

Firm Name: Grant Thornton LLP
 Engagement: PVSC Integrity Oversight Monitor EQ2015-001-PS
 For Quarter Ending: 12/31/2020

Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
A. General Info			
1.	Recipient of funding	Passaic Valley Sewerage Commission (PVSC)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	FEMA	
3.	State Funding (if applicable)	N/A	
4.	Award Type	FEMA 406 Restoration and 406 Mitigation Funding	
5.	Award Amount	\$446.1 million	
6.	Contract/Program Person/Title	E. David Barth, Grant Thornton Project Manager	
7.	Brief Description, Purpose and Rationale of Project/Program	<p>Passaic Valley Sewerage Commission has received federal FEMA funding in the amount \$446.1 million through 47 different Project Worksheets (PW). The scope of Grant Thornton's work is limited to 12 specific projects where the anticipated contract values would exceed \$5 million. As of December 31, 2020 eight (8) projects representing nine contracts exceeded the integrity monitoring threshold: Project #1 Temporary By-Pass Cabling - Travis A919 Contract; Project #2 Administration Controls Building - Fine Wall Contract; Project #3 Program Management Services - AECOM/HDR Contract; Project #4 Floodwall Engineering - STV-MottMacDonald Contract; Project #5 - Floodwall Construction - Railroad - Poscillico JV; Project #6 Standby Power Plant Engineering - Black & Veatch Contract; Project #7 Standby Power Plant Construction - Siemens Contract and Kyle Conti Contract and #9 Motor Controls Center - Tomar Construction.</p> <p>The work under Projects #8 Phase 2 Motor Repairs, #10 Motor / Pump Repairs, #11 PAC Motor Repairs, and #12 Additional By-Pass Cabling - Travis Contract B036 did not exceed the integrity monitoring threshold.</p>	
8.	Contract/Program Location	PVSC, 600 Wilson Avenue, Newark, NJ	
9.	Amount Expended to Date	As of December 31, 2020 the following payments (associated with the eight of the above referenced projects) have been made: Project #1 Travis - \$16,064,126; Project #2 Fine Wall - \$6,247,151; Project #3 AECOM/HDR - \$16,752,443; Project #4 STV-MottMacDonald - \$4,437,614; Project #5 Railroad-Poscillico JV - \$13,680,335; Project #6 Black & Veatch - \$5,070,132; Project #7 Siemens Energy - \$2,461,922 and Kyle Conti - \$3,904,413; and Project #9 Tomar Construction - \$15,158,968.	
10.	Amount Provided to other State or Local Entities	\$0	

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11.	Completion Status of Contract or Program	<p>The Completion Status for each of the eight projects, currently subject to our review, is as follows:</p> <p>#1) Temporary By-Pass Cabling - Travis contract. The work authorized under this contract has been completed. #2) Administration Controls Building - Finewall Construction. The work authorized under this contract has been completed. #3) Program Management Services - AECOM/HDR contract. The AECOM/HDR contract was awarded on February 13, 2015. The initial contract period was for two years. On March 16, 2017 PVSC extended the AECOM-HDR contract an additional two years. On March 12, 2019 PVSC authorized Contract Amendment #8 extending the contract an additional two years to April 5, 2021. #4) Floodwall Engineering - STV/Mott MacDonald (MM) contract. The contract award was authorized on September 20, 2016. The contract was executed on November 14, 2016. As of December 31, 2020, STV - MM is currently providing construction management services. #5) Floodwall Construction - Railroad - Poscillico Joint Venture contract. The construction contract was awarded in the amount of \$225,900,000. The Notice to Proceed issued on March 4, 2020. Construction work is underway with the contractor installing sheet metal bulkhead below the pile caps along the base on the floodwall. The construction schedule was impacted due to COVID-19 site restrictions. #6) Standby Power Plant Engineering - Black & Veatch contract. The contract award was authorized on July 14, 2016 with the contract being executed on October 20, 2016. Engineering design for the generators and site prep work has been completed with acquisition and construction contracts awarded. Final design of the Standby Power Plant construction is pending final approval and advertising.</p> <p>#7a) Standby Power Plant Construction (Site Prep) - Kyle Conti Construction contract. The contract was awarded in the amount of \$5,496,000. As of December 31, 2020 Kyle Conti Construction completed the Site Prep work. #7b) Standby Power Plant Construction (Turbine Acquisition) - Siemens Energy contract. On May 16, 2019 PVSC recommended the award of the turbine generator acquisition to Siemens Energy. The generator purchase award totaled \$51,466,049. Fabrication of the generators is continuing. #9) Motor Controls Center - Tomar Construction contract. The construction contract award was authorized by PVSC on October 12, 2017. As of December 31, 2020 Tomar had completed the replacement and/or relocation of electrical switchgear and motor controls at the following plant locations: Primary Clarifiers, Final Clarifiers, Return and Waste Sludge Pump Stations, OEM Building, Zimpro Boiler Motor Controls, and Old Sludge Pump Station. The anticipated completion is January 2022 which was extended due to COVID-19 impacts.</p>	
12.	Expected Contract End Date/Time Period	<p>The contract end dates for the eight projects currently subject to our review are as follows: #1) Travis - March 22, 2016; #2) Fine Wall - October 28, 2016; #3) AECOM/HDR - April 5, 2021; #4) STV-MottMacDonald JV - May 1, 2021; #5) Railroad-Poscillico Joint Venture - April 2024; #6) Black & Veatch - June 30, 2020; #7 Siemens Energy - June 10, 2021 and Kyle Conti - February 3, 2020; and #9) Tomar Construction - October 2, 2021. The contract end date for the Kyle Conti contract was extended for change orders and due to the COVID-19 closure.</p>	

B. Monitoring Activities

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13.	If FEMA funded, brief description of the status of the project worksheet and its support.	<p>Grant Thornton is currently monitoring six active projects. Funding is provided primarily through two Project Worksheets (PW):</p> <p>PW 4701 (Substations and Cables) supported the Temporary By-Pass Cabling Project (Travis contract); and supports ongoing Program Management Services (AECOM-HDR contract); Floodwall Engineering (STV-MottMacDonald contract); Floodwall Construction (Railroad Construction - Poscillico JV contract); Standby Power Plant Engineering (Black & Veatch contract); Standby Power Plant Construction - Generator Acquisition (Siemens Energy contract) and Standby Power Plant Construction - Site Prep (Kyle Conti Construction contract) and Motor Controls Center Construction (Tomar Construction contract). The authorized/eligible amount for PW 4701 is \$406.9 million.</p> <p>PW 4803 (Administration Controls Building) supported the Administration Building Reconstruction (Finewall Construction contract). PW 4803's authorized amount is \$12.2 million. PVSC is in the process of closing this project worksheet.</p>	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	<p>Grant Thornton's activities during this quarter were limited to virtual attendance at the Bi-Weekly FEMA Coordination Meetings, Monthly Design Progress Meetings for the Standby Power Plant Engineering and the Construction Progress Meeting for the Floodwall Construction and Motor Controls Center.</p> <p>During the quarter Grant Thornton communicated on a monthly basis the status of its' monitoring activities to the Treasury Integrity Monitor Liaison.</p> <p>During the quarter Grant Thornton met with PVSC and others on the following dates: October 2, 2020 - PVSC Engineering, AECOM-HDR, STV-MM, PS&S, Jacobs Engineering, and NJDEP; October 14, 2020 - PVSC Engineering, AECOM-HDR, NJOEM and NJDEP; November 4, 2020 - PVSC Engineering, AECOM-HDR, STV-MM, PS&S, Jacobs Engineering, and NJDEP; December 1, 2020 - PVSC Engineering, AECOM-HDR, STV-MM, PS&S, Jacobs Engineering, and NJDEP; December 9, 2020 - PVSC Engineering, AECOM-HDR, FEMA, NJOEM and NJDEP.</p>	
15.	Brief Description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	<p>PVSC has provided Grant Thornton copies of Travis, Fine Wall, AECOM/HDR, STV-MottMacDonald, Railroad-Poscillico JV, Black & Veatch, Siemens Energy, Kyle Conti Construction and Tomar Construction invoices and supporting documentation. With this information Grant Thornton was able to confirm PVSC's compliance with FEMA and/or State administrative grant requirements and processes; and identify any issues that represented potential loss of Federal reimbursements.</p>	

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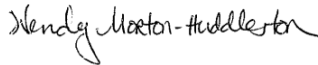
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16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	During the Quarter Grant Thornton continued to monitor the AECOM-HDR (Program Management Services), STV-MottMacDonald (Floodwall Engineering) and Black and Veatch (Standby Power Plant Engineering) engineering contracts to verify compliance with contract pricing and/or deliverables. Grant Thornton initiated its review of the construction contract invoices for Railroad - Poscillico JV and continued its review of the invoice submissions from Kyle Conti Construction for the Standby Power Plant Site Prep contract and Tomar Construction for the Motor Controls Center contract; and continued its monitoring of the contractor's performance and construction progress.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	In aggregate, as of December 31, 2020, Grant Thornton has reviewed 169 of 169 Travis (A919) invoices; 19 of 19 Fine Wall invoices; 59 of 61 AECOM/HDR invoices; 22 of 22 STV-MottMacDonald invoices; 6 of 8 Railroad-Poscillico JV invoices; 21 of 22 Black & Veatch invoices; 12 of 13 Kyle Conti invoices; 1 of 1 Siemens Energy invoice; and 25 of 28 Tomar invoices. The total value of the 169 reviewed Travis invoices represents \$16.1 million. The total value of the 19 Fine Wall reviewed invoices is \$6.2 million. The total value of the 59 AECOM/HDR invoices represents \$15.9 million. The total value of the 21 STV-MottMacDonald invoices represent \$4.3 million. The total value of the 6 Railroad-Poscillico JV invoice represents \$9.2 million. The total value of the 22 Black & Veatch invoices represent \$5.1 million. The total value of the 12 Kyle Conti invoices represent \$3.9 million. The total value of the 1 Siemens Energy invoice totals \$2.4 million. The total value of the 25 Tomar invoices represent \$12.6 million.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	During the Quarter Grant Thornton worked with PVSC Engineering and Finance staff to review and reconcile the supporting documentation associated with our invoice reviews.. PVSC has provided Grant Thornton the requested documentation. All questions have been answered.	
19.	Provide details of any integrity issues/findings	None noted	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	During this quarterly period Grant Thornton's construction oversight was limited due to COVID restriction of onsite presence. All progress meeting were held virtually.	

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21.	Provide details on any other items of note that have occurred in the past quarter	PVSC continues to provide Grant Thornton access to its procurement, financial and administrative files necessary to perform our reviews. During the past Quarter construction of the Floodwall Protection System and Motor Controls Center is continuing after a four month delay associated with COVID-19 site restriction. Construction work on Plant Wide PW Improvements (\$16 million) through contracts with Cherokee 8A has been completed; and a second contract for Plant Wide PW Improvements was awarded to Riggs Distiller with an estimated cost of \$10 million. Engineering design work (\$7.1 million) has completed by Black and Veatch for Advanced Electrical Repairs; and PVSC is scheduling the advertising for construction bids on the Phase 1 of the Advanced Electrical Repairs (\$76.0 million). PVSC has rebid the Replacement of the Underground Electric Cables and Utility Tunnel Bulkheads. The construction cost estimate is \$71 million. None of these five projects are within the current scope of Grant Thornton's integrity monitoring contract. .	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	No action has been taken or been necessary during the quarter.	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See Attached Time and Expense Report. During the quarter Grant Thornton provided a total of 144.25 hours for a cost of \$19,651.98 Travel related expenses were \$0.00 during the Quarter due to restrictions associated with the COVID-19 Pandemic.	
24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	Based on our review of PVSC's financial and administrative processes, we concluded that PVSC's processes are appropriate for complying with FEMA grant management requirements and NJOEM standards. Proper controls appear to be in place to minimize the risk of deobligation of federal funds; duplication of benefits; process and payment errors; and waste, fraud and abuse. In aggregate PVSC has submitted a total of 154 Time Extension Requests on 41 PWs . All have been submitted on a timely basis and as necessary. As of December 31, 2020, all Time Extension Requests had been approved by FEMA. PVSC has submitted 26 PW Closeout Requests to NJOEM. As of December 31, 2020, 11 PWs have been closed by NJOEM and FEMA, another 9 are pending FEMA's review, with the remaining 6 pending NJOEM approval.	

Name of Integrity Monitor:	Grant Thornton LLP
Name of Report Preparer:	Wendy Morton-Huddleston
Signature:	

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	Date:	1-Apr-21	