may be reimbursed notwithstanding any other provision of law. Thus, whether or not the projects financed complied with title 23 or are being reimbursed under 23 U.S.C. 122, such debt service is eligible for reimbursement for highway surface transportation projects. Use of HIP-CRRSAA funds for debt service payments for projects other than highway surface transportation projects would be inconsistent with the purpose of the appropriation, which provides funds for “Highway Infrastructure Programs.” See 31 U.S.C. 1301(a). Where a State bond issuance funds both highway surface transportation and non-highway surface transportation projects, HIP-CRRSAA funds may only participate in the debt service costs allocable to the highway surface transportation projects associated with the bond issuance. HIP-CRRSAA Special Authority provides for Federal participation in debt service payment costs incurred prior to the date of project agreement. *Improvement Type Code: 45-Debt Service.*
- f. **Availability Payments:** HIP-CRRSAA funds are available for availability payments under the HIP-CRRSAA Special Authority. For example, to the extent a State is in default on, or needs funds for availability payments related to highway surface transportation, such availability payments are eligible for reimbursement with HIP-CRRSAA funds. HIP-CRRSAA Special Authority provides for Federal participation in availability payment costs incurred prior to the date of project agreement. *Improvement Type Code: 44-Other.*
- g. **Coverage for Other Revenue Losses:** This eligibility is for costs/expenses related to highway surface transportation, beyond those specifically listed above, that cannot be met due to revenue losses. In order to use HIP-CRRSAA funds for “coverage for other revenue losses,” States, Tribal governments, Puerto Rico, or territorial governments need to demonstrate

(document) a revenue loss to seek reimbursement for the “coverage for other revenue losses” non-traditional cost objective (see similar discussion in Section III.C.2). HIP-CRRSAA Special Authority provides for Federal participation in coverage for other revenue loss costs incurred prior to the date of project agreement. Revenue losses do not include reduced collection of Federal taxes and fees, such as Federal motor fuel taxes, not directly available to the non-Federal entity as revenue. *Improvement Type Code: 44-Other.*

**9. Routine Police Service and Other General Costs of Government:** The cost of routine police service is not eligible for HIP-CRRSAA funding. Selected items of cost are discussed in 2 CFR 200.420 of the Cost Principles, and general costs of government are discussed in 2 CFR 200.444. Unallowable costs include costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation (2 CFR 200.444(a)(5)). Therefore, routine police services are not eligible activities with HIP-CRRSAA funds.

**10. Documentation:** An obligation is a definite commitment of the Federal government that creates a legal liability for payment based upon a documented and binding agreement between a Federal agency and an authorized grant recipient or other legal entity (including another Federal agency). This documentation must support that the obligation is for purposes authorized by law. Section 1501 of title 31, U.S.C., defines the documentary evidence requirements for Federal government obligations. As discussed in Section III.B.2., above, provided the State incurred a cost for the identified “Special Authority” cost objective(s) and the State demonstrates that a cost was incurred and is allocable to the identified HIP-CRRSAA cost objective(s), the cost is an allowable cost under the HIP-CRRSAA appropriation and 2 CFR 200.403. Documentation must be adequate to demonstrate that the costs incurred are eligible under the Special Authority eligibility. Additional discussion, including record retention, is provided in the Project Funds Management Guide for State Grants Update memo issued May 23, 2018 (<https://www.fhwa.dot.gov/cfo/projfundsmgt.cfm>).

**C. Public Tolling Agencies and Ferry Systems that Provide a Public Transportation Benefit:** A State may transfer HIP-CRRSAA funds to:

- State, multi-State, international, or local public tolling agencies that own or operate a tolled facility that is a public road, bridge, or tunnel; or
- a ferry system that provides a public transportation benefit.

Such public tolling agency or ferry system must have been in operation within their State in FY 2020.

Funds transferred in this manner may be used to cover costs related to operations, personnel, including salaries of employees (including those employees who have been placed on administrative leave) or contractors, debt service payments, availability payments, and coverage for other revenue losses of a tolled facility or ferry system.

1. **FMIS Program Codes:** HIP-CRRSAA funds transferred to public tolling agencies or a ferry system that provides a public transportation benefit should be obligated with Program Code Z971 (special eligibilities in any area of the State) or Z973 (special eligibilities in urbanized areas with a population over 200,000).
2. **Eligible Costs - Tolling Agencies and Ferry Systems:** The non-traditional cost categories noted above under the HIP-CRRSAA appropriation are statutorily eligible cost objectives authorized by Congress (see 2 CFR 200.1, defining cost objective). In order to use HIP-CRRSSAA funds for “coverage for other revenue losses of a tolled facility or ferry system,” a public tolling agency or a ferry system providing a public transportation benefit needs to demonstrate (document) a revenue loss to seek reimbursement for such non-traditional cost objective that Congress made eligible under the appropriation. However, Congress did not require that a public tolling agency or a ferry system providing a public transportation benefit demonstrate (document) a revenue loss to seek reimbursement for the other non-traditional cost objectives Congress made eligible under the appropriation. Consistent with 2 CFR 200.405, those other costs statutorily eligible for reimbursement under the HIP-CRRSAA are eligible for reimbursement whether or not the tolling agency or ferry system experienced a revenue loss. Therefore, provided the tolling agency or ferry system incurred a cost for the identified “Special Authority” cost objective(s), other than revenue losses for a tolled facility or ferry system, and the tolling agency or ferry system demonstrates that a cost was incurred and is allocable to the identified HIP-CRRSAA cost objective(s), the cost is an allowable cost under the HIP-CRRSAA appropriation and 2 CFR 200.403. Consistent with the HIP-CRRSAA provision, transfers of HIP-CRRSAA funding are limited to: (1) public tolling agencies, or (2) a ferry system that provides a public transportation benefit, for the eligible cost objectives as described in Section III.B.8., items: c. Operations, d. Personnel, e. Debt Service Payments, f. Availability Payments, and g. Coverage for Other Revenue Losses. The specified Improvement Type Codes provided in Section III.B.8. should be used in FMIS for the obligation of HIP-CRRSAA funds to be transferred to a tolling agency or ferry system.
3. **Applicability of Certain Title 23 Requirements:** The applicability of certain title 23 requirements, is provided in Section III.B. items: 3. Location of Projects, 4. Applicability of Planning Requirements, 5. Treatment of Projects, 6. Construction, 7. Non-Construction, 9. Routine Police Service and Other General Costs of Government, and 10. Documentation. Tolling agencies and ferry systems not currently subject to title 23, U.S.C., requirements should discuss the impacts of accepting HIP-CRRSAA funds with their State and FHWA Division Office, HISM-10, HCFB-31, and HOTM-1.
4. **Limitation on the Use of Revenues:** The limitations on the use of revenues in subsections (a)(3) and (c)(4) of 23 U.S.C. 129 shall not apply with respect to HIP-CRRSAA funds transferred for a tolled facility or ferry system, even if such tolled facility or ferry system is already subject to such provisions due to the use of prior Federal-aid highway funds. However, because the exception in the HIP-

CRRSAA heading is “for funds made available under this heading in this Act,” use of HIP-CRRSAA funds on a tolled facility or ferry system does not remove current limitations on the use of revenues under 23 U.S.C. 129(a)(3) and (c)(4) associated with prior use of Federal-aid highway funds.

- 5. Recommended Method to Carry Out Projects:** The recommended method to carry out projects with the public tolling agency or ferry system is through a subrecipient / subaward type grant agreement between the entity and the State.

Except for the statutes and regulations cited herein, the contents of this guidance do not have the force and effect of law and are not meant to bind the States or the public in any way. This guidance is intended only to provide information and clarity regarding existing requirements under the law or Federal agency policies.

Attachment B is an internal document that is not a public record pursuant to N.J.S.A. 47:1A-1.1 as it constitutes intra-agency advisory, consultative, or deliberative material.



# Integrity Oversight Monitor Guidelines

2021 Update

**STATE OF NEW JERSEY  
COVID-19 COMPLIANCE AND  
OVERSIGHT TASKFORCE**



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# INTRODUCTION

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which, among other things, established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”). The purpose of the Taskforce is to advise State departments, agencies, and independent authorities that receive or administer COVID-19 recovery funds (“Recovery Program Participants”) regarding compliance with federal and State law and how to mitigate the risks of waste, fraud, and abuse. As defined in EO 166, “COVID-19 Recovery Funds” are funds awarded to state and local governments, and non-government sources to support New Jersey’s residents, businesses, non-profit organizations, government agencies, and other entities responding to or recovering from the COVID-19 pandemic.

Pursuant to EO 166, the Taskforce is responsible for issuing guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Recovery Program Participants may retain and appoint Integrity Monitors to oversee the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program. They are intended to serve as an important part of the state’s accountability infrastructure while working with Recovery Program Participants in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. Integrity Monitors may also be used, either proactively or in response to findings by an Integrity Monitor, as subject matter experts or consultants to assist Recovery Program Participants with program administration, grants management, reporting, and compliance, as approved by the Governor’s Disaster Recovery Office (GDRO).

EO 166 requires Recovery Program Participants to identify a central point of contact (an “Accountabil-

ity Officer”) for tracking COVID-19 funds within each agency or authority. The Accountability Officer is responsible for working with and serving as a direct point of contact for the GDRO and the Taskforce. Accountability Officers should also ensure appropriate reviews are performed to assess risks and evaluate whether an Integrity Monitor can assist in reducing or eliminating risk to ensure the public that state and federal funds were used efficiently, fairly, and prudently.

Recovery Program Participants and Integrity Monitors should be focused on the common goal of maximizing the value of COVID-19 Recovery Funding by ensuring that every dollar is spent efficiently and properly. Integrity Monitors can add value to a program by assisting in implementing the fiscal controls necessary to maintain proper documentation, flagging potential issues in real time, maximizing reimbursements, sharing information with and responding to inquiries from the GDRO and Office of State Comptroller (OSC), and reporting to those offices, the Treasurer, the Attorney General, and legislative leadership.

Recovery Program Participants, Accountability Officers, and Integrity Monitors should work together to fulfill the goals of EO 166 and these guidelines. The retention of Integrity Monitors will support monitoring and oversight that will ensure that Recovery Program Participants administer COVID-19 recovery funds in compliance with program, financial, and administrative requirements set forth in the federal-state grant agreement, the State Recovery Program Participant sub-grant agreement, and applicable federal and state laws, regulations, and guidelines. Additionally, these guidelines will assist the State in fulfilling its monitoring responsibilities as set forth in 2 CFR 200 Subpart D. This may involve routine desk reviews and, when appropriate, on-site reviews by an Integrity Monitor. Recovery Program Participants that do not retain an Integrity Monitor will comply with these requirements, in coordination with the GDRO, as addressed in the Compliance Plan adopted by the Taskforce.

# ESTABLISHING THE POOL OF INTEGRITY MONITORS

As of the issuance of this version of the Integrity Oversight Monitor Guidelines, a pool of monitors has already been established. The following provisions in this section should be used in the event it is necessary to establish additional pools of Integrity Monitors.<sup>1</sup>

In the event it is necessary to establish another pool of Integrity Monitors, the New Jersey Department of the Treasury, Division of Administration (Treasury) will be responsible for designating a department employee to act as the State Contract Manager for purposes of administering the overarching state contract for Integrity Monitoring Services. The State Contract Manager will establish one pool of qualified integrity monitors for engagement by eligible Recovery Program Participants. Treasury will issue a bid solicitation for technical and price quotations from interested qualified firms that can provide the following services:

- Category 1: Program and Process Management Auditing;
- Category 2: Financial Auditing and Grant Management; and
- Category 3: Integrity Monitoring/Anti-Fraud.

The specific services Integrity Monitors provide vary and will depend on the nature of the programs administered by the Recovery Program Participant and the amount of COVID-19 Recovery Funding received. The pool of Integrity Monitors should include professionals available to perform services in one or more of the following categories:

<b>Category 1: Program and Process Management Auditing</b>	<b>Category 2: Financial Auditing and Grant Management</b>	<b>Category 3: Integrity Monitoring / Anti-Fraud</b>
Development of processes, controls and technologies to support the execution of programs funded with COVID-19 Recovery Funds.	Plan, implement, administer, coordinate, monitor and evaluate the specific activities of all assigned financial and administrative functions. Develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations.	Forensic accounting and other specialty accounting services.

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1. Agencies and authorities that are not permitted to follow all state procurement requirements due to U.S. Department of Transportation procurement policies may procure an Integrity Monitor separately in coordination with GDRO.

Review and improvement of procedures addressing financial management.	Provide technical knowledge and expertise to review and make recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations.	Continuing risk assessments and loss prevention strategies.
Workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.	Monitoring all grant management, accounting, budget management, and other business office functions regularly.	Performance and program monitoring and promotion of best practices.
Consulting services to support account reconciliations.	Provide and/or identify training for staff in the area of detection and prevention of waste, fraud, and abuse.	Prevention, detection and investigation of fraud and misconduct.
Quality assurance reviews and assessments associated with the payments process to ensure compliance with federal and state regulations.	Ensuring compliance with all applicable federal and state accounting and financial reporting requirements.	Implement and manage appropriate compliance systems and controls, as required by federal and state guidelines, regulations and law.
Risk analysis and identification of options for risk management for the federal and state grant payment process.	Provide tools to be used by the Recovery Program Participant for the assessment of the performance of the financial transaction process.	Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.
Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process.		Ability to provide integrity monitoring services for professional specialties such as engineering and structural integrity services, etc. either directly or through a sub-contractor relationship.
Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards for federal funding.		

# CONDITIONS FOR INTEGRITY MONITORS

A Recovery Program Participant should evaluate whether it should retain an Integrity Monitor using the following standards.

## *Category 1 & 2 Integrity Monitors:*

Category 1 and 2 Integrity Monitors are available to assist Recovery Program Participants, if, in consultation with GDRO, it has been determined that an agency or authority needs assistance in the establishment, administration, or monitoring of a program or when a Category 3 Integrity Monitor has issued findings that require the agency or authority to take corrective actions. In making the determination whether to obtain a Category 1 or 2 Integrity Monitor, a Recovery Program Participant's Accountability Officer, in consultation with GDRO, should evaluate whether an Integrity Monitor from Category 1 or 2 is necessary based on operational needs or to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. Agencies and authorities should evaluate whether the retention of a Category 1 or 2 Integrity Monitor would assist in addressing findings made by Category 3 Integrity Monitors. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor from Category 1 or 2. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain a Category 1 or 2 Integrity Monitor using non-federal funds.

## *Category 3 Integrity Monitors:*

**For Recovery Program Participants that have received or will administer a total of \$20 million or more in COVID-19 Recovery Funds:** A Recovery Program Participant that has received this amount of funding should retain at least one Integrity

Monitor from Category 3: Integrity Monitoring/Anti-Fraud, subject to federal funding being available. The retention of Category 1 and 2 Integrity Monitors does not eliminate the obligation to retain a Category 3 Integrity Monitor. In some circumstances, multiple Category 3 Integrity Monitors may be necessary if one monitor is not adequate to oversee multiple programs being implemented by Recovery Program Participant as determined in consultation with the GDRO. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor using non-federal funds.

**For Recovery Program Participants that have received or will administer a total of up to \$20 million in COVID-19 Recovery Funds:** A Recovery Program Participant that has received this amount of funding should evaluate in consultation with GDRO whether a Category 3 Integrity Monitor is needed based on the risks presented. The Recovery Program Participant's Accountability Officer should conduct a risk assessment taking into account both the likelihood and severity of risk in the participant's program(s) and consult with the GDRO regarding whether an Integrity Monitor from Category 3 is necessary to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor from Category 3 using non-federal funds.

# RISK ASSESSMENT

As noted above, in certain circumstances, Recovery Program Participants seeking to retain an Integrity Monitor will be advised to conduct a risk assessment to determine the need for such services. A Recovery Program Participant's Accountability Officer, in consultation with the GDRO, should assess the risk to public funds, the availability of federal funds to pay for the Integrity Monitor, the entity's current operations, and whether internal controls alone are adequate to mitigate or eliminate risk.

An Accountability Officer, or an Integrity Monitor retained by a Recovery Program Participant, should conduct an initial review of the Recovery Program Participant's programs, procedures and processes, and assess the organizational risk and the entity's risk tolerance. The risk assessment should include a review of the agency's ability to comply with federal statutory and regulatory requirements as well as applicable state laws and regulations, including with regard to reporting, monitoring, and oversight, and a review of the agency's susceptibility to waste, fraud, and abuse.

An Accountability Officer conducting a risk assessment should complete and memorialize the assessment using the [matrix template you can download from OSC's website](#). The risk assessment should be shared with the GDRO and OSC. Some of the specific factors an Accountability Officer should consider when assessing risk include:

- Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular;
- Input from the individuals/units that will be disbursing funds or administering the program;

- Review of existing internal controls and any identified weaknesses;
- Prior audits and audit findings from state or federal oversight entities;
- Lessons learned from prior disasters;
- Sub-recipient internal control weaknesses, if applicable;
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems;
- Ability to complete timely, accurate and complete reporting;
- Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives;
- Potential conflicts of interests and ethics compliance;
- Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s); and
- Whether federal or state guidelines provide guidance regarding the uses of funds (*i.e.*, discretionary vs. restrictive).

The Accountability Officer should determine the organization's risk tolerance as to all recovery programs jointly and as to individual programs, recognizing that Integrity Monitors may be appropriate for some programs and not others within an agency or authority. If the risk exceeds an acceptable level of risk tolerance, the Accountability Officer should engage an Integrity Monitor.

An important element in the risk assessments is documentation of the process and results. This is critical to ensuring the extent of monitoring and oversight. The overall level of risk should dictate the frequency and depth of monitoring practices, including how to mitigate identified risks by, for example, providing training and technical assistance or increasing the frequency of on-site reviews. In some cases, monitoring efforts may lead an Accountability Officer or the GDRO to impose additional special conditions on the Recovery Program Participant. Depending on the kind of work the sub-recipient performs, it may be appropriate to reevaluate frequently, including quarterly, to account for changes in the organization or the nature of its activities. See 2 CFR Section 200.207 in the uniform guidance for examples; [GAO Report: A Framework for Managing Fraud Risk in Federal Programs \(2015\)](#).



# PROCEDURES FOR REQUESTING AND PROCURING AN INTEGRITY MONITOR

To retain an Integrity Monitor, a Recovery Program Participant should proceed as follows:

- A Recovery Program Participant shall designate an agency employee to act as the contract manager for an Integrity Monitor engagement (Agency Contract Manager), which may be the Accountability Officer. The Agency Contract Manager should notify the State Contract Manager, on a form prescribed by Treasury, along with any required supporting documentation, of its request for an Integrity Monitor. The Agency Contract Manager should indicate which Integrity Monitoring services are required.
- The Agency Contract Manager will develop an Engagement Query.
- The Engagement Query will include a detailed scope of work; it should include specific performance milestones, timelines, and standards and deliverables.
- The Agency Contract Manager, in consultation with the Office of the Attorney General, Division of Law, will structure a liquidated damages provision for the failure to meet any required milestones, timelines, or standards or deliverables, as appropriate.
- The Agency Contract Manager will submit its Engagement Query to the State Contract Manager. Upon approval by the State Contract Manager, but prior to the solicitation of any services, the Engagement Query shall be sent to OSC for approval pursuant to EO 166. After receiving approval from OSC, the State Contract Manager will send the Engagement Query to all eligible Integrity Monitors within the pool in order to provide a level playing field.
- Interested, eligible Integrity Monitors will respond to the Engagement Query within the timeframe designated by the State Contract Manager, with a detailed proposal that includes a detailed budget, timelines, and plan to perform the scope of work and other requirements of the Engagement Query. Integrity Monitors shall also identify any potential conflicts of interest.
- The State Contract Manager will forward to the Agency Contract Manager all proposals received in response to the Engagement Query. The Agency Contract Manager will review the proposals and select the Integrity Monitor whose proposal represents the best value, price and other factors considered. The Agency Contract Manager will memorialize in writing the justification for selecting an Integrity Monitor(s).
- Prior to finalizing any engagement under this contract, the Agency Contract Manager, in consultation with the Accountability Officer, will independently determine whether the intended Integrity Monitor has any potential conflicts with the engagement.
- The State Contract Manager, on behalf of the Recovery Program Participant, will then issue a Letter of Engagement with a “Not to Exceed” clause to the engaged Integrity Monitor and work with the Agency Contract Manager to begin the issuance of Task Orders.



# INTEGRITY MONITOR REQUIREMENTS

## A. Independence

The process by which Integrity Monitors are retained and the manner in which they perform their tasks in accordance with these guidelines are intended to provide independence as they monitor and report on the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program by a Recovery Program Participant. Although the Integrity Monitor and the Recovery Program Participant should share common goals, the Integrity Monitor should function as an independent party and should conduct its review as an outside auditor/reviewer would.

An Integrity Monitor for a particular Recovery Program Participant should have no individual or company affiliation with the agency or authority that would prevent it from performing its oversight as an independent third party. Integrity Monitors and Recovery Program Participants must be mindful of applicable conflicts of interest laws, including but not limited to, N.J.S.A. 52:13D-12 to -28, Executive Order 189 (Kean, 1988) and requirements set forth in the Uniform Grant Guidance, among others. To promote independence, an Integrity Monitor hired from Categories 1 or 2 may not also be engaged as a Category 3 Integrity Monitor to review the same programs for the same Recovery Program Participant. Likewise, a Category 3 Integrity may not be hired as a Category 1 or 2 Monitor to remediate any issues it identified as a Category 3 Integrity Monitor.

## B. Communication

Integrity Monitors should maintain open and frequent communication with the Recovery Program Participant that has retained its services. The purpose of communicating in this manner is to make the Recovery Program Participant aware of issues that can be addressed during the administration of a program and prior to future disbursement of funds by the Parti-

ci- pant. Therefore, Integrity Monitors should not wait until reports are issued to notify an Accountability Officer of deficiencies. This will enable the Recovery Program Participant to take action to correct any deficiencies before additional funds are expended. Substantial deficiencies should also be reported in real time to the GDRO, the State Comptroller, and the State Treasurer.

Prior to the posting of an Integrity Monitor report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it feels is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of an Integrity Monitor report.

Integrity Monitors must respond promptly to any inquiries posed by the GDRO, State Comptroller, State Treasurer, and Agency Contract Manager pursuant to EO 166.

## C. General Tasks of Integrity Monitors

The tasks of an Integrity Monitor may vary based on the agency/program the Monitor is overseeing and the category of Integrity Monitor engaged. Generally, the role of a Category 1 Integrity Monitor is focused on program and process management auditing. These Integrity Monitors may assist a Recovery Program Participant in developing processes or controls to support the execution of programs, conduct risk analyses, or provide consulting or subject matter expertise to Recovery Program Participants. In general, a Category 2 Integrity Monitor's role is to provide financial auditing or grants management functions for a Recovery Program Participant. A Category 3 Integrity Monitor's primary roles are to monitor for fraud or misuse of funding, and ensure that Recovery Program Participants are performing according to the sub-award agreement and applicable federal and State regulations and guidelines. Tasks to be performed by Integrity

Monitors may include the following:

- Perform initial and ongoing risk assessments;
- Evaluate project performance;
- Evaluate internal controls associated with the Recovery Program Participant's financial management, cash management, acquisition management, property management, and records management capabilities;
- Validate compliance with sub-grant award and general term and special conditions;
- Review written documents, such as quarterly financial and performance reports, recent audit results, documented communications with the State, prior monitoring reports, pertinent performance data, and other documents or reports, as appropriate;
- Conduct interviews of Recovery Program Participant staff, as well as the constituents they serve, to determine whether program objectives are being met in an efficient, effective, and economical manner;
- Sample eligibility determinations and denials of applications for funding;
- Review specific files to become familiar with the progression of the disbursement of funds in a particular program, i.e., are actual expenditures consistent with planned expenditure and is the full scope of services listed in the project work plan being accomplished at the same rate of actual and planned expenditures;
- Ensure that the agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement;
- Follow up with questions regarding specific funding decisions, and review decisions related to emergency situations;
- Facilitate the exchange of ideas and promote operational efficiency;
- Identify present and future needs; and
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits).

Integrity Monitors should generally perform desk reviews to evaluate the need for on-site visits or monitoring. Depending on the results of the desk review, coupled with the conclusions reached during any risk assessments that may have been conducted of the sub-recipient's capabilities, the Monitor should evaluate whether an on-site monitoring visit is appropriate. If the Monitor is satisfied that essential project goals, objectives, timelines, budgets, and other related program and financial criteria are being met, then the Monitor should document the steps taken to reach this conclusion and dispense with an on-site monitoring visit. However, the Integrity Monitor may choose to perform on-site monitoring visits as a result of any of the following:

- Non-compliance with reporting requirements;
- Problems identified in quarterly progress or financial reports;
- History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-risk designation;
- Follow-up on prior audits or monitoring find-

ings; and

- Allegations of misuse of funds or receipt of complaints.

## D. Reporting Requirements

### 1. Reports

Pursuant to EO 166, Integrity Monitors shall submit draft quarterly reports to the Recovery Program Participant on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud, or abuse **in accordance with the report templates [found on OSC's website](#)**.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it contends is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of a quarterly report.

Fifteen business days after quarter-end, Integrity Monitors will deliver their final quarterly reports, inclusive of any comments from the Recovery Program Participant, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the GDRO transparency website pursuant to the Executive Order.

The specific areas covered by a quarterly report will vary based on the type of Integrity Monitor engaged, the program being reviewed, the manner

and use of the funds, procurement of goods and services, type of disbursements to be issued, and specific COVID-19 Recovery Fund requirements. The topics covered by the quarterly report should include the information included in [templates which you can download from OSC's website](#).

### 2. Additional Reports

EO 166 directs OSC to oversee the work of Integrity Monitors and to submit inquiries to them to which Integrity Monitors must reply promptly. OSC may request Integrity Monitors to issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in recovery programs administered by Recovery Plan Participants.

The State Comptroller may also request that Integrity Monitors or Recovery Program Participants share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and to evaluate whether those corrective plans have been successfully implemented.

GDRO and the State Treasurer may also request reports from Integrity Monitors to which Integrity Monitors must reply promptly.

### 3. Reports of Waste, Fraud, Abuse or Potential Criminal Conduct

Integrity Monitors must immediately report substantial issues of waste, fraud, abuse, and misuse of COVID-19 Recovery Funds simultaneously to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Integrity Monitors must immediately report potential criminal conduct to the Office of the Attorney General.

# INTEGRITY MONITOR MANAGEMENT AND OVERSIGHT

Agency Contract Managers have a duty to ensure that Integrity Monitors perform the necessary work, and do so while remaining on task, and on budget. Agency Contract Managers shall adhere to the requirements of Treasury Circular 14-08-DPP in their management and administration of the contract. The Agency Contract Manager will be responsible for monitoring contract deliverables and performing the contract management tasks identified in the circular, which include but are not limited to:

- Developing a budget and a plan to manage the contract. In developing a budget, the Agency Contract Manager should consider any caps on the amount of federal funding that can be used for oversight and administrative expenses and ensure that the total costs for Integrity Monitoring services are reasonable in relation to the total amount of program funds being administered by the Recovery Program Participant;
- Daily management of the contract, including monitoring and administering the contract for the Recovery Program Participant;
- Communicating with the Integrity Monitor and responding to requests for meetings, information or documents on a timely basis;
- Resolving issues with the Integrity Monitor in accordance with contract terms;
- Ensuring that all tasks, services, products, quality of deliverables and timeliness of services and deliverables are satisfied within contract requirements;

- Reviewing Integrity Monitor billing and ensuring that Integrity Monitors are paid only for services rendered;
- Attempting to recover any and all over-billings from the Integrity Monitor; and
- Coordinating with the State Contract Manager regarding any scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes.

In addition to these oversight and administration functions, the Agency Contract Manager must ensure open communication with the Accountability Officer, the Recovery Program Participant leadership, the GDRO, and OSC. The Agency Contract Manager should respond to inquiries and requests for documents from the GDRO and OSC as requested.





## State of New Jersey, COVID-19 Compliance and Oversight Taskforce

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: [Type Here]  
Quarter Ending: [MM/DD/YYYY]  
Expected Engagement End Date: [MM/DD/YYYY]

**A. General Info**

1. Recovery Program Participant:

[Type Here]

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

[Type Here]

3. State Funding Source (if applicable):

[Type Here]

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

[Type Here]

5. Accountability Officer:

[Type Here]

6. Program(s) under Review/Subject to Engagement:

[Type Here]

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

[Type Here]

8. Amount Allocated to Program(s) under Review:

[Type Here]

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

**Integrity Monitor Report**  
**Category 3**

[Type Here]

10. Amount Provided to Other State or Local Entities:

[Type Here]

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

[Type Here]

12. Completion Status of Integrity Monitor Engagement:

[Type Here]

**B. Monitoring Activities**

13. If FEMA funded, brief description of the status of the project worksheet and its support:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

**Integrity Monitor Report**  
**Category 3**

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments



**Integrity Monitor Report  
Category 3**

[Type Here]

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

**C. Miscellaneous**

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

**Integrity Monitor Report  
Category 3**

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:	[Type Here]
Name of Report Preparer:	[Type Here]
Signature:	[Sign Here]
Date:	[MM/DD/YYYY]

PRICE SCHEDULE Integrity Monitoring Services NJDOT

Cells to be completed by Bidder  
Projected Cells

Route 130. Bridge Over Bio Timber Creek

Term	Staffing Category	Hourly Billing Rate (\$)	ask A (Section A 1)		Total \$ Per Year
			Hours	Amount (\$)	
Year 1	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 2	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 3	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
			0	\$0.00	\$0.00

Rt 76 676 Bridges Contract 3

Term	Staffing Category	Hourly Billing Rate (\$)	ask A		Total \$ Per Year
			Hours	Amount (\$)	
Year 1	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 2	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 3	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
			0	\$0.00	\$0.00

Rt 47 Bridge Over Big Timber Creek

Term	Staffing Category	Hourly Billing Rate (\$)	ask A		Total \$ Per Year
			Hours	Amount (\$)	
Year 1	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 2	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 3	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
			0	\$0.00	\$0.00

Rt 4 Jones Road Bridge

Term	Staffing Category	Hourly Billing Rate (\$)	ask A		Total \$ Per Year
			Hours	Amount (\$)	
Year 1	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 2	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
Year 3	Partner/Principal/Director			\$0.00	\$0.00
	Program Manager			\$0.00	
	Project Manager			\$0.00	
	Supervisory Sr. Consultant			\$0.00	
	Consultant			\$0.00	
	Associate Staff			\$0.00	
	Subject Matter Expert			\$0.00	
			0	\$0.00	\$0.00

\$0.00

**State of New Jersey Department of the Treasury  
G4018 Integrity Oversight Monitoring  
Engagement Query – NJ Department of Transportation (NJDOT)  
Category 3 services per Section 3.1.1 of the IOM RFQ  
Proposal**

April 4, 2022

State Contract Manager  
Ms. Mona Cartwright, Fiscal Manager  
Department of the Treasury  
E-mail: TreasuryIM@treas.nj.gov  
CC: [REDACTED]

Rumph & Associates, P.C.  
2520 Northwinds Pkwy Suite 150  
Alpharetta, GA, 30009



**RE: Engagement Query – Integrity Monitoring - NJ Department of Transportation  
Category 3: Integrity Monitoring/Anti-Fraud**

Dear Ms. Cartwright:

Following is our Proposal for the subject Engagement Query. Rumph & Associates, P.C. (Rumph) is bidding as a Small Disadvantaged Business. I am authorized to negotiate on Rumph's behalf. I can be reached at [REDACTED], Phone: [REDACTED].

Respectfully submitted,



Thomas Rumph, Jr.  
Managing Partner

[REDACTED]

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## EXECUTIVE SUMMARY

**Rumph & Associates, P.C. (Rumph)** is a CPA firm providing services since 2007. We have built an outstanding reputation for planning, execution, and service delivery over that time. Rumph is committed to excellence and creating innovative and flexible solutions for our clients. We have the expertise, experience, skills, knowledge, and resources to handle the most challenging requirements and conditions in a wide range of business disciplines.

Rumph has teamed with two strong subcontractors to provide the Department of Transportation with the very best in service, expertise, and partnership. Together we are **Team Rumph**.



With over 100 years of collective executive experience, **Indelible Business Solutions, Inc. (Indelible)** has established its presence as a hallmark participant in the professional services industry. Blending performance with excellence, Indelible delivers internal audit, regulatory compliance review, performance audit, and disaster recovery solutions to its partners. Indelible's talent profile has been the cornerstone of success since inception and forms the basis of our value proposition; we customize engagement teams based on a market-effective approach that integrates relevant experience, diversity of thought and synergistic collaboration.

 Founded in 1926, **RSM US LLP (RSM)** is the leading provider of audit, tax and consulting services focused on the middle market, with over 13,000 professionals in 83 cities nationwide. We are a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax, and consulting firms with more than 43,000 people in 120 countries. These professionals have a myriad of professional certifications such as certified public accountant, certified internal auditor, certified fraud examiner, and certified information public accountant, certified internal auditor, and certified information systems auditors. RSM uses its deep understanding of the specific needs and aspiration of clients to help them succeed.

We believe the teaming arrangements provide you the ability to benefit from the best aspects of our firms, in providing a known leading public sector compliance resource in Indelible Business Solutions, as well as the integrity of a national public accounting firm in RSM, providing deep bench strength and expertise to our team. The combination allows us to meet the concentrated timing of services by September 30, 2022, further ensuring you receive expedient delivery.

Following, we summarize the **key aspects** of our proposal.

***Access to an experienced, qualified team of internal audit professionals with a significant New Jersey footprint.*** The Department deserves a service provider that understands the NJDOT and the environment in which you operate. Your proposed engagement team consists of public sector industry professionals who continually partake in specialized industry training, to provide pragmatic solutions to you. Our professionals sit on regulatory and industry affiliated boards, allowing us to have first-hand knowledge of proposed developments affecting the public sector. Therefore, we understand your industry, your unique considerations and can provide fresh perspective for your questions and needs. We have a qualified team of professionals uniquely equipped to perform the monitoring and oversight planning, tasks, and reporting. ***Benefit to NJDOT:*** High-quality talent available quickly to ensure timely delivery of results.

***A wide range of experienced local talent at cost-efficient rates.*** We have access to a wide array of expertise in the disciplines required. We demonstrate our multi-disciplinary expertise and the caliber of staff and the breadth and depth of available resources with the talent that we have

identified and presented in this response, including many situated in the tri-state area. Our team is a leading provider of services to the public sector, and our experience serving state and local agencies across the country is significant. We have been successful over the years in assisting our public sector clients with internal controls. This experience and talent are provided within Rumph's small business pricing structure. ***Benefit to NJDOT:*** Immediate availability of a deep bench of team members with relevant expertise across all required experience levels at lower costs.

***Significant past performance and experience with New Jersey and other similar state agencies.*** We have provided these types of services in multiple states, including several Departments of Transportation. Among these, we maintain relationships with many federal and state departments and agencies, as well as working relationships with officials within the U.S. Government Accountability Office and the Office of Management and Budget. We have also participated as an advisor to the President's Council on Integrity and Efficiency through the Quality of Audit Roundtable. Our firm also serves on the AICPA's State and Local Government Expert Panel. ***Benefit to NJDOT:*** A methodology and client service that revolves around the NJDOT and its needs on this engagement.

## 1 DETAILED PROPOSAL

Team Rumph will act as a Category 3 Integrity Monitor to review the NJDOT's construction policies and procedures that will be followed for the (4) construction projects identified in the query. We intend to accomplish each component of the scope of work, as described below:

### ***1.1 CATEGORY 3 – INTEGRITY MONITORING/ANTI-FRAUD – MANAGEMENT APPROACH***

Following we provide our management approach to performing the tasks required in the Scope of Work. In addition, we list below the services to be provided:

- Review of NJDOT Policies (Section 1.2).
- Risk Assessments (Section 1.3).

#### **1.1.1 Plan to Effectively Manage Required Tasks.**

Upon award, we will hold a post-award kick-off meeting with the Agency Contract Manager at the NJDOT Headquarters within (5) business days after receiving a letter of engagement to proceed with this project to finalize the scope of work. The following details our work plan:

- Review of NJDOT Policies
- Assessment of NJDOT Policies versus related risks
- Completion of risk assessment
- Close-out meeting with NJDOT

### ***1.2 REVIEW OF NJDOT POLICIES***

For each policy, procedure, and handbook, we would approach by listing the areas of high risk related to fraud, waste, or abuse that will be considered when reviewing each policy. The purpose is to validate that each policy contains appropriate direction or controls to mitigate such risks. The subcategories listed below have been used to categorize our responses to other solicitations at NJTransit and PANYNJ.

#### **1.2.1 Construction Procedures Handbook**

- Grant Management
  - Falsified application documents / falsified reporting - falsified grant applications include inaccurate information or intentional misrepresentation of intended use of funds
  - Intentionally inflated preliminary budget estimates to increase funding
  - Errors in internal accounting / coding of grant funds and expense tracking
  - Untimely submission of required grant reporting
- Procurement
  - Manipulation, favoritism, suppression, or breaching the cone of silence during the bidding processes
  - Non-disclosure of related party subcontractors
  - Bidding contractors / vendors offer bribes to project management to gain competitive advantage in the bidding process.

- Tailored specifications, scope, or prequalification requirements of an RFP/Intent To Bid (ITB) to favor a particular bidder.
- Alteration of terms of proposed construction contracts in a way that could prevent or deter competition.
- Acceptance of bids submitted after the due date – risk of bribery or kickback schemes
- Alteration of bid documents to disqualify competing contractors - risk of bribery or kickback schemes
- Overriding controls or circumvention purchasing policy thresholds - risk of bribery or kickback schemes
- Manipulation, favoritism, suppression, or breaching the cone of silence during the bidding processes
- Non-disclosure of related party subcontractors
- Bidding contractors / vendors offer bribes to project management to gain competitive advantage in the bidding process.
- Tailored specifications, scope, or prequalification requirements of an RFP/Intent To Bid (ITB) to favor a particular bidder.
- Alteration of terms of proposed construction contracts in a way that could prevent or deter competition.
- Acceptance of bids submitted after the due date – risk of bribery or kickback schemes
- Alteration of bid documents to disqualify competing contractors - risk of bribery or kickback schemes
- Overriding controls or circumvention purchasing policy thresholds - risk of bribery or kickback schemes.
- Invoicing
  - Advanced or unsupported contractor/subcontractor billings
  - Schedule of values line item shifting/manipulation
  - Invoiced unit prices or firm fixed price (FFP) line items in excess of those allowed by contract/bid
  - Pay rates or OT or benefit rates exceeding what is agreed in Contracts
  - Subcontractor buyout and contingency usage not appropriately tracked to allow for recalculation of savings or shared savings
  - Delayed or nonpayment of subcontractors, missing waivers of lien (payment affidavits)
  - Billing for contractually disallowable costs
  - Noncompliance with Davis-Bacon Act (DBA) prevailing wage

- MBE/WBE/SDVOB underutilization and commercially useful function—manipulation of documentation to convey compliance
  - Materials and equipment stored onsite not appropriately secured to prevent theft/manipulation
  - Assets/materials delivered not reported or turned over to owner
- Subcontractors
  - Nonenrolment or noncompliance with safety plan
  - Usage of subcontractors not approved by DOT
  - Usage of subcontractors on suspension and department lists
  - Utilization of inappropriate subcontracting vehicles
- Change Orders – covered in 1.2.2 below
- Claims Management
  - Contractors may overstate the actual costs associated with settlement amounts, or manipulate the basis for said settlements.
- Construction Fieldwork
  - Nonconforming, or substandard materials are used on the project
  - Project assets are not subject to appropriate physical security controls, and/or are not tracked and turned over to DOT, as applicable
  - Demo/waste disposal/abatement is done without following external source's specifications
  - Employees are not wearing proper safety gear or safety precautions on the worksite are not being followed
  - Noncompliance with Davis-Bacon Act and/or local prevailing wage requirements

### **1.2.2 Change Control Board Procedures**

- Unsupported or incorrectly calculated costs included within change orders
- Incorrectly applied, inaccurately calculated, or related to addition of overhead and profit, fees, additional bond or insurance costs, resulting in nonconformance with contract provisions.
- Additional services (change orders) for work contemplated within original scope
- Inflation or inaccurate estimates of probable construction costs
- Improper change orders due to delays and single source equipment failure not properly managed and anticipated by general contractor and construction
- MBE/WBE/SDVOB underutilization—manipulation of documentation to convey compliance



- Unsupported or duplicate contractor proposed change orders (and / or contingency usage, as applicable)

### 1.2.3 Disadvantaged and Small Business

- Use of subcontractors that do not meet DBE requirements through submission of inaccurate or falsified documents
- Usage of pass-through entities to meet DBE requirements – utilization of lower-tier subcontractors that do not meet DBE requirements
- DBEs not performing a commercially useful function
- Inaccurate reporting of DBE payments by the prime contractor
- Failure to obtain confirmation from subcontractors of payments received
- Failure to maintain appropriate documentation to monitor

## 2 DETAILED BUDGET

The detailed budget identifies staff classifications and hourly rates. The hourly rates do not exceed the rates in the Integrity Monitor's BAFO Price Schedule.

**Table 1** shows the detailed budget for this Engagement Query.

**Table 1: Detailed Budget**

#	Labor Category	Hourly Rate	LOE in Hours	Price
1	Partner/Principal/Director	\$197.32	14	\$2,762.48
2	Program Manager	\$145.82	25	\$3,645.50
3	Supervisory/Senior Consultant	\$121.61	115	\$13,985.15
4	Travel			-
	<b>Total</b>			<b>\$20,393.13</b>

## 3 TIMELINE FOR SUBMISSION OF DELIVERABLES

**Table 2** shows a timeline for submission of the deliverables required by this Engagement Query not to exceed September 30, 2022.



**Table 2: Timeline for Submission of Deliverables**

#	Deliverable	Date Due
1	The Integrity Monitor submits a draft quarterly report to the Using Agency.	On the last day of every calendar quarter.
2	The Integrity Monitor delivers its final quarterly report, including any comments from the Using Agency to the State Treasurer.	Fifteen business days after each quarter-end.
3	OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies.	When required.
4	The Integrity Monitor reports issues of waste, fraud, abuse, and misuse of COVID-19 CRF & Non-CRF Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report the potential criminal conduct immediately to the Office of the Attorney General.	Immediately, when encountered.
5	The Integrity Monitor delivers a final detailed report of its finding from the review of the	No later than September 1, 2022.

	NJDOT's policies with conclusions obtained from the previously submitted quarterly reports.	
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#### 4 IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

Our firms utilize a conflict-of-interest identification process, which assists engagement teams in performing consistent and comprehensive evaluations of engagement risk, integrates our independence and business conflict checks process, helps assure that the engagement team has the requisite competency and experience, and provides our audit leadership with deeper insight into the risk profile of our client portfolio.

We will evaluate potential conflicts of interest upon receipt of NJDOT auditable programs and/or entities. In the event a conflict exists between a NJDOT entity and one of the parties involved under this Engagement Query ("Team Rumph"), an unrelated party will conduct the appropriate audit procedures for the affected entity; thus, there will be no impact to our ability to serve NJDOT and deliver our services to you. This demonstrates our ability to leverage the team structure we have developed and address any potential conflicts that are raised without compromising our ability to deliver exceptional client service within the scope of work under this Engagement Query.

#### 5 EXPERIENCE OF TEAM RUMPH

Rumph has the resources that meet your need. We have a qualified team of multi-disciplinary professionals uniquely equipped to execute and assess an effective internal audit strategy that helps address your specific risk challenges and enhance business performance.

Knowing that high-quality service comes from understanding the challenges our clients face, we have assembled a team of internal audit professionals experienced in serving the public sector industry who will access our proven industry materials, to provide you with a customized service approach. Given our commitment to public sector industry companies and our specific experience serving organizations like the New Jersey Department of Transportation, we are positioned to customize our internal audit approach to reflect the unique nuances of your environment—supporting efficiency while minimizing disruption, sharing insights, and providing deeper value by understanding your unique challenges and opportunities.

We are a leading provider of services to the public sector, and our experience serving state and local agencies across the country is significant. We have been successful over the years in assisting our public sector clients with internal controls, information technology, grant applications, budget analysis, findings resolution, new financial reporting standards, sale-leaseback financings and other issues. A sample of our state agency clients have included but are not limited to:

<ul style="list-style-type: none"> <li>• New Jersey Transit Corporation</li> <li>• Hawaii Dept. of Health</li> <li>• Florida Dept. of Health</li> <li>• Virginia Dept. of Transportation</li> <li>• Illinois Dept. of Transportation</li> <li>• Illinois Dept. of Human Services</li> <li>• Florida Division of Emergency Management</li> <li>• Florida Dept. of Economic Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Florida Dept. of Children and Families</li> <li>• Florida Dept. of Law Enforcement</li> <li>• Florida Dept. of Management Services</li> <li>• Washington State Dept. of Transportation</li> <li>• North Carolina State Ports Authority</li> <li>• North Carolina Office of Recovery and Resiliency</li> <li>• Indiana Economic Development Corp.</li> </ul>
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**Attuned to industry developments.** We leverage a variety of means to keep our public sector personnel well versed on issues affecting you. Among these, we maintain relationships with many federal and state departments and agencies, as well as working relationships with officials within the U.S. Government Accountability Office and the Office of Management and Budget. We have also participated as an advisor to the President’s Council on Integrity and Efficiency through the Quality of Audit Roundtable. Our firm also serves on the AICPA’s State and Local Government Expert Panel.

Your proposed engagement team consists of public sector industry professionals who continually partake in specialized industry training, in order to provide pragmatic solutions to you. Many of our partners and principals sit on regulatory and industry affiliated boards, allowing us to have first-hand knowledge of proposed developments affecting the public sector. Therefore, we understand your industry, your unique considerations and can provide fresh perspective for your questions and needs.

**An experienced team dedicated to your needs.** We are committed to serving your organization and its needs fully. With a mix of senior-level multi-disciplinary professionals, our proposed engagement team will address your unique risk and audit challenges through effective, transparent communication with your team. Our partners and directors have an average of 15+ years of multi-disciplinary expertise and maintain ongoing training standards to enhance their qualifications to deliver an efficient and comprehensive internal audit services.

A methodology and client service that revolves around you. We do not subscribe to a ‘one size fits all’ approach. After evaluating specific needs and objectives, we will custom design a responsive solution that leverages lessons learned when performing operational audits and developing audit plans for similar entities like the New Jersey Department of Transportation.

## 6 RESUMES

### *THOMAS RUMPH, JR., CPA*

A demonstrated track record of leading the preparation and analysis of financial reports to summarize and forecast financial position. Proven success in driving through an efficient and productive evaluation and implementation of financial management system improvements. An effective leader in directing financial management teams to support achievement of overall corporate goals and objectives both internationally and domestically. Core competencies include: accounting management, financial analysis, forecasting, cash management, budgeting, cost reductions, technology integration, regulatory compliance, and efficiency improvements.

### **CAREER EXPERIENCE**

#### **RUMPH AND ASSOCIATES, P.C., Managing Partner, Atlanta, GA (Apr 2007 – Present)**

##### Responsibilities:

- Manage the operations of Rumph & Associates, P.C.
- Provide client service for Rumph & Associates, P.C. customer base
- Generate revenue by developing winning Business Plans
- Perform accounting and finance functions via performance tracking, business valuation, tax planning and payroll management
- Secure financing by developing a business plan, managing debt, and securing investors
- Understand and keep clients abreast on new federal regulations that impact your line of business, so you remain competitive and compliant
- Use technology to meet regulatory requirements, establish internal controls and obtain important information to make critical business decisions

##### Key Accomplishments

- Successfully led three CDC grant (cooperative agreement) audits: KEMRI, Uganda NMS, and Rwanda
- Assisted university with maintaining value on Balance Sheet and implementation of major new ERP system
- Assisted major foodservice manufacturer with implementation of new customer metrics and tracking system

### **EDUCATION/QUALIFICATIONS**

- MBA, Finance, University of Houston (1987)
- BBA, MIS and Operations Management, University of Georgia (1983)
- Certified QuickBooks Pro Advisor (2008 and 2009)
- CPA – State of Georgia (1993), State of Alabama (2011), State of Florida (2020)
- Certified Information Systems Auditor (CISA) (1989)

***KENNETH EDWARDS, CPA***

Seasoned professional with solid managerial and accounting experience in various financial capacities. Experience includes 30 years of public accounting experience and 10 years of industry experience. Skilled at leading diverse groups to goal attainment. Effective problem solver known for managing situations and people to maximize productivity with limited resources.

**EXPERIENCE**

**EDWARDS & COMPANY, LLC** Denville, NJ 2018 to Present  
Partner

Responsible for directing and developing the firms marketing and service efforts in outsourced CFO and controller services servicing small to mid-market companies as well as expanding the firm's governmental A-123 Compliance services.

**CFO STRATEGIES LLC**, Roseland, NJ 2016 to 2018  
Managing Director

Responsible for directing and developing the firms marketing and service efforts in establishing CFO Strategies, LLC as the preeminent outsourced CFO and controller services servicing small to mid-market companies.

**COHNREZNICK LLP**, Roseland, NJ 2007 to 2016  
Retired Partner (2007-2016)  
Manufacturing & Distribution Office Team Leader (2011-2016)

**EDWARDS & COMPANY CPA'S PC**, Denville, NJ 2002 to 2007  
Owner

**BDO SEIDMAN**, New York, NY 1986 to 2002  
Principal (2000-2002)  
Director of Financial Institution Audits (1993)  
Senior Manager (1988-1993)

**MENUDIRECT CORPORATION**, Piscataway, NJ 1997 to 2000  
Chief Financial Officer

**HOME STATE HOLDINGS, INC.**, Shrewsbury, NJ 1993 to 1997  
Senior Vice President, Finance (1994-1997)  
Vice President and Controller (1993-1994)

**COOPERS & LYBRAND**, South Bend, IN 1981 to 1986  
Audit Manager

**EDUCATION, MEMBERSHIPS, AND TRAINING**

- B.A. Finance and Accounting – Goshen College
- Member, American Institute of Certified Public Accountants



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**APRIL GLOSTON**

An emergency management professional with experience in environmental appraisals, right of way, and government program administrative services. Serving as a Subject Matter Expert (SME) for writing system specifications for information systems, understanding operational systems and translating requirements into technical specifications, and designing and implementing system modifications. Extensive experience in leading CDB-G DR projects, monitoring production rates and identifying roadblocks. Proficiently works side-by-side with clients to ensure compliance, deliverables, invoicing, finances, administration, and documentation are in check.

### Career Experience

**Florida Department of Economic Opportunity, Government Consultant (2018-Present)**

- Plan, facilitate, and assist in the negotiation of agreement changes and amendments.
- Coordinate the development of cost and price analysis, conduct agreement and file post-audits and closeout, complete the agreement checklists, facilitate findings of fact, and resolve agreement disputes.
- Develop contract and grant administration goals and objectives, identifying resources, interpreting statutes and rules, and providing technical and administrative assistance.
- Facilitate the administration of division agreements.

**Vinformatix LLC, Project Manager (2017-2018)**

- Subject Matter Expert responsible for providing expert support, analysis and research into exceptionally complex problems, and processes relating to the FEMA Public Assistance Program, audit disaster recovery policies, plans, and procedures' by performing a gap analysis of mission and business critical disaster recovery plans to identify improvements based upon industry best practices.

**Horne LLP, Public Assistance, Flood Recovery Sr. Associate- Grants Manager (2017-2018)**

- Submitted financial requests for reimbursements, detailed scope changes, quarterly reports, environmental and closeout paperwork.
- Worked closely with numerous government entities including FEMA, Texas Department of Emergency Management (TDEM), Texas General Land Office (GLO), Division of Homeland Security and Emergency Management (DHSEM), Department of Local Affairs (DOLA), US Department of Housing and Urban Development (HUD), etc.
- Worked with state and local officials to create The Local Government Guide to Recovery, a planning tool for communities trying to bolster an effective emergency management program.
- Managed millions in allocated Federal and State Disaster Recovery grants including the FEMA PA program and delivery model.

### EDUCATION/QUALIFICATIONS

- BA, Sociology, Southern University A&M College



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***BILL YOUNG, JR.***

Over 25 years of service and managerial Emergency Response & Recovery experience beginning in 1989. He is the past Director of Emergency Services and Government Liaison for American Red Cross Disaster Services with extensive experience in federal and state programs to include grant development, management, and implementation. Skilled in the utilization of software tools such as: GRANTS MANAGER, EMMIE, PA – MB3, CEF – Xactimate / RS-Means / Costworks, ARC GIS, Benefit-Cost-Analysis, and all Microsoft Office applications. Bill also, possess current FEMA Badge and TWIC (Transportation Worker Identification Credentials) allowing him to work assignments within Secure, Domestic and International Port and Off-shore locations.

### Career Experience

#### Function and Specialization

- Specializations are as follows: HMGP Management 404 Hazard Mitigation 406 Hazard Mitigation Benefit-Cost-Analysis Project Management Staff Management FEMA Public Assistance PW Formulation PW Writing COOP/COG Planning Grant Writing & Management CDBG Management Disaster/Emergency Planning Business Continuity Customer Service Damage Assessment & Adjusting EOC Design & Liaison Private Non-Profits Public Sector Experience.

#### Professional and Industry Experience

- Has been a Public Assistance Project Specialist / Manager assisting the Federal Emergency Management Agency (FEMA) to coordinate with the Puerto Rico Electrical Power Authority (PREPA) to review, build and identify Project Worksheets for work completed and being completed for power restoration throughout the main island of Puerto Rico, Vieques and Culebra.

#### Disaster Recovery Specialist

- Has been a Public Assistance Project Specialist / Manager assisting the applicant “Puerto Rico Electrical Power Authority (PREPA)” to complete the Project Worksheets for power restoration throughout the main island of Puerto Rico, Vieques and Culebra. Personally, responsible for PW creation and review process for 17 PWs totaling over \$2.9 Billion dollars.

#### Business Continuity Planning

- Project Manager at Union County Business Continuity of Operations (COOP)/Continuity of Government (COG) planning project. His primary role was maintaining continuous quality information through direct contact with the client and support the project team. As Project Manager he managed frequent interactions with county and municipal Emergency Management personnel to interview and gather pertinent data for plan completion. This

project was contracted by the county Office of Domestic Preparedness to develop federally mandated Continuity of Operations and Continuity of Government plans including participation by all municipal departments and jurisdictions. The work included detailed classifications of the primary and secondary functions required to continue county and individual municipal government activities during response to catastrophic events that disrupt normal governmental and societal functions

## **Financial Auditing and Grant Management**

### **Puerto Rico: DR-4339 Hurricane Maria, Public Assistance Project Manager (2017-2020)**

- Public Assistance Project Manager assisting the Federal Emergency Management Agency (FEMA) to coordinate with the Puerto Rico Electrical Power Authority (PREPA) to review, build and identify Project Worksheets for work completed and being completed for power restoration throughout the main island of Puerto Rico, Vieques and Culebra.

### **N. Y. State: 4085-DR-NY, Hurricane Sandy, Albany, NY, 406 & 404 Hazard Mitigation Grant Program, Project Manager (2013 – 2014)**

- Responsible for the verification of the Hazard Mitigation Grant Program (HMGP) opportunities within FEMA approved projects. He also offered applicant assistance in the development of stand-alone Mitigation projects. As the HMGP Project Manager working to identify and resolve project issues, he worked with applicants and assisted other factions within NY State and FEMA to appropriately address applicant(s) requests. Bill performed Benefit-Cost-Analysis on project elements. He conducted applicant briefings and site visits throughout the State to explain the program requirements to potential applicants and facilitate their ability to correctly submit their applications.

## **REPRESENTATIVE CLIENTS**

- US Virgin Islands
- New York State
- Puerto Rico

## **EDUCATION/QUALIFICATIONS**

- BA, Emergency Management
- Graphic Design, Philadelphia University of the Arts
- Electronics Engineering, Community College of the Air Force

## **REFERENCES**

- John Marini [REDACTED]

**BRENDA MATTHEWS**

An emergency management professional with 15 years' experience in disaster recovery programs, grant management and grant's application processes. Served as a prime contractor for the State of Louisiana following Hurricane Katrina. Worked on FEMA Public Assistance grant programs, Community Development Block Grant Recovery projects, and Hazard Mitigation Grant Programs following Hurricane Rita and Hurricane Maria. Worked in Puerto Rico on Hurricane Maria recovery with the iParametrics / Fluor team under the FEMA PA contract to conduct site inspections, formulate DDDs and SOWs, formulate project descriptions using Grant Manager and manage applicants requesting funding.

**Career Experience****FEMA Public Assistance Technical Assistance Contract, Hurricane Maria (2018-2019)**

- Managed seven private, non-profit critical and non-critical applicants in the Health and Social Services sector.
- Analyzed eligibility of expenses based on applicant and facility usage.

**FEMA Public Assistance Technical Assistance Contract, Hurricanes Katrina and Rita (2005-2015)**

- Analyzed costs by developing spreadsheet reports and verification of information.
- Researched procurement issues to ensure FEMA requirements were satisfied.

**Hunt, Guillot and Associates, Hazard Mitigation Grant Program, Grants Manager (2014-2018)**

- Monitored all aspects of the program from application to closeout.
- Coordinated with homeowners, contractors, and local, state, and federal staff to effectively and efficiently secure and carryout individual mitigation projects.

**Hunt, Guillot and Associates (2011-2014)**

- Reviewed and prepared projects for state monitoring and state/federal audits under the Community Development Block Grants and Hazard Mitigation Grant Program. Maintained, audited, and ensured projects complied with current federal and state requirements.

**Shaw Group, State of Louisiana, Hurricanes Katrina and Rita Emergency Response, Prime Contractor (2010-2011)**

- Audited and ensured all contractor files were accurate and in accordance with federal regulations.
- Monitored purchasing and procurement records. Gathered, maintained, and reported small business statistics to various government agencies.

**CERTIFICATIONS**

- Certified Paralegal
- Project Specialist, FEMA Emergency Management Institute

**EDUCATION/QUALIFICATIONS**

- University of Louisiana-Lafayette

**REFERENCES**

- Paul Pelletier, iParametrics, LLC, [REDACTED]



**DANIEL BENBOW, CFE, CPA**

An experienced CFE and CPA professional with extensive auditing, auditing management and forensic accounting experience. Conducted audits for the DHS/FEMA - Office of the Inspector General, USDA- OIG, DCAA, SBA and other government entities. Extensive knowledge in performing integrity monitoring of contracts and processes including reviews for fraud indicators. Proficient in developing auditing programs with risk assessment processes. Over 18 years' experience performing audits and managing auditing teams for disaster grant recipients. While with the DHS/FEMA, audited Project Worksheets for numerous disasters. Audits included the sub-grantees, the states and their respective Emergency Management departments and the FEMA regional offices. Reviewed and followed FEMA and Department of Defense related contracts to ensure proper procurement procedures and laws were adhered to.

**Career Experience**

**DR-4332, Hurricane Harvey, Texas, Project Delivery Manager** (2019-Present)

- Works to guide applicants through the FEMA Public Assistance Process.

**DR-4085, Hurricane Sandy, New York** (2012-2014)

- Developed work force requirements, operating budgets, and technical methodologies for fraud deterrence to oversee the use of FEMA disaster funds relating to Hurricane Sandy damages.

**Department of Homeland Security**

- Managed a team responsible for auditing DHS activities, including grant audits of FEMA grant recipients (state agencies, counties, cities, universities, schools, hospitals, airports, electric cooperatives, and other not-for-profit entities).

**Federal Emergency Management Agency**

- Participated in applicant briefings during the initial recovery period of Hurricanes Ivan, Katrina, and Rita to assist applicants with developing policies and procedures targeted toward maximizing claim reimbursement.
- Consulted with several major applicants eligible for Tropical Storm Allison disaster grants to developing monitoring and documentation procedures to maximize their most unique and complicated claims.
- Managed auditors performing accounting record reconstruction, transaction verification, documentation, and asset review for Hurricane Katrina damages applicable to FEMA Public Assistance grants.

**BP Oil Spill, Guidepost Solutions**

- Examined damage claims filed by victims of the Gulf Coast oil spill for BP reimbursement including loss of business profit calculations and record reviews for indicators of fraud.

**Independent Contractor**

- Examined defaulted SBA Recovery Act business loans to determine culpability for default and indicators of fraud that resulted in SBA recovery of tax dollars.

**CERTIFICATIONS**

- Certified Fraud Examiner
- Certified Public Accountant
- DHS Public Trust Security Clearance
- Active FEMA Badge

**EDUCATION/QUALIFICATIONS**

- MBA, Finance, Louisiana Tech
- BS, Accounting, East Texas Baptist University

**REFERENCES**

- Paul Pelletier, iParametrics, LLC, [REDACTED]

**DAVID LUKER, CPA****Summary of experience**

David serves as RSM's national facilities and construction subject matter expert. He has 15 years of experience in public accounting including, GAAP financial statement audit of construction contractors, construction contract compliance/cost recovery for large construction manager at risk and design build contracts, construction change order and claim analysis, construction litigation support, design and construction process reengineering, and various other risk consulting services. David is 100% dedicated to serving the construction industry.

Examples of David's relevant experience includes:

- Currently serves NJ TRANSIT as the lead construction auditor for four IOM projects
- Served as the construction audit director/lead on a four-year, \$1.2 billion mixed use construction project in Miami, Florida
- Served as the construction audit director/lead on a three-year engagement auditing \$160 million of construction manager at risk contracts for a Florida university system
- Currently serves as the construction audit director/lead on a five-year, \$1.2 billion construction program audit and assessment engagement
- Currently leads internal audit and contract compliance/administration teams on a three-year, phased governmental audit initiative, including extensive audit and compliance work pursuant to a watershed consent decree
- Has led construction-focused forensic investigations and provided construction litigation and mediation support to clients including tribal governments, school districts, construction contractors and private equity
- Has led a three-year internal audit and contract compliance/evaluation engagement on a \$1.2 billion Mid-Atlantic region construction program

Has conducted more than 20 construction audit cost recovery engagements on major cost-plus construction projects ranging from \$10 million to \$1 billion in contract value

**Professional affiliations and credentials**

- Certified public accountant, Alabama
- American Institute of Certified Public Accountants
- Alabama Society of CPAs
- Orlando Business Journal Top 40 Professionals Under 40 Years Old

**Education**

Master of Accountancy, Auburn University

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**MATTHEW BLONDELL, CPA****Summary of experience**

Matt is a construction specialist in RSM's construction risk consulting practice where he is responsible for the execution of projects and supervision of staff, risks and controls, contract compliance services, risk management, business process analysis and forensic investigations. He has been in public accounting for over eleven years. His experience includes planning, supervising and executing closeout audits, contract compliance engagements, facilities and construction internal audits, and other consulting services for school districts, local and tribal governments, publicly traded entities, construction contractors and private equity clients throughout the country. Prior to joining RSM, Matt worked as an external auditor at a regional accounting firm in North Florida.

At RSM, Matt is focused on providing risk consulting services within the construction industry and serves as a subject matter expert in the Southeast region. Matt's experience includes:

- Currently serving NJ TRANSIT as a construction auditor for four IOM projects
- Currently managing internal audit and contract administration reviews as part of a three-year, phased governmental audit initiative, including extensive audit and compliance work pursuant to a federal consent decree
- Currently serving as the manager on a five-year, \$900 million construction program audit and assessment engagement
- Managed a team responsible for ongoing interim construction audits of the \$1 billion mixed-use development, located in the heart of downtown Miami
- Led a team conducting audits of CMAR contracts totaling over \$160 million for a university, including both a major stadium renovation and a new residential housing unit
- Supervised or performed multiple construction audits for both minor and major projects at a large university, and assisted negotiations of multiple contractor proposals, helped to develop and/or revise numerous contracts, and participated in the negotiation process helping to facilitate cost savings, cost avoidance and cost recovery
- Performed an assessment of the design of internal controls over construction planning, procurement, pay application and change order reviews and closeout procedures for numerous private and governmental entities
- Assisted/managed construction focused forensic investigations for tribal governments, school districts, construction contractors and private equity

**Professional affiliations and credentials**

- Certified public accountant, Florida
- American Institute of Certified Public Accountants
- Florida Institute of CPAs
- The Institute of Internal Auditors

**Education**

- Master of Accounting, Florida State University
- Bachelor of Science, accounting, Florida State University



***LAURA MANLOVE, CPA*****Summary of experience**

Laura has over 12 years of experience in public accounting and 7 years of Assurance and Advisory services provided within the public sector practice. This experience includes external audit services, internal audit services, and contract compliance reviews. She is 100% dedicated to serving clients in the public sector, specializing in the areas of internal audit, including risk assessment, policies and procedures, process improvement, performance, operational and compliance audits, and other areas of consulting.

Laura is the project director for the current State of Florida DEO Comprehensive Performance Audits of Small Business Development Incentives project and has been a part of the Core Team for state compliance services for more than 4 years.

In addition, Laura has extensive consulting experience providing internal accounts reviews and internal audit services for government clients.

**Professional affiliations and credentials**

- Certified Public Accountant, licensed in Florida
- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- Frequent speaker at multiple state and local government conferences such as GFOA, FGFOA, FSFOA, FASBO, IIA and more.

**Education**

- Master of Science, accounting, University of Central Florida
- Bachelor of Science, accounting, University of Central Florida

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**JILL REYES, CPA****Summary of Experience**

As a Director with RSM, Jill is responsible for leading client engagements, which includes planning, executing, quality review assurance, completion, and proactively interacting with engagement leadership, senior level management and external auditors. Jill also meets with Board and Audit Committee members regularly and monitors ongoing activities in order to effectively manage the project workplan and frequently communicate relevant information. In her current role, Jill delivers advice and consultation regarding the adequacy and operating effectiveness of the control environment and specific internal controls, business process improvement, compliance matters, and financial reporting matters. Jill provides consulting, financial and compliance audit services to a variety of public sector entities, with a focus on grants management and compliance. Her hands-on experience working with state and local government and other auditors has given her the skills necessary to consult, assess and implement practical business solutions in an ever-changing environment. She has been in public accounting since 2001, and is dedicated to the public sector industry, focusing primarily on state agencies, cities, counties, and school districts. She has also performed external audit services in accordance with Government Accounting Standards, Uniform Guidance, and various OMB Circulars. Jill participates on RSM's national public sector leadership team as a trainer, strategic thinker and thought content developer.

Jill has served on the DEO Core Team since the project's inception in 2013, is currently the Engagement Leader on the DEO Comprehensive Performance Audit of SBD Incentives project. Additionally, Jill's recent government / public sector clients served include:

- Brevard County Government
- Prince William County Government
- California Energy Commission
- City of Homestead, FL
- DC Water and Sewer Authority
- Florida Division of Emergency
- Florida Dept of Education
- Brevard County School District
- Broward County School
- Enterprise Florida
- City of Charlotte, NC
- Martin County Clerk of Courts
- Florida Dept of Economic
- State of Iowa

**Professional Affiliations and Credentials**

- Certified Public Accountant licensed in State of Georgia
- Certified Internal Auditor
- Certified Fraud Examiner
- Member of the American Institute of Certified Public Accountants
- Member of the Florida Institute of Certified Public Accountants
- Member Institute of Internal Auditors
- Member Association of Certified Fraud Examiners
- Frequent speaker at conferences and events on federal procurement regulations, compliance, risk assessment, fraud awareness, and hot topics in Internal Audit

**Education**

- B.S. in Accounting, Florida International University;
- Master of Business Administration, Florida Institute of Technology

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**JENNIFER MURTHA, CPA****Summary of experience**

Jennifer is a Partner and the National Leader in RSM's Public Sector risk consulting practice, with over 20 years of experience focusing on both external and internal audit services. She provides a full range of consulting and audit services for FL State and Local governments. Jennifer has assisted many clients in establishing internal audit functions from top to bottom, including creating charters and audit committees and organizational governance. She has led teams in financial, operational, and performance as well as compliance audits in many different areas of government. She has led fraud investigations and has represented her clients as an expert witness.

Jennifer is the client service leader for the DEO Comprehensive Performance Audit of SBD Incentives and has been on the Core Team for 6 years.

In addition, a partial listing of her public sector clients include:

- Prince William County – Jennifer is a part of the Core Team for the internal audit function at Prince William County, since inception in 2012.
- Arlington County – Jennifer has been a public sector technical resource and has performed the risk assessment and internal audit plan and quality assurance on the co-sourced internal audit activities since inception in 2014
- DC Water - Jennifer is a part of the Core Team for the internal audit function at DC Water. Since inception in 2014, the team has delivered a 3-year audit plan and numerous internal audits from the approved plan.
- School Board of Brevard County – Jennifer has been working with this client since she was a supervisor in 1999. She has been the manager on the engagement and now is the Director over the internal audit function reporting directly to the audit committee. RSM has performed numerous internal audits including cash management, grant compliance, PCard and numerous fraud investigations.
- Brevard County – since the inception (2000) of the audit function Jennifer has been Manager and Director in-charge of this engagement. Some of the high-risk functions RSM has audited include information technology, contract compliance, property control, purchasing, CDBG, parks and recreation, public works, cash, maintenance, facilities, and money collected.

**Professional affiliations and credentials**

- Certified public accountant, licensed in New York
- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Institute of Internal Auditors

**Education**

- Bachelor of Arts, finance, Catholic University of America

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***RITA CHEVALIER*****Summary of experience**

Rita has provided operational and compliance audits as well as Sarbanes-Oxley (SOX) services to clients across various industries including Government Agencies (Education and Transportation), Technology, Life Sciences, Consumer Products and Media. She has over nine years of professional services experience and comes from a Big Four where she served Fortune 100 and mid-cap clients.

Rita has robust experience supporting clients with ongoing SOX compliance. Rita is currently working with clients in evaluating their internal controls and identifying operating effectiveness in key business process areas as well as providing process enhancement recommendations. In her role, Rita has worked with engagement teams on assessing fiscal operation, potential fraud, waste, and mismanagement of resources. Rita is also currently providing integrity monitoring services of a construction program for one of the largest public transportation agencies. Rita has facilitated various risk assessments and provided Enterprise Risk Management (ERM) services to help organizations identify and assess top enterprise risks and implement ERM frameworks.

Additionally, Rita has managed teams through evaluating J-SOX and Internal Controls over Financial Reporting (ICFR) leveraging COSO. She also has experience performing business process design reviews; control design validation as well as governance function design. Rita has effectively supervised teams while ensuring service quality and client satisfaction.

**Professional affiliations and credentials**

- Project Management Professional
- Project Management Institute, New York City Chapter, education volunteer
- Institute of Internal Auditors

**Education**

- Bachelor of Business Administration, management, Adelphi University

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**STEPHANIE TANTILLO, CCA****Summary of experience**

Stephanie is a member of RSM's public sector risk advisory practice with a specific focus in construction risk advisory, where she is responsible for the execution of projects and supervision of staff, risks and controls, business process analysis, contract compliance services, risk management, and forensic investigations. Stephanie has over nine years of audit and consulting experience, including planning, supervising, and executing facilities and construction internal audits, contract compliance engagements, internal accounts audits and other consulting services.

Her project experience includes:

- Currently providing industry technical assistance to Integrity Oversight Monitoring over a \$1B construction program for one of the largest public transportation agencies, including review of subcontractor contracts, claims and disbursements.
- Currently supervising a team conducting monthly vendor and construction pay application reviews for a \$240M project
- Currently leading a team responsible for performing multi-year reviews of construction projects totaling more than \$121M of school district construction, identifying opportunities for process improvements, leading industry practice recommendations, and contract compliance and compliance with local and state requirements.
- Performed forensic cost recovery analysis for large scale construction projects and facilities management programs.
- Performed an assessment of the design of internal controls over construction planning, procurement, pay application and change order reviews, and closeout procedures for numerous private and governmental entities.

**Publications and presentations**

- Palm Beach County Chapter of the Institute of Internal Auditors—selected to present on construction risk management and audit topics at the chapter's annual construction conference
- Atlanta Chapter of the Institute of Internal Auditors—selected to present on construction risk management and audit topics
- Georgia Government Finance Officers Association—selected to present on construction contract and administration risk management and audit topics at the association's annual construction conference

**Professional affiliations and credentials**

- Certified Construction Auditor (CCA)
- Association of Certified Fraud Examiners
- The Institute of Internal Auditors

**Education**

- Bachelor of Science, construction management, Central Washington University

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***RYAN DALY, CPA*****Summary of experience**

Ryan has spent the entirety of his career at RSM. Ryan provides business risk consulting services with a primary focus on business processes and controls. Recently transferring from the assurance line of business, he performed most audit engagements with government and manufacturing clients. He planned, completed, and supervised audit procedures from the start of the engagement until the end product was presented. Ryan has also assisted clients with the implementation of revenue recognition standard ASC 606, as well as performed Single Audit procedures for government clients.

Ryan's experience also includes internal audit and other risk advisory services. He has worked on multiple clients in the public sector, including the Florida Division of Emergency Management, specifically dealing with Hurricane Irma expense reimbursements. Another being New Jersey Transit's Hoboken and MMC/ROC projects, dealing with procurement, disbursements and DBE, as well as the project management of both.

**Professional affiliations and credentials**

- Certified public accountant, Florida
- American Institute of Certified Public Accountants

**Education**

- Master of Science, accounting, Florida State University
- Bachelor of Science, accounting, Florida State University

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*SEAN MCCARTER, M.SC.*

### Summary of experience

Sean provides risk advisory consulting services to a variety of clients. He has experience working with manufacturing companies, many of which have gross revenues of over \$2 billion. As a part of this, Sean has overseen the testing of the validity and management of capital projects in order to assess and detect potential fraud risk.

He has experience involving the testing of vendor management controls in order to evaluate the effectiveness and controls of a client's manufacturing and procurement process, as well as performing internal audit functions, including control identification, walkthroughs, narratives and process flowcharting.

Sean also has been involved in a fraud assessment of a manufacturing company. During this assessment, walkthroughs on the floor of the manufacturing plant were performed in order to evaluate and identify control gaps that could increase the risk for fraud.

### Professional affiliations and credentials

- The Institute of Internal Auditors

### Education

- Master of Science, accountancy, University of North Carolina at Charlotte
- Bachelor in Business Administration, accounting, East Carolina University