Request for Quotation

For: Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for Coronavirus Relief Funds pursuant to Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act COVID-19 Recovery Funds and Programs

Event	Date	Time
Request for Quote Submission Due Date	09/25/20	12:00 PM

Dates are subject to change. All times contained in the Request for Quote refer to Eastern Time. All changes will be reflected in Bid Amendments to the Request for Quote posted on Using Agency website.

Request For Quote Issued By:

State of New Jersey
Department of the Treasury
Division of Administration
PO Box 211
Trenton, NJ 08625

Using Agencies:

State of New Jersey
Department of the Treasury
Cooperative Purchasing Members

Date: September 11, 2020

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1.0 INFORMATION FOR BIDDERS

NOTICE: ***The Bidder is advised to thoroughly read all sections and follow all instructions contained in this Request for Quote (RFQ) before preparing and submitting its Quote. See Section 2.0 for Definitions.***

Please be advised that in accordance with P.L. 2018, c. 9, also known as the Diane B. Allen Equal Pay Act, which was signed in to law by Governor Phil Murphy on April 24, 2018, a contractor performing "qualifying services" or "public work" to the State or any agency or instrumentality of the State shall provide the Commissioner of Labor and Workforce Development a report regarding the compensation and hours worked by employees categorized by gender, race, ethnicity, and job category. For more information and report templates see https://nj.gov/labor/equalpay/equalpay.html.

1.1 PURPOSE AND INTENT

This RFQ is issued by the Department of the Treasury. The purpose of this RFQ is to solicit Quotes from interested qualified firms who can provide Program and Process Management Monitoring, Financial Auditing and Grant Management and Integrity Monitoring/Anti-Fraud support services for the disbursement of Coronavirus Relief Funds pursuant to section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The intent of this RFQ is to award a Contract to those responsible Bidders whose Quotes, conforming to this RFQ are most advantageous to the State, price and other factors considered in the following three areas of expertise: (1) Program and Process Management Monitoring; (2) Financial Auditing and Grant Management; and (3) Integrity Monitoring/Anti-fraud service from which any State department, agency or authority or any Cooperative Purchasing Partner may select a qualified Contractor selected through this RFQ pursuant to an Engagement Process as defined in Section 1.3 below. The State may award contracts for all or some of the services. The State, however, reserves the right to separately procure individual requirements that are the subject of the Contract during the Contract term, when deemed by the Director of the Division of Purchase and Property (Director) to be in the State's best interest.

Award of the Contracts will be to those qualified Bidders whose Quotes, conforming to the RFQ, are most advantageous to the State, price and other factors considered. Bidders may be qualified in more than one area of expertise.

The State of NJ Standard Terms and Conditions (SSTC) and Waivered Supplement to the SSTC accompanying this RFQ will apply to all Contracts made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFQ and should be read in conjunction with them unless the RFQ specifically indicates otherwise.

1.2 BACKGROUND

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. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, H.R. 748, ("CARES Act") was enacted to provide economic stimulus in response to the global pandemic caused by COVID-19, (COVID-19 Recovery Funds). The CARES Act, among other things, established the Coronavirus Relief Fund pursuant to Section 5001 thereof to assist State,

Local and Tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency incurred between March 1, 2020 and December 30, 2020.

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") and the Governor's Disaster Recovery Office (GDRO). The purpose of the Taskforce is to advise State departments, agencies and instrumentalities (COVID-19 Recovery Program Participants, referred to in this RFQ as "Using Agencies") that receive or administer COVID-19 Recovery Funds regarding compliance with federal and State law and how to mitigate the risks of waste, fraud, and abuse.

Pursuant to EO 166, the Taskforce has issued guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors ("Integrity Monitors"). Using Agencies may retain and appoint Integrity Monitors to oversee the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program. See Integrity Oversight Monitor Guidelines at Attachment 1. 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.

EO 166 requires Using Agencies to identify an Accountability Officer to serve as central point of contact for tracking COVID-19 funds within each agency or authority and is responsible for working with and serving as a direct point of contact for the GDRO and the Taskforce.

The creation of a pool of qualified Integrity Monitors through the issuance of this RFQ will support monitoring and oversight and ensure that Using Agencies administer Coronavirus Relief 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.

1.3 ENGAGEMENT PROCESS

The retention of an Integrity Monitor by a Using Agency from the pool of Contractors established pursuant to this RFQ, will follow the below process:

- 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 Manager services are required.

- The Agency Contract Manager will develop an Engagement Query on an individual basis. The Engagement Query will include a detailed scope of work; 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.

- Integrity Monitors awarded a Contract as a result of this RFQ 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, 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 Letter of Engagement

1.3.1 SUBMISSION OF QUOTES

In order to be considered for award, the Quote must be received by the State at the designated time and place.

QUOTES NOT RECEIVED PRIOR TO THE QUOTE OPENING DEADLINE SHALL BE REJECTED. THE DATE AND TIME OF THE QUOTE OPENING IS INDICATED ON THE RFQ COVER SHEET.

IF THE QUOTE OPENING DEADLINE HAS BEEN REVISED, THE NEW QUOTE OPENING DEADLINE SHALL BE SHOWN ON THE POSTED ADDENDUM.

1.4 ADDITIONAL INFORMATION

1.4.1 BIDDER RESPONSIBILITY

The Bidder assumes sole responsibility for the complete effort required in submitting a Quote in response to this RFQ. No special consideration will be given after Quotes are opened because of a Bidder's failure to be knowledgeable as to all of the requirements of this RFQ.

1.4.2 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a Bidder in the preparation and submittal of a Quote in response to this RFQ.

1.4.3 CONTENTS OF QUOTE

Quotes can be released to the public pursuant to N.J.A.C. 17:12-1.2(b) and (c), or under the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1.1 et seq., or the common law right to know.

After the opening of sealed Quotes, including Quotes submitted electronically, all information submitted by a Bidder in response to a RFQ is considered public information notwithstanding any disclaimers to the contrary submitted by a Bidder. Proprietary, financial, security and confidential information may be exempt from public disclosure by OPRA and/or the common law when the Bidder has a good faith legal/factual basis for such assertion.

When the RFQ contains a negotiation component, the Quote will not be subject to public disclosure until a notice of intent to award a Contract is announced.

As part of its Quote, a Bidder may designate any data or materials it asserts are exempt from public disclosure under OPRA and/or the common law, explaining the basis for such assertion. The location in the Quote of any such designation should be clearly stated in a cover letter.

The State reserves the right to make the determination as to what is proprietary or confidential, and will advise the Bidder accordingly. Any proprietary and/or confidential information in a Quote will be redacted by the State. **The State will not honor any attempt by a Bidder to designate its entire Quote and/or prices as proprietary, confidential and/or to claim copyright protection for its entire Quote.** Copyright law does not prohibit access to a record which is otherwise available under OPRA. In the event of any challenge to the Bidder's assertion of confidentiality with which the State does not concur, the Bidder shall be solely responsible for defending its designation, but in doing so, all costs and expenses associated therewith shall be the responsibility of the Bidder. The State assumes no such responsibility or liability.

A Bidder shall not designate any price lists and/or catalogs submitted as exempt from public disclosure as the same must be accessible to State Using Agencies and Cooperative Purchasing Program participants (if the RFQ has been extended to these participants) and thus must be made public to allow all eligible purchasing entities access to the pricing information.

1.4.4 ELECTRONIC SIGNATURES

Bidders submitting Quotes electronically may sign the forms required with the Quote, or required before Contract award, by electronically by typing the name of the authorized signatory in the "Signature" block as an alternative to downloading, physically signing the form, scanning the form, and uploading the form.

2.0 DEFINITIONS

2.1 GENERAL DEFINITIONS

All-Inclusive Hourly Rate – An hourly rate comprised of all direct and indirect costs including, but not limited to: labor costs, overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

Addendum – Written clarification or revision to this RFQ issued by the Using Agency. Bid Amendments, if any, will be issued prior to Quote opening due date.

Bidder – An entity offering a Quote in response to the Using Agency's RFQ.

Business Day - Any weekday, excluding Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Calendar Day – Any day, including Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Change Order – An amendment, alteration or modification of the terms of a Contract between the State and the Contractor(s). A Change Order is not effective until it is signed and approved in writing by the Director or Deputy Director, Division of Purchase and Property.

Cooperative Purchasing Program – The Division's intrastate program that provides procurement-related assistance to New Jersey local governmental entities and boards of education, State and county colleges and other public entities having statutory authority to utilize select State Blanket P.O.s issued by the División pursuant to the provisions of N.J.S.A. 52:25-16 et seq.

Contract – The Contract consists of the State of NJ Standard Terms and Conditions (SSTC), the RFQ, the responsive Quote submitted by a responsible Bidder as accepted by the State, the notice of award, any subsequent written document memorializing the agreement, any modifications to any of these documents approved by the State and any attachments, Bid Amendment or other supporting documents, or post-award documents including Change Orders agreed to by the State and the Contractor, in writing.

Contractor – The Bidder awarded a Contract resulting from this RFQ.

Days After Receipt of Order (ARO) - The number of calendar days 'After Receipt of Order' in which the Using Agency will receive the ordered materials and/or services.

Director – Director, Division of Purchase and Property, Department of the Treasury, who by statutory authority is the Chief Contracting Officer for the State of New Jersey.

Discount - The standard price reduction applied by the Bidder / Contractor to all items.

Division – The Division of Purchase and Property.

Evaluation Committee – A committee established or Using Agency staff member assigned by the Director to review and evaluate Quotes submitted in response to this RFQ and recommend a Contract award to the Director.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies,

managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs.

May – Denotes that which is permissible or recommended, not mandatory.

Must – Denotes that which is a mandatory requirement.

No Bid – The Bidder is not submitting a price Quote for an item on a price line.

No Charge – The Bidder will supply an item on a price line free of charge.

Project – The undertakings or services that are the subject of this RFQ.

QRGs – Quick Reference Guides.

Quote – Bidder's timely response to the RFQ including, but not limited to, technical Quote, price Quote, and any licenses, forms, certifications, or other documentation required by the RFQ.

Request For Quotes (RFQ) – This series of documents, which establish the bidding and contract requirements and solicits Quotes to meet the needs of the Using Agencies as identified herein, and includes the RFQ, State of NJ Standard Terms and Conditions (SSTC), price schedule, attachments, and Bid Amendments.

Shall – Denotes that which is a mandatory requirement.

Should – Denotes that which is permissible or recommended, not mandatory.

Small Business – Pursuant to N.J.A.C. 17:13-1.2, "small business" means a business that meets the requirements and definitions of "small business" and has applied for and been approved by the New Jersey Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit as (i) independently owned and operated, (ii) incorporated or registered in and has its principal place of business in the State of New Jersey; (iii) has 100 or fewer full-time employees; and has gross revenues falling in one (1) of the three (3) following categories: For goods and services - (A) 0 to $500,000 (Category I); (B) $500,001 to $5,000,000 (Category II); and (C) $5,000,001 to $12,000,000, or the applicable federal revenue standards established at 13 CFR 121.201, whichever is higher (Category III); For construction services: (A) 0 to $3,000,000 (Category IV); (B) gross revenues that do not exceed 50 percent of the applicable annual revenue standards established at 13 CFR 121.201 (Category V); and (C) gross revenues that do not exceed the applicable annual revenue standards established at CFR 121.201, (Category VI).

State – The State of New Jersey.

State Contract Manager (SCM) – The State employee responsible for overall management of the contract as set forth in Section 8.0. The SCM cannot direct or approve a Change Order.

State-Supplied Price Sheet – the bidding document created by the State and attached to this RFQ on which the Bidder submits it Quote pricing as is referenced and described in RFQ Section 4.1.4.

Subtasks – Detailed activities that comprise the actual performance of a task.

Subcontractor – An entity having an arrangement with a Contractor, whereby the Contractor uses the products and/or services of that entity to fulfill some of its obligations under its State Contract, while retaining full responsibility for the performance of all the Contractor's obligations under the Contract, including payment to the Subcontractor. The Subcontractor has no legal relationship with the State, only with the Contractor.

Task – A discrete unit of work to be performed.

Unit Cost – All-inclusive, firm fixed price charged by the Bidder for a single unit identified on a price line.

Using Agency[ies] – A State department or agency, a quasi-State government entity or a Cooperative Purchasing Program participant, authorized to purchase products and/or services under a Blanket P.O. procured by the Division.

2.2 CONTRACT -SPECIFIC DEFINITIONS/ACRONYMS

Accountability Officer - a senior level official designated by a COVID-19 Recovery Program Participant who shall serve as its primary liaison to the GDRO and OSC, and who shall oversee the disbursement of COVID-19 Recovery Funds and the administration of COVID-19 Recovery Programs.

Agency Contract Manager – The State employee responsible for managing the Contractor for the Using Agency. The Agency Contract Manager's responsibilities are set forth in Section 1.3.

Coronavirus Relief Funds (CRF) – funds awarded to the State pursuant to Section 5001 of the Coronavirus Aid, Relief and Economic Security Act. Pub. L. 116-136 incurred during the period that begins on March 1, 2020 and ends on December 30, 2020 to assist the State with economic recovery from the COVID-19 pandemic.

COVID-19 Recovery Funds - funds award to the State pursuant to the Coronavirus Aid, Relief and Economic Security Act, Pub. L. 116-136 or subsequent federal legislation to assist the State with economic recovery from the COVID-19 pandemic.

COVID-19 Recovery Programs - eligible and planned uses of any funds disbursed by the federal or State government to help New Jersey residents, businesses, non-profit organizations, government agencies, and other entities respond to or recover from the COVID-19 pandemic.

COVID-19 Recovery Program Participants – Using Agencies that receive or administer COVID-19 Recovery Funds or administers a COVID-19 Recovery Program.

Engagement - The retention of an Integrity Monitor by a Using Agency from the pool of Contractors established pursuant to this RFQ**.**

Engagement Process – The process for selecting a Contractor to provide integrity monitoring services described in Section 1.3.

Engagement Query – A detailed scope of work that includes specific performance milestones, timelines, and standards and deliverables that the Agency Contract Manager will submit 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 and request for competitive price quotes for all or some of the services listed under this RFQ.

GDRO – The Governor's Disaster Recovery Office

GSA – United States General Services Administration

Letter of Engagement - A letter sent from the State to begin a specific integrity monitoring project. The Letter of Engagement will include: (1) a detailed scope of work with specific performance

milestones, timelines, standards and deliverables appropriate to the specific COVID-19 Recovery Program or expenditure of COVID-19 Funds; (2) a ‘not to exceed” clause; and (3) a liquidated damages provision for failure to meet any required milestones, timelines or standards or deliverables.

OMB – State of New Jersey Office of Management and Budget.

OSC – The Office of the State Comptroller

SME – Subject Matter Expert.

3.0 SCOPE OF WORK – REQUIREMENTS OF THE CONTRACTOR

Engagements will be assigned by written Letter of Engagement containing a specific and detailed scope of work, with pricing based on a not to exceed clause pursuant to the selection of a qualified Contractor who through the Engagement Process and whose response to the Engagement Query is most advantageous to the State, price and other factors considered.

3.1 GENERAL TASKS

For each Engagement, the Tasks of the Contractor shall include, at minimum:

- Initial and ongoing risk assessments;
- Evaluation of project performance;
- Evaluation of internal controls associated with the Using Agency's financial management, cash management, acquisition management, property management, and records management capabilities;
- Validation of compliance with sub-grant award and general terms and special conditions;
- Review of 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;
- Interviews of Using Agency 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 of 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;
- Ensuring that the Using Agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement;
- Following up with questions regarding specific funding decisions, and review decisions related to emergency situations;
- Facilitating the exchange of ideas and promote operational efficiency;
- Identifying present and future needs; and
- Promoting cooperation and communication among Integrity Monitors engaged by other Using Agencies (*e.g.,* to guard against duplication of benefits).

In addition, Contractors shall conduct on-site monitoring visits if it finds:

- Non-compliance with reporting requirements;
- Problems identified in quarterly progress or financial reports;
- A History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-risk designation;
- A failure by the Using Agency to follow-up on prior monitoring findings; and
- Allegations of misuse of funds or receipt of complaints.

3.1.1 SPECIFIC TASKS BY CATEGORY

3.1.1.1 CATEGORY 1 - PROGRAM AND PROCESS MANAGEMENT AUDITING

Contractors shall provide all of the following services including, but not limited to:

a) Development of processes, controls and technologies to support the execution of Section 5001 of the CARES Act funded programs in compliance with Federal and State guidance, including OMB Circulars;

b) Review and improve procedures addressing financial management;

c) Workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies;

d) Consulting services to support account reconciliations;

e) Quality assurance reviews and assessments associated with the payments process to ensure that they are in compliance with Federal and State regulations;

f) Risk analysis and identification of options for risk management for the Federal and State grant payment process;

g) Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process; and

h) Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards under Section 5001 of the CARES Act and other federal funding, as applicable.

3.1.1.2 CATEGORY 2 – FINANCIAL AUDITING AND GRANT MANAGEMENT

Contractors in this category must be able to provide all the following services including, but not limited to:

a) 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;

b) 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;

c) Provide tools to be used by Using Agencies for the assessment of the performance of the financial transaction processes;

d) Monitor all grant management, accounting, budget management, and other business office functions regularly;

e) Provide and\or identify training for staff in the area of detection and prevention of fraud, waste and abuse; and

f) Ensure compliance with all applicable Federal and State accounting and financial reporting requirements.

3.1.1.3 CATEGORY 3 - INTEGRITY MONITORING/ANTI-FRAUD

Contractors selected from this pool must be able to provide all the following services including, but not limited to:

a) Forensic accounting and all specialty accounting services;

b) Continuing risk assessments and loss prevention strategies;

c) Performance and program monitoring and promotion of best practices as applicable to each Letter of Engagement issued under this Contract;

d) Prevention, detection and investigation of fraud and misconduct;

e) Implementation and management of appropriate compliance systems and controls required by State and Federal governing guidelines, regulations and law;

f) Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.

The Contractor should have the ability to provide integrity monitoring services for professional specialties such as engineering and structural integrity services, etc. either directly or through a subcontractor relationship.

3.1.2 DELIVERABLES AND DUE DATES

3.1.3 DELIVERABLES

Using the uniform template report attached at Attachment 2, for each Engagement, the Contractor shall provide the following to the Using Agency:

1) Draft quarterly reports which shall be due on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste fraud or abuse.

2) Final quarterly reports, including of any comments from the Using Agency to the State Treasurer, which shall be shared with the GDRO, the Senate President, Speaker of the General Assembly, the Attorney General and the State Comptroller; and

3) Any additional reporting requirements included in the Letter of Engagement

3.1.4 DELIVERABLE DUE DATES

The Contractor shall provide a deliverable schedule as requested by each Using Agency for each Letter of Engagement.

3.1.5 REPORTING AND DOCUMENTATION

The Contractor shall provide and submit to the Using Agency, and the State Contract Manager, all reports and documents as may be necessary to document any services provided including, but not limited to, auditing, compliance, integrity monitoring, oversight and fraud detection and prevention, in accordance with applicable Federal CARES Act, and State requirements.

The Contractor shall retain all records, documents, and communications of any kind (including electronic in disk or print form) that relate in any manner to the award and performance of this contract as required by State and Federal regulations.

The Contractor shall maintain all records related to products, transactions or services under this contract for a minimum period of five (5) years from the date of final payment. Such records shall be made available to the New Jersey Office of the Comptroller, for audit and review, upon request

pursuant to N.J.A.C. 17:44-2.2 and disclose to other parties for audit and review. Record retention beyond the five (5) year mark may be necessary and will be directed by the State.

The Contractor shall be responsible for providing protective storage of daily or disaster-related documents and reports used during the provision of services under this RFP, including but not limited to, audit, compliance, integrity monitoring, oversight and fraud detection and prevention and shall make any documents held available to the State upon request.

3.2 LITIGATION SERVICES

The Contractor(s) shall, at its own cost, fully cooperate with the State and provide all documentation and/or working papers necessary to represent and defend the State and any of its political sub-divisions at its own cost, in any matter before any federal, state or local regulatory agency if any agency files a proceeding against the State or any of its political sub-divisions resulting from the implementation of the contractor(s) recommendations.

3.3 TRAVEL EXPENSES AND REIMBURSEMENTS

Travel expenses and reimbursements shall be paid to the Contractor in accordance with Circular 20-04-OMB as follows:

The Contractor agrees to adhere to the General Services Administration (GSA) published travel rules and rates to include disaster specific amendments in accordance with the Federal Travel Regulations. Reimbursable expenses shall be limited to the following:

a) Coach class air fare purchased at the lowest reasonably available rate and baggage fees, to include consultant deployment and demobilization travel;

b) Meals limited to the maximum current GSA per diem rate (receipts not required but will be supplied funding agencies require same)

c) Lodging limited to the maximum current GSA per diem rate to include GSA approved lodging waivers;

d) Rotation airfare for Contractor employees or approved sub-consultants/subcontractors will be reimbursed based on the consultant travel policy which limits each individual to a maximum of one (1) extended weekend trip every two (2) weeks, with up to one (1) trip up every quarter being a trip that can extend up to a week in duration; coach class air fare purchased at the lowest reasonably available rate plus baggage fees. Additional rotations or extensions of rotation duration may also be allowed outside of this rotation policy if deemed cost-effective or for client-recognized holidays, as long as they are approved by the State; and

e) Mileage for Contractor privately owned vehicles at the current New Jersey rate of 35 cents per mile.

4.0 QUOTE PREPARATION AND SUBMISSION – REQUIREMENTS OF THE BIDDER

Failure to submit information as indicated below may result in your Quote being deemed non-responsive.

4.1 GENERAL

A Bidder may submit additional terms as part of its Quote and Quotes including Bidder proposed terms and conditions may be accepted, but Bidder proposed terms or conditions that conflict with those contained in the RFQ as defined in Section 2.0, or that diminish the State's rights under any Contract resulting from the RFQ, may render a Quote non-responsive. It is incumbent upon the Bidder to identify and remove its conflicting proposed terms and conditions prior to Quote submission.

After award of the Contract, if a conflict arises between a Bidder's additional terms included in the Quote and a term or condition of the RFQ, the term or condition of the RFQ will prevail.

The forms discussed herein and required for submission of a Quote in response to this RFQ are available on the Division's website unless noted otherwise.

4.1.1 FORMS, REGISTRATIONS AND CERTIFICATIONS REQUIRED WITH QUOTE

Bidders are under a continuing obligation to report updates to the information contained in its required forms.

4.1.1.1 OFFER AND ACCEPTANCE PAGE

The Bidder shall complete and submit the Offer and Acceptance Page accompanying this RFQ prior to the initiation of negotiation. The Bidder should submit the Offer and Acceptance Page with the Quote.

If the Offer and Acceptance Page is not submitted with the Quote or is incomplete, the Using Agency will require the Bidder to submit the Offer and Acceptance Page. If the Bidder fails to comply with the requirement within seven (7) business days of the demand, the Using Agency may deem the Quote non-responsive.

The Offer and Acceptance Page must be signed by an authorized representative of the Bidder. If the Bidder is a limited partnership, the Offer and Acceptance Page must be signed by a general partner.

4.1.1.1.1 MACBRIDE PRINCIPLES CERTIFICATION

The Bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it is in compliance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of its compliance with those principles. See Section 2.5 of the SSTC and N.J.S.A. 52:34-12.2 for additional information about the MacBride principles.

By signing the RFQ Offer and Acceptance Page, the Bidder is automatically certifying that either:

A. The Bidder has no operations in Northern Ireland; or

B. The Bidder has business operations in Northern Ireland and is committed to compliance with the MacBride principles.

A Bidder electing not to certify to the MacBride Principles must nonetheless sign the RFQ Offer and Acceptance Page AND must include, as part of its Quote, a statement indicating its refusal to comply with the provisions of this Act.

4.1.1.1.2 NON-COLLUSION

By submitting a Quote and signing the RFQ Offer and Acceptance Page, the Bidder certifies as follows:

A. The price(s) and amount of its Quote have been arrived at independently and without consultation, communication or agreement with any other Contractor / Bidder or any other party;

B. Neither the price(s) nor the amount of its Quote, and neither the approximate price(s) nor approximate amount of this Quote, have been disclosed to any other firm or person who is a Bidder or potential Bidder, and they will not be disclosed before the Quote submission;

C. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this Contract, or to submit a Quote higher than this Quote, or to submit any intentionally high or noncompetitive Quote or other form of complementary Quote;

D. The Quote of the firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive Quote; and

E. The Bidder, its affiliates, subsidiaries, officers, directors, and employees are not, to the Bidder's knowledge, currently under investigation by any governmental agency for alleged conspiracy or collusion with respect to bidding on any public Contract and have not in the last five (5) years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public Contract.

4.1.1.1.3 NEW JERSEY BUSINESS ETHICS GUIDE CERTIFICATION

The Treasurer has established a business ethics guide to be followed by Bidders / Contractors in its dealings with the State. The guide provides further information about compliance with Section 2.7 of the SSTC. The guide can be found at: https://www.state.nj.us/treasury/purchase/ethics.shtml

By signing the RFQ Offer and Acceptance Page, the Bidder is automatically certifying that it has complied with all applicable laws and regulations governing the provision of State goods and services, including the Conflicts of Interest Law, N.J.S.A. 52:13D-12 to 28.

4.1.1.2 STANDARD FORMS REQUIRED WITH THE QUOTE

Bidder's failure to complete, sign and submit the forms in Section 4.1.1.2 shall be cause to reject its Quote as non-responsive.

4.1.1.2.1 OWNERSHIP DISCLOSURE FORM

Pursuant to N.J.S.A. 52:25-24.2, in the event the Bidder is a corporation, partnership or limited liability company, the Bidder must complete an Ownership Disclosure Form.

A current completed Ownership Disclosure Form must be received prior to or accompany the submitted Quote. A Bidder's failure to submit the completed and signed form with its Quote will result in the rejection of the Quote as non-responsive and preclude the award of a Contract to said Bidder unless the Division has on file a signed and accurate Ownership Disclosure Form dated and

received no more than six (6) months prior to the Quote submission deadline for this procurement. If any ownership change has occurred within the last six (6) months, a new Ownership Disclosure Form must be completed, signed and submitted with the Quote.

In the alternative, to comply with this section, a Bidder with any direct or indirect parent entity which is publicly traded may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10 percent or greater beneficial interest. N.J.S.A. 52:25-24.2.

The Ownership Disclosure Form located on the Division's website.

4.1.1.2.2 DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM

Pursuant to N.J.S.A. 52:32-58, the Bidder must utilize this Disclosure of Investment Activities in Iran form to certify that neither the Bidder, nor one (1) of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither the Bidder, nor one (1) of its parents, subsidiaries, and/or affiliates, is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the Bidder is unable to so certify, the Bidder shall provide a detailed and precise description of such activities as directed on the form. A Bidder's failure to submit the completed and signed form with its Quote will result in the rejection of the Quote as non-responsive and preclude the award of a Contract to said Bidder.

The Disclosure of Investment Activities in Iran form located on the Division's website.

4.1.1.3 SUBCONTRACTOR UTILIZATION PLAN

Bidders intending to use a Subcontractor shall submit a Subcontractor Utilization Plan form and should indicate whether any proposed Subcontractor is a Small Business.

As defined at N.J.A.C. 17:13-1.2, "Small Business" means a business that is incorporated or registered in and has its principal place of business in the State of New Jersey, is independently owned and operated, and has no more than 100 full-time employees. The program places small business into the following categories:

For goods and services - (i) those with gross revenues not exceeding $500,000; (ii) those with gross revenues not exceeding $5,000,000; and (iii) those with gross revenues that do not exceed $12,000,000 or the applicable federal revenue standards established at 13 CFR 121.201, whichever is higher. While companies registered as having revenues below $500,000 can bid on any Contract, those earning more than the $500,000 and $5,000,000 amounts will not be permitted to bid on Contracts designated for revenue classifications below its respective levels.

For construction services: (iv) those with gross revenues not exceeding $3,000,000; (v) those with gross revenues that do not exceed 50 percent of the applicable annual revenue standards established at 13 CFR 121.201; and (vi) those with gross revenues that do not exceed the applicable annual revenue standards established at CFR 121.201. While companies registered as having revenues below $3,000,000 can bid on any Contract, those earning more than the revenue standards established at CFR 121.201 will not be permitted to bid on Contracts designated for revenue classifications below their respective levels.

The Subcontractor Utilization Plan form is located on the Division's website.

For a Quote that does NOT include the use of any Subcontractors, by signing the RFQ Offer and Acceptance Page, the Bidder is *automatically* certifying that in the event the award is granted to the Bidder, and the Bidder later determines at any time during the term of the Contract to engage Subcontractors to provide certain goods and/or services, pursuant to Section 5.8 of the SSTC, the Bidder shall submit a Subcontractor Utilization Plan form for approval to the Division in advance of any such engagement of Subcontractors.

4.1.2 FORMS, REGISTRATIONS AND CERTIFICATIONS REQUIRED BEFORE CONTRACT AWARD AND THAT SHOULD BE SUBMITTED WITH THE QUOTE

Unless otherwise specified, forms must contain an original, physical signature, or an electronic signature.

4.1.2.1 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44(b), a Bidder and its named Subcontractors must have a valid Business Registration Certificate ("BRC") issued by the Department of the Treasury, Division of Revenue and Enterprise Services prior to the award of a Contract. To facilitate the Quote evaluation and Contract award process, the Bidder should submit a copy of its valid BRC and those of any named Subcontractors with its Quote. See Section 2.1 of the SSTC.

Any Bidder, inclusive of any named Subcontractors, not having a valid business registration at the time of the Quote opening, or whose BRC was revoked prior to the submission of the Quote, should proceed immediately to register its business or seek reinstatement of a revoked BRC.

The Bidder is cautioned that it may require a significant amount of time to secure the reinstatement of a revoked BRC. The process can require actions by both the Division of Revenue and Enterprise Services and the Division of Taxation. For this reason, a Bidder's early attention to this requirement is highly recommended. The Bidder and its named Subcontractors may register with the Division of Revenue and Enterprise Services, obtain a copy of an existing BRC or obtain information necessary to seek re-instatement of a revoked BRC online at http://www.state.nj.us/treasury/revenue/busregcert.shtml.

A Bidder otherwise identified by the Division as a responsive and responsible Bidder, inclusive of any named Subcontractors, but that was not business registered at the time of submission of its Quote must be so registered and in possession of a valid BRC by a deadline to be specified in writing by the Division. A Bidder failing to comply with this requirement by the deadline specified by the Division will be deemed ineligible for Contract award. Under any circumstance, the Division will rely upon information available from computerized systems maintained by the State as a basis to verify independently compliance with the requirement for business registration.

A Bidder receiving a Contract award as a result of this procurement and any Subcontractors named by that Bidder will be required to maintain a valid business registration with the Division of Revenue and Enterprise Services for the duration of the executed Contract, inclusive of any Contract extensions.

4.1.2.2 DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING BIDDER FORM

The Bidder should submit the Disclosure of Investigations and Other Actions Involving Bidder Form, with its Quote, to provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five (5) years, including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. If a Bidder does not submit the form with the Quote, the

Bidder must comply within seven (7) business days of the State's request or the State may deem the Quote non-responsive.

The Disclosure of Investigations and Other Actions Involving Bidder Form located on the Division's website.

4.1.2.3 SOURCE DISCLOSURE

Pursuant to N.J.S.A. 52:34-13.2, prior to an award of Contract, the Bidder is required to submit a completed Source Disclosure Form. The Bidder's inclusion of the completed Source Disclosure Form with the Quote is requested and advised. See RFQ Section 7.1.2 for additional information concerning this requirement.

The Source Disclosure Form is located on the Division's website.

4.1.3 FINANCIAL CAPABILITY OF THE BIDDER

The Bidder should provide sufficient financial information to enable the State to assess the financial strength and creditworthiness of the Bidder and its ability to undertake and successfully complete the Contract. In order to provide the State with the ability to evaluate the Bidder's financial capacity and capability to undertake and successfully complete the Contract, the Bidder should submit the following:

A. For publicly traded companies the Bidder should provide copies, or the electronic location of the annual reports filed for the two most recent years; or

B. For privately held companies the Bidder should provide the certified financial statement (audited or reviewed) in accordance with applicable standards by an independent Certified Public Accountant which include a balance sheet, income statement, and statement of cash flow, and all applicable notes for the most recent calendar year or the Bidder's most recent fiscal year.

If the information is not supplied with the Quote, the State may still require the Bidder to submit it. If the Bidder fails to comply with the request within seven (7) business days, the State may deem the Quote non-responsive.

A Bidder may designate specific financial information as not subject to disclosure when the Bidder has a good faith legal/factual basis for such assertion. A Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Quote.

The State reserves the right to make the determination to accept the assertion and shall so advise the Bidder.

4.1.4 STATE-SUPPLIED PRICE SHEET

The Bidder must submit its pricing using the State-Supplied Price Sheet accompanying this RFQ.

4.1.4.1 STATE-SUPPLIED PRICE SHEET INSTRUCTIONS

The Bidder must submit its pricing using the format set forth in the State-supplied price sheet/schedule(s) accompanying this RFP. Failure to submit all information required will result in the proposal being considered non-responsive. Each Bidder is required to hold its prices firm through issuance of Contract.

4.1.4.2 DELIVERY TIME AND COSTS

Unless otherwise noted elsewhere in the RFQ, all delivery times are 30 calendar days after receipt of order (ARO) and prices for items in Quotes shall be submitted Freight On Board (F.O.B.) Destination (30 calendar days ARO/F.O.B.). Quotes submitted other than 30 calendar days ARO/F.O.B. may be deemed non-responsive. The Contractor shall assume all costs, liability and responsibility for the delivery of merchandise in good condition to the State's Using Agency or designated purchaser. 30 calendar days ARO/F.O.B. does not cover "spotting" but does include delivery on the receiving platform of the Using Agency at any destination in the State of New Jersey unless otherwise specified.

No additional charges will be allowed for any additional transportation costs resulting from partial shipments made at the Contractor's convenience when a single shipment is ordered.

The weights and measures of the State's Using Agency receiving the shipment shall govern.

4.1.4.3 COLLECT ON DELIVERY (C.O.D.) TERMS

C.O.D. terms are not acceptable as part of a Quote and shall be deemed non-responsive.

4.1.4.4 CASH DISCOUNTS

The Bidder is encouraged to offer cash discounts based on expedited payment by the State. The State will make efforts to take advantage of discounts, but discounts will not be considered in determining the price rankings of Quotes.

Should the Bidder choose to offer cash discounts the following shall apply:

A. Discount periods shall be calculated starting from the next business day after the Using Agency has accepted the goods or services, received a properly signed and executed invoice and, when required, a properly executed performance security, whichever is latest; and

B. The date on the check issued by the State in payment of that invoice shall be deemed the date of the State's response to that invoice.

4.2 REQUIRED COMPONENTS OF THE QUOTE

The Quote should be submitted with the content of each section as indicated below:

- Section 1 – Forms (Sections 4.1.1 and 4.1.2)
- Section 2 – Technical Quote (Section 4.2.1)
- Section 3 – Organizational Support and Experience (Sections 4.2.2 – 4.2.7)
- Section 4 – Any other documents included by the Bidder (Section X.X)
- Section 5 – State-Supplied Price Sheet (Section 4.1.4.1)

4.2.1 Technical Quote

The Bidder shall describe its approach and plans for accomplishing the work outlined above in 3.0 RFQ Scope of Services. The Bidder must set forth an action plan for responding to requests for an engagement and shall provide a list of previously held, or currently held, contracts with similar services provided by the Bidder. The list must detail the type, budget and a comprehensive description of each contract.

4.2.2 Management Overview

The Bidder shall set forth its overall technical approach and plans to meet the requirements of the RFQ in a narrative format. This narrative should demonstrate to the State that the Bidder understands the objectives that the Contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the Contract. This narrative should demonstrate to the State that the Bidder's general approach and plans to undertake and complete the Contract are appropriate to the Tasks and Subtasks involved.

Mere reiterations of RFQ Tasks and Subtasks are strongly discouraged, as they do not provide insight into the Bidder's ability to complete the Contract. The Bidder's response to this section should be designed to demonstrate to the State that the Bidder's detailed plans and proposed approach to complete the Scope of Services are realistic, attainable and appropriate and that the Bidder's Quote will lead to successful Contract completion.

4.2.3 Contract Management

The Bidder should describe its specific plans to manage, control and supervise any Engagement(s) issued pursuant to the Contract to ensure satisfactory completion according to the required schedule. The plan should include the Bidder's approach to communication with the State Contract Manager, or Using Agency, including, but not limited to, status meetings, status reports, etc.

4.2.4 Organizational Support and Experience

The Bidder must include information relating to its organization, personnel and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the Bidder's qualifications, and its ability to perform the services required by this RFQ.

The Bidder should include an organization chart, with names showing management, supervisory and other key personnel (including subcontractor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

Note: Category 1 Bidders do not need to be Certified Public Accountants (CPA). Category 2 and 3 Bidders must have CPAs on staff, or as members of the assigned team.

The Bidder must identify staff by resume, experience, and hourly rate in accordance with the following general skill classifications:

a) **Partner/Principal/Director** - An individual who has ownership in the firm, if applicable to the structure of the company and extensive experience and/ or managerial ability within the firm. This individual would organize, direct and manage support services for all activities covered by this Contract and is charged with overall management.

b) **Program Manager** - Individuals reporting directly to the Partner/Principal/Director and acting as a liaison to all project staff. Individuals would possess knowledge and experience in providing strategic direction, vision, leadership and program management to the team. The Program Manager would also maintain productive and effective client relationships with the most senior levels of the client organization.

c) **Project Manager** – Individuals responsible for managing the resources of projects. This individual is responsible for making sure a project is completed within a certain set of restraints. These restraints usually involve time, money, people and materials. The project must then be completed to a certain level of quality.

d) **Subject Matter Expert (SME)** – Individuals with a definitive source of knowledge who communicate their extensive experience with regard to a specific subject area to other professionals within an organization. The subject matter expert has an advanced degree, professional certification or license within their field of study, functions as a resource for their knowledge area, and supplies their expertise through the entire process of bringing a project to fruition.

e) **Supervisory/Senior Consultant** - Individuals who would be a managing consultant for projects. A Senior Consultant would develop strategic plans and advise on function specific strategies. This individual would also oversee the improvement of methodologies and analysis implementation.

f) **Consultant –** Individuals that possess knowledge, some experience, and capabilities in the development of solutions, recommendations, or outcomes across multiple tasks and/or organizations. The consultant would support the development of solutions to address an organization's challenges and project objectives. The individual would assist in the assessment of the impact of industry trends, policy, or standard methodologies. Consultants may include individuals who will carry out such functions as analyses, report documenting, proposal development, or implementation efforts.

g) **Associate/Staff** - A supervised field individual who will support the program/project in the preparation of deliverables, internal reports, briefings, and other requirements.

h) **Administrative Support Staff** - Individuals performing office support functions such as clerical, data entry, document preparation.

Each Bidder shall segment its professional skill classifications into the above-noted categories. If the title differs in the Bidder's organization, that title should be listed in parenthesis after the particular category. It is not necessary for a Bidder's firm to possess all categories of professional skill classifications.

All professional qualifications noted in this Section should be submitted with the Quote.

4.2.5 Resumes

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the Contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals. Resumes should include the following:

- Clearly identify the individual's previous experience in completing similar contracts;
- Beginning and ending dates should be given for each similar contract;
- A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFQ; and
- With respect to each similar contract, the Bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

4.2.6 Experience of Bidder on Similar Contracts

The Bidder should provide a comprehensive listing of similar contracts that it has successfully completed, as evidence of the Bidder's ability to successfully complete the services required by this RFQ and the Engagement for which the Bidder submits a Quote. The Bidder should emphasize previously held contracts in which they engaged in the oversight/monitoring of programs of a similar size administered by a federal agency.. A description of all such contracts should include and show the relation of such contracts to the ability of the Bidder to complete the services required by this RFQ. For each such contract, the Bidder should provide two (2) names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

4.2.7 Additional Experience of Bidder

Bidder should have experience in dealing with federal disaster relief agencies in the aftermath of major catastrophic events.

Bidder should demonstrate experience interfacing with state and federal agencies in the administration of a monitoring or oversight program.

Bidder should demonstrate prior experience and success with all relevant federal and state documentation practices necessary to ensure the receipt and retention of grant funding.

Bidder should also have experience monitoring grants and supplemental appropriations from Congress as well as other federal agencies that can provide support to the state after a catastrophic event.

4.2.8 Notice Pursuant to E.O. 166 Requirement for Posting Successful Quotes and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the 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 Contract resulting from this RFQ is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Contract, including the RFQ] the winning Bidder's proposal and other related Contract documents for the above Contract on the GDRO Transparency website.

In submitting its proposal, a Bidder may designate specific information as not subject to disclosure. However, such Bidder must have a good faith legal 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 Bidder's failure to designate such information as confidential in submitting a Bid 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 Bidder accordingly. The State will not honor any attempt by a winning Bidder 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 Bidder's assertion of confidentiality with which the State does not concur, the Bidder shall be solely responsible for defending its designation.

5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS APPLICABLE TO THE Contract

5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS

This Contract awarded, and the entire agreement between the parties, as a result of this RFQ shall consist of this RFQ, the Waivered Supplement to the State Standard Terms and Conditions, SSTC, Bid Amendment to this RFQ, the Contractor's Quote, any Best and Final Offer, and the Using Agency's Notice of Award.

In the event of a conflict in the terms and conditions among the documents comprising this Contract, the order of precedence, for purposes of interpretation thereof, listed from highest ranking to lowest ranking, shall be:

A. Executed Offer and Acceptance Page;
B. RFQ Section 5, as may be amended by Bid Amendment;
C. Waivered Supplement to the State Standard Terms and Conditions

D. The State of NJ Standard Terms and Conditions (SSTC) accompanying this RFQ;
E. All remaining sections of the RFQ, as may be amended by Bid Amendment; and
F. The Contractor's Quote as accepted by the State.

5.2 CONTRACT TERM AND EXTENSION OPTION

The base term of this Contract shall be for a period of **six (6) months**. If delays in the procurement process result in a change to the anticipated Contract Effective Date, the Contractor agrees to accept a Contract for the full term of this Contract.

This Contract may be extended up to one (1) year with no single extension exceeding six (6) months, by the mutual written consent of the Contractor and the Director at the same terms, conditions, and pricing at the rates in effect in the last year of this Contract or rates more favorable to the State.

5.3 CONTRACT TRANSITION

In the event that a new Contract has not been awarded prior to this Contract expiration date, including any extensions exercised, and the State exercises this Contract transition, the Contractor shall continue this Contract under the same terms, conditions, and pricing until a new Contract can be completely operational. At no time shall this transition period extend more than 180 days beyond the expiration date of this Contract, including any extensions exercised.

5.4 CHANGE ORDER

Any changes or modifications to the terms of this Contract shall be valid only when they have been reduced to writing and signed by the Contractor and the Director.

5.5 CONTRACTOR RESPONSIBILITIES

The Contractor shall have sole responsibility for the complete effort specified in this Contract. Payment will be made only to the Contractor. The Contractor shall have sole responsibility for all payments due any Subcontractor.

The Contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under this Contract. The Contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this Contract shall not in any way relieve the Contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the Contractor's performance of this Contract.

5.6 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

This Subsection serves to supplement but not to supersede Sections 5.8 and 5.9 of the SSTC accompanying this RFQ.

The Contractor shall forward a written request to substitute or add a Subcontractor or to substitute its own staff for a Subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval. No substituted or additional Subcontractors are authorized to begin work until the Contractor} has received written approval from the Director.

If it becomes necessary for the Contractor to substitute a Subcontractor, add a Subcontractor, or substitute its own staff for a Subcontractor, the Contractor will identify the proposed new

Subcontractor or staff member(s) and the work to be performed. The Contractor must provide detailed justification documenting the necessity for the substitution or addition.

The Contractor must provide detailed resumes of its proposed replacement staff or of the proposed Subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the Subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the Contractor in its Quote.

5.7 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of this Contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this Contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days' notice by the State. With respect to software computer programs and/or source codes developed for the State, except those modifications or adaptations made to Bidder's/Contractor's Background IP as defined below, the work shall be considered "work for hire", i.e., the State, not the Contractor or Subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Contract, Contractor or Subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the Bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the Quote. Otherwise, the language in the first paragraph of this section prevails. If the Bidder identifies such intellectual property ("Background IP") in its Quote, then the Background IP owned by the Bidder on the date of this Contract, as well as any modifications or adaptations thereto, remain the property of the Bidder. Upon Contract award, the Bidder/Contractor shall grant the State a nonexclusive, perpetual royalty free license to use any of the Bidder's/Contractor's Background IP delivered to the State for the purposes contemplated by this Contract.

Auditing firm working papers remain the property of the auditing firm in accordance with standards issued by the American Institute of Certified Public Accountants (AICPA). While considered confidential information, the State recognizes that the firm may be requested to make certain working papers available to regulatory agencies, pursuant to authority given by law or regulation. In such instances, access to the working papers may be provided to these agencies based upon AICPA standards and under supervision of the firm.

5.8 CONFIDENTIALITY

A. The obligations of the State under this provision are subject to the New Jersey Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., the New Jersey common law right to know, and any other lawful document request or subpoena;

B. By virtue of this Contract, the parties may have access to information that is confidential to one another. The parties agree to disclose to each other only information that is required for the performance of their obligations under this Contract. Contractor's Confidential Information, to the extent not expressly prohibited by law, shall consist of all information clearly identified as confidential at the time of disclosure and anything identified in

Contractor's Quote as Background IP ("Contractor Confidential Information"). Notwithstanding the previous sentence, the terms and pricing of this Contract are subject to disclosure under OPRA, the common law right to know, and any other lawful document request or subpoena;

C. The State's Confidential Information shall consist of all information or data contained in documents supplied by the State, any information or data gathered by the Contractor in fulfillment of the contract and any analysis thereof (whether in fulfillment of the contract or not).

D. A party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party;

E. The State agrees to hold Contractor's Confidential Information in confidence, using at least the same degree of care used to protect its own Confidential Information;

F. In the event that the State receives a request for Contractor Confidential Information related to this Contract pursuant to a court order, subpoena, or other operation of law, the State agrees, if permitted by law, to provide Contractor with as much notice, in writing, as is reasonably practicable and the State's intended response to such order of law. Contractor shall take any action it deems appropriate to protect its documents and/or information;

G. In addition, in the event Contractor receives a request for State Confidential Information pursuant to a court order, subpoena, or other operation of law, Contractor shall, if permitted by law, provide the State with as much notice, in writing, as is reasonably practicable and Contractor's intended response to such order of law. The State shall take any action it deems appropriate to protect its documents and/or information; and

H. Notwithstanding the requirements of nondisclosure described in this Section, either party may release the other party's Confidential Information:

(i) if directed to do so by a court or arbitrator of competent jurisdiction; or
(ii) pursuant to a lawfully issued subpoena or other lawful document request:
  (a) in the case of the State, if the State determines the documents or information are subject to disclosure and Contractor does not exercise its rights as described in Section 5.8(F), or if Contractor is unsuccessful in defending its rights as described in Section 5.8(F); or
  (b) in the case of Contractor, if Contractor determines the documents or information are subject to disclosure and the State does not exercise its rights described in Section 5.8(G), or if the State is unsuccessful in defending its rights as described in Section 5.8(G).

5.9 NEWS RELEASES

The Contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this Contract without the prior written consent of the Director.

5.10 ADVERTISING

The Contractor shall not use the State's name, logos, images, or any data or results arising from this Contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

5.11 LICENSES AND PERMITS

The Contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this Contract. The Contractor shall comply with all New Jersey Department of Labor requirements. Notwithstanding the requirements of the RFQ, the Contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to this Contract award. All costs associated with any such licenses, permits, and authorizations must be considered by the Bidder in its Quote.

5.12 CLAIMS AND REMEDIES

5.12.1 CLAIMS

All claims asserted against the State by the Contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

5.12.2 REMEDIES

Nothing in this Contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

5.12.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event that the Contractor fails to comply with any material Contract requirements, the Director may take steps to terminate this Contract in accordance with the SSTC, authorize the delivery of Contract items by any available means, with the difference between the price paid and the defaulting Contractor's price either being deducted from any monies due the defaulting Contractor or being an obligation owed the State by the defaulting Contractor, as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

5.13 MODIFICATIONS AND CHANGES TO THE STATE OF NJ STANDARD TERMS AND CONDITIONS (SSTC)

5.13.1 STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT

Section 1.1 of the SSTC is amended by deleting the following:

In the event that the Bidder/offeror would like to present terms and conditions that are in conflict with either these terms and conditions or those set forth in the RFP, the Bidder/offeror must present those conflicts during the Question and Answer period for the State to consider.

5.14 CONTRACT ACTIVITY REPORT

The Contractor must provide, on a bi-annual basis, a record of all purchases made under this Contract resulting from this RFQ. This reporting requirement includes sales to State Using Agencies, political sub-divisions thereof and, if permitted under the terms of this Contract, sales to counties, municipalities, school districts, volunteer fire departments, first aid squads and rescue squads, independent institutions of higher education, state and county colleges and quasi-State

agencies. Quasi-State agencies include any agency, commission, board, authority or other such governmental entity which is established and is allocated to a State department or any bi-state governmental entity of which the State of New Jersey is a member.

This information must be provided in Microsoft Excel such that an analysis can be made to determine the following:

A. Contractor's total sales volume, with line item detail, to each purchaser under this Contract;

B. Subtotals by product, including, if applicable, catalog number and description, price list with appropriate page reference, and/or Contract discount applied; and

C. Total dollars paid to Subcontractors, include a separate breakdown for dollars paid to New Jersey Small Business as defined in N.J.A.C. 17:13-1.2.

Submission of purchase orders, confirmations, and/or invoices do not fulfill this Contract requirement for information. Failure to report this mandated information may be a factor in future award decisions.

The Contractor must submit the required information in Microsoft Excel format to NJSupplierReports@treas.nj.gov.

Reports are due:

January 1st through June 30th – due by July 30th; and
July1st through December 31st – due by January 30th.

5.15 ELECTRONIC PAYMENTS

With the award of this Contract, the Contractor(s) will be required to receive its payment(s) electronically. In order to receive your payments via automatic deposit from the State of New Jersey, you must complete the EFT information within your NJSTART Vendor Profile. Please refer to Section 5.2 of the QRG entitled "Vendor Profile Management – Company Information and User Access" for instructions. QRGs are located on the NJSTART Vendor Support Page.

5.16 PROGRAM EFFICIENCY ASSESSMENT FOR STATE USING AGENCIES

The Program Efficiency Assessment shall not be charged against the winning Contractor and therefore is not to be included in the Bidder's pricing. The State Using Agencies shall be charged an assessment equal to one-quarter of one (1) percent (0.25%) of the value of all transactions under this Contract. This assessment is authorized by N.J.S.A. 52:27B-56 and N.J.A.C. 17:12-1.5, to maintain the State's procurement system at a level to meet industry standards of efficiency.

For purposes of this section, "transaction" is defined as the payment or remuneration to the Contractor for services rendered or products provided to the State pursuant to the terms of this Contract, including but not limited to the following: purchase orders, invoices, hourly rates, firm fixed price, commission payments, progress payments and contingency payments.

6.0 QUOTE EVALUATION

6.1 DIRECTOR'S RIGHT OF FINAL QUOTE ACCEPTANCE AND RIGHT TO WAIVE

The Director reserves the right to reject any or all Quotes, or to award in whole or in part if deemed to be in the best interest of the State to do so. The Director shall have authority to award orders or Contracts in accordance with N.J.S.A. 52:34-12. Tie Quotes will be awarded by the Director in accordance with N.J.A.C. 17:12-2.10.

Pursuant to N.J.A.C. 17:12.2.7(d), the Director may waive minor irregularities or omissions in a Quote. The Director also reserves the right to waive a requirement provided that the requirement does not materially affect the procurement or the State's interests associated with the procurement.

6.2 STATE'S RIGHT TO INSPECT BIDDER FACILITIES

The State reserves the right to inspect the Bidder's establishment before making an award, for the purposes of ascertaining whether the Bidder has the necessary facilities for performing the Contract.

The State may also consult with clients of the Bidder during the evaluation of Quotes. Such consultation is intended to assist the State in making a Contract award that is most advantageous to the State.

6.3 STATE'S RIGHT TO REQUEST FURTHER INFORMATION

After the submission of Quotes, unless requested by the State as noted below, Bidder contact with the State is not permitted.

After the Quotes are reviewed, one (1), some or all of the Bidders may be asked to clarify certain aspects of its Quote. A request for clarification may be made in order to resolve minor ambiguities, irregularities, informalities or clerical errors. Clarifications cannot correct any deficiencies or material omissions, or revise or modify a Quote.

Further, the Director reserves the right to request a Bidder to explain, in detail, how the Quote price was determined.

6.4 EVALUATION

6.4.1 QUOTE EVALUATION COMMITTEE

Quotes may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Division. Representatives from other governmental agencies may also service on the Evaluation Committee. The Evaluation Committee may also the seek the expertise of outside consultants in an advisory role, as appropriate.

6.4.2 TECHNICAL EVALUATION CRITERIA

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate Quotes received in response to this RFQ. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process.

Each criterion will be scored and each score multiplied by a predetermined weight to develop the Technical Evaluation Score.

A. Personnel: The qualifications and experience of the Bidder's management, supervisory, and key personnel assigned to the Contract, including the candidates recommended for each of the positions/roles required;

B. Experience of firm: The Bidder's documented experience in successfully completing Contract of a similar size and scope in relation to the work required by this RFQ; and

C. Ability of firm to complete the Scope of Work based on its Technical Quote: The Bidder's demonstration in the Quote that the Bidder understands the requirements of the Scope of Work and presents an approach that would permit successful performance of the technical requirements of the Contract.

6.4.3 BIDDER'S STATE-SUPPLIED PRICE SCHEDULE

The State will utilize a weighted consumption/market basket model to evaluate pricing. The pricing model will be date-stamped and entered into the record before Quote opening.

6.5 QUOTE DISCREPANCIES

In evaluating Quotes, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum of the column of figures.

6.6 ORAL PRESENTATION

After the Quotes are reviewed, one (1), some or all of the Bidders may be required to give an oral presentation to the State concerning its Quote.

A Bidder may not attend the oral presentations of its competitors.

It is within the State's discretion whether to require the Bidder to give an oral presentation or require the Bidder to submit written responses to questions regarding its Quote. Action by the State in this regard should not be construed to imply acceptance or rejection of a Quote. The Division will be the sole point of contact regarding any request for an oral presentation or clarification.

6.7 NEGOTIATION

In accordance with N.J.S.A. 52:34-12(f) and N.J.A.C. 17:12-2-7, after evaluating Quotes, the State may establish a competitive range and enter into negotiations with one (1) Bidder or multiple Bidders within this competitive range. The primary purpose of negotiations is to maximize the State's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Multiple rounds of negotiations may be conducted with one (1) Bidder or multiple

Bidders. Negotiations will be structured to safeguard information and ensure that all Bidders are treated fairly.

After evaluation of Quotes and as applicable, negotiation(s), the Evaluation Committee will recommend, to the Director, the responsible Bidder(s) whose Quote(s), conforming to the RFQ, is/are most advantageous to the State, price, and other factors considered. The Director may accept, reject or modify the recommendation of the Using Agency. The Director may initiate additional negotiation procedures with the selected Bidder(s).

Negotiations will be conducted only in those circumstances where it is deemed to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price Quote in response to this RFQ since the State may, after evaluation, make a Contract award based on the content of the initial submission, without further negotiation with any Bidder.

All contacts, records of initial evaluations, any correspondence with a Bidder related to any request for clarification, negotiation, any revised technical and/or price Quotes, and related documents will remain confidential until a Notice of Intent to Award a Contract is issued.

If the State contemplates negotiation, Quote prices will not be publicly read at the Quote opening. Only the name and address of each Bidder will be publicly announced at the Quote opening.

6.8 POOR PERFORMANCE

A Bidder with a history of performance problems may be bypassed for consideration of an award issued as a result of this RFQ. The following materials may be reviewed to determine Bidder performance: Contract cancellations for cause pursuant to Section 5.7(b) of the SSTC; information contained in Vendor performance records; information obtained from audits or investigations conducted by a local, state or federal agency of the Bidder's work experience; current licensure, registration, and/or certification status and relevant history thereof; or its status or rating with established business/financial reporting services, as applicable. Bidders should note that this list is not exhaustive.

7.0 CONTRACT AWARD

7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD

7.1.1 REQUIREMENTS OF PUBLIC LAW 2005, CHAPTER 51, N.J.S.A. 19:44A-20.13 - N.J.S.A. 19:44A-20.25 (FORMERLY EXECUTIVE ORDER NO. 134), EXECUTIVE ORDER NO. 117 (2008) AND N.J.A.C. 17:12-5 *ET SEQ.*

A. The State shall not enter into a Contract to procure services or any material, supplies or equipment, or to acquire, sell, or lease any land or building from any Business Entity, where the value of the transaction exceeds $17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, to any State, county, municipal political party committee, or to any legislative leadership committee during certain specified time periods;

B. Prior to awarding any Contract or agreement to any Business Entity, the Business Entity proposed as the intended Contractor of the Contract shall submit the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form, certifying that no contributions prohibited by either Chapter 51 or Executive Order No. 117 have been made by the Business Entity and reporting all qualifying contributions made by the Business Entity or any person or entity whose contributions are attributable to the Business Entity. The required form and instructions, available for review on the Division's website at http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf, shall be provided to the intended Contractor for completion and submission to the Division with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended Contractor shall submit to the Division, the Certification and Disclosure(s) within five (5) business days of the State's request. The Certification and Disclosure(s) may be executed electronically by typing the name of the authorized signatory in the "Signature" block as an alternative to downloading, physically signing the form, scanning the form, and uploading the form. Failure to submit the required forms will preclude award of a Contract under this RFQ, as well as future Contract opportunities; and

C. Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the Contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Division's website at http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf, shall be provided to the intended Contractor with the Notice of Intent to Award.

The Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form is located on the Division's website.

7.1.2 SOURCE DISCLOSURE REQUIREMENTS

Pursuant to N.J.S.A. 52:34-13.2, all Contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a Contractor or Subcontractor within the United States and the certification is approved by the State Treasurer. Also refer to Section 3.6 Service Performance within U.S. of the SSTC.

Pursuant to the statutory requirements, the intended Contractor of a Contract primarily for services with the State of New Jersey must disclose the location by country where services under the Contract, including subcontracted services, will be performed. The Source Disclosure Form accompanies the subject RFQ. FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE INTENDED BIDDER.

If any of the services cannot be performed within the United States, the Bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the Bidder to form the basis of his or her certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

The Source Disclosure Form is located on the Division's website.

7.1.2.1 BREACH OF CONTRACT

A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT. If, during the term of the Contract, or any extension thereof, the Contractor or Subcontractor, who had upon Contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the Contractor shall be deemed to be in breach of its Contract. Such Contract shall be subject to termination for cause pursuant to Section 5.7b.1 of the SSTC, unless such shift in performance was previously approved by the Director and the Treasurer.

7.1.3 AFFIRMATIVE ACTION

The intended Contractor must submit a copy of a New Jersey Certificate of Employee Information Report, or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. Intended Contractors not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval must complete the Affirmative Action Employee Information Report (AA-302) located on the web at http://www.nj.gov/treasury/purchase/forms/AA_%20Supplement.pdf.

7.1.4 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44(b), a Bidder and its named Subcontractors must have a valid Business Registration Certificate ("BRC") issued by the Department of the Treasury, Division of Revenue and Enterprise Services prior to the award of a Contract. See Section 4.1.2.1 of this RFQ for further information.

7.2 FINAL CONTRACT AWARD

Contract awards will be made with reasonable promptness by written notice to that responsible Bidders, whose Quotes are most advantageous to the State, price, and other factors considered. Any or all Quotes may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

7.3 INSURANCE CERTIFICATES

The Contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this Contract, naming the State as an Additional Insured. See Section 4.2 of the SSTC accompanying this RFQ.

8.0 CONTRACT ADMINISTRATION

8.1 STATE CONTRACT MANAGER

The State Contract Manager (SCM) is the State employee responsible for the overall management and administration of the Contract.

The SCM for this project will be identified at the time of execution of Contract. At that time, the Contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and e-mail address.

8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES

The SCM is the person who the Contractor will contact **after the** Contract **is executed** for answers to any questions and concerns about any aspect of the Contract. The SCM is responsible for coordinating the use of the Contract and resolving minor disputes between the Contractor and the Using Agency. The SCM is also responsible for notifying OIT and other appropriate parties of security and privacy violations or incidents. The SCM cannot modify the Contract, direct or approve a Change Order.

If the Contract has multiple users, the SCM shall be the central coordinator of the use of the Contract for all Using Agencies, while other State employees engage and pay the Contractor. All persons and agencies using the Contract must notify and coordinate the use of the Contract with the SCM.

8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER

Any Using Agency that is unable to resolve disputes with a Contractor shall refer those disputes to the SCM for resolution. Any questions related to performance of the work of the Contract by Contract users shall be directed to the SCM. The Contractor may contact the SCM if the Contractor cannot resolve a dispute with Contract users.

9.0 STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS

(Rev: 10/21/19)

1. STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT

Unless the Bidder/offeror is specifically instructed otherwise in the Request for Proposals (RFP), the following terms and conditions shall apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in the RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise. Any conflicting terms and conditions that the State is willing to accept will be reflected in an addendum to the RFP. The State's terms and conditions shall prevail over any conflicts set forth in a Bidder/offeror's Proposal that were not submitted through the question and answer process and approved by the State. Nothing in these terms and conditions shall prohibit the Director of the Division of Purchase and Property (Director) from amending a contract when the Director determines it is in the best interests of the State.

1.1 CONTRACT TERMS CROSSWALK

NJSTART Term	Equivalent Statutory, Regulatory and/or Legacy Term
Bid/Bid Solicitation	Request For Proposal (RFP)/Solicitation
Bid Amendment	Addendum
Change Order	Contract Amendment
Master Blanket Purchase Order (Blanket P.O.)	Contract
Offer and Acceptance Page	Signatory Page
Quote	Proposal
Vendor	Bidder/Contractor

2. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS

The statutes, laws or codes cited herein are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.

2.1 BUSINESS REGISTRATION

Pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a contract with an entity unless the Bidder and each subcontractor named in the proposal have a valid Business Registration Certificate on file with the Division of Revenue and Enterprise Services. A subcontractor named in a bid or other proposal shall provide a copy of its business registration to the Bidder who shall provide it to the State.

The contractor shall maintain and submit to the State a list of subcontractors and their addresses that may be updated from time to time with the prior written consent of the Director during the course of contract performance. The contractor shall submit to the State a complete and accurate list of all subcontractors used and their addresses before final payment is made under the contract.

Pursuant to N.J.S.A. 54:49-4.1, a business organization that fails to provide a copy of a business registration, or that provides false business registration information, shall be liable for a penalty of $25 for each day of violation, not to exceed $50,000 for each business registration copy not properly provided under a contract with a contracting agency.

The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall, during the term of the contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury, the Use Tax due pursuant to the "Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at http://www.state.nj.us/treasury/revenue/busregcert.shtml.

2.2 ANTI-DISCRIMINATION

All parties to any contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference. The agreement to abide by the provisions of N.J.S.A. 10:5-31 through 10:5-38 include those provisions indicated for Goods, Professional Service and General Service Contracts (Exhibit A, attached) and Constructions Contracts (Exhibit B and Executive Order 151, August 28, 2009, attached) as appropriate.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time.

2.3 PREVAILING WAGE ACT

The New Jersey Prevailing Wage Act, N.J.S.A. 34: 11-56.25 et seq. is hereby made part of every contract entered into on behalf of the State of New Jersey through the Division of Purchase and Property, except those contracts which are not within the contemplation of the Act. The Bidder's signature on [this proposal] is his/her guarantee that neither he/she nor any subcontractors he/she might employ to perform the work covered by [this proposal] has been suspended or debarred by the Commissioner, Department of Labor and Workforce Development for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the Bidder's signature on the proposal is also his/her guarantee that he/she and any subcontractors he/she might employ to perform the work covered by [this proposal] shall comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.

2.4 AMERICANS WITH DISABILITIES ACT

The contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L 101-336, in accordance with 42 U.S.C. 12101, et seq.

2.5 MACBRIDE PRINCIPLES

The Bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

2.6 PAY TO PLAY PROHIBITIONS

Pursuant to N.J.S.A. 19:44A-20.13 et seq. (P.L. 2005, c. 51), and specifically, N.J.S.A. 19:44A-20.21, it shall be a breach of the terms of the contract for the business entity to:

A. Make or solicit a contribution in violation of the statute;

B. Knowingly conceal or misrepresent a contribution given or received;

C. Make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;

D. Make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor or Lieutenant Governor, or to any State or county party committee;

E. Engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation;

F. Fund contributions made by third parties, including consultants, attorneys, family members, and employees;

G. Engage in any exchange of contributions to circumvent the intent of the Legislation; or

H. Directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

2.7 POLITICAL CONTRIBUTION DISCLOSURE

The contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A. 19:44A-20.27 (P.L. 2005, c. 271, §3 as amended) if in a calendar year the contractor receives one (1) or more contracts valued at $50,000.00 or more. It is the contractor's responsibility to determine if filing is necessary. Failure to file can result in the imposition of penalties by ELEC. Additional information about this requirement is available from ELEC by calling 1(888)313-3532 or on the internet at http://www.elec.state.nj.us/.

2.8 STANDARDS PROHIBITING CONFLICTS OF INTEREST

The following prohibitions on contractor activities shall apply to all contracts or purchase agreements made with the State of New Jersey, pursuant to Executive Order No. 189 (1988).

No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52: 13D-13g;

The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the New Jersey Office of the Attorney General and the Executive Commission on Ethical Standards, now known as the State Ethics Commission;

No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he/she is employed or associated or in which he/she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, now known as the State Ethics Commission, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest;

No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his/her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee;

No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his/her official position to secure unwarranted privileges or advantages for the vendor or any other person; and

The provisions cited above in paragraphs 2.8a through 2.8e shall not be construed to prohibit a State officer or employee or Special State officer or employee from receiving gifts from or

contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards, now known as the State Ethics Commission may promulgate under paragraph 3c of Executive Order No. 189.

2.9 NOTICE TO ALL CONTRACTORS SET-OFF FOR STATE TAX NOTICE

Pursuant to N.J.S.A. 54:49-19, effective January 1, 1996, and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set-off under this act.

The Director of the Division of Taxation shall give notice to the set-off to the taxpayer and provide an opportunity for a hearing within 30 days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c.184 (c.52:32-32 et seq.), to the taxpayer shall be stayed.

2.10 COMPLIANCE - LAWS

The contractor must comply with all local, State and Federal laws, rules and regulations applicable to this contract and to the goods delivered and/or services performed hereunder.

2.11 COMPLIANCE - STATE LAWS

It is agreed and understood that any contracts and/or orders placed as a result of [this proposal] shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

2.12 WARRANTY OF NO SOLICITATION ON COMMISSION OR CONTINGENT FEE BASIS

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business. If a breach or violation of this section occurs, the State shall have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage or contingent fee.

3. STATE LAW REQUIRING MANDATORY COMPLIANCE BY CONTRACTORS UNDER CIRCUMSTANCES SET FORTH IN LAW OR BASED ON THE TYPE OF CONTRACT

3.1 COMPLIANCE - CODES

The contractor must comply with NJUCC and the latest NEC70, B.O.C.A. Basic Building code, OSHA and all applicable codes for this requirement. The contractor shall be responsible for securing and paying all necessary permits, where applicable.

3.2 PUBLIC WORKS CONTRACTOR REGISTRATION ACT

The New Jersey Public Works Contractor Registration Act requires all contractors, subcontractors and lower tier subcontractor(s) who engage in any contract for public work as defined in N.J.S.A. 34:11-56.26 be first registered with the New Jersey Department of Labor and Workforce

Development pursuant to N.J.S.A. 34:11-56.51. Any questions regarding the registration process should be directed to the Division of Wage and Hour Compliance at (609) 292-9464.

3.3 PUBLIC WORKS CONTRACT - ADDITIONAL AFFIRMATIVE ACTION REQUIREMENTS

N.J.S.A. 10:2-1 requires that during the performance of this contract, the contractor must agree as follows:

A. In the hiring of persons for the performance of work under this contract or any subcontract hereunder, or for the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under this contract, no contractor, nor any person acting on behalf of such contractor or subcontractor, shall, by reason of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex, discriminate against any person who is qualified and available to perform the work to which the employment relates;

B. No contractor, subcontractor, nor any person on his/her behalf shall, in any manner, discriminate against or intimidate any employee engaged in the performance of work under this contract or any subcontract hereunder, or engaged in the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under such contract, on account of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex;

C. There may be deducted from the amount payable to the contractor by the contracting public agency, under this contract, a penalty of $50.00 for each person for each calendar day during which such person is discriminated against or intimidated in violation of the provisions of the contract; and

D. This contract may be canceled or terminated by the contracting public agency, and all money due or to become due hereunder may be forfeited, for any violation of this section of the contract occurring after notice to the contractor from the contracting public agency of any prior violation of this section of the contract.

N.J.S.A. 10:5-33 and N.J.A.C. 17:27-3.5 require that during the performance of this contract, the contractor must agree as follows:

A. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause;

B. The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;

C. The contractor or subcontractor where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment, N.J.A.C. 17:27-3.7 requires all contractors and subcontractors, if any, to further agree as follows:

1. The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2;

2. The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices;

3. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions; and

4. In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

3.4 BUILDING SERVICE

Pursuant to N.J.S.A. 34:11-56.58 et seq., in any contract for building services, as defined in N.J.S.A. 34:11-56.59, the employees of the contractor or subcontractors shall be paid prevailing wage for building services rates, as defined in N.J.S.A. 34:11.56.59. The prevailing wage shall be adjusted annually during the term of the contract.

3.5 THE WORKER AND COMMUNITY RIGHT TO KNOW ACT

The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to this contract. Therefore, all goods offered for purchase to the State must be labeled by the contractor in compliance with the provisions of the statute.

3.6 SERVICE PERFORMANCE WITHIN U.S.

Under N.J.S.A. 52:34-13.2, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

A shift to performance of services outside the United States during the term of the contract shall be deemed a breach of contract. If, during the term of the contract, the contractor or subcontractor, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 5.7(b) (1) of the Standard Terms and Conditions, unless previously approved by the Director and the Treasurer.

3.7 BUY AMERICAN

Pursuant to N.J.S.A. 52:32-1, if manufactured items or farm products will be provided under this contract to be used in a public work, they shall be manufactured or produced in the United States and the contractor shall be required to so certify.

3.8 DIANE B. ALLEN EQUAL PAY ACT

Pursuant to N.J.S.A. 34:11-56.14, a contractor performing "qualifying services" or "public work" to the State or any agency or instrumentality of the State shall provide the Commissioner of Labor and Workforce Development a report regarding the compensation and hours worked by employees categorized by gender, race, ethnicity, and job category. For more information and report templates see https://nj.gov/labor/equalpay/equalpay.html.

4. INDEMNIFICATION AND INSURANCE

4.1 INDEMNIFICATION

The contractor's liability to the State and its employees in third party suits shall be as follows:

A. Indemnification for Third Party Claims - The contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith which shall arise from or result directly or indirectly from the work and/or materials supplied under this contract, including liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract;

B. The contractor's indemnification and liability under subsection (a) is not limited by, but is in addition to the insurance obligations contained in Section 4.2 of these Terms and Conditions; and

C. In the event of a patent and copyright claim or suit, the contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

4.2 INSURANCE

The contractor shall secure and maintain in force for the term of the contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company. All policies must be endorsed to provide 30 days' written notice of cancellation or material change to the State of New Jersey at the address shown below. If the contractor's insurer cannot provide 30 days written notice, then it will become the obligation of the contractor to provide the same. The contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof. Renewal certificates shall be provided within 30 days of the expiration of the insurance. The contractor shall not begin to provide services or goods to the State until evidence of the required insurance is provided. The certificates of insurance shall indicate the contract number or purchase order number and title of the contract in the Description of Operations box and shall list the State of New Jersey, Department of the Treasury, Division of Purchase & Property, Contract Compliance & Audit Unit, P.O. Box 236, Trenton, New Jersey 08625 in the Certificate Holder box. The certificates and any notice of cancelation shall be emailed to the State at:

ccau.certificate@treas.nj.gov

The insurance to be provided by the contractor shall be as follows:

A. Occurrence Form Commercial General Liability Insurance or its equivalent: The minimum limit of liability shall be $1,000,000 per occurrence as a combined single limit for bodily injury

and property damage. The above required Commercial General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as "Additional Insureds" and include the blanket additional insured endorsement or its equivalent. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic Commercial General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage;

B. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than $1,000,000 per occurrence as a combined single limit. The State must be named as an "Additional Insured" and a blanket additional insured endorsement or its equivalent must be provided when the services being procured involve vehicle use on the State's behalf or on State controlled property;

C. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

1. $1,000,000 BODILY INJURY, EACH OCCURRENCE;
2. $1,000,000 DISEASE EACH EMPLOYEE; and
3. $1,000,000 DISEASE AGGREGATE LIMIT.

a. This $1,000,000 amount may have been raised by the RFP when deemed necessary by the Director; and

b. In the case of a contract entered into pursuant to N.J.S.A. 52:32-17 et seq., (small business set asides) the minimum amount of insurance coverage in subsections a., b., and c. above may have been lowered in the RFP for certain commodities when deemed in the best interests of the State by the Director.

5. TERMS GOVERNING ALL CONTRACTS

5.1 CONTRACTOR IS INDEPENDENT CONTRACTOR

The contractor's status shall be that of any independent contractor and not as an employee of the State.

5.2 CONTRACT AMOUNT

The estimated amount of the contract(s), when stated on the RFP form, shall not be construed as either the maximum or minimum amount which the State shall be obliged to order as the result of the RFP or any contract entered into as a result of the RFP.

5.3 CONTRACT TERM AND EXTENSION OPTION

If, in the opinion of the Director, it is in the best interest of the State to extend a contract, the contractor shall be so notified of the Director's Intent at least 30 days prior to the expiration date of the existing contract. The contractor shall have 15 calendar days to respond to the Director's request to extend the term and period of performance of the contract. If the contractor agrees to the extension, all terms and conditions of the original contract shall apply unless more favorable terms for the State have been negotiated.

5.4 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any deliverable, task or subtask called for under this contract. In such an event, the Director shall provide to the contractor advance written notice of the change in scope of work and what the Director believes should be the corresponding adjusted contract price. Within five (5) business days of receipt of such written notice, if either is applicable:

A. If the contractor does not agree with the Director's proposed adjusted contract price, the contractor shall submit to the Director any additional information that the contractor believes impacts the adjusted contract price with a request that the Director reconsider the proposed adjusted contract price. The parties shall negotiate the adjusted contract price. If the parties are unable to agree on an adjusted contract price, the Director shall make a prompt decision taking all such information into account, and shall notify the contractor of the final adjusted contract price; and

B. If the contractor has undertaken any work effort toward a deliverable, task or subtask that is being changed or eliminated such that it would not be compensated under the adjusted contract, the contractor shall be compensated for such work effort according to the applicable portions of its price schedule and the contractor shall submit to the Director an itemization of the work effort already completed by deliverable, task or subtask within the scope of work, and any additional information the Director may request. The Director shall make a prompt decision taking all such information into account, and shall notify the contractor of the compensation to be paid for such work effort.

5.5 CHANGE IN LAW

If, after award, a change in applicable law or regulation occurs which affects the Contract, the parties may amend the Contract, including pricing, in order to provide equitable relief for the party disadvantaged by the change in law. The parties shall negotiate in good faith, however if agreement is not possible after reasonable efforts, the Director shall make a prompt decision as to an equitable adjustment, taking all relevant information into account, and shall notify the contractor of the final adjusted contract price.

5.6 SUSPENSION OF WORK

The State may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid for goods ordered, goods delivered, or services requested and performed until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director shall make an equitable adjustment, if any is required, to the contract price. The contractor shall provide whatever information that Director may require related to the equitable adjustment.

5.7 TERMINATION OF CONTRACT

A. For Convenience:
Notwithstanding any provision or language in this contract to the contrary, the Director may terminate this contract at any time, in whole or in part, for the convenience of the State, upon no less than 30 days written notice to the contractor;

B. For Cause:
1. Where a contractor fails to perform or comply with a contract or a portion thereof, and/or fails to comply with the complaints procedure in N.J.A.C. 17:12-4.2 et seq., the Director may terminate the contract, in whole or in part, upon ten (10) days' notice to the contractor with an opportunity to respond; and

2. Where in the reasonable opinion of the Director, a contractor continues to perform a contract poorly as demonstrated by e.g., formal complaints, late delivery, poor performance of service, short-shipping, so that the Director is required to use the complaints procedure in N.J.A.C. 17:12-4.2 et seq., and there has been a failure on the part of the contractor to make progress towards ameliorating the issue(s) or problem(s) set forth in the complaint, the Director may terminate the contract, in whole or in part, upon ten (10) days' notice to the contractor with an opportunity to respond.

C. In cases of emergency the Director may shorten the time periods of notification and may dispense with an opportunity to respond; and

D. In the event of termination under this section, the contractor shall be compensated for work performed in accordance with the contract, up to the date of termination. Such compensation may be subject to adjustments.

5.8 SUBCONTRACTING OR ASSIGNMENT

A. Subcontracting: The contractor may not subcontract other than as identified in the contractor's proposal without the prior written consent of the Director. Such consent, if granted in part, shall not relieve the contractor of any of his/her responsibilities under the contract, nor shall it create privity of contract between the State and any subcontractor. If the contractor uses a subcontractor to fulfill any of its obligations, the contractor shall be responsible for the subcontractor's: (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws; and

B. Assignment: The contractor may not assign its responsibilities under the contract, in whole or in part, without the prior written consent of the Director.

5.9 NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND STATE

Nothing contained in any of the contract documents, including the RFP and vendor's bid or proposal shall be construed as creating any contractual relationship between any subcontractor and the State.

5.10 MERGERS, ACQUISITIONS

If, during the term of this contract, the contractor shall merge with or be acquired by another firm, the contractor shall give notice to the Director as soon as practicable and in no event longer than 30 days after said merger or acquisition. The contractor shall provide such documents as may be requested by the Director, which may include but need not be limited to the following: corporate resolutions prepared by the awarded contractor and new entity ratifying acceptance of the original contract, terms, conditions and prices; updated information including ownership disclosure and Federal Employer Identification Number. The documents must be submitted within 30 days of the request. Failure to do so may result in termination of the contract for cause.

If, at any time during the term of the contract, the contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the Director must be so notified. All responsible parties of the dissolved business entity must submit to the Director in writing, the names of the parties proposed to perform the contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the Director.

5.11 PERFORMANCE GUARANTEE OF CONTRACTOR

The contractor hereby certifies that:

a. The equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice;

b. All equipment supplied to the State and operated by electrical current is UL listed where applicable;

c. All new machines are to be guaranteed as fully operational for the period stated in the contract from time of written acceptance by the State. The contractor shall render prompt service without charge, regardless of geographic location;

d. Sufficient quantities of parts necessary for proper service to equipment shall be maintained at distribution points and service headquarters;

e. Trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice;

f. During the warranty period the contractor shall replace immediately any material which is rejected for failure to meet the requirements of the contract; and

g. All services rendered to the State shall be performed in strict and full accordance with the specifications stated in the contract. The contract shall not be considered complete until final approval by the State's using agency is rendered.

5.12 DELIVERY REQUIREMENTS

A. Deliveries shall be made at such time and in such quantities as ordered in strict accordance with conditions contained in the contract;

B. The contractor shall be responsible for the delivery of material in first class condition to the State's using agency or the purchaser under this contract and in accordance with good commercial practice;

C. Items delivered must be strictly in accordance with the contract; and

D. In the event delivery of goods or services is not made within the number of days stipulated or under the schedule defined in the contract, the using agency shall be authorized to obtain the material or service from any available source, the difference in price, if any, to be paid by the contractor.

5.13 APPLICABLE LAW AND JURISDICTION

This contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court.

5.14 CONTRACT AMENDMENT

Except as provided herein, the contract may only be amended by written agreement of the State and the contractor.

5.15 MAINTENANCE OF RECORDS

The contractor shall maintain records for products and/or services delivered against the contract for a period of five (5) years from the date of final payment unless a longer period is required by law. Such records shall be made available to the State, including the Comptroller, for audit and review.

5.16 ASSIGNMENT OF ANTITRUST CLAIM(S)

The contractor recognizes that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the ultimate purchaser. Therefore, and as consideration for executing this contract, the contractor, acting herein by and through its duly authorized agent, hereby conveys, sells, assigns, and transfers to the State of New Jersey, for itself and on behalf of its political subdivisions and public agencies, all right, title and interest to all claims and causes of action it may now or hereafter acquire under the antitrust laws of the United States or the State of New Jersey, relating to the particular goods and services purchased or acquired by the State of New Jersey or any of its political subdivisions or public agencies pursuant to this contract.
In connection with this assignment, the following are the express obligations of the contractor:

A. It shall take no action that will in any way diminish the value of the rights conveyed or assigned hereunder;

B. It shall advise the Attorney General of New Jersey:

1. In advance of its intention to commence any action on its own behalf regarding any such claim or cause(s) of action; and

2. Immediately upon becoming aware of the fact that an action has been commenced on its behalf by some other person(s) of the pendency of such action.

C. It shall notify the defendants in any antitrust suit of the within assignment at the earliest practicable opportunity after the contractor has initiated an action on its own behalf or becomes aware that such an action has been filed on its behalf by another person. A copy of such notice shall be sent to the Attorney General of New Jersey; and

D. It is understood and agreed that in the event any payment under any such claim or cause of action is made to the contractor, it shall promptly pay over to the State of New Jersey the allotted share thereof, if any, assigned to the State hereunder.

6. TERMS RELATING TO PRICE AND PAYMENT

6.1 PRICE FLUCTUATION DURING CONTRACT

Unless otherwise agreed to in writing by the State, all prices quoted shall be firm through issuance of contract or purchase order and shall not be subject to increase during the period of the contract. In the event of a manufacturer's or contractor's price decrease during the contract period, the State shall receive the full benefit of such price reduction on any undelivered purchase order and on any subsequent order placed during the contract period. The Director must be notified, in writing, of any price reduction within five (5) days of the effective date.

Failure to report price reductions may result in cancellation of contract for cause, pursuant to provision 5.7(b)1.

In an exceptional situation the State may consider a price adjustment. Requests for price adjustments must include justification and documentation.

6.2 TAX CHARGES

The State of New Jersey is exempt from State sales or use taxes and Federal excise taxes. Therefore, price quotations must not include such taxes. The State's Federal Excise Tax Exemption number is 22-75-0050K.

6.3 PAYMENT TO VENDORS

a. The using agency(ies) is (are) authorized to order and the contractor is authorized to ship only those items covered by the contract resulting from the RFP. If a review of orders placed by the using agency(ies) reveals that goods and/or services other than that covered by the contract have been ordered and delivered, such delivery shall be a violation of the terms of the contract and may be considered by the Director as a basis to terminate the contract and/or not award the contractor a subsequent contract. The Director may take such steps as are necessary to have the items returned by the agency, regardless of the time between the date of delivery and discovery of the violation. In such event, the contractor shall reimburse the State the full purchase price;

b. The contractor must submit invoices to the using agency with supporting documentation evidencing that work or goods for which payment is sought has been satisfactorily completed or delivered. For commodity contracts, the invoice, together with the original Bill of Lading, express receipt and other related papers must be sent to the State Contract Manager or using agency on the date of each delivery. For contracts featuring services,

invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager or using agency before payment will be authorized;

c. In all time and materials contracts, the State Contract Manager or designee shall monitor and approve the hours of work and the work accomplished by contractor and shall document both the work and the approval. Payment shall not be made without such documentation. A form of timekeeping record that should be adapted as appropriate for the Scope of Work being performed can be found at www.nj.gov/treasury/purchase/forms/Vendor_Timesheet.xls; and

d. The contractor shall provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business, minority or woman-owned subcontractor(s). This breakdown shall be sent to the Chief of Operations, Division of Revenue, P.O. Box 628, Trenton, NJ 08646.

6.4 OPTIONAL PAYMENT METHOD: P-CARD

The State offers contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State agency's use of the p-card are optional. P-card transactions do not require the submission of a contractor invoice; purchasing transactions using the p-card will usually result in payment to a contractor in three (3) days. A contractor should take note that there will be a transaction-processing fee for each p-card transaction. To participate, a contractor must be capable of accepting the MasterCard. Additional information can be obtained from banks or merchant service companies.

6.5 NEW JERSEY PROMPT PAYMENT ACT

The New Jersey Prompt Payment Act, N.J.S.A. 52:32-32 et seq., requires state agencies to pay for goods and services within 60 days of the agency's receipt of a properly executed State Payment Voucher or within 60 days of receipt and acceptance of goods and services, whichever is later. Properly executed performance security, when required, must be received by the State prior to processing any payments for goods and services accepted by state agencies. Interest will be paid on delinquent accounts at a rate established by the State Treasurer. Interest shall not be paid until it exceeds $5.00 per properly executed invoice.

Cash discounts and other payment terms included as part of the original agreement are not affected by the Prompt Payment Act.

6.6 AVAILABILITY OF FUNDS

The State's obligation to make payment under this contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenue.

7. TERMS RELATING TO ALL CONTRACTS FUNDED, IN WHOLE OR IN PART, BY FEDERAL FUNDS

The provisions set forth in this Section 7 of the Standard Terms and Conditions apply to all contracts funded, in whole or in part, by Federal funds as required by 2 CFR 200.317.

7.1 PROCUREMENT OF RECOVERED MATERIALS

To the extent that the scope of work or specifications in the contract requires the contractor to provide any of the following items, this Section 7.1 of the Standard Terms and Conditions modifies the terms of the scope of work or specification.

Pursuant to 2 CFR 200.322, the contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6962. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $ 10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $ 10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

A. Designated items are those set forth in 40 CFR 247 subpart B, as may be amended from time to time, including:
    1. Paper and paper products listed in 40 C.F.R. 247.10;
    2. Certain vehicular products as listed in 40 CFR 247.11;
    3. Certain construction products listed in 40 C.F.R. 247.12;
    4. Certain transportation products listed in 40 C.F.R. 247.13;
    5. Certain park and recreation products, 40 C.F.R. 247.14;
    6. Certain landscaping products listed in 40 C.F.R. 247.15;
    7. Certain non-paper office products listed in 40 C.F.R. 247.16; and
    8. Other miscellaneous products listed in 40 C.F.R. 247.17.

B. As defined in 40 CFR 247.3, “recovered material” means:
    1. waste materials and byproducts which have been recovered or diverted from solid waste, but such term does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process; and
    2. for purposes of purchasing paper and paper products, means waste material and byproducts that have been recovered or diverted from solid waste, but such term does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process. In the case of paper and paper products, the term recovered materials includes:
        a. Postconsumer materials such as --
            i. Paper, paperboard, and fibrous wastes from retail stores, office buildings, homes, and so forth, after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; and
            ii. All paper, paperboard, and fibrous wastes that enter and are collected from municipal solid waste, and
        b. Manufacturing, forest residues, and other wastes such as --
            i. Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel in smaller rolls of rough sheets) including: envelope cuttings, bindery trimmings, and other paper and paperboard waste, resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and
            ii. Finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others;
            iii. Fibrous byproducts of harvesting, manufacturing, extractive, or wood-cutting processes, flax, straw, linters, bagasse, slash, and other forest residues;

iv. Wastes generated by the conversion of goods made from fibrous material (that is, waste rope from cordage manufacture, textile mill waste, and cuttings); and
v. Fibers recovered from waste water which otherwise would enter the waste stream.

C. For contracts in an amount greater than $ 100,000, at the beginning of each contract year, contractor shall provide the State estimates of the total percentage of recovered material utilized in the performance of its contract for each of the categories listed is subsection (A). For all contracts subject to this Section 7.1 of the Standard Terms and Conditions, at the conclusion of each contract year, contractor shall certify to the State the minimum recovered material content actually utilized in the prior contract year.

7.2 EQUAL EMPLOYMENT OPPORTUNITY

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

7.3 DAVIS-BACON ACT, 40 U.S.C. 3141-3148, AS AMENDED

When required by Federal program legislation, all prime construction contracts in excess of $ 2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

7.4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT, 40 U.S.C. 3701-3708

Where applicable, all contracts awarded by the non-Federal entity in excess of $ 100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

7.5 RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

7.6 CLEAN AIR ACT, 42 U.S.C. 7401-7671Q, AND THE FEDERAL WATER POLLUTION CONTROL ACT, 33 U.S.C. 1251-1387, AS AMENDED

Contracts and subgrants of amounts in excess of $ 150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

7.7 DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689)

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at

2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

7.8 BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. 1352

Contractors that apply or bid for an award exceeding $ 100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, c. 127)
N.J.A.C. 17:27 et seq.

GOODS, GENERAL SERVICE AND PROFESSIONAL SERVICES CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval;

Certificate of Employee Information Report; or

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at http://www.state.nj.us/treasury/contract_compliance).

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase an Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase an Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to **N.J.A.C. 17:27-1 et seq.**

EXHIBIT B

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, c. 127)
N.J.S.A. 10:5-39 et. seq. (P.L. 1983, c. 197)
N.J.A.C. 17:27-1.1 et seq.

CONSTRUCTION CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, up grading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

N.J.S.A. 10:5-39 et seq. requires contractors, subcontractors, and permitted assignees performing construction, alteration, or repair of any building or public work in excess of $250,000 to guarantee equal employment opportunity to veterans.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer, pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

When hiring or scheduling workers in each construction trade, the contractor or subcontractor agrees to make good faith efforts to employ minority and women workers in each construction trade consistent with the targeted employment goal prescribed by N.J.A.C. 17:27-7.2; provided, however, that the Dept. of LWD, Construction EEO Monitoring Program may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions, A, B and C, as long as the Dept. of LWD, Construction EEO Monitoring Program is satisfied that the contractor or subcontractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Dept. of LWD, Construction EEO Monitoring Program, that its percentage of active "card carrying" members who are minority and women workers is equal to or greater than the targeted employment goal established in accordance with N.J.A.C. 17:27-7.2. The contractor or subcontractor agrees that a good faith effort shall include compliance with the following procedures:

(A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three business days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et. seq., as supplemented and amended from time to time and the Americans with Disabilities Act. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five business days prior to the commencement of construction work, the contractor or subcontractor agrees to afford equal employment opportunities minority and women workers directly, consistent with this chapter. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and women workers consistent with affording equal employment opportunities as specified in this chapter, the contractor or subcontractor agrees to be prepared to provide such opportunities to minority and women workers directly, consistent with this chapter, by complying with the hiring or scheduling procedures prescribed under (B) below; and the contractor or subcontractor further agrees to take said action immediately if it determines that the union is not referring minority and women workers consistent with the equal employment opportunity goals set forth in this chapter.

(B) If good faith efforts to meet targeted employment goals have not or cannot be met for each construction trade by adhering to the procedures of (A) above, or if the contractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions:

(1) To notify the public agency compliance officer, the Dept. of LWD, Construction EEO Monitoring Program, and minority and women referral organizations listed by the Division pursuant to N.J.A.C. 17:27-5.3, of its workforce needs, and request referral of minority and women workers;

(2) To notify any minority and women workers who have been listed with it as awaiting available vacancies;

(3) Prior to commencement of work, to request that the local construction trade union refer minority and women workers to fill job openings, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade;

(4) To leave standing requests for additional referral to minority and women workers with the local construction trade union, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, the State Training and Employment Service and other approved referral sources in the area;

(5) If it is necessary to lay off some of the workers in a given trade on the construction site, layoffs shall be conducted in compliance with the equal employment opportunity and non-discrimination standards set forth in this regulation, as well as with applicable Federal and State court decisions;

(6) To adhere to the following procedure when minority and women workers apply or are referred to the contractor or subcontractor:

(i) The contactor or subcontractor shall interview the referred minority or women worker.

(ii) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required in order to perform the work of the construction trade, the contractor or subcontractor shall in good faith

determine the qualifications of such individuals. The contractor or subcontractor shall hire or schedule those individuals who satisfy appropriate qualification standards in conformity with the equal employment opportunity and non-discrimination principles set forth in this chapter. However, a contractor or subcontractor shall determine that the individual at least possesses the requisite skills, and experience recognized by a union, apprentice program or a referral agency, provided the referral agency is acceptable to the Dept. of LWD, Construction EEO Monitoring Program. If necessary, the contractor or subcontractor shall hire or schedule minority and women workers who qualify as trainees pursuant to these rules. All of the requirements, however, are limited by the provisions of (C) below.

(iii) The name of any interested women or minority individual shall be maintained on a waiting list, and shall be considered for employment as described in (i) above, whenever vacancies occur. At the request of the Dept. of LWD, Construction EEO Monitoring Program, the contractor or subcontractor shall provide evidence of its good faith efforts to employ women and minorities from the list to fill vacancies.

(iv) If, for any reason, said contractor or subcontractor determines that a minority individual or a woman is not qualified or if the individual qualifies as an advanced trainee or apprentice, the contractor or subcontractor shall inform the individual in writing of the reasons for the determination, maintain a copy of the determination in its files, and send a copy to the public agency compliance officer and to the Dept. of LWD, Construction EEO Monitoring Program.

(7) To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract, on forms made available by the Dept. of LWD, Construction EEO Monitoring Program and submitted promptly to the Dept. of LWD, Construction EEO Monitoring Program upon request.

(C) The contractor or subcontractor agrees that nothing contained in (B) above shall preclude the contractor or subcontractor from complying with the union hiring hall or apprenticeship policies in any applicable collective bargaining agreement or union hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and trainees to the union for referral, or to the apprenticeship program for admission, pursuant to such agreement or arrangement. However, where the practices of a union or apprenticeship program will result in the exclusion of minorities and women or the failure to refer minorities and women consistent with the targeted county employment goal, the contractor or subcontractor shall consider for employment persons referred pursuant to (B) above without regard to such agreement or arrangement; provided further, however, that the contractor or subcontractor shall not be required to employ women and minority advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total workforce for the construction trade, which percentage significantly exceeds the apprentice to journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area for said construction trade. Also, the contractor or subcontractor agrees that, in implementing the procedures of (B) above, it shall, where applicable, employ minority and women workers residing within the geographical jurisdiction of the union.

After notification of award, but prior to signing a construction contract, the contractor shall submit to the public agency compliance officer and the Dept. of LWD, Construction EEO Monitoring Program an initial project workforce report (Form AA-201) electronically provided to the public agency by the Dept. of LWD, Construction EEO Monitoring Program, through its website, for distribution to and completion by the contractor, in accordance with N.J.A.C. 17:27-7.

The contractor also agrees to submit a copy of the Monthly Project Workforce Report once a month thereafter for the duration of this contract to the Dept. of LWD, Construction EEO Monitoring Program and to the public agency compliance officer.

The contractor agrees to cooperate with the public agency in the payment of budgeted funds, as is necessary, for on the job and/or off the job programs for outreach and training of minorities and women.

(D) The contractor and its subcontractors shall furnish such reports or other documents to the Dept. of LWD, Construction EEO Monitoring Program as may be requested by the Dept. of LWD, Construction EEO Monitoring Program from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Dept. of LWD, Construction EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1.1 et seq.

EXECUTIVE ORDER NO. 151 REQUIREMENTS

It is the policy of the Division of Purchase and Property that its contracts should create a workforce that reflects the diversity of the State of New Jersey. Therefore, contractors engaged by the Division of Purchase and Property to perform under a construction contract shall put forth a good faith effort to engage in recruitment and employment practices that further the goal of fostering equal opportunities to minorities and women.

The contractor must demonstrate to the Division of Purchase and Property's satisfaction that a good faith effort was made to ensure that minorities and women have been afforded equal opportunity to gain employment under the Division of Purchase and Property's contract with the contractor. Payment may be withheld from a contractor's contract for failure to comply with these provisions.

Evidence of a "good faith effort" includes, but is not limited to:

1. The Contractor shall recruit prospective employees through the State Job bank website, managed by the Department of Labor and Workforce Development, available online at http://NJ.gov/http://NJ.gov/JobCentralNJ;
2. The Contractor shall keep specific records of its efforts, including records of all individuals interviewed and hired, including the specific numbers of minorities and women;
3. The Contractor shall actively solicit and shall provide the Division of Purchase and Property with proof of solicitations for employment, including but not limited to advertisements in general circulation media, professional service publications and electronic media; and
4. The Contractor shall provide evidence of efforts described at 2 above to the Division of Purchase and Property no less frequently than once every 12 months.
5. The Contractor shall comply with the requirements set forth at N.J.A.C. 17:27.

This language is in addition to and does not replace good faith efforts requirements for construction contracts required by N.J.A.C. 17:27-3.6, 3.7 and 3.8, also known as Exhibit B.

RIDER FOR PURCHASES FUNDED, IN WHOLE OR IN PART, BY FEDERAL FUNDS

The provisions set forth in this Rider apply to all purchases funded, in whole or in part, by Federal funds as required by 2 CFR 200.317.

I. PROCUREMENT OF RECOVERED MATERIALS

Pursuant to 2 CFR 200.322, the contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6962. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $ 10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $ 10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

A. Designated items are those set forth in 40 CFR 247 subpart B, as may be amended from time to time, including:
   1. Paper and paper products listed in 40 C.F.R. 247.10;
   2. Certain vehicular products as listed in 40 CFR 247.11;
   3. Certain construction products listed in 40 C.F.R. 247.12;
   4. Certain transportation products listed in 40 C.F.R. 247.13;
   5. Certain park and recreation products, 40 C.F.R. 247.14;
   6. Certain landscaping products listed in 40 C.F.R. 247.15;
   7. Certain non-paper office products listed in 40 C.F.R. 247.16; and
   8. Other miscellaneous products listed in 40 C.F.R. 247.17.

B. As defined in 40 CFR 247.3, “recovered material” means:
   1. waste materials and byproducts which have been recovered or diverted from solid waste, but such term does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process; and
   2. for purposes of purchasing paper and paper products, means waste material and byproducts that have been recovered or diverted from solid waste, but such term does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process. In the case of paper and paper products, the term recovered materials includes:
      a. Postconsumer materials such as -
         i. Paper, paperboard, and fibrous wastes from retail stores, office buildings, homes, and so forth, after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; and
         ii. All paper, paperboard, and fibrous wastes that enter and are collected from municipal solid waste, and
      b. Manufacturing, forest residues, and other wastes such as -
         i. Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel in smaller rolls of rough sheets) including: envelope cuttings, bindery trimmings, and other paper and paperboard waste, resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and
         ii. Finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others;
         iii. Fibrous byproducts of harvesting, manufacturing, extractive, or wood-cutting processes, flax, straw, linters, bagasse, slash, and other forest residues;
         iv. Wastes generated by the conversion of goods made from fibrous material (that is, waste rope from cordage manufacture, textile mill waste, and cuttings); and
         v. Fibers recovered from waste water which otherwise would enter the waste stream.

C. For contracts in an amount greater than $ 100,000, at the beginning of each contract year, contractor shall provide the State estimates of the total percentage of recovered material utilized in the performance of its contract for each of the categories listed is subsection (A). For all contracts subject to this Section 7.1 of the Standard Terms and Conditions, at the conclusion of each contract year, contractor shall certify to the State the minimum recovered material content actually utilized in the prior contract year.

II. EQUAL EMPLOYMENT OPPORTUNITY

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and

such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

III. DAVIS-BACON ACT, 40 U.S.C. 3141-3148, AS AMENDED

When required by Federal program legislation, all prime construction contracts in excess of $ 2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

IV. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT, 40 U.S.C. 3701-3708

Where applicable, all contracts awarded by the non-Federal entity in excess of $ 100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

V. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

VI. CLEAN AIR ACT, 42 U.S.C. 7401-7671Q, AND THE FEDERAL WATER POLLUTION CONTROL ACT, 33 U.S.C. 1251-1387, AS AMENDED

Contracts and subgrants of amounts in excess of $ 150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

VII. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689)

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

VIII. BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. 1352

Contractors that apply or bid for an award exceeding $ 100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

PRICE SCHEDULE

Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for CRF Funds and Programs

Refer to RFQ Section 3.0 (Scope of Work) for task requirements and deliverables, Section 4.2.4 (Staff Classifications), and Section 6.0 (Cost Proposal) for additional information regarding this Price Schedule.

Bidder's Name: _____

CATEGORY 1: PROGRAM AND PROCESS MANAGEMENT AUDITING

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
1	Partner/Principal/Director	$_____	$_____
2	Program Manager	$_____	$_____
3	Project Manager	$_____	$_____
4	Supervisory/Senior Consultant	$_____	$_____
5	Consultant	$_____	$_____
6	Associate/Staff	$_____	$_____
7	Subject Matter Expert	$_____	$_____
8	Administrative Support	$_____	$_____

LINE #	Pass through Price Lines	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
9	Other Direct Costs		
10	Travel Expenses and Reimbursements		

- **The State makes no guarantee of volume of work effort.**
- **The Pass-Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 10 and 11.**

Bidder's Name: _____

CATEGORY 2: FINANCIAL AUDITING AND GRANT MANAGEMENT

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
11	Partner/Principal/Director	$_____	$_____
12	Program Manager	$_____	$_____
13	Project Manager	$_____	$_____
14	Supervisory/Senior Consultant	$_____	$_____
15	Consultant	$_____	$_____
16	Associate/Staff	$_____	$_____
17	Subject Matter Expert	$_____	$_____
18	Administrative Support	$_____	$_____

LINE #	Pass through Price Lines	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
19	Other Direct Costs		
20	Travel Expenses and Reimbursements		

- **The State makes no guarantee of volume of work effort.**
- **The Pass-Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 19 and 20.**

Bidder's Name: _____

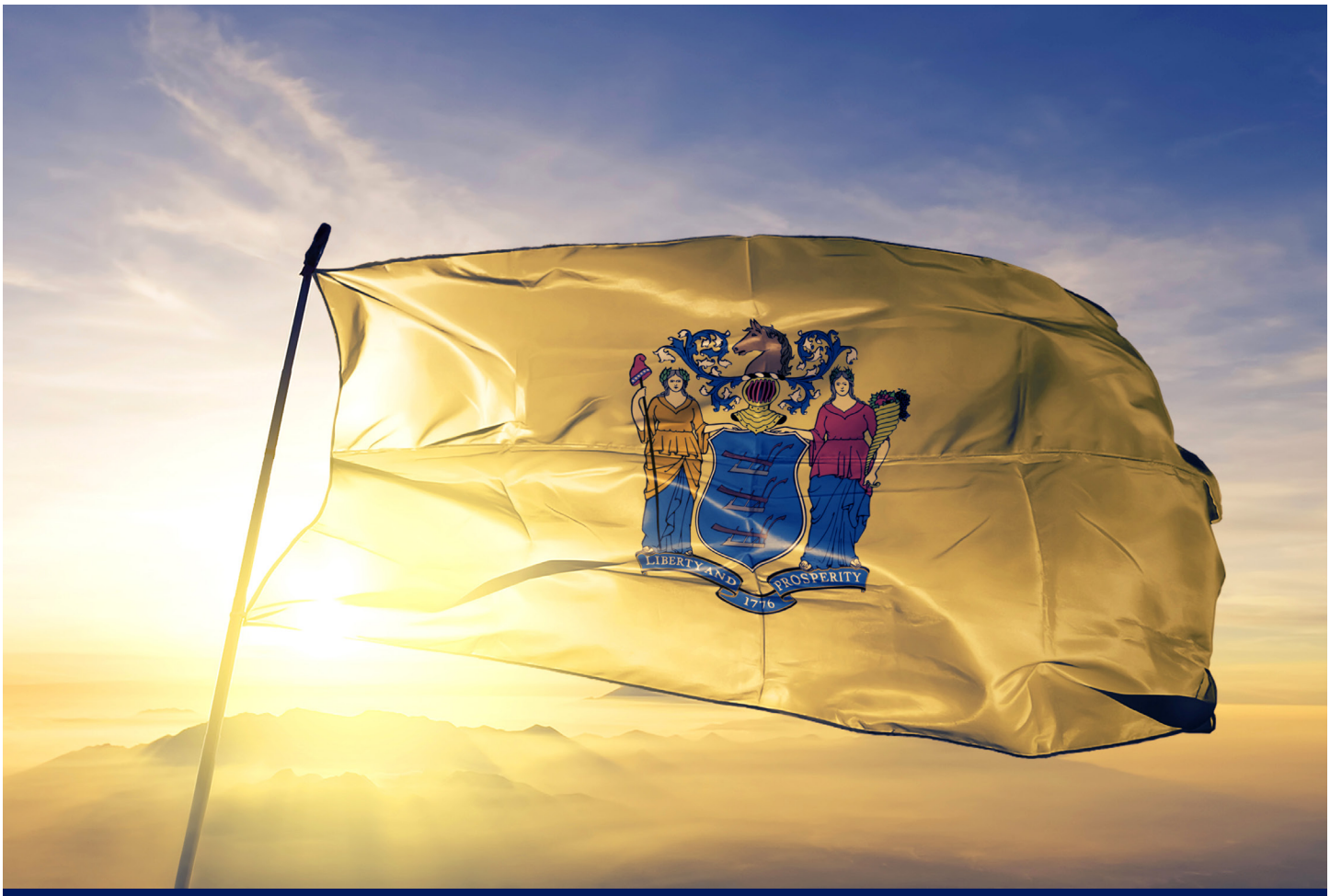
CATEGORY 3: INTEGRITY MONITORING/ANTI-FRAUD

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
21	Partner/Principal/Director	$_____	$_____
22	Program Manager	$_____	$_____
23	Project Manager	$_____	$_____
24	Supervisory/Senior Consultant	$_____	$_____
25	Consultant	$_____	$_____
26	Associate/Staff	$_____	$_____
27	Subject Matter Expert	$_____	$_____
28	Administrative Support	$_____	$_____

LINE #	Pass through Price Lines	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
29	Other Direct Costs		
30	Travel Expenses and Reimbursements		

- **The State makes no guarantee of volume of work effort.**
- **The Pass-Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 29 and 30.**

The Contractor is responsible for providing personnel with all necessary equipment to perform the services required in any Engagement issued under this contract. That cost is to be factored into the hourly rate.



Integrity Oversight Monitor Guidelines

August 2020

State of New Jersey COVID-19 Compliance and Oversight Taskforce

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The State of New Jersey COVID-19 Compliance and Oversight Taskforce is composed of the following members or their designees:

- **Kevin D. Walsh, Acting State Comptroller, Taskforce Chair**
- **Gurbir S. Grewal, Attorney General**
- **Elizabeth Maher Muoio, State Treasurer**
- **Daniel Kelly, Executive Director, Governor's Disaster Recovery Office**
- **William Viqueira, Accountability Officer, NJ Transit**
- **Amanda Schultz, Accountability Officer, Department of Education**
- **Catherine Schafer, Accountability Officer, Department of Children and Families**

Introduction

On July 17, 2020, Governor Murphy signed Executive Order 166 ("EO 166"), which, among other things, established the COVID-19 Compliance and Oversight Taskforce (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 provided through the CARES Act, 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.

EO 166 requires Recovery Program Participants to identify a central point of contact (an "Accountability 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 Governor's Disaster Recovery Office (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.

Conditions for Oversight Monitors

A Recovery Program Participant should evaluate whether it should retain an Integrity Monitor in accordance with these guidelines using the following standards.

For Recovery Program Participants that have received or will administer a total of up to $20 million in COVID-19 Recovery Funds: The Recovery Program Participant's Accountability Officer shall 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 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 using non-federal funds.

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, subject to federal funding being available. Multiple Integrity Monitors should be retained if one monitor is not adequate to oversee multiple programs being implemented by the agency or authority 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.

Risk Assessment

As noted above, not all Recovery Program Participants within the up to $20 million range should retain an Integrity Monitor. 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 in determining whether the use of an Integrity Monitor is necessary.

An Accountability Officer will 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 CARES Act or other 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 attached to this document. The risk assessment should be shared with the GDRO and OSC. Some of the specific factors an Accountability Officer should consider when assessing risk for a Recovery Program Participant within the up to $20 million range 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;
- Barriers to 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 assessment 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).

If the Accountability Officer or the GDRO determines that an Integrity Monitor should be retained for a Recovery Program Participant that is receiving or administering federal funds up to $20 million, the Accountability Officer and GDRO should assess whether federal or other funding exists to pay the costs associated with the Integrity Monitor's services. Some federal programs have caps on the amount of funding that can be used for oversight and administrative expenses.

Establishing the Pool of Integrity Monitors

The New Jersey Department of the Treasury, Division of Administration (Treasury) will designate 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: (1) Program and Process Management Auditing; (2) Financial Auditing and Grant Management; and (3) Integrity Monitoring/Anti-Fraud services.

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

Program and Performance Monitoring	Financial Monitoring / Grant Management	Integrity Monitoring / Anti-Fraud
Development of processes, controls and technologies to support the execution of CARES Act funded programs and other federal programs, e.g. FEMA.	Comprehensive understanding of the relevant grant programs and criteria.	Forensic accounting and other specialty accounting services.
Review and improvement of procedures addressing financial management.	Streamlining of 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.	Performance and program monitoring and promotion of best practices.
Consulting services to support account reconciliations.	Providing 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, state and local law.
Risk analysis and identifications of options for risk management.		Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.
Subject Matter Expert knowledge of required standards for related monitoring and financial standards.		

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 on an individual basis.

- The Engagement Query will include a detailed scope of work; 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 agency should have no individual or company affiliation with the agency 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.

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 Participant. Therefore, Integrity Monitors should not wait until reports are issued to notify a Participant's 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. Generally, the role of Integrity Monitors is to ensure that Recovery Program Participants are performing according to the sub-award agreement and applicable federal and State regulations and guidelines with the intent to safeguard

COVID-19 Recovery Funds through the following tasks:

- 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 findings; 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. 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 contends is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of an Integrity Monitor 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 report will vary based on 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 report should include the information included in the Uniform Template. See attached Uniform Template to be used by all Integrity Monitors for reports.

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 Integrity Monitors to 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

Issues of waste, fraud, abuse, and misuse of COVID-19 Recovery Funds are to be immediately reported simultaneously to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Potential criminal conduct is to be reported immediately 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.

Integrity Monitor Report Template

Name:

Engagement:

No.	Recipient Data Elements	Response	Comments
A.	**General Information**		
1	Recovery Program Participant		
2	Federal Funding Agency (e.g. CARES, HUD, FEMA)		
3	State Funding (if applicable)		
4	Award Type		
5	Award Amount		
6	Accountability Officer		
7	Brief Description, Purpose and Rationale of Integrity Monitor Project/Program		
8	Contract/Program Location (if applicable)		
9	Amount Expended by Recovery Program Participant to Date		
10	Amount Provided to Other State or Local Entities		
11	Completion Status of Contract or Program		
12	Expected Contract End Date/Time Period		
B.	**Monitoring Activities**		
13	If FEMA funded, brief description of the status of the project work-sheet and its support.		

14	Quarterly Activities/Project Description (include with specificy activities conducted, such as meetings, document review, staff training, etc)		
15	Brief description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.		
16	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.		
17	Has payment documentation in connection with the contract/program been reviewed? Please describe.		
18	Description of quarterly activity to prevent and detect waste, fraud, and abuse.		
19	Provide details of any integrity issues/findings		
20	Provide details on any other items of note that have occurred in the past quarter.		
21	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters.		
C.	**Miscellaneous**		
22	Attach a list of hours (by employee) and expenses incurred to perform your quarterly integrity monitoring review.		

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

Name of Integrity Monitor:

Signature:

Date:

Name of Report Preparer:

Risk Matrix

Agency/Authority:

Program:

Funding Source:

Recipient or Subrecipient:

Completed by:

Date:

Risk Inquiry Areas	Rating Element	Summary Assessment/Description of Risks Identified	Risk Level (Low, Medium, High)
Inquiry 1			
Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular.	Assess your agency's experience and staffing capacity to manage and account for federal grant funds and/or disaster recovery funds. Considerations include: your agency's organizational structure, supervisory roles, delegation of authority, line level staffing capacities, experience at all levels, and responsibilities and relations within and between different divisions or offices within your agency. Does your agency have a monitoring and oversight plan to assess your continued performance and compliance with the CARES fund requirements, federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your agency address risk areas and the need for corrective action?		

Inquiry 2			
Input from the individuals/units that will be disbursing funds or administering the program	How will your agency plan for the use of the CARES funds? Does your plan include considerations for federal and state requirements and eligible uses of the funds? Does your plan establish adequate funding and staffing requirements for administering the funds? Is your plan consistent with your statutory mission and the CARES fund objectives? Does your plan include or contemplate the inclusion of input from line staff that are administering the program?		
Inquiry 3			
Review of existing internal controls and any identified weaknesses.	Has your agency reviewed its internal controls to ensure that policies and procedures are in place to satisfy the CARES fund requirements, federal and state laws and regulations? Are your agency policies and procedures adequate? Are they updated for all relevant processes required for the administration of the CARES funds? Does your agency have a monitoring and oversight plan to assess your continued performance and compliance with the CARES fund requirements, federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your agency address risk areas and the need for corrective action?		
Inquiry 4			
Prior audits and audit findings.	Has your agency been audited in the past? Have you considered and addressed any prior audit findings and recommendations that may be applicable to your success in overseeing COVID stimulus funding?		
Inquiry 5			
Lessons learned from prior disasters	Has your agency been audited after a previous disaster? Have you considered and addressed any findings and recommendations from such audit(s)?		

Inquiry 6			
Sub-recipient internal control weaknesses, if applicable.	If your agency is overseeing sub-recipients, have the sub-recipients been the subject of prior negative audit findings and recommendations that could impact oversight? How will your agency ensure that sub-recipients adhere to all requirements relating to their receipt of funds, including their use of funds and the reports they will be required to submit documenting their use of such funds?		
Inquiry 7			
Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.	When is the last time there was an assessment of financial, acquisition, and grants management policies and procedures? Is technological capacity an issue? Are the financial management systems adequate or outdated? Have the systems been updated or can they be updated to function adequately for the administration of the CARES funds?		
Inquiry 8			
Barriers to reporting.	Does your agency have, or intend to develop, templates/forms or other documentation to report the results of the funding awards, including how your agency will respond to oversight bodies seeking to ascertain who received funds, the amount of funds, and the date funds were distributed?		
Inquiry 9			
Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives.	Assess and evaluate your agency's procurement processes and experience with state and federal procurement requirements. Do you have a trained and qualified contract manager assigned to the contract? Do your contracts contain provisions to ensure that contracted vendors provide all necessary reports in the form/manner prescribed by contract? Have your contract templates been reviewed and checked for necessary state and federal contract language? If emergency contracts have been entered into, how do you plan to transition after the urgent need has ended? Do you have plans to conduct a cost analysis?		

Inquiry 10			
Potential conflicts of interests and ethics compliance.	Evaluate the means used to ensure that there is adequate separation of duties surrounding program funding requests and determinations. Does your agency have a code of conduct or policy describing measures to guard against potential conflicts of interest?		
Inquiry 11			
Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s).	Evaluate the guidance, policies and procedures, or other documents that are being used to ensure that your agency properly oversees the sub-recipients' use of funds, including those relating to internal recordkeeping, monitoring, and sub-recipient reporting. Does your agency have a plan to monitor sub-recipients' compliance with program requirements and those outlined in Uniform Grant Guidance 2 C.F.R. 200.331 (Requirements for pass through entities)? Does that plan assess risk of sub-recipients? Does that plan include training and training documents? Have you prepared templates or other reporting forms that you will be providing to sub-recipients? Has your agency developed a plan to address sub-recipient noncompliance?		
Inquiry 12			
Whether federal or state guidelines provide guidance regarding the uses of funds (i.e., discretionary vs. restrictive).	Evaluate how eligibility determinations will be made? Does your agency have written guidance or policies and procedures that provide direction in making and documenting eligibility determinations? Is the completeness and accuracy of information used in eligibility determinations verified? If so, how? By whom? Is there supervisory review and approval in this process?		

Note: This risk assessment tool may not include all relevant risk factors for your particular agency. Each agency should undertake a review to determine whether any additional risk areas should be reviewed, should identify those areas here, and should analyze them in accordance with the format of this tool.



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

Integrity Monitor Firm Name:_____

Engagement:_____

Quarter Ending: _____

No.	Recipient Data Elements	Response	Comments
A.	**General Info**		
1.	Recovery Program Participant		
2.	Federal Funding Agency (e.g., Section 5001 of CARES Act)		
3.	State Funding (if applicable)		
4.	Award Type		
5.	Award Amount		
6.	Accountability Officer		
7.	Brief Description, Purpose and Rationale of Integrity Monitor Project/Program		
8.	Contract/Program Location (if applicable)		
9.	Amount Expended by Recovery Program Participant to Date		
10.	Amount Provided to other State or Local Entities		
11.	Completion Status of Contract or Program		
12.	Expected Contract End Date/Time Period		
B.	**Monitoring Activities**		
13.	If FEMA funded, brief description of the status of the project worksheet and its support.		
No.	**Recipient Data Elements**	**Response**	**Comments**
14.	Quarterly Activities/Project Description (include with specificity activities conducted, such as meetings, document review, staff training, etc)		
15.	Brief description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.		
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.		
17.	Has payment documentation in connection with the contract/program been reviewed? Please describe		
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.		
19.	Provide details of any integrity issues/findings		
20.	Provide details on any other items of note that have occurred in the past quarter		
21.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters		
No.	**Recipient Data Elements**	**Response**	**Comments**
C.	**Miscellaneous**		
22.	Attach a list of hours (by employee) and expenses incurred to perform your quarterly integrity monitoring review		
23.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.		

Name of Integrity Monitor: Name of Report Preparer:
Signature:
Date:

K2 Intelligence

Investigations · Compliance Solutions · Cyber Defense

FINANCIAL INTEGRITY NETWORK

Integrity Oversight Monitoring:
Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for Coronavirus Relief Funds pursuant to Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act COVID-19 Recovery Funds and Programs

Prepared For:

Department of the Treasury

State of New Jersey

Attention:

[redacted]
Division Fiscal Manager

September 25, 2020

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2. About K2 Intelligence Financial Integrity Network

K2 Intelligence LLC is an industry-leading integrity monitoring, investigative, compliance, and cyber defense services firm founded in 2009 by Jeremy M. Kroll and Jules B. Kroll, the originator of the modern corporate investigations industry. The Financial Integrity Network is a premier strategic advisory firm dedicated to helping clients achieve their financial integrity goals. By merging resources and expertise, K2-FIN seeks to revolutionize how organizations and jurisdictions manage risk, gather intelligence, protect themselves from illicit activity, and enhance business opportunities. Together, our combined firm sits at the intersection of the public and private sectors as a trusted source of expertise and sound judgment.



FOR MORE THAN TWENTY YEARS, WE HAVE SPECIALIZED IN THE DESIGN, IMPLEMENTATION AND MANAGEMENT OF PROACTIVE COMPLIANCE AND INTEGRITY MONITORING PROTOCOLS – IT IS, IN FACT, A CORE COMPETENCY OF OUR FIRM.

K2-FIN advises governments, companies, boards, and individuals in business areas including integrity monitoring, investigations and disputes, regulatory compliance, cyber defense, construction and real estate, strategic risk and security, and private client services. We also assist financial institutions, sectoral clients, and governments with strategic advisory, policy, controls, and training to protect against the full range of illicit financing threats.

K2-FIN is known for its strategic application of technology. Whether it is sophisticated digital forensic tools, deep web search capabilities, or sophisticated analytic platforms for interrogating massive data sets, we have consistently produced remarkable – and remarkably efficient – results for clients by knowing how and when to employ cutting-edge technology.

With offices in New York, London, Washington, DC, Madrid, Geneva, Los Angeles, and Chicago, our teams include former prosecutors, lawyers, senior government advisors, regulators, compliance officers, law enforcement and intelligence professionals, forensic accountants, investigative journalists, technology professionals, and academics, each bringing a unique set of investigative and advisory skills and perspectives to the client situation.

K2-FIN is simply unmatched by any other firm in the number of years providing compliance and integrity monitoring services, the number and depth of in-house resources necessary to provide those services, and the number agencies who can vouch for the value of our integrity monitoring services. For more than twenty years, we have specialized in the design, implementation and management of proactive compliance and integrity monitoring protocols – it is, in fact, a core competency of our firm.

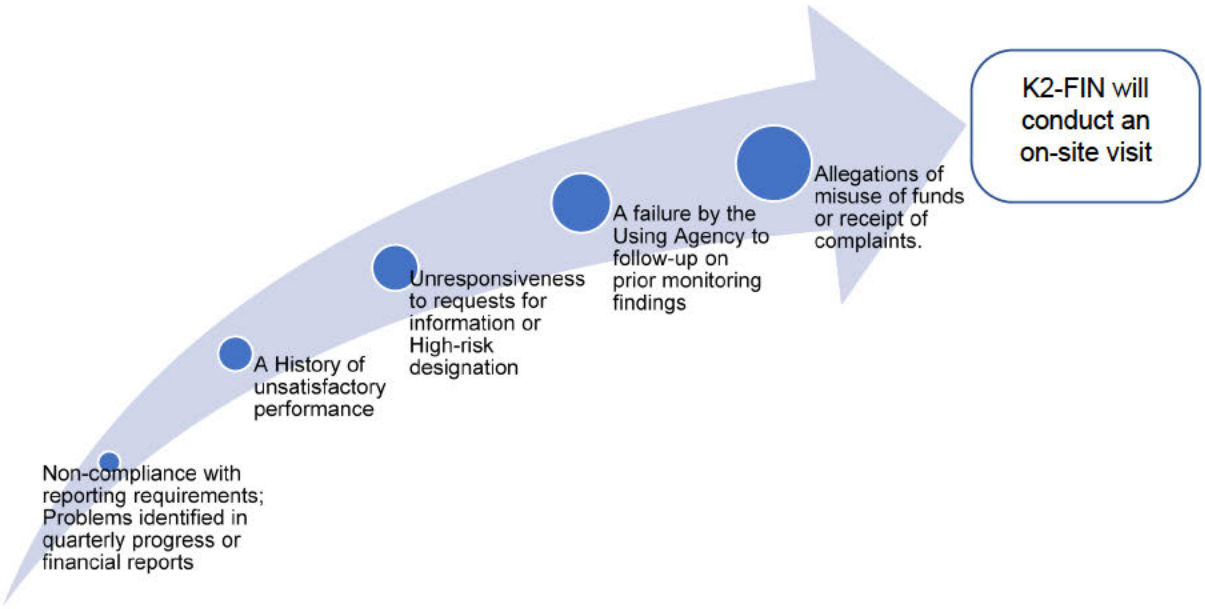
3. Our Understanding of Your Needs

K2-FIN understands that the RFQ calls for both general tasks, as described below, as well as specific task by category as outlined in the RFQ. Both general and specific tasks were incorporated into our proposed approach below.

General Tasks

- Initial and ongoing risk assessments
- Evaluation of project performance
- Evaluation of internal controls associated with the Using Agency's financial management, cash management, acquisition management, property management, and records management capabilities
- Validation of compliance with sub-grant award and general terms and special conditions
- Review of 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
- Interviews of Using Agency 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 of 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
- Ensuring that the Using Agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement
- Following up with questions regarding specific funding decisions, and review decisions related to emergency situations
- Facilitating the exchange of ideas and promote operational efficiency
- Identifying present and future needs
- Promoting cooperation and communication among Integrity Monitors engaged by other Using Agencies (e.g., to guard against duplication of benefits).

We further appreciate that certain findings will require K2-FIN to conduct an on-site visit.



We also understand that the retention of an Integrity Monitor by a COVID-19 Recovery Program Participants or "Using Agency" will be from the pool of Contractors established pursuant to the RFQ. Further, these engagements will be assigned by written Letter of Engagement containing a specific and detailed scope of work, with pricing based on a not to exceed clause pursuant to the selection of a qualified Contractor who through the Engagement Process and whose response to the Engagement Query is most advantageous to the State, price and other factors considered.

4. General Approach

Designing, implementing, and managing proactive integrity monitoring and anti-fraud engagements is a core competency of K2-FIN. Our experience has provided K2-FIN with an intimate understanding of the risks inherent in federal grant and disaster recovery programs, and knowledge of how to apply our methodologies in an independent fashion while collaborating and calibrating our work with government agency decision-makers.



WE HAVE PERFORMED INTEGRITY MONITORING FOR MAJOR DISASTER RECOVERY ENGAGEMENTS SINCE 2001, WITH OUR WORK ON THE CLEANUP OF THE WORLD TRADE CENTER SITE.

K2-FIN has performed this type of work with multiple agencies in the past and continues to do so. We were instrumental in assisting the New York Governor's Office of Storm Recovery ("GOSR") in designing and implementing useful processes and controls programs to ensure that all federal and state laws and regulations were being followed when managing grant and loan monies for those displaced or otherwise impacted by multiple hurricanes in the region. Not only did we assist in putting these programs and controls in place, but we also act as an integrity monitor and have been able to train their staff in reviewing for fraud, waste, and abuse. Similarly, we performed a review of the grant drawdown processes being enacted by the Metropolitan Transportation Authority ("MTA") as relates to funds for remediation work stemming from Hurricane Sandy. In doing so, we were able to offer key recommendations to enhance the MTA's existing controls, policies, and procedures.

K2-FIN has performed integrity monitoring engagements with multiple-stakeholders, funding from federal and state entities, and requiring compliance with A-60 and FTA/FRA regulations. We have performed integrity monitoring for major disaster recovery engagements since 2001, with our work on the cleanup of the World Trade Center site. Since then, we have performed these services in other engagements for a host of Government Agencies, including the New Jersey Department of Environmental Protection, the New Jersey Transit Corporation, the Port Authority of NY&NJ, the NY State Empire Development Corporation, and the Metropolitan Transportation Authority. Our experience on these past and current disaster recovery engagements allows us to design and implement efficient monitoring methodologies that will minimize the time and expense required to perform the services required on the engagement.

Our proposed approach, as further described in the following sections of this document, focuses on practicality and real-world solutions to how grant funds and grant disbursements are managed. Our years of integrity monitoring experience enable us to target engagement-specific risks, not wasting resources in areas that do not require scrutiny. As we identify problems, we strive to get to the heart of the matter and design solutions to address and prevent integrity issues without burdening the engagement's progress. We

also follow through to ensure that proposed solutions work and do not adversely impact the fulfillment of our clients' goals.

We understand that our clients have limited resources. We understand that while we cannot effectively monitor every transaction on every engagement, we maximize our efforts to focus on those activities or transactions most susceptible to risks of fraud, waste, and abuse. We are able to accomplish these objectives successfully, despite our clients' resource limitations, because we employ a cost-effective, Intelligence Driven Approach designed to identify the areas of greatest risk (both in terms of impact and likelihood of occurrence), and the controls in place to mitigate those risks, so that we can target the use of our resources and make our sampling of processes and controls maximally effective. This pragmatic approach avoids duplication of the routine operational reviews of grant management controls and processes and provides a value-add for an affordable cost.

K2's approach is distinguished by the following characteristics:

Solution-oriented, not process-driven.

- We believe that there is no such thing as a routine situation. We work to understand the problem before coming up with the solution. We are experts at analyzing internal data, documents, and communications and marrying that to market and situational intelligence to give our clients an edge.

Decades of combined experience.

- Our senior practitioners bring decades of experience as leaders in their fields and deliver the best solutions to our clients

Strategic application of technology.

- Whether through the use of sophisticated digital forensic tools, analytic platforms for interrogating massive data sets, or cutting-edge case management systems, K2-FIN consistently relies on technology to deliver the most effective solution to our clients.

Tailored to the needs of the client.

- We address client challenges from every possible angle and work tirelessly to craft solutions as quickly and efficiently as the particular situation requires. Our investigations frequently support the legal strategies of law firms

Multidisciplinary breadth.

- Our teams are able to engineer multifaceted solutions that always put our clients' needs first. Using the latest technological, data, and analytical tools, our teams address client challenges from every possible angle and discipline to craft solutions.

Nimble teams.

- With global experience and local knowledge, we are able to go anywhere in the world at a moment's notice, including many remote or difficult locations. In addition to drawing on our own collective experience, we partner with a worldwide network of experts and practitioners in every field and capacity. This footprint allows us to service client needs wherever and whenever they arise.

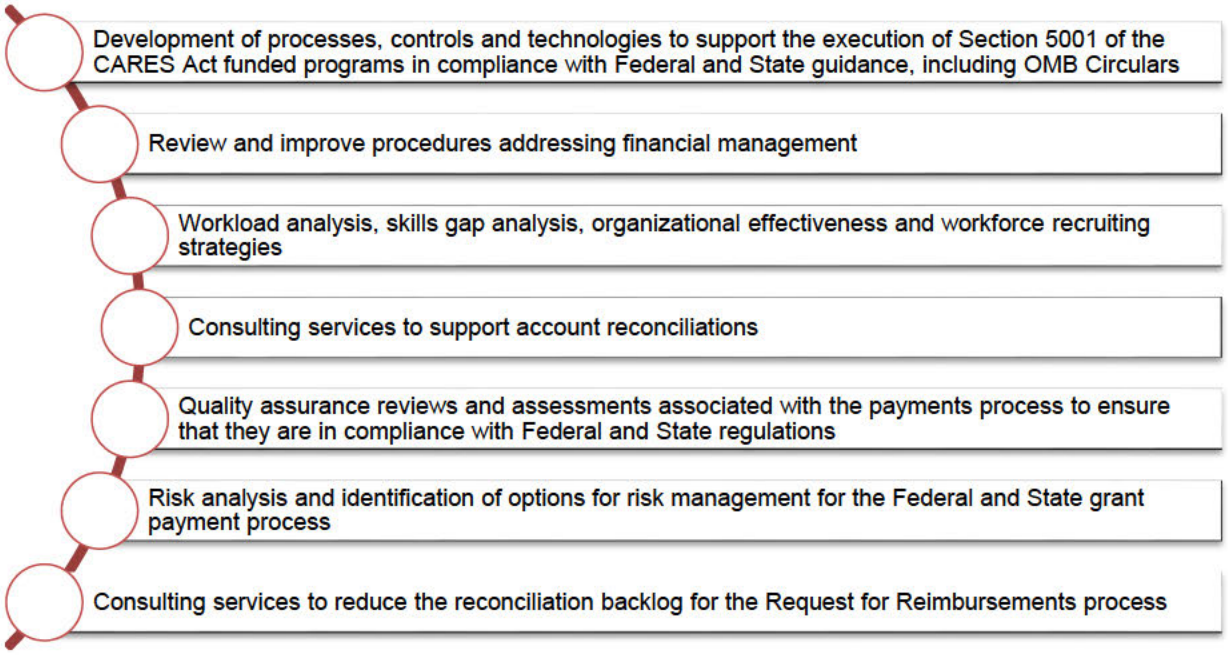
Independence and Insight.

- We are proud of what we have come to stand for: good outcomes, honest outcomes, and a reputation not only for risk advisory, consulting and compliance excellence but for our independence and insight. Because of it we are trusted by governments around the world.

5. Category 1: Program and Process Management Auditing

5.1. Our Understanding our Your Needs

We understand that with respect to Category 1: Program and Process Management Auditing, K2-FIN will be required to provide the following services:



Notwithstanding the specific services required above, K2-FIN understands that Using Agencies are required to establish and maintain effective internal control over the CARES Act award that provides reasonable assurance that the Using Agency is managing the CARES Act award in compliance with Federal, State and local laws and regulations, and the terms and conditions of the CARES Act. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

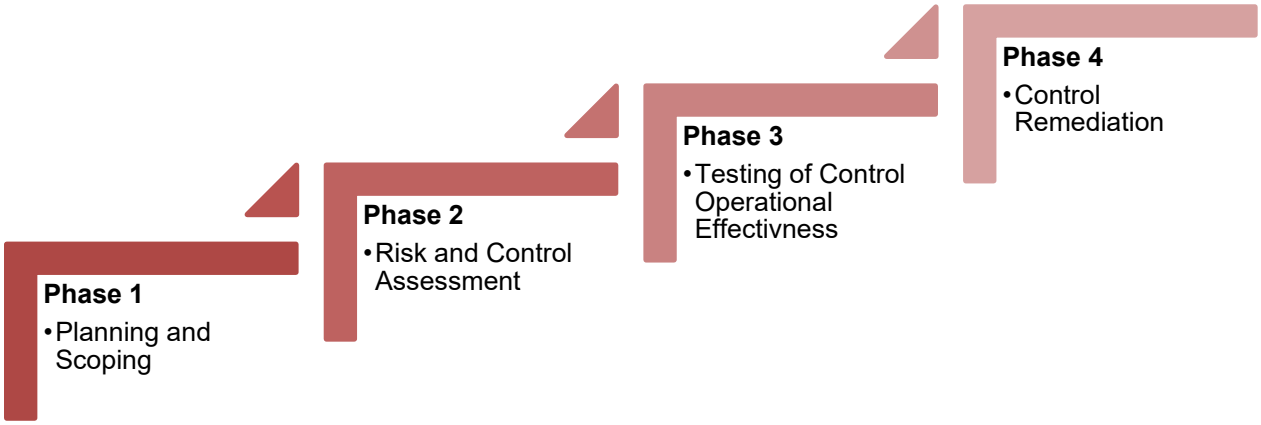
K2-FIN's role will be to assist the Using Agencies with the evaluation of the design of the internal controls, test the operating effectiveness of the internal controls and to provide subject matter assistance to enhance the internal controls as needed.

5.2. Proposed Approach

Upon notification of an award and execution of a written engagement letter. K2-FIN professionals will work closely with designated Using Agency personnel to plan and conduct the engagement activities. Our approach begins with the identification of the subject matter resources that are best suited to assist the

specific Using Agency. K2-FIN will utilize subject matter professionals with the appropriate industry sector experience. Our professionals possess a wide range of skillsets and experience and include Certified Public Accountants, Certified Fraud Examiners, Forensic Accounts, and internal controls experts. Please refer to Section 3 for professional CVs of the personnel that are available to assist on this project. These professionals have also worked on a wide range of private and public sector projects assisting clients with the design, implementation, auditing, and monitoring of internal controls. Please refer to Section 3 for details regarding similar projects.

K2-FIN proposes the following four-phased approach to assist the Using Agency in achieving the Category 1: Program and Process Management objectives described above.



5.2.1. Phase 1: Planning and Scoping

OBJECTIVE

During this phase of work, K2-FIN will work with the Using Agency to plan and scope the project to ensure that key stakeholders are aligned with the project objectives, related deliverables, and timelines.

5.2.1.1. Key Work Steps

This will include the following work steps:

- Project kickoff meeting
  - During this initial phase of work, K2-FIN will coordinate a project kickoff meeting with key stakeholders from the Governor's Disaster Recovery Office ("GDRO"), the COVID-19 Accountability Officer for the Using Agency, as well as other Using Agency Personnel.
  - The purpose of the kickoff meeting is to ensure that all stakeholders are aligned on the project objectives, scope, timelines, and deliverables.

- Preparation of an Information Request
  - K2-FIN will prepare a preliminary information request including relevant policies, procedures, and internal controls implemented by the Using Agency. This may include, but will not necessarily be limited to the following:

  - Documentation evidencing processes, controls and technologies implemented to support the execution of Section 5001 of the CARES Act
  - Results of quality assurance reviews and assessments associated with the payments process to ensure that they are following Federal and State regulations
  - Grants management policies and procedures
  - Accounting policies and procedures including, but not limited, procurement, payments, expense reimbursement process, financial reporting, and accounts reconciliation process
  - Code of conduct, compliance program, and other governance related documentation
  - Results of prior risk assessments and related risk and control matrix
  - Audit reports including the identification of prior internal control deficiencies and management's response regarding the same
- Development of an audit plan
  - At the conclusion of this phase of work, K2-Fin will provide a final audit plan for review and approval prior to the commencement of substantive work
  - The audit plan will be a tailored version of this approach document and include project-specific objectives and key work steps

5.2.2. Phase 2: Risk and Control Assessment

OBJECTIVE

During this phase of work, K2-FIN will perform a risk assessment inclusive of an evaluation of the Using Agency's inherent program risks as well as the controls that the Using Agency Management has established to mitigate such risks.

5.2.2.1. Key Work Steps

K2-FIN professionals will work closely with designated Using Agency personnel to coordinate and perform the following tasks to achieve the project objectives:

- Inherent Risk Assessment
  - K2-FIN will assess the operational and fraud risks that are associated with the Using Agency's COVID related programs (e.g., the risk of asset misappropriation, the risk of financial reporting fraud, as well as the risk of misconduct including potential violation of Federal or State laws, regulations, or established grant management protocols.
  - The purpose of the assessment will be to identify potential areas where the Using Agency may be susceptible to greater program risk (e.g., past compliance issues, adverse audit findings, non-compliance with reporting requirements, areas with significant financial reporting errors, undocumented transactions, reliance on manual controls, history of unsatisfactory performance).
  - This will include a review of relevant program documents and policies and procedures identified and collected as part of the planning and scoping phase (e.g., Results of prior risk assessments and related risk and control matrix)
  - This will also include interviews with key Using Agency personnel. The following is a preliminary listing of personnel and roles that may be included in our interviews:

        - COVID-19 Accountability Officer
        - Using Agency Head
        - Accounting and finance
        - Information Technology
        - Program operations personnel
- Controls Assessment
    - K2-FIN will assess the design of the controls established by the Using Agency to mitigate the inherent program risks.
    - We will also benchmark the program and controls against regulatory frameworks and leading practices that organizations have generally found to be effective in preventing, detecting, and mitigating such risks.
    - This will include a review of relevant program documents and policies and procedures identified and collected as part of the planning and scoping phase (e.g., Results of prior risk assessments and related risk and control matrix, Audit reports including the identification of prior internal control deficiencies and management's response regarding the same.
    - This will also include inquiry of Using Agency personnel as well as process walkthroughs
    - K2-FIN will also provide recommendations to address potential control gaps or otherwise help enhance the program effectiveness.

5.2.3. Phase 3: Testing of Control Operational Effectiveness

OBJECTIVE

During this phase of work, K2-FIN will perform test of control operational effectiveness inclusive of transaction testing.

5.2.3.1. Key Work Steps

K2-FIN professionals will work closely with designated Using Agency personnel to coordinate and perform the following tasks to achieve the project objectives:

- Identification of high-risk areas subject to testing. Based on the risk and control assessment, K2-FIN will work with the Using Agency to identify potential areas of focus of the transaction testing. This may include, but is not necessarily limited to, the following:
    - Recording of revenue
    - Cash management
    - Procurement
    - Payments
    - Vendor on-boarding
    - Financial reporting and reimbursement
    - Reconciliation
- Perform substantive testing
    - For each high-risk category, K2-FIN will select a risk-based set of transaction for testing (e.g., large, round -dollar transactions with limited support or description)

  - This will also include inquiry, observations, and forensic analysis of books and records) to ensure that procedures and controls were executed based on program requirements.
- Identification of potential exceptions based on the transactions testing. This will include potential exceptions to established controls as well as potential indicators of fraud, waste, or abuse
- Conduct follow-up inquiry to obtain an understanding the potential root cause
- Provide recommendations regarding control remediation

5.2.4. Phase 4: Control Remediation

OBJECTIVE

During this phase of work, K2-FIN will be prepared to assist the Using Agency with the enhancement of its internal control environment.

5.2.4.1. Key Work Steps

K2-FIN professionals will work closely with designated Using Agency personnel to coordinate and perform the following tasks to achieve the project objectives:

- Provide subject matter resources to assist with the development of controls. Following the risk and control assessment, K2-FIN will be prepared to provide subject matter resources to assist the Using Agency with the implementation of suggested control enhancements as follows:
  - Development of processes, controls, and technologies to support the execution of Section 5001 of the CARES Act funded programs in compliance with Federal and State guidance, including OMB Circulars
  - Review and improve procedures addressing financial management
  - Workload analysis, skills gap analysis, organizational effectiveness and workforce recruiting strategies
  - Risk management for the Federal and State grant payment process
- Provide subject matter resources to assist with the implementation of controls. K2-FIN will also be prepared to provide resources to assist the Using Agencies with the execution of enhanced controls, including:
  - Consulting services to support account reconciliations
  - Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process
  - Consulting services providing Subject Matter Expert (“SME”) knowledge of required standards for related monitoring and financial standards under Section 5001 of the CARES Act and other federal funding, as applicable
- Assess the progress control remediation
  - Conduct documentation review and management inquiry to assess the progress of control remediation efforts

5.3. Anticipated Deliverables

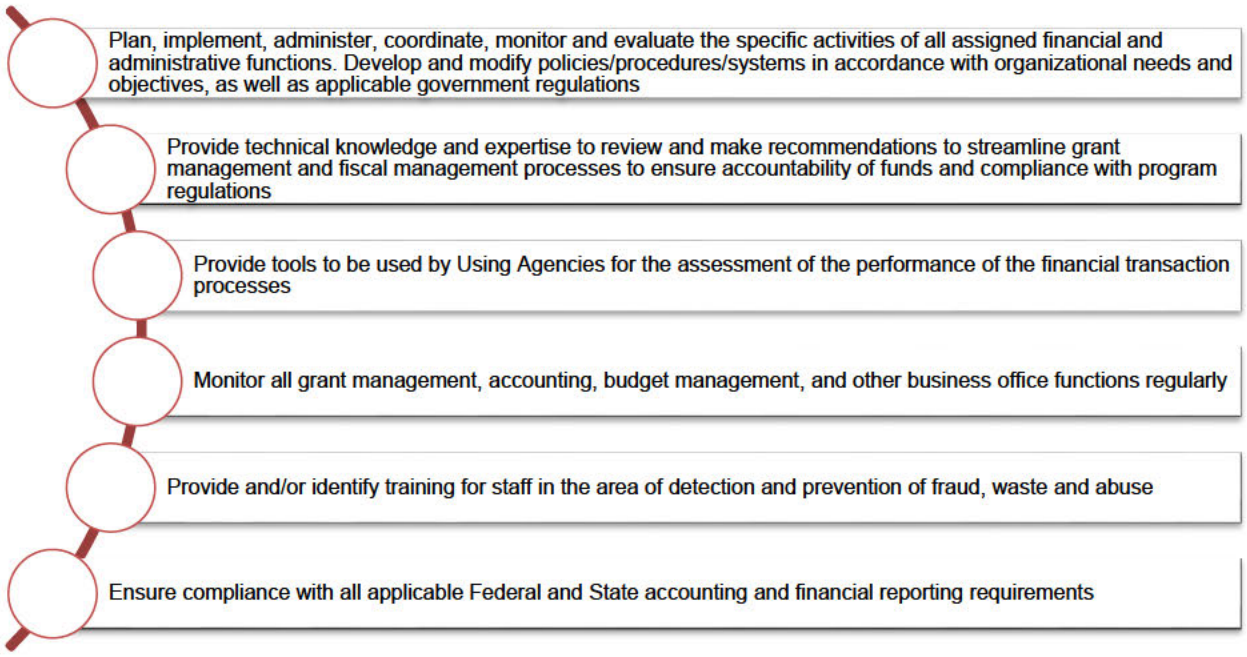
The following chart represents the anticipated Category 1 deliverables:

Category 1 - Phases of Work	Anticipated Deliverables
Phase 1: Planning and scoping	• Information request • Detailed audit plan
Phase 2: Risk and Control Assessment	• Summary results of the risk assessment • Risk and control matrix • Controls gap analysis
Phase 3: Testing of Control Operational Effectiveness	• Summary of exceptions identified and management response • Recommendations for control enhancements
Phase 4: Control Remediation	• Control remediation roadmap including management roles and responsibilities and timeline for completion • Recommendations for technology and system enhancements

6. Category 2: Financial Auditing and Grant Management

6.1. Our Understanding of Your Needs

We understand that with respect to Category 2: Financial Auditing and Grant Management, K2-FIN will be required to provide the following specific services in addition to the general services described above:



Notwithstanding the specific services required above, K2-FIN understands that Using Agencies are required to establish and maintain effective systems and internal control over the CARES Act award that provides reasonable assurance that the Using Agency is managing the CARES Act award in compliance with Federal, State and local laws and regulations, and the terms and conditions of the CARES Act.

K2-FIN's role will be to assist the Using Agencies with the evaluation of the design of the internal controls, test the operating effectiveness of the internal controls and to provide subject matter expertise to monitor the using Agency's continued compliance with the Cares act provisions as well as State laws and regulations.

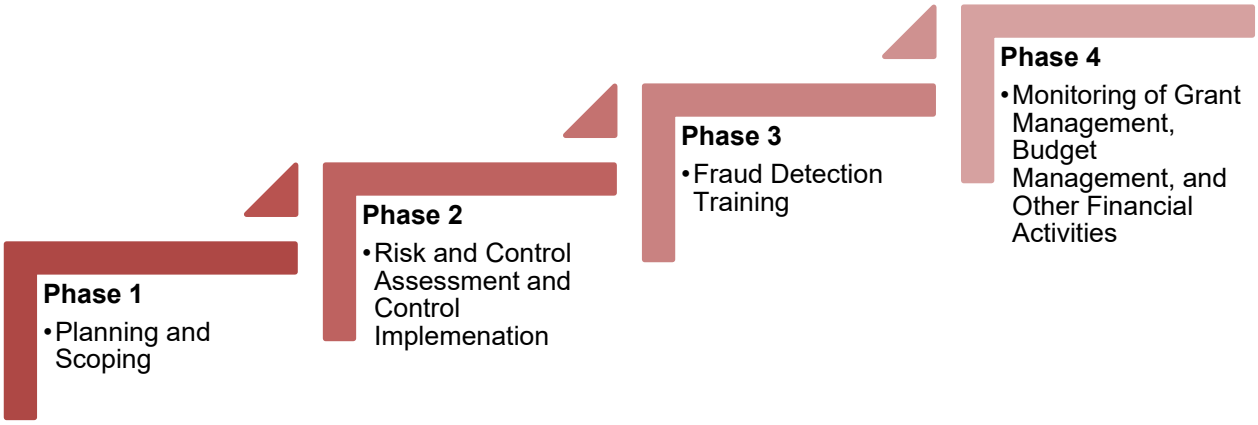
6.2. Proposed Approach

Upon notification of an award and execution of a written engagement letter, K2-FIN professionals will work closely with designated Using Agency personnel to plan and conduct the engagement activities.

K2-FIN will utilize subject matter professionals with the appropriate industry sector experience. Our professionals possess a wide range of skillsets and experience and include Certified Public Accountants, Certified Fraud Examiners, Forensic Accounts, and internal controls experts. Please refer to Section 3 for

professional CVs of the personnel that are available to assist on this project. These professionals have also worked on a wide range of private and public sector projects assisting clients with the design, implementation, auditing, and monitoring of internal controls. Please refer to Section 3 for details regarding similar projects.

K2-FIN proposes the following four-phased approach to assist the Using Agency in achieving the Category 2: Financial Auditing and Grant Management objectives described above.



Please refer to the following sections for additional details regarding the objectives and key work steps associated with each Phase of work.

6.2.1. Phase 1: Planning and Scoping

OBJECTIVE

During this phase of work, K2-FIN will work with the Using Agency to plan and scope the project to ensure that key stakeholders are aligned with the project objectives, related deliverables, and timelines.

6.2.1.1. Key Work Steps

This will include the following work steps:

- Project kickoff meeting
  - During this initial phase of work, K2-FIN will coordinate a project kickoff meeting with key stakeholders from the GDRO, the COVID-19 Accountability Officer for the Using Agency, as well as other Using Agency Personnel.
  - The purpose of the kickoff meeting is to ensure that all stakeholders are aligned on the project objectives, scope, timelines, and deliverables.
- Preparation of an Information Request
  - K2-FIN will prepare a preliminary information request including relevant policies, procedures, and internal controls implemented by the Using Agency. This may include, but will not necessarily be limited to the following:
    - Existing budgets

- Disbursement reports
- Written accounting policies and procedures and controls manuals
- Samples of potential eligibility files, both approved and denied
- Lists of current sub-recipients from which a sample will be selected
- Other accounting reports as deemed necessary

6.2.2. Phase 2: Risk and Control Assessment and Control Implementation

OBJECTIVE

During this phase of work, K2-FIN will perform a risk assessment inclusive of an evaluation of the Using Agency's inherent program risks as well as the controls that the Using Agency Management has established to mitigate such risks. We will then work with the Using Agency in implementing recommended steps and controls to address identified risks and weaknesses.

6.2.2.1. Key Work Steps

- Risks and Controls Assessment
  - Review any applicable federal and state laws and regulations as well as existing budgets, grant disbursement reports, programmatic documentation, written accounting policies and procedures, or controls manuals in place, etc.
  - Conduct interviews of pertinent Using Agency personnel to gain a better understanding of how processes work, how documentation is maintained, and to determine what might be perceived as the strengths and weaknesses in existing controls.
  - Identify and assess financial and integrity risks and associated internal controls related to the function of Grant Management, Budget Management, and other accounting functions, including the handling of sub-recipient funding approvals, eligibility denials, record-keeping, and planned disbursements compare to actual disbursements.
  - Conduct walk-though procedures of transactions and documentation to determine what "yellow" and "red flags" might be present.
- Activity and Control Implementation
  - Work with Using Agency to develop recommendations to enhance existing controls reviewed during the Risk and Controls Assessment.
  - Formulate additional steps and controls for recommendation to enhance existing processes.
  - Meet with Using Agency pertinent personnel to discuss.
  - Work closely with Using Agency personnel in updating policy and procedural documents.
  - Review updated manuals to ensure that all accepted recommendations are reflected.
  - Conduct cursory review of tasks being performed by personnel to ensure that updated policies have been adopted in practice.

6.2.3. Phase 3: Fraud Detection Training

OBJECTIVE

At the time that is deemed appropriate by K2-FIN and the Using Agency, K2-FIN forensic accounting personnel will train Using Agency staff in continuing steps to be implemented to review for fraud, waste, and abuse relating to Grant Management, Budget Management, and other accounting functions.

6.2.3.1. Key Work Steps

- Identify Steps for Using Agency personnel to employ to review for fraud, waste, and abuse
- Develop steps for conducting reviews of transactions and funding determinations
- Discuss these steps with, and seek approval from, the Using Agency
- Develop training materials
- Conduct training for Using Agency personnel based on the agreed upon fraud prevention steps discussed and approved by the Using Agency
    - Assist same staff with initial performance of these steps
- Report back to Using Agency management

6.2.4. Phase 4: Monitoring of Grant Management, Budget Management, and Other Financial Activities

OBJECTIVE

After conducting a risk assessment and working with Using Agency to implement any enhancements to controls and processes, K2-FIN will develop its work plan to address any remaining risks identified and perform monitoring activities of the Grant Management and Budget Management processes as well as other Financial Activities. K2-FIN will conduct monitoring procedures in accordance with the work plan once approved by the Using Agency.

6.2.4.1. Key Work Steps

- Development of Work Plan
    - Create a work plan and monitoring strategy based on the results of the risk assessment and any recommendations accepted by the Using Agency.
    - Discuss the work plan and its implementation with the Using Agency and seek their approval moving forward.
    - The work plan identifies the tasks to be performed by each assigned staff member. Staff skillsets are identified that meet the specific skillsets required to successfully execute each task.
    - Where unexpected tasks and activities arise during any given month, the work plan creates the basis to have informed discussions with the Using Agency regarding prioritization and deferral of tasks.

- Monitoring
    - Conduct financial, compliance, and operational audits based on the approved work plan.
    - On a regular basis, review activities related to Grant Management, Budget Management, and other accounting functions and ensure that established processes are being followed and federal and state accounting and reporting requirements are being met.
    - Perform reviews of sub-recipient funding determinations and denials, and ensure they were properly decided.
    - Ensure that all planned disbursements agree with actual amounts.
    - Ensure that all appropriate documentation is being maintained in accordance with federal, state, and programmatic guidelines.
    - Identify instances of non-compliance and other anomalies.
- Reporting
    - Meet with Using Agency on a regular basis to report findings and discuss allocation of resources.

6.3. Anticipated Deliverables

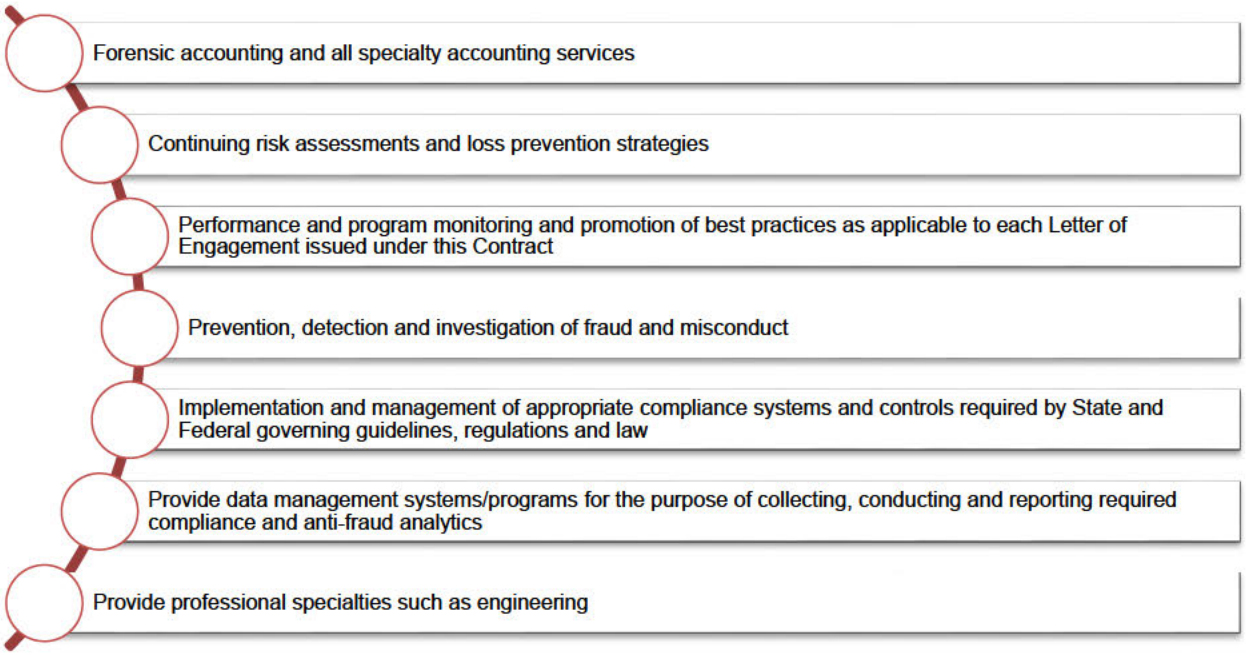
The following chart represents the anticipated Category 2 deliverables:

Category 2 - Phases of Work	Anticipated Deliverables
Phase 1: Planning and scoping	• Information request • Detailed audit plan
Phase 2: Risk Assessment and Control Enhancement	• Summary results of the risk assessment • Risk and control matrix • Controls gap analysis
Phase 3: Fraud Detection Training	• Training slide deck • Guidance documents including checklists
Phase 4: Monitoring of Grant Management, Budget Management, and Other Financial Activities	• Summary of exceptions identified and management response • Recommendations for control enhancements

7. Category 3: Integrity Monitoring/Anti-Fraud

7.1. Our Understanding of Your Needs

We understand that with respect to Category 3: Integrity Monitoring/Anti-Fraud, K2-FIN will be required to provide the following specific services in addition to the general services described above:



Notwithstanding the specific services required above, K2-FIN understands that Using Agencies are required to establish and maintain effective systems and internal control over the CARES Act award that provides reasonable assurance that the Using Agency is managing the CARES Act award in compliance with Federal, State and local laws and regulations, and the terms and conditions of the CARES Act.

K2-FIN's role will be to assist the Using Agencies with the evaluation of the design of the internal controls, test the operating effectiveness of the internal controls and to provide subject matter expertise to monitor the using Agency's continued compliance with the Cares act provisions as well as State laws and regulations.

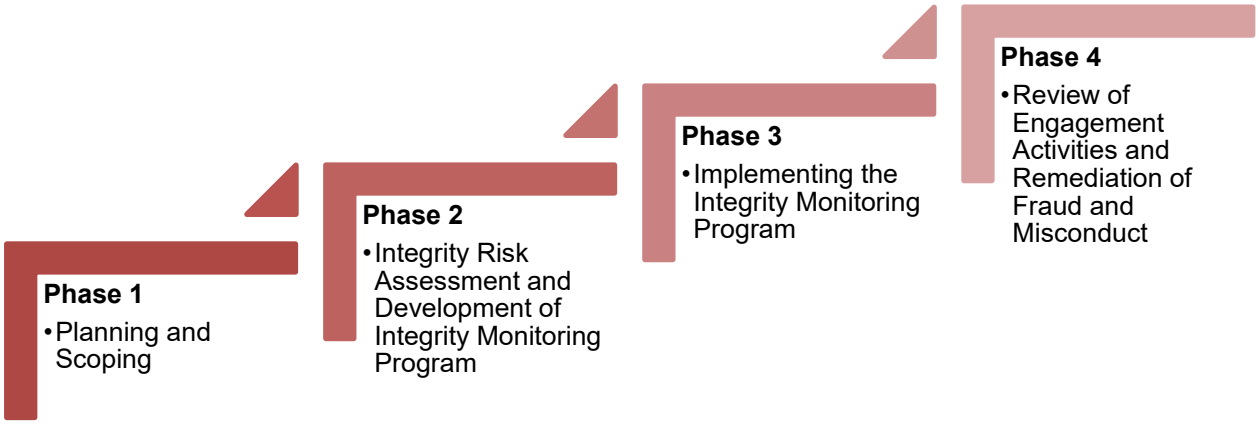
7.2. Proposed Approach

Upon notification of an award and execution of a written engagement letter. K2-FIN professionals will work closely with designated Using Agency personnel to plan and conduct the engagement activities.

K2-FIN will utilize subject matter professionals with the appropriate industry sector experience. Our professionals possess a wide range of skillsets and experience and include Certified Public Accountants,

Certified Fraud Examiners, Forensic Accounts, and internal controls experts. Please refer to Section 3 for professional CVs. These professionals have also worked on a number of similar projects for government agencies, including in the area of Grant Management. Please refer to Section 3 for details regarding similar projects

K2-FIN proposes the following four-phased approach to assist the Using State in achieving the Category 3: Integrity Monitoring/ Anti-Fraud objectives described above.



Please refer to the following sections for additional details regarding the objectives and key work steps associated with each Phase of work.

7.2.1. Phase 1: Planning and Scoping

OBJECTIVE

During this phase of work, K2-FIN will work with the Using Agency to plan and scope the project to ensure that key stakeholders are aligned with the project objectives, related deliverables, and timelines.

7.2.1.1. Key Work Steps

This will include the following work steps:

- Project Kickoff Meeting
  - During this initial phase of work, K2-FIN will coordinate a project kickoff meeting with key stakeholders from the GDRO, the COVID-19 Accountability Officer for the Using Agency, as well as other Using Agency personnel.
  - The purpose of the kickoff meeting is to ensure that all stakeholders are aligned on the project objectives, scope, timelines, and deliverables.
- Preparation of an Information Request.
  - K2-FIN will prepare a preliminary information request including relevant policies, procedures, and internal controls implemented by the Using Agency. This may include, but will not necessarily be limited to the following:
    - Program procedures and internal controls
    - Sample documentation for key program processes
    - Integrity awareness training materials

7.2.2. Phase 2: Risk and Control Assessment and Development of Integrity Monitoring Program

OBJECTIVE

During this phase of work, K2-FIN will perform a risk assessment inclusive of an evaluation of the Using Agency's inherent program risks as well as the controls that the Using Agency Management has established to mitigate such risks. K2-FIN will also develop applicable Integrity Monitoring Program, including loss prevention strategies.

7.2.2.1. Key Work Steps

K2-FIN professionals will work closely with designated Using Agency personnel to coordinate and perform the following tasks to develop the Risk Assessment:

- Identify likely risks.
- Review applicable federal and state laws and regulations, grant documents, and written policies and procedures.
- Review applicable documents including, but not limited to: any formal written management procedures addressing areas such as the procurement and bidding process, billing, accounts receivable and collections, accounts payable and payments, vendor selection and vetting, change orders, contingencies and allowances, time-keeping and reporting.
- Identify existing internal controls that provide fraud, waste, and abuse opportunity-blocking mechanisms.
- Interview executive management, operational supervisors, line staff and engagement participants to learn how they say or believe the system works to protect itself and what risks they believe are most relevant identify any variations in the understanding of business procedures and internal controls.
- Spot audits of specific activities and transactions to test compliance and identify any disconnects or "red flags" that may give rise to an increased integrity risk.
- Develop and finalize the Risk Assessment in consultation and collaboration with agency personnel to ensure the prioritization of identified integrity risks and our recommended controls enhancements are practicable and in coordination with the priorities of the COVID-19 Compliance and Oversight Task Force and the GDRO.

K2-FIN professionals will work closely with designated Using Agency personnel to develop the Integrity Monitoring Program, including loss prevention strategies, in accordance with client directions:

- Contract Integrity Provisions for Vendors and Consultants
    - Protects the integrity and reputation of our client, including a "right-to-audit" clause (with a drop-down clause to extend the provision to lower tiers) a non-collusive bidding certification and language mandating adherence to specifically delineated fair and ethical business practices (with sanctions for violations).
- Code of Ethics: that establishes ethical standards, with a process that communicate the standards to grant program participants and sets a tone of zero tolerance of ethical breaches.
- Integrity Hotline to accept reports of fraud, waste, and abuse.

  - The hotline would be prominently promoted through social media, signage, etc., again creating the ubiquitous message that integrity matters.
- Training Program
  - To facilitate integrity awareness training, defining the applicable standards and expectations. Integrity awareness training would be tailored to the specific audience, focusing on the potential risks arising from the functions performed by those personnel.
  - We would raise awareness of the integrity standards and oversight mechanisms, including the integrity monitor's role.
  - The integrity awareness presentations would foster proactive deterrence in discussing "dos and don'ts" along with "lessons learned."
- Data management systems/programs for compliance and anti-fraud analytics
  - This will include the selection of an appropriate technology application, the establishment of key fraud analytics and the development of a compliance reporting dashboard.
- Vendor protocols
  - This will include a statement of minimum standards of integrity for qualification and a Background Integrity Questionnaire tailored to the specific needs of the engagement that elicits all necessary information to permit performance of the vetting process but does not deter qualified candidates.

As with every other aspect of our proposed approach, we would leverage other existing integrity program components, to avoid duplication of efforts and ensure our approach to the engagement is efficient and cost beneficial.

7.2.3. Phase 3: Implementing the Integrity Monitoring Program

OBJECTIVE

During this phase of work, K2-FIN will conduct integrity monitoring activities to assess the Using Agency's continued compliance with the established Integrity Monitoring Program, including loss prevention strategies, as well CARES Act provisions and State laws and regulations.

7.2.3.1. Key Work Steps

K2-FIN professionals will work closely with designated Using Agency personnel to coordinate and perform the following tasks to implement the integrity protection program.

- Development of an integrity monitoring work plan, which will:
  - Describe our monitoring approach for known integrity risks.
  - Define specific tasks to be performed, establish milestones, deliverables, and deadlines.
  - Be developed in close communication with key stakeholders and modified as needed to account for fluid circumstances.
  - Where unexpected tasks and activities arise during the month, the work plans create the basis for an informed discussion with the client regarding prioritization or deferral of tasks to keep the engagement on schedule.
  - Assist with the management of our team to ensure that the work is proceeding as planned and that the team's work is coordinated.
- Conduct integrity due diligence on key subjects, vendors, and contractors

  - K2-FIN's research and analysis resources will screen entities and individuals to identify potential adverse information or factors that would be indicia of a higher likelihood for fraud or misconduct.
  - We have vetted thousands of corporate entities and individuals.
  - We perform these background checks by relying principally upon public databases and our team of experienced analysts and researchers who have developed well-honed methodologies for background research.
- Perform cost audits and analysis
  - Our team of forensic accountants understand the grant program requirements and related fraud risks.
  - The individual engagements will identify the nature of forensic audit reviews that are necessary or appropriate to support the integrity monitoring/ anti-fraud program.
  - Based on the risk assessment, our audit specialists will identify the reviews necessary to protect the integrity of the grant that is the subject of the engagement, and to ensure compliance with grant record-keeping requirements.
  - Our forensic accounting team will also review distributions and supporting documentation including invoices to spot indicators of fraud and misconduct.
    - This includes the risk of commingling of funds, overbilling, theft, misappropriation, fraud, waste, and abuse.
  - As needed, we will leverage our forensic engineers or other subject matter experts to conduct integrity reviews.
- Conduct site visits/spot audits
  - Our experienced field investigators and forensic accountants will conduct on-site visits and spot audits, as needed.
  - This will include announced or unannounced visits to target vendors, contractors, or suppliers to review books and records, interview targets, or conduct surveillance.

7.2.4. Phase 4: Review of Engagement Activities and Remediation of Fraud and Misconduct

OBJECTIVE

During this phase of work, K2-FIN will communicate its activities to the client, review our findings, and in collaboration with the client, identify next steps.

7.2.4.1. Key Work Steps

Client communication is a critical element, for developing Integrity Monitoring Program work plans, amending them when appropriate, and determining what to do where we have positive findings. The importance of such communication is underscored where we make positive findings of a possible integrity breach. In consultation with and in accordance with the direction of our client, we develop solutions for dealing with such findings, including:

- Developing Mitigation and Remediation Strategies

- In consultation with our clients, we will bring our findings to light sooner rather than later to correct underlying problems, prevent ongoing and future integrity breaches, and educate grant recipients in best practices.
- As an example, if we find that a grant program participant has an integrity issue, if wanted by the Using Agency, we would work to develop alternative measures to allow participation, such as an enhanced monitorship of the entity or an integrity certification imposing additional controls on the entity.

- Interacting with other government entities, including law enforcement
  - If the breach should be pursued as a possible criminal investigation, we can leverage our staff's substantial prior law enforcement experience, as well as K2-FIN's substantial experience in working directly with law enforcement, to help structure and implement a successful solution.

7.3. Anticipated Deliverables

The following chart represents the anticipated Category 3 deliverables:

Category 3 - Phases of Work	Anticipated Deliverables
Phase 1: Planning and Scoping	• Information request • Detailed audit plan
Phase 2: Risk and Control Assessment and Development of Integrity Monitoring Program	• Summary results of the risk assessment • Risk and control matrix • Integrity Monitoring Program
Phase 3: Implementing the Integrity Monitoring Program	• Issue tracker • Summary of exceptions identified and management response • Recommendations for control enhancements
Phase 4: Review of Engagement Activities and Remediation of Fraud and Misconduct	• Periodic monitoring reports • Realtime reports of fraud or misconduct

Our action plan for responding to requests for an engagement have been set forth above in our descriptions of our proposed approaches to each of the categories of work – specifically, in the planning and scoping sections. Our action plan for responding to engagement requests is integrated into our technical approach, to ensure that, as quickly as possible, we provide a meaningful response.

We have ample experience in successfully implementing these technical approaches in prior and pending engagements. A list of previously held, or currently held, contracts with similar services is included in the next section.

8. Our Team

At K2-FIN, we believe it's not just the machinery but the driver of the machinery that's important. That's what sets us apart.

We bring together expert practitioners from a wide variety of disciplines—world-class consultants, former regulators and compliance professionals, attorneys, certified public accountants ("CPAs"), forensic accountants, technologists, investigative journalists, investigators, and former members of the law enforcement and intelligence communities—to address and solve the myriad situations our clients encounter across an equally diverse landscape of industries and contexts.

K2-FIN has a deep bench of professionals and will be able to meet the demands of any assignment. Highlighted below are merely examples of the K2-FIN team.



Principals		
Name	**Title**	**Key Experience**
Snežana Gebauer	Executive Managing Director and head of the U.S. Investigations and Disputes Practice	• Over two decades of experience advising governments and corporations on complex matters of integrity, compliance, and risk management. • Deep expertise in integrity risks, crisis management, and investigation of fraud, corruption, and misconduct in the public and private sectors, in the United States and internationally.
Paul Ryan	Senior Managing Director	• Over 19 years' experience and specializes as an Integrity Monitor in developing programs, compliance reviews, investigations, fraud detection, and monitorships • Former Deputy Inspector General where he had oversight over and strengthened government programs, including oversight of ARRA funds, and assisting with the development of operational efficiencies • Assists clients with management strategies and policy development.

Program Managers		
Name	**Title**	**Key Experience**
Kevin Mullins	Managing Director and head of Forensic Accounting	• Over 17 years of forensic accounting and auditing experience specifically geared towards disaster recovery and integrity monitoring on projects funded by Federal and state monies • Lead efforts in evaluating and auditing compliance with government programs related to Federally and state issued grants, starting with the assessment of risk to the creation and tailoring of work plans to executing approach • Work with clients to migrate and consolidate accounting systems and related compliance programs, making recommendations for enhancements at each stage of the process
Martin Aronchick	Managing Director	• More than 30 years' experience in overseeing and conducting investigations of fraud and other crimes, and more than 25 years' experience in designing and implementing integrity monitorships, both in public service and in private practice • Project Manager for major engagements, including WTC reconstruction, the Moynihan Project, and current NJ Transit and NJ Dept. of Environmental Protection engagements. • Extensive disaster recovery integrity monitoring experience on WTC engagements
Raymond Dookhie	Managing Director	• CPA with more than 25 years of experience in compliance, integrity risk management, and investigations. • Experience spans across the public and private sectors, with specific focus on public sector, financial services, life sciences, as well as real estate and construction. • Manage large-scale compliance and integrity monitoring projects, financial fraud investigations, anti-bribery and anti-corruption compliance projects, and fraud and misconduct investigations and assist clients in addressing enterprise risk management priorities by designing, implementing, evaluating, and monitoring compliance programs.

Project Managers		
Name	**Title**	**Key Experience**
Tejah Duckworth	Senior Director	• Former NYC Department of Investigation, Inspector General with more than 10 years' experience in government procurement, investigations, and compliance • Oversaw the NYC Integrity Monitor Program • Managed billion-dollar large-scale construction monitor projects including Hurricane Sandy Recovery projects and the Emergency Communication Transformation Program

Yomi Pierce	Senior Director	• 15 years of extensive experience in developing and conducting investigating into complex accounting matters, fraud, and accounting irregularities in a variety of industries, including utilities, construction, medical devices, and government compliance • Regularly leads compliance reviews and risk assessments and has worked to develop and enhance standard operating procedures and desktop manuals as well as identifying process improvements, efficiencies, and opportunities for standardization and automation • Leads integrity monitoring teams in conducting financial reviews for fraud, waste, and abuse, and has been responsible for uncovering questionable transactions and potential schemes and working with client management to resolve identified issues
Yashvi Roy	Senior Director	• Over seven years of experience in providing auditing and integrity monitoring services on large scale government funded projects • Lead audit teams in performing risk assessments, constructing, and executing work plans, and working with client management to implement enhancements to controls and resolve audit issues • Conduct audits designed to focus on uncovering fraud, waste, and abuse to support state government agencies
Scott Millman	Senior Director	• Over two decades of experience in providing governance, risk, and compliance management consulting enabling public entities to build and sustain effective risk management and internal audit programs • Lead teams in performing integrity monitoring services to focused to uncover fraud, waste, and abuse to support various state government agencies • Involved in compliance review for large disaster recovery projects funded with Federal grants containing strict funding requirements
Dana Ball	Senior Director	• Over seven years of experience in leading audit efforts on a range of large-scale integrity monitoring projects to identify fraud, waste, and abuse • Heavily involved in all phases of developing Standard Operating Procedures for the Capital Projects construction group within a Fortune 100 Company assisted the client directly in training all internal and external consultants on policies and procedures • Executed audits on known instances of fraud within an organization to calculate damages and to identify control failures worked directly with and made recommendations to the Senior Management Committee to implement and to assess new controls within the organization
Robert Thompson	Senior Director	• Professional with over six years of forensic and investigative engineering experience, performing forensic investigations, controls and compliance reviews, and integrity monitorships to identify fraud, waste, and abuse • Responsible for performing gap analyses on projects to assess and identify risks and gaps for projects and to make recommendations to enhance processes and protocols

		• Regularly conducts reviews of project compliance with various Federal and state funding sources, including HUD/CDBG-DR and FTA/FRA Buy America/n requirements

Representative Sample of Resources		
Name	**Title**	**Key Experience**
Michael Bernstein	Director	• CPA with 15 years combined experience conducting financial and operational audits, process management, financial controllership, and forensic accounting and investigation • Analysis and advisory on matters including management information system and internal controls implementation financial and operational measurement and process improvement, contract management, Federal grant compliance and application • Maintains close working relationships with clients and subjects to provide timely information and promote a collaborative environment
Naomi Gonzalez	Senior Analyst	• Conduct financial and forensic investigations, compliance reviews, and integrity monitorships to identify fraud, waste, or abuse, including on disaster recovery projects • Develop risk assessments and integrity risk management programs for large-scale construction and disaster recovery projects • Perform data analytics and audit procedures as a key member of project teams
Salvatore Ubaldini	Senior Analyst	• CPA with over six years of professional auditing experience for the private, public, governmental, and not-for-profit sectors • Worked on projects to strengthen audit programs, and improvement of internal controls, and regulatory documentation • Grant programs and review of program expenses, program services, and grant allowances coupled with the mindset of discovery and deterrence of fraud, waste, and abuse led to large-dollar cost recoveries for various NYS Departments
Kyle Paul	Senior Analyst	• CPA with over six years of experience in conducting audits and fraud investigations • Regularly conducts compliance reviews and works with project teams and client management to make recommendations for enhancements of controls • Works on multiple integrity monitoring assignments to ensure that billings are free of errors and fraud, waste, and abuse

At the end of Section 3 are the relevant resumes.

9. Relevant Experience

In addition to K2-FIN's relevant engagements, our team members have experience overseeing disaster funding in their prior roles. As an example, members of our team have overseen the disbursement and use of the American Recovery and Reinvestment Act of 2009 ("ARRA").

The New York State Inspector General ("NYS IG") was selected to oversee a panel that ensured $31 billion in ARRA funds allocated to New York were utilized with transparency and accountability as well as preventing fraud, waste, abuse, and mismanagement. While at the NYS IG, Paul Ryan oversaw and assisted with these efforts.

Ray Dookhie, in a prior role, assisted the Commonwealth of Massachusetts with the development of its anti-fraud programs and controls in connection with distribution of federal grant funds from the ARRA. Ray designed an anti-fraud framework and related guidance that various agencies must implement to prevent, detect, and respond to fraud. In addition, he developed an awareness training for program stakeholders and agencies. Specific program elements included, fraud risk assessment, code of conduct, whistleblower mechanisms, financial controls and documentation, auditing and monitoring protocols including the use data analytics and technology.

Below are just some of the relevant matters that demonstrate K2-FIN's experience performing integrity monitoring engagements.

New York Governor's Office of Storm Recovery	
Contact Persons	[redacted], Director of Litigations and Litigation/Senior Counsel [redacted] [redacted] Deputy Construction Manager [redacted] Governor's Office of Storm Recovery 25 Beaver Street, 5th Floor New York, NY 10004
Years of Engagement	2013 – current
The State of New York established the Governor's Office of Storm Recovery ("GOSR") following Hurricane Irene, Tropical Storm Lee, and Hurricane Sandy to centralize recovery and rebuilding efforts in the impacted areas throughout New York State. GOSR paired approximately $4.4 billion in flexible funding made available by the U.S. Department of Housing & Urban Development with additional federal funds awarded to other State agencies to enable homeowners, small business, and entire communities recover. Since September 2013, K2-FIN has served as a Program Oversight and Compliance Monitor reporting to the Director of Investigations and Senior Counsel. In addition to our continuing onsite and desk audit monitoring activities, we have performed special investigative assignments and performed due diligence relating to select sub-recipients. We designed GOSR's vendor screening protocols, performed site security assessments on GOSR's physical assets made recommendations to strengthen federal regulatory compliance reporting, performed risk assessments of policies and procedures relating to assistance application processing, and performed reviews to ensure compliance with established policies and procedures.	

World Trade Center Recovery Effort	
Contact Person	[redacted], Inspector General New York City Department of Investigation 180 Maiden Lane, 23rd Floor New York, NY 10038
Years of Engagement	2001 – 2005
K2-FIN led the first large-scale deployment of project oversight, integrity monitors in a disaster recovery setting. Working with the Port Authority of New York and New Jersey at Ground Zero, our integrity monitors were engaged by the City of New York and were involved at every phase of the World Trade Center recovery effort from contract award to on- site activity. The message the City of New York conveyed through its use of our integrity monitors was clear – integrity counted. Cleanup was on time and under budget. In fact, some estimates credited the integrity monitors with more than $60 million dollars in anti-fraud savings. In 2006, a U.S. House of Representatives subcommittee heralded the World Trade Center Integrity Monitorship Program as "an overwhelming success," adding that the program was so effective because it was preventative in nature, with monitors calling for immediate corrections and remediation in real time versus after-the-fact auditing discoveries.	

State of New Jersey Department of Treasury Superstorm Sandy Integrity Monitoring Program	
Contact Person	[redacted] Department of the Treasury 225 West State Street Trenton, NJ 08625
Years of Engagement	2013 – 2017
The State of New Jersey, through a competitive process, prequalified a number of firms to provide auditing and integrity monitoring, among other services, on a large number of Superstorm Sandy recovery and rebuilding projects. The firms are selected on a per-engagement basis through individualized responses to proposals. The program began in August 2013. K2-FIN was selected to provide integrity monitoring services for two engagements – the City of Elizabeth's Veterans Memorial Waterfront Park and the City of Perth Amboy's Marina and Walkways. The City of Elizabeth Veteran's Memorial Waterfront Park project involved the rebuilding of the entire waterfront, including the memorial park, the municipal marina and the recreation and boardwalk piers. The estimated construction value for this project is $16.2 million. The City of Perth Amboy project involved the rebuilding of seven areas, including the Promenade at the Old Ferry Terminal, a beachfront promenade, and a fishing pier. The estimated construction value for this project is $8 million. Both projects involved performing risk assessments and recommending loss prevention strategies to prevent duplication of benefits, inefficiency, fraud, waste, abuse, malfeasance and mismanagement of funds determining if appropriate compliance systems and controls related to internal controls, procurement – including the New Jersey Local Public Contract Law, contracting, compliance, cost eligibility, contract management, invoicing, payment, are in place to comply with applicable State and federal guidelines and regulations –	

including compliance with FEMA funding guidelines and regulations – and to test and monitor control environments.

Our team made several contributions directly leading to the establishment of revised and enhanced institutional controls specifically related to procuring future services, as well as identifying several thousand dollars in suspected product substitutions.

NJ Transit Superstorm Sandy Recovery Engagements	
Contact Persons	[redacted] [redacted] NJ Transit One Penn Plaza East Newark, NJ 07105
Years of Engagement	2014 – current
We are currently serving as IOM, reviewing the $40 Million contract of HNTB and the $11 Million contract of BEM Environmental, to assist NJT in program management on Sandy recovery and resilience projects. In close consultation with NJT, we prepared risk assessments on these engagements, and are presently reviewing expenditures in what are primarily a "look-back" forensic audit assignments. Previously, we performed IOM services for NJT on the $13.3 million Gladstone Poles & Foundations Replacement Project. The Gladstone Poles & Foundations project involved the installation of new concrete foundations and steel poles for the catenary lines on the Gladstone Branch of NJT's Morris & Essex Line damaged as a result of Superstorm Sandy. K2 monitored the work of the contractor and conducted field spot checks on work performed in the field to ensure that NJT policies and procedures were followed.	

NJ Department of Environmental Protection – Superstorm Sandy Recovery Projects	
Contact Persons	[redacted] Manager – Bureau of Flood Resistance [redacted] NJ Department of Environmental Protection Bureau of Climate Resistance Design & Engineering 501 East State Street – 1st Floor PO Box 420 Trenton, NJ 08625
Years of Engagement	2015 – current
We are currently serving as the integrity monitor on NJDEP's $380 million Hudson River and Meadowlands Projects under the Rebuild by Design Program. Both projects encompassed performing risk assessments and recommending loss prevention strategies to prevent duplication of benefits, inefficiency, fraud, waste, abuse, malfeasance and mismanagement of funds determining if appropriate compliance systems and controls related to internal controls, procurement, contracting, compliance, cost eligibility, contract management, invoicing, payment,	

are in place to comply with applicable State and Federal guidelines and regulations and to test and monitor control environments.

World Trade Center Reconstruction	
Contact Persons	[redacted], Senior Advisor to Inspector General [redacted] [redacted], Senior Project Manager/Forensic Investigator [redacted] Port Authority of NY & NJ Office of Inspector General 5 Marine View Plaza, Suite 502 Hoboken, NJ 07030
Years of Engagement	2006 – 2019
We served as the Integrity Monitor on several projects at the WTC site during the rebuilding of the site following the 9/11 terrorist attacks, including the $4.5 billion Hub and $1 billion Memorial projects. These multi-billion-dollar PANYNJ projects involved the construction of a major mass transit hub and related infrastructure, the iconic 9/11 museum, retail space, and the site's central chiller plant. We employed our intelligence-based approach to design and implement an integrity monitoring program for these projects. This approach drives our risk assessments, corruption prevention programs, and review and assessment of the adequacy of controls on all phases of the projects, to ensure that all transactions are conducted and documented in such a way as to be both transparent and auditable. Our findings and recommendations resulted in improvements to project processes and integrity controls in the areas of prevailing wage compliance, M/WBE program compliance, procurement, subcontractor vetting, construction processes, project finances, requisition reviews, environmental and safety compliance, physical site security, and information security. We played a special role in monitoring the cleanup following Superstorm Sandy, which resulted in severe flooding throughout the site. Immediately after Superstorm Sandy we were tasked by PAOIG to design and implement integrity controls that would prevent time and materials abuse. The controls that we designed became the site-wide standard for preventing fraud during the post-Sandy clean-up and recovery stage at WTC projects.	

City of New York Rapid Repairs	
Contact Person	[redacted], Inspector General New York City Department of Investigation 180 Maiden Lane, 23rd Floor New York, NY 10038
Years of Engagement	2012 – 2013
The City of New York utilized K2-FIN integrity monitors in the City's Rapid Repair Program – a program designed to help residential property owners affected by Superstorm Sandy make emergency repairs while sheltering in their own homes. Our work included not only monitoring the actual repair work, but working closely with the City of New York to ensure that the project was being managed appropriately, that assistance qualifications were properly met, and to enhance controls and oversight.	

New York's Empire State Development Corporation	
Contact Persons	[redacted] Executive Director Moynihan Station Development Corporation 380 9th Avenue New York, NY 10001 [redacted] Deputy Inspector General for Downstate Offices [redacted] Empire State Development 61 Broadway New York, NY 10006
Years of Engagement	2017 – current
K2-FIN was selected by New York's Empire State Development Corporation as the integrity monitor for the Moynihan Train Hall project, a five-year assignment to protect New York State's investment of more than $1.5 billion. As the integrity monitor for this iconic New York City project, K2-FIN assists in providing necessary payment and compliance oversight as well as construction monitoring. This engagement has included screening of vendors and other providers of services to the project.	

New York's Empire State Development Corporation	
Contact Persons	[redacted] President, New York Convention Center Development Corporation [redacted] Empire State Development 633 3rd Avenue, 37th Floor New York, NY 10017 [redacted], Deputy Inspector General for Downstate Offices [redacted] Empire State Development 61 Broadway New York, NY 10006
Years of Engagement	2017 – current
Similar to the Moynihan Train Hall project, K2-FIN was also selected by New York's Empire State Development Corporation as the integrity monitor for the Javits Center Expansion project, a five-year assignment to protect New York State's investment of more than $1.5 billion. Similar in work scope, K2-FIN assists in providing necessary payment and compliance oversight as well as construction monitoring. This engagement has included screening of vendors and other providers of services to the project.	

Metropolitan Transportation Authority	
Contact Persons	[redacted] Deputy Chief Risk Officer Metropolitan Transportation Authority 2 Broadway, 16th Floor New York, NY 10004 [redacted] Audit Director Metropolitan Transportation Authority 2 Broadway New York, NY 10004
Years of Engagement	2012 – current

In 2012, the Metropolitan Transportation Authority ("MTA") selected K2-FIN to serve as an Independent Compliance Monitor for construction of the $10+ billion East Side Access project. Since then, we have worked in close cooperation with the MTA and the contractors to foster a collective commitment to compliance, to deter and detect fraud, waste, and abuse, and to protect the reputation of the MTA.

In 2016, the MTA tasked K2-FIN with conducting a voluntary assessment of the New York City Transit Authority's ("NYCT," an authority within the MTA) internal controls relating to the grant drawdown process for Hurricane Sandy Program Projects funded by Federal Transit Authority ("FTA") grant monies. The purpose of K2-FIN's assessment was to detect and address potential weaknesses in payment processing and strengthen its internal controls over the grant drawdown process on applicable NYCT capital projects.

United States Federal Reserve Board	
Contact Persons	[redacted] Vice President Federal Reserve Board
Years of Engagement	2016 – current

We were selected by the U.S. Federal Reserve Board ("FRB") and international regulators to serve as the independent consultant responsible for performing an annual review of OFAC compliance policies, procedures, and remedial actions at one of the largest multinational financial institutions in the world, pursuant to the terms of a global consent order entered into by the institution stemming from violations of U.S. sanctions laws. Over the course of the engagement we will continue to monitor, test and assess the development of the institution's OFAC compliance program, validate the implementation of our recommendations, and report our findings to the institution as well as the relevant regulatory agencies.

New York State Department of Financial Services	
Contact Persons	[redacted] Executive Deputy Superintendent [redacted] New York State Department of Financial Services 1 State Street New York, NY 10004
Years of Engagement	2016 – 2019
The New York State Department of Financial Services ("NYDFS") retained our Financial Crimes Risk and Compliance team to act as the independent monitor for a global financial institution pursuant to the consent order entered into between the institution and NYDFS. Per the consent order, we have been tasked with conducting a comprehensive review of the institution's programs, policies, and procedures now in place that pertain to or affect activities conducted by or through the financial institution for compliance with applicable requirements, laws, and regulations. The order also requires us to conduct a historical transaction review for a time period of three years.	

10. Management Overview and Contract Management Approach

Through diligent communication and the use of written work plans, we have had great success meeting the expectations of our government clients on our integrity monitoring engagements. The work plan defines the tasks to be performed by the monitor, establishes milestones, deliverables, and deadlines, creates a budget, and identifies contingencies. As the engagement progresses, the parties can identify any need to modify the work plan and address same in a timely manner.

The existence of a work plan that has the support of all parties creates the standard for the monitor's accountability. It assures that our work will be what the client seeks and has agreed to. It prevents unpleasant surprises. Further, it creates full transparency into our cost structure and allows for flexibility to scale back or increase as needed. Where unexpected tasks and activities arise during the month, the work plans create the basis for an informed discussion with the client regarding prioritization or deferral of tasks to keep the engagement on budget.

With the tasks defined to the client's satisfaction in the work plan, the goal becomes making sure the work is proceeding as planned, and making sure that the team is acting as a coordinated, integrated unit rather than as a collection of individuals working in isolation. We maintain fidelity to the work plan and a coordinated, integrated approach through effective communications within the team and within the organization. We employ a scalable approach to maintain quality control.

To be sure, our work plan methodology is not self-executing. It requires a great deal of communication, so it remains responsive to the client's changing needs in fluid circumstances. We have found from our experience that there is no facile substitute for the hard work that is necessary to assure client satisfaction. Therefore, at the outset of our engagements, we meet with our client's representatives to discuss their expectations and obtain information necessary for devising and revising our monitorship work plan. We discuss and resolve any issues that may arise during this process so that we have a meeting of the minds

regarding the work we are to perform, in advance of performing the work. And the employment of the work plan methodology does not end with the initial meetings. As stated above, the work plan must be continually revisited so that it continues to be relevant.

The same techniques that have assured the success of our monitorship engagements have also assured that we have performed our services within budget. The implementation of our work plan methodology and our team-building approach to integrity compliance programs builds a consensus regarding the tasks to be performed and creates a controlled mechanism for adding to these tasks, where the client wishes to do so. And these techniques can be readily employed on this engagement.

We also control project costs through K2-FIN's internal system for tracking the use of time by staff and ensuring that time charges are allocated properly. All staff account for their time daily with time record entries that identify the client, the matter, and the amount of time worked, and give detailed descriptions of the work performed. This system is managed and quality-controlled, at no cost to the Using Agency, by K2-FIN's Finance Department. We use this system to help ensure personnel accurately charge their time, are working efficiently and effectively, and that bills are accurate and timely.

11. References

[redacted] Deputy Inspector General Downstate Regional Office Offices of the Inspector General, State of New York	[redacted]
[redacted] President New York Convention Center Development Corporation ("CCDC") Empire State Development	[redacted]
[redacted] Manager Bureau of Flood Resilience New Jersey Department of Environmental Protection Engineering and Construction Bureau of Flood Resilience	[redacted]

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Snežana Gebauer

Executive Managing Director, Americas
New York



[redacted] | [redacted]

Snežana Gebauer is executive managing director and head of the U.S. Investigations and Disputes practice. She is based in New York.

As a veteran corporate investigator, she has managed large-scale and high-profile corporate investigations focused on corruption and various types of fraud; pre and post transactional business intelligence and due diligence engagements for investment banks, hedge funds, and private equity funds; and investigations in support of high-stakes international legal disputes. Snežana's clients span Fortune 500 and FT 1000 companies, government agencies, leading law firms, and financial institutions. Over the course of her career she has lived and worked in New York, London, Washington, D.C., and São Paulo, leading project teams composed of consultants in different offices around the world, managed client relationships, and cultivated a network of contacts in law enforcement, government agencies, and within numerous industry groups in the United States, Europe, Asia, and Latin America.

Before joining K2 Intelligence Financial Integrity Network, Snežana served as managing director and São Paulo Office head for Kroll Associates, where she was responsible for all of Kroll's operations in Brazil. Prior to her roles at Kroll Associates, she served as a director for Altegrity, the parent company of Kroll Associates.

Snežana also spent seven years at Diligence, where she established the firm's New York office. She was responsible for the recruitment of key staff and the development and implementation of management and operations protocols and best practices. At Diligence, she managed complex and multijurisdictional investigations for multinational companies operating in emerging markets and also directed high-level strategic intelligence projects for investment funds and corporates around the world.

Snežana received her M.B.A. from George Washington University with a specialization in

international finance and her B.A., summa cum laude, Phi Beta Kappa, from Drake University. She also attended The American Institute on Political and Economic Systems at Georgetown University. She is fluent in five languages.

As an Executive Managing Director, Snežana oversees the project managers and teams on all engagements in the Investigations & Disputes practice, including all our integrity monitoring projects such as:

- New York Governor's Office of Storm Recovery
- State of New Jersey Department of Treasury Superstorm Sandy Integrity Monitoring Program
- NJ Transit Superstorm Sandy Recovery Engagements
- Metropolitan Transportation Authority
- Moynihan Train Hall
- Javits Center Expansion

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3

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Paul E. Ryan



Senior Managing Director
New York

[redacted] | [redacted]

Paul E. Ryan is a senior managing director at K2 Intelligence Financial Integrity Network (K2-FIN), where he specializes in directing compliance reviews and developing programs, complex investigations, and monitorships. Clients facing a range of problems—from dealing with regulatory or contractual compliance-related issues to vendor fraud or conflicts of interests—turn to Paul to help them determine and implement a course of action. Working closely with clients, he conducts investigations, reviewing results and recommending increased controls and enhanced policies and procedures, and creates recovery plans as needed. Paul has vast experience developing and assessing compliance programs, including the determination of best practices for both public and private entities.

Paul currently leads the compliance monitoring of a major financial institution's capital construction program. In a recent investigation, he conducted a ground-breaking review of media transparency issues for the Association of National Advertisers (ANA).

Prior to joining K2-FIN, Paul served for 10 years at the New York State Office of the Inspector General (NYS OIG) and the New York County District Attorney's Office. He has extensive experience in the investigation and prosecution of complex fraud, corruption, and other crimes in the public and private sectors.

Paul served as the Assistant Deputy Inspector General and Director of the NYS OIG's Contract and Construction Fraud Unit, supervising multidisciplinary teams in complex investigations. As a member of the NYS OIG, Paul helped ensure ensured $31 billion in ARRA funds allocated to New York were utilized with transparency and accountability as well as preventing fraud, waste, abuse and mismanagement.

At the New York County District Attorney's Office, Paul was an Assistant District Attorney in the Labor Racketeering Unit/Construction Industry Strike Force and the Trial Division.

Paul received his J.D. from the Benjamin N. Cardozo School of Law and his B.S. in political science from Queens College.

As a Senior Managing Director, Paul oversees the project managers and teams for our integrity monitoring engagements, including:

- New York Governor's Office of Storm Recovery
- State of New Jersey Department of Treasury Superstorm Sandy Integrity Monitoring Program
- NJ Transit Superstorm Sandy Recovery Engagements
- Metropolitan Transportation Authority
- Moynihan Train Hall
- Javits Center Expansion

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3

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Kevin J. Mullins

Managing Director
New York



[redacted] | [redacted]

Kevin J. Mullins is a managing director in K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice, specializing in financial and forensic investigations. He is a certified fraud examiner with 17 years of multidisciplinary experience in the accounting industry, specifically in the areas of forensic auditing and accounting. He performs analyses not only to detect fraud and noncompliance, but also to identify possible areas where costs can be recovered and make recommendations to client management for improvements in internal controls.

Working directly with client executive management, Kevin creates, tailors, and executes audit work plans, and oversees the audit teams carrying out assigned tasks. He serves as supervising auditor on projects, including but not limited to private, city, and federally funded integrity monitorships; systems implementation and integrity engagements; forensic accounting and auditing; litigation support; contract and program compliance; internal controls assessments; and fraud investigations associated with accusations relating to the misappropriation of funds and the creation of fictitious financial records. Kevin joined K2-FIN through its acquisition of Thatcher Associates.

Kevin received a B.S. in accounting from Monmouth University. He is a Certified Fraud Examiner (CFE).

Relevant Project Experience

Metropolitan Transportation Authority

Kevin has been a key person on multiple projects for the Metropolitan Transportation Authority ("MTA") throughout his time at K2-FIN. Since 2015, Kevin has been the project manager for K2-FIN's contracts for integrity monitoring work associated with the East Side

Access project. Kevin also manages our work with the MTA as relates to Hurricane Sandy recovery work. This includes an assignment where K2-FIN was tasked with reviewing the processes and controls relating the drawdown of grant funds earmarked for Hurricane Sandy remediation.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

Moynihan Train Hall

Kevin has been a key member of the Moynihan Train Hall integrity monitoring team since 2018. He leads the audit and forensic accounting effort to search for fraud, waste, and abuse. In working with project management, Kevin addresses issues and key findings, and works with the client to resolve issues timely and effectively.

For further description of the project, start, and end date, and corresponding contact information, please refer to Section 3.

Fortune 100 Global Financial Institution

Since 2016, K2-FIN has worked extensively with the real estate division of a global financial institution in acting as an integrity monitor and consultant on multiple large-scale development projects. Kevin has acted as the K2-FIN project manager across many of these projects, working with the client and project team to enhance processes and controls, and to ensure that the projects are free of fraud, waste, and abuse.

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Martin Charles Aronchick

Managing Director
New York

[redacted] | [redacted]

Martin C. Aronchick is a managing director at K2 Intelligence Financial Integrity Network (K2-FIN), based in New York. With extensive experience overseeing and implementing monitorships, corporate internal investigations, compliance programs, and due diligence matters, Martin manages a multidisciplinary team of professionals that works with companies in industries such as construction and transportation to establish, implement, and monitor industry-appropriate controls. Working closely with clients, he performs detailed risk assessments—including the close examination of existing processes and contracts—and makes recommendations tailored to the regulatory challenges each client is facing.

Martin had a distinguished career in public service as a member of the Executive Committee of the New York State Organized Crime Task Force, where he served as the attorney in charge of civil enforcement; in similar roles with the NYC School Construction Authority Office of Inspector General; and as an Assistant Chief of the Affirmative Litigation Division in the New York City Corporation Counsel's Office. In these positions, Martin supervised and conducted investigations of a vast array of criminal schemes. He also designed and implemented civil litigation strategies and other remedies to address and resolve the problems of fraud, corruption, organized crime, and other forms of criminality in various industries.

Prior to his public service career, Martin was an associate in the general litigation department of Weil, Gotshal & Manges. Martin was a law secretary to Hon. Worrall F. Mountain, Justice of the New Jersey Supreme Court.

Martin received a J.D. from Rutgers School of Law and a B.A. in political science, with highest distinction, from Rutgers College. He is admitted to practice law in New York, New Jersey, and the District of Columbia, and before the U.S. District Courts for the Southern and Eastern Districts of New York and the District of New Jersey.

Relevant Project Experience:

- Project Manager for the K2 integrity monitoring team for the $4.5 Billion WTC Transportation Hub project from 2006 to 2017. For a further description of the project, start, and end date, and corresponding contact information, please refer to Section 3; for a detailed description of my responsibilities, please see below.
- Project Manager for the K2 integrity monitoring team for the $1.5 Billion Moynihan Reconstruction project from 2017 to 2019. For a further description of the project, start, and end date, and corresponding contact information, please refer to Section 3; for a detailed description of my responsibilities, please see below.
- Project Manager for the K2 integrity monitoring team for the $380 Million NJ DEP Rebuild By Design Hudson River and Meadowlands projects from 2019 to present. For a further description of the project, start, and end date, and corresponding contact information, please refer to Section 3; for a detailed description of my responsibilities, please see below.
- Project Manager for the K2 integrity monitoring team for NJ Transit's Sandy Recovery consulting contracts with HNTB and BEM Environmental from 2019 to present. For further description of the project, start and end date, and corresponding contact information, please refer to Section 3

As Project Manager on each of these engagements, my responsibilities have included and for current assignments, currently include:

- directing the production of the risk assessment and periodic work plans, in accordance with client priorities;
- managing the multi-disciplinary teams so their actions were coordinated and in line with the work plans;
- directing focused inquiries into integrity or fraud red flags;
- developing next steps options where there were integrity or fraud positive findings;
- communicating integrity or fraud positive findings and next steps options to the client, and managing the team's next steps in accordance with client directions;
- managing the team's deliverables and budget;
- maintaining regular communications with the client; and
- achieving client satisfaction.

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Raymond Dookhie

Managing Director
New York



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Raymond Dookhie, a managing director in K2 Intelligence's Investigations and Disputes practice, has more than 25 years of experience in compliance, integrity risk management, and investigations. His experience spans across the public and private sectors, with specific focus on public sector integrity monitorships, financial services, life sciences, as well as real estate and construction. Ray helps clients address enterprise risk management priorities by designing, implementing, evaluating, and monitoring compliance programs. He manages compliance and integrity monitoring assignments, anti-bribery and anti-corruption compliance projects, compliance and integrity risk management, and fraud and misconduct investigations.

Prior to joining K2 Intelligence, Ray was a senior director with KPMG's forensic services practice in New York, where he served in various client-service leadership roles. During his 20-plus years with KPMG, Ray provided compliance and integrity risk management subject-matter expertise to large and small clients across a wide spectrum of compliance maturity.

Earlier in his career, Ray was a fraud investigator with the New York County District Attorney's Office and the New York City Department of Investigation.

Ray is a Certified Public Accountant (CPA), with a certification in financial forensics. He is a member of the New York State Society of Certified Public Accountants and the American Institute of Certified Public Accountants; an associate member of the Association of Certified Fraud Examiners; and a committee member of the Litigation Services Committee for the New York State Society of Certified Public Accountants.

Relevant Project Experience

Jacob K. Javits Convention Center

Ray is currently serving as the Integrity Monitor for the Jacob K. Javits Convention Center expansion project. In this capacity, Ray has oversight of the investigators, forensic accounts, integrity due diligence team, engineering team, as well as MWBE subcontractors assisting with the monitorship. Ray coordinates all aspects the integrity monitorship including, but not limited to, subcontractor vetting, on-site audits and inspections, auditing

of requisitions and change orders, reviewing of certified payrolls, monitoring MWBE compliance, as well as construction quality, safety, and security. Ray also coordinates with key project stakeholders including the NYS Empire Development Corporation, the Inspector General, the Project Managers, General Contractors, and subcontractors.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

Prior to joining K2, Ray has significant relevant experience in the areas of Integrity Monitorships, Grants Management, Antifraud and Controls, and Investigations as follows…

New Jersey Department of Treasury

Ray was the lead Financial Investigator for the Middlesex County Water Treatment Plant Integrity Monitorship. Specifically, Ray assisted the State of New Jersey with the implementation of its financial auditing, grant management, and integrity monitoring program in connection with Hurricane Sandy. This included an assessment of grant requirements and development of an auditing and monitoring program to ensure that the agency and its subcontractors were compliant and that were no fraud waste or abuse. Specific program elements included, but were not limited to, validation of service delivery, quality of goods and service delivered, adequacy of documentation, and proper accounting.

Port Authority of New York and New Jersey and New York City School Construction Authority

Ray served as the Integrity Monitor for a contractor providing services at the World Trade Center Site and various school construction projects in New York City. Ray led all aspects of the project including, but not limited to, the performance of a fraud, waste, and abuse risk assessment, development of a fraud prevention program, ongoing monitoring activities, as well as conducting one-off investigations as needed. Ray work closely with the PANYNJ and SCA IG's offices to successfully monitor the contractor activities through project completion.

Special Commissioner of Investigations for the New York City Department of Education

Ray worked with the Integrity Monitor to monitor the activities of several bus companies providing transportation services for the Office of Pupil Transportation. In this capacity Ray led all aspects of the project including, but not limited to, the development of a fraud prevention program, providing related training, perform ongoing monitoring activities

including spot checks, ride-along, auditing of books and records, as well as conducting one-off investigations as needed.

US Department of Justice, the New York County District Attorney's Office

Ray was the Lead Financial Investigator working with the court-appointed monitor in reviewing the financial activities for a major union and various companies within the painting, plumbing, construction, and private sanitation industries. In this capacity, Ray supervised the team performing the monitoring the day-to-day financial transactions to spot indicators of potential fraud, waste, abuse, and corruption.

Commonwealth of Massachusetts

Assisted the Commonwealth of Massachusetts with the development of its anti-fraud programs and controls in connection with distribution of federal grant funds from the American Recovery and Reinvestment Act. This included the design of an anti-fraud framework and related guidance that various agencies must implement to prevent, detect, and respond to fraud. This also included the development and delivery of awareness training for program stakeholders and agencies. Specific program elements included, but were not limited to, fraud risk assessment, code of conduct, whistleblower mechanisms, financial controls and documentation, auditing and monitoring protocols including the use data analytics and technology.

Other Relevant Experience Prior to Joining K2

Compliance and Integrity Risk Management
Assisted clients in their continuous efforts to enhance their internal control environment through the evaluation, design, and implementation of effective compliance programs and controls.

- Assisted a global not-for-profit organization with the design and implementation of an enterprise-wide risk management program with specific emphasis on anti-fraud programs and controls
- Evaluated anti-fraud programs and controls for a major construction equipment rental company
- Developed recommendations regarding key anti-fraud programs and controls for a major air cargo transportation company.
- Performed a fraud waste and abuse risk assessment for the port authority of New York and New Jersey in connection with the World Trade Center construction project

- Conducted fraud waste and abuse risk assessment for the State of New Jersey in connection with the Middlesex County Water Treatment Plant repairs following Super Storm Sandy
- Performed a fraud risk assessment for major government contractor in the Aerospace and Defense industry

- Assisted the State of New York Division of Housing and Community Renewal with design and implementation of anti-fraud programs and controls in connection with the set-up of its Tenant Protection Unit

- Assisted with the design and implementation of continuous auditing and monitoring programs for organizations in various industries including the public sector, leveraging data analytics to spot high-risk transactions.

- Conducted a procurement fraud risk assessment for one of the Nation's top watch manufacturer

Anti-bribery and Anti-Corruption

Provided anti-bribery and anti-corruption (ABAC) related expertise to clients in various industries. Specific areas of focus include ABAC due diligence, risk assessments, program gap analysis and program enhancement, investigations, third-party intermediary audits, and training program design and deployment.

- Assisted a global pharmaceutical company with the enhancement of its ABAC compliance program with emphasis on financial controls

- Performed ABAC due diligence for companies within various industries including consumer products, diversified industrial, and pharmaceutical

- Conducted a post-acquisition ABAC compliance assessment for a global investment bank

- Performed a third-party ABAC audit for global human resources management company

- Led an ABAC program gap analysis and program enhancement for a fortune 500 diversified financial services company

- Led a global ABAC program gap analysis and remediation for a top-tier investment bank in response to a regulatory inquiry

- Performed an ABAC risk assessment for a global financial institution

- Designed and delivered ABAC training for regional compliance officers at a Top-Tier financial institution
- Performed a gap analysis of the ABAC surveillance program for a global investment bank
- Led the implementation of an enhanced global ABC program for a Fortune 100 retailer in response to a regulatory investigation
- Designed an ABAC transaction monitoring program for a Fortune 100 retailer
- Conducted an ABAC program gap analysis for a leading global professional services company
- Performed an ABC Compliance Assessment for a distributor located in Russia
- Performed an ABC audit for an India-based subsidiary of an Industrial Manufacturing Client
- Conducted a third-party intermediary audit for a major airline
- Retained by the General Counsel of a global diversified industrial client to investigate allegations of employee misconduct including bribery and corruption payments in China
- Leveraged data analytics to spot indicators of potential fraud and misconduct in the procure-to-pay, travel and entertainment and other key business processes

Fraud and Misconduct Investigations

Investigated alleged fraud and misconduct including theft or misappropriation of assets, regulatory noncompliance, and fraudulent financial reporting.

- Worked with the New York County District Attorney's Office to provide forensic accounting expertise relating to several cases including medical mills and real estate and construction.
- Assisted the Audit Committee of a Global Manufacturing Company with the investigation of possible financial reporting concerns relating to accounting for income taxes.
- Retained by external counsel of a manufacturing client to assess possible revenue recognition concerns at a subsidiary company.

- Retained by the Audit Committee for a major janitorial services company to investigate concerns regarding possible revenue recognition issues and possible improper payments to secure customer contracts.

- Retained by the founding partners of a law Firm to conduct a forensic accounting analysis of possible financial reporting concerns by the former financial director

- Assisted the audit team for a biopharmaceutical company in investigating alleged management misconduct including override of financial controls

- Assisted the Audit Committee of a Global Manufacturing Company with the investigation of possible financial reporting concerns relating to accounting for income taxes.

- Retained by external counsel of a manufacturing client to assess possible revenue recognition concerns at a subsidiary company.

- Assisted the Audit Committee of a Major Pharmaceutical with the investigation of possible financial reporting concerns at an International subsidiary.

- Retained by Internal Audit and the Office of General Counsel for a major electronics company to conduct a dealer audit. My work resulted in the recovery of approximately $21 million in fraudulent claims.

- Retained by the General Counsel of a Diversified Industrial Company with global operations to investigate various allegations of employee misconduct including theft, waste and abuse and receipt of kickback payments from a supplier. My work resulted in the recovery of approximately $7 million.

- Retained by the General Counsel of a Diversified Industrial Company with global operations to investigate various allegations of employee misconduct including bribery and corruption payments, employee theft, waste and abuse and receipt of kickback payments from a supplier.

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Tejah Duckworth



Senior Director
New York

[redacted] | [redacted]

Tejah D. Duckworth is a senior director with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice. Tejah manages corruption and fraud investigations, oversees integrity monitoring projects, and helps clients evaluate and implement compliance programs.

Prior to joining K2 Intelligence, Tejah worked in New York City's Department of Investigation (DOI) as the Inspector General of Vendor Integrity, where she oversaw the city's Independent Private Sector Inspector General (IPSIG)/Integrity Monitor program, managed a staff of professional investigators and attorneys, and acted as a liaison to prosecutors' offices and to federal, state, and city law enforcement agencies. With expertise in integrity monitoring, vendor compliance, and financial fraud investigations, she provided training and guidance to investigative staff and city agencies on how to prevent fraud, waste, abuse, and mismanagement. She also facilitated and negotiated procurement contracts, monitoring agreements, and retainer agreements.

Before her promotion to Inspector General, Tejah served as DOI's Director of Vendor Integrity. In that role, she worked on several notable billion-dollar projects, including the Emergency Communications Transformation Program and the NYCHA Sandy Recovery Program. In addition, she served as a peace officer while at the agency. Prior to her tenure at the DOI, Tejah worked for the Office of the Mayor of New York City within its Office of Contract Services (MOCS) space. While in this role, she monitored compliance for New York City's $15 billion procurement portfolio, establishing internal policies and offering training and ongoing technical assistance for new policies and procedures as they were implemented.

Tejah holds an M.S. in negotiation and conflict resolution from Columbia University and a B.A. in sociology and psychology from California State University, Northridge.

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Relevant Project Experience

Governor's Office of Storm Recovery Projects

Tejah is the Assistant Project Manager on the Governor's Office of Storm Recovery projects. Tejah leads the audit teams to provide compliance and consulting services including performing risk assessments; subcontractor agreements reviews; invoice and payment requisitions reviews, change orders reviews; and policies and procedures reviews to identify control weaknesses and developing recommendations to strengthen internal control processes.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

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Yomi Pierce

Senior Director
New York

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Yomi Pierce is a Senior Director in K2 Intelligence's Investigations and Disputes practice. With extensive experience in forensic accounting, she assists clients in industries ranging from utilities and construction to medical devices and government contracts by conducting investigations into complex accounting matters, contractual compliance, fraud, Ponzi schemes, and accounting irregularities. Yomi's experience in matters of contract compliance have resulted in discoveries of fraud, abuse of power, and waste. She assists clients under monitorship or in remediation due to federal enforcement action. In fact, since 2019, she has acted as the forensic accounting team lead on close to 10 different independent compliance monitorships. As a part of these monitorships, Yomi oversees compliance reviews to ensure the propriety of billed project costs, prevailing wage compliance, and compliance with state and federal Minority, Women, and Disadvantaged Business Enterprises (M/W/DBE) program requirements. Furthermore, Yomi collaborates with a multi-disciplinary team of forensic accountants as well as engineering and legal consultants to ensure timely delivery of all contract deliverables and requests from the client, regularly communicating with the Project Management team and relevant government agencies.

Yomi's deep global experience is key as she works with clients to enhance and implement a robust and interconnected system of compliance controls, third-party due diligence, and audit program development and execution. Yomi's ability to partner with operational leadership has led to the successful development and dissemination of compliance awareness and training programs for all levels of an organization. Yomi also provides litigation support on matters related to damage valuations and bankruptcy claw-backs and assists in court-ordered look-backs in connection with Bank Secrecy Act ("BSA")/Anti-Money Laundering ("AML") compliance violations.

Yomi is the Forensic Accounting team lead on close to independent monitorships of ATANE Engineers, Architects and Land Surveyors and SIMCO Engineering PC. Working on the project since July 2019, Yomi conducts continuing internal control reviews and risk assessments. Additionally, Yomi oversees compliance reviews to

ensure the propriety of billed project costs, prevailing wage compliance, and compliance with state and federal Minority, Women, and Disadvantaged Business Enterprises (M/W/DBE) program requirements. Furthermore, Yomi collaborates with a multi-disciplinary team of forensic accountants as well as engineering and legal consultants to ensure timely delivery of all contract deliverables and requests from the client, regularly communicating with the Project Management team and relevant government agencies.

Prior to joining K2 Intelligence, Yomi worked as a forensic accounting consultant with PricewaterhouseCoopers LLC, a Big Four accounting firm, where she led engagements for a diverse range of clients, including law firms, utility companies, multinational companies, and banks. Before that, she worked at Halliburton/KBR, where she was responsible for serving as a liaison between the company and government auditors for LOGCAP III, the largest government services contract ever awarded, and went on to implement KBR's global anti-corruption program while under federal monitorship.

Yomi received a B.B.A. in accounting from the Bauer Business Honors Program at the University of Houston. She is a Certified Fraud Examiner ("CFE").

Relevant Project Experience

Fortune 100 Financial Institution

Yomi is the Forensic Accounting team lead on the subcontractor integrity monitorship program on a major project for a Fortune 100 financial institution. Working on the project since February 2019, Yomi conducts continuing internal control reviews and risk assessments and provides value-added feedback related to the enhancement of subcontractors' anti-corruption programs, adherence to GAAP, and propriety of project related expenses. Additionally, Yomi conducts compliance reviews to ensure that appropriate parties are meeting the requirements of their contracts and other federal, state, and local regulations.

Other Relevant Experience

United Water Investigation of Accounting Irregularities

Yomi was the Forensic Accounting team lead of an investigation into accounting irregularities at United Water, a NY/NJ public utility provider, and whether events that led to the firing of three company executives had an effect on rates paid by customers. The substantive investigation was conducted October 2014 through May 2015 and

included assessing the accuracy of the rate cases presented to the Public Service Commission from 2010 through 2014.

Kellogg, Brown, and Root LLC Enforcement Actions by DOJ and SEC

As an Internal Auditor, Yomi developed and implemented a global anti-corruption audit program resulting in the successful completion of a federal monitorship for charges related to the Foreign Corrupt Practices Act ("FCPA") and KBR's participation in a decade-long scheme to bribe Nigerian government officials to obtain engineering, procurement and construction ("EPC") contracts. As team lead of the Internal Anti-Corruption Audit function from April 2010 through April 2013, Yomi conducted risk assessments for multi-billion dollar construction projects worldwide and developed project specific audit programs for some of the most significant oil and gas projects in the world. The audit programs were developed with the aim of ensuring remediation of internal control deficiencies noted by the SEC and DOJ as well as to prevent future violations. Further, as part of the global Anti-Corruption/ Anti-Bribery program, Yomi partnered with project management and other compliance professionals to provide training and awareness of new regulations and operational expectations.

Kellogg, Brown, and Root LLC Internal Controls and LOGCAP III

From March 2007 through April 2010, Yomi served as special staff in Baghdad, Iraq on the largest government services contract in history, the third installment of the Logistics Civil Augmentation Program ("LOGCAP III",) developing and codifying an extensive internal control program. During her time in Baghdad, Iraq, Yomi partnered with various Functional Managers to develop and implement a project-wide system of internal control testing and reporting ensuring compliance with Sarbanes-Oxley and Defense Contract Audit Agency guidelines. Key components of the program included: the development of a formal Goods Received/Invoice Received aging reporting system, highlighting the "over 90 day" payable backlog of $11.2 million leading to the elimination of the backlog thus improving working capital and the relationship with DCAA; reduced aged invoices from 63 to 36 days by analyzing and reevaluating the invoicing and payable process with the impacted Functional Managers, thus improving vendor relations and strengthening KBR's bargaining position with its vendors and subcontractors; a self-assessment due diligence review and training program that lead to a 61% improvement of assessment due diligence deficiencies.

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Yashvi Roy

Senior Director
New York



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Yashvi Roy is a senior director with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice. As a certified fraud examiner, she specializes in financial and forensic investigations, compliance reviews, and integrity monitorships to identify fraud, waste, or abuse. Yashvi has created code of business ethics and standards of conduct presentations and conducted multiple training sessions of employees.

Prior to joining K2 Intelligence in 2017, Yashvi worked in two public accounting firms from 2013 through 2016, where she led financial statement audits of various clients primarily in the real estate and construction industry. Her clients consisted of large construction and development corporations, various U.S. Department of Housing and Urban Development Section 8 subsidized residential properties, and several multimillion-dollar commercial properties. She was responsible for assessing compliance with HUD regulations and Section 8 requirements. In addition, Yashvi reviewed tenant files to assess for fraud, waste, or abuse.

Yashvi received a B.S. in accounting from Pennsylvania State University. She is a Certified Fraud Examiner. In addition to English, Yashvi fluently converses in Hindi and Gujarati.

Relevant Project Experience

Jacob K. Javits Convention Center Expansion and Transformer Building Projects

Yashvi is the Forensic Accounting team lead on the Javits Expansion Project and the Transformer Building Project. Working on the projects since 2017, Yashvi conducts continuing internal control reviews and risk assessments to formulate and execute risk-focused audit plans. With a diverse knowledge of the project costs and the construction progress, Yashvi conducts project budget reconciliations, reviews of project costs for improper billings, prevailing wage compliance, and compliance with state and federal Minority, Women, and Disadvantaged Business Enterprises (M/W/DBE) program requirements.

Additionally, working with a multi-disciplinary team, Yashvi conducts contract compliance reviews to ensure timely delivery of all contract deliverables and client requests regularly communicating with all project personnel.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

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FINANCIAL INTEGRITY NETWORK

Scott Millman



Senior Director
New York

[redacted] | [redacted]

Scott Millman is a senior director in K2 Intelligence Financial Integrity Network's (K2-FIN) Investigations and Disputes practice, based in New York. Working with clients in both the public and private sectors, he handles complex forensic accounting projects focused on combating fraud, waste, and abuse issues. Scott also oversees integrity monitoring projects and helps clients evaluate and implement oversight programs by performing internal and external audits as well as risk assessments.

Before joining K2-FIN, Scott was a manager at CohnReznick, where he performed integrity oversight monitoring and compliance reviews to determine Community Development Block Grant Disaster Recovery (CDBG-DR) eligibility. He also gained expertise investigating prevailing wage discrepancies and performing financial audits of drawdowns and overhead rates relating to the Superstorm Sandy Funding process and repair work.

Scott has several years of diversified accounting experience with an extensive background in providing audit and accounting services to large banking and investment institutions.

Scott received his M.S. in accounting from Fairleigh Dickinson University, his M.B.A. in finance from Loyola College in Maryland, and his B.A. in political science from the University of Delaware.

Relevant Project Experience

New Jersey Department of Environmental Protection

Scott is a key member of the audit team in our integrity monitoring of two projects funded by grants received for the Rebuild by Design program. Scott reviews records for compliance with all Federal and state regulations, including but not limited to HUD CDBG-DR and prevailing wage. As a member of the team, he works with NJDEP personnel in making recommendations to better enhance controls, policies, and procedures on both projects.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

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Dana Ball

Senior Director

New York



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Dana Ball is a Senior Director at K2 Intelligence, specializing in compliance reviews, monitorships, and investigations. Working with clients in the public and private sectors, she leads audit teams to monitor large-scale construction projects with budgets larger than $300 million to identify fraud, waste, or abuse. Dana reviews project controls and processes to perform gap analyses, provides solutions to clients for remedying said gaps, leads and assists on training employees on new Standard Operating Procedures, analyzes contractor and subcontractor invoices to identify and calculate improper billings, and assesses project documentation to ensure compliance with contractual documentation. Additionally, Dana interviews relevant project personnel to aid monitorships and develops financial summary reports for client use as needed. Dana's clients include Fortune 100 financial software and services institutions, state and federal agencies, law offices, and various companies in New York's construction industry.

Prior to joining K2 Intelligence, Dana was a senior consultant at a litigation consulting firm, investigating disputes related to large construction projects, auditing party accounting records to determine allowability of claims, and performing detailed review of relevant party financial information. She consulted on cases involving government agencies and private entities such as the U.S. Department of Justice, the Department of the Navy, and the Department of Veterans Affairs. Dana analyzed incremental costs due to breach of contract and regulatory compliance; quantified time-related expenditures caused by delayed project performance periods; performed analyses on capital expenditures, overhead loaders, and contractor costs; and calculated lost profits resulting from defective design drawings or erroneous technical specifications.

Dana received a B.S. in finance from Lehigh University. She is a Certified Fraud Examiner.

Relevant Project Experience

Fortune 100 Global Financial Services Institution

Since January 2017, Dana acts as a key member of the audit team across multiple projects to perform routine reviews of project invoices, change orders, and vendor agreements to ensure the project is progressing in line with industry best practices. K2 routinely assists both the Owner and the project team in remedying any identified instances of improper or inaccurate billings, waste, or abuse.

Fortune 100 Global Financial Services Institution - Forensic Review

February 2018 – June 2018: Dana performed a historical lookback on a large budget construction project after a known instance of fraud in the industry to review for any fraud, waste, or abuse. Dana interviewed project personnel, reviewed historical documents, analyzed project billings against vendor agreements and project budgets, and presented the findings to the client.

Fortune 500 Global Financial Software and Media Company - Internal Investigation

From April 2018 to February 2019, Dana assisted directly on the internal investigation after a known instance of fraud within the client's organization to identify gaps in the controls, independently quantified the damages to the extent possible for assistance in the client's mediation and arbitration, interviewed project and company personnel, and presented the findings to the client's management committee. Dana also assisted on creating Standard Operating Procedures and training client employees on the new procedures designed to prevent the fraud from reoccurring.

Fortune 500 Global Financial Software and Media Company - Capital Operations Monitorships

Since November 2018, Dana leads an audit team across multiple projects in performing routine reviews on project invoices, change orders, and contractual agreements. Dana's team reviews for improper billings, compliance with stipulated labor and material rates, any potential duplication of contract scope, and compliance with Standard Operating Procedures.

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FINANCIAL INTEGRITY NETWORK

Robert Thompson, EIT, ENV SP



Senior Director
New York

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Robert Thompson is a senior director with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice. He specializes in forensic investigations, controls and compliance reviews, and integrity monitorships to identify fraud, waste, or abuse on various public and private sector projects. Robert has performed gap analysis on projects to assess and identify risks and gaps for construction projects. and to make recommendations and conduct active monitoring to assure that these processes and protocols are operating sufficiently. Robert also has experience in auditing project compliance with various federal funding sources, such as HUD CDBG-DR and FTA/FRA Buy America/n requirements.

Prior to joining K2 Intelligence in 2014, Robert worked as a bridge engineer with Wilson Consulting Group, where he worked on all aspects of bridge and transportation design, including final and preliminary bridge design calculations and foundation designs, performed temporary works (jacking, cribbing, shoring, falsework, overhang designs) design and NBIS routine bridge inspections. Robert conducted unique site inspections for projects including the replacement of historic truss bridges in Lebanon County and restoration of an abandoned railroad bridges. Robert also performed load rating analyses, worked on design-build proposals, performed bridge and roadway quantities, and performed permitting work.

Robert received a B.S. in Civil Engineering from Manhattan College, NY. He is an Engineer in Training and an Envision Sustainability Professional.

Relevant Project Experience

Moynihan Train Hall (2017 – Present)

Robert is the lead engineer on the Moynihan Train Hall project and has been working on the project since 2017. Robert regularly conducts internal control reviews and risk assessments to formulate and execute risk-based audit plans. Robert has a diverse knowledge of the project payment processes and the construction progress, to monitor for fraud, waste and abuse Robert conducts various audits of the construction processes

and the project processes and monitors the payment process closely given the public private partnership that exists on the project.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

New York Governor's Office of Storm Recovery – Buyouts and Acquisitions Program (2015 – 2016)

Robert has experience with federal and state funded programs including the Governor's Office of Storm Recovery Buyouts & Acquisitions program (2015 – 2016), in which the State of New York offered buyouts to residents in the communities of Staten Island and Long Island (among others) whose homes were damaged in Hurricane Sandy. These homes were to be demolished, and in some cases returned to wetlands or other zoned areas. In this engagement Robert conducted audits, reviews, and site visits to monitor for fraud, waste and abuse and to verify compliance with HUD CDBG-DR requirements, New York State requirements and that activity on site was in conformance with the applicable rules and regulations.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

Metropolitan Transportation Authority East Side Access (2015 – Present)

Robert has extensive experience with the Metropolitan Transit Authority's East Side Access project, which involves connecting the Long Island Railroad to Grand Central Terminus in New York City by constructing a tunnel from Queens under the Hudson River and constructing a concourse area under the current Grand Central Concourse. Robert is the lead engineer on this project and performs both on site and remote monitoring to assure that contractual documentation is being followed on site, is being produced when necessary, and that required local, state and federal requirements are being followed. On this project reviews for fraud, waste and abuse are performed in areas such as Buy America/n safety, security, quality, sufficiency of documentation, change orders, product substitution, and evaluations of protocols and procedures to assure there are no gaps in what is the responsibility of the MTA and what is the responsibility of the project team.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

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FINANCIAL INTEGRITY NETWORK

Michael K. Bernstein



Director
New York

[redacted] | [redacted]

Michael K. Bernstein is a director with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigations and Disputes practice. With more than fifteen years of experience in public accounting, private finance and operational management, forensic accounting and fraud investigation, and risk management and advisory, he leads a variety of investigatory and advisory assignments for government, corporate, and high-net-worth individual clients.

Michael contributes to the protection of clients' financial, operational, and reputational interests through engagements that identify and investigate fraud, waste, and abuse; quantify losses and prepare evidence of allegations of financial crimes; and develop and improve internal controls and compliance programs to deter misappropriations. He has assessed the internal audit and internal controls programs of global banks on behalf of government regulators and has evaluated internal controls over federal grant management for major city disaster response and recovery efforts.

Michael started with K2-FIN as director of finance, providing financial and operational insight to inform key decisions that fueled the organization's growth.

Prior to joining K2-FIN, Michael served as the accounting manager of a fixed-base operator at Teterboro Airport, where, following the organization's purchase by Goldman Sachs, he built its accounting and finance department into one that provided timely, precise financial and operational reporting and insight. Michael began his career with Sobel & Co., LLC, a regional public accounting firm, where he managed a diverse range of audit, tax, and consulting clients in various sectors.

Michael received a B.S. in accounting and entrepreneurship from Hofstra University. He is a Certified Public Accountant, a Chartered Global Management Accountant, and a Certified Fraud Examiner. He serves as an active director on the New Jersey Society of CPAs Essex Chapter Executive Board and as a director on the Advisory Board of the Arc of Essex County.

Relevant Project Experience

New York City Transit Sandy Internal Controls for Grant Drawdown Process

Michael was a key team member on the assessment of the Metropolitan Transit Authority's procedures and internal controls over the use of FTA funds for Hurricane Sandy repairs and resilience. Between 2016 and 2017, Michael provided program-wide risk assessments; audited and mapped MTA processes over Federally funded capital project operations; and provided recommendation for improvements to the agency's internal controls framework.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

World Trade Center Reconstruction

Michael served as a Forensic Accounting Director from 2016 and led Forensic Accounting efforts since 2018 on integrity monitorships of the Port Authority of New York & New Jersey's assets in the reconstruction of the World Trade Center before ultimately coordinating and advising on vendor contract closeouts and penalty assessments in 2019. Throughout his tenure on the engagement, Michael tracked and reviewed payment requisitions, change orders, claims, and other documents; reviewed procedures and internal controls within FTA framework and provided recommendations for policy clarifications; and determined proper bifurcation between federally and locally-funded work.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

Integrity Oversight Monitorships of HNTB Corporation and BEM Systems, Inc.

Michael has served as the audit and forensic accounting lead on the Integrity Oversight Monitorships of Federally funded Hurricane Sandy-related recovery and repairs of NJ Transit assets by HNTB Corporation since 2018 and BEM Systems, Inc. since 2019. In this role, Michael has led teams to prepare project-wide risk assessments; review policy, procedures, and internal controls over disbursements and funding sources; review requisitions, change orders, and other accounting records; and review HNTB's involvement in preparation of and compliance with federal grants and development of recovery scope.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

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FINANCIAL INTEGRITY NETWORK

Naomi Gonzalez



Senior Forensic Accountant
New York

[redacted] | [redacted]

Naomi Gonzalez is a senior forensic accountant with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice. As a certified fraud examiner, she specializes in financial and forensic investigations. Naomi assists in investigations related to fraud, waste, and abuse; conducts risk assessments; and reviews for compliance with contractual and regulatory requirements. She works with clients in the public and private sectors, including Fortune 500 banking and financial services institutions, government agencies, and various companies in New York's construction industry.

Prior to joining K2-FIN, Naomi was a senior associate at Marcum LLP, for 2 years, in its real estate practice. She conducted audits on multimillion-dollar real estate investment firms, including commercial, residential, and hotel properties. She assisted in all areas of the audit and was responsible for executing planning and performing analytics for audited financial statements, including performing fraud interviews, risk assessments, and internal control walkthroughs.

Naomi received a B.S. in accounting from Rutgers University. She is fluent in Spanish.

Relevant Project Experience

Jacob K. Javits Convention Center Expansion and Transformer Building Projects

Naomi conducts a project cost reconciliation for a billion-dollar project, analyzing all the costs incurred to date and outlining the pending and expected changes. Additionally, she conducts prevailing wage compliance reviews to assure that parties are meeting the requirements set forth in their contracts as well as other regulations set forth by the federal, state, and other local agencies.

For further description of the project, start and end date, and corresponding contact information, please refer to Section 3.

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Fortune 100 Global Financial Institution

Naomi reviews project costs to evaluate incurred costs against expected budgets, analyzes contractor and subcontractor invoices to identify and calculate improper billings, and assesses project payment applications to ensure compliance with contractual documentation.

Forensic Review

Naomi assists in conducting a forensic review of PPP loans, specifically comparing the fees received to actual payment made through review of agreements, income statements, loan reports, disbursement reports and revenue / cost reports. Additionally, Naomi reviews the misappropriated costs, unauthorized advances, and loan extensions to determine if any fraud, waste, or abuse exists.

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FINANCIAL INTEGRITY NETWORK

Salvatore Ubaldini

Senior Forensic Accountant
New York

[redacted] | [redacted]

Salvatore Ubaldini is a senior forensic accountant in K2 Intelligence Financial Integrity Network's (K2-FIN) Investigations and Disputes practice. Part of the practice's U.S-based forensic accounting team focusing predominantly on the construction and real estate industries, Salvatore works with clients—ranging from public agencies responsible for public infrastructure projects to large developers and owners working on large-scale construction and redesign endeavors—to monitor the integrity of construction projects. He conducts risk assessments and internal control reviews and performs audits pertaining to the appropriateness of contractor billings and regulatory compliance, as well as costs associated with labor, materials, and equipment.

With experience in both internal and external auditing for the private, public, and not-for-profit sectors, Salvatore specializes in the complexities of financial institutions as they pertain to regulatory compliance and professional standards. He interviews subject-matter experts; establishes risk control matrices; identifies, enhances, and tests internal controls; and prepares audit- and compliance-related reports.

Before joining K2-FIN, Salvatore was a senior internal auditor for BNB Bank, where he acted as an engagement leader on audits of the bank's $4.9 billion balance sheet portfolio and was responsible for identifying variations to existing bank-approved processes based on audit procedures performed. In addition, he reviewed and reported on the bank's internal controls, regulatory documentation, and change management efforts.

Prior to his work with BNB Bank, Salvatore was a field auditor for Nassau County Comptroller's Office, where he worked on a wide range of engagements including prevailing wage reviews, vendor contract and billing reviews, public water department reviews, and being a fiscal monitor for the Sandy clean-up costs on Long Island. Such engagements led to the identification of large-dollar cost recoveries and various process efficiencies.

Salvatore started his professional career at NawrockiSmith, LLP, where he worked on both external and internal audit engagements as well as investigative and fraud-related cases within the tri-state area.

Salvatore is an active participant of the Molloy Alumni Board and an active Dominican Young Adult volunteer. Salvatore has recently been appointed to join the Dominican Youth Movement, USA (DYMUSA) board.

Salvatore received an M.S in accounting upon completing graduate studies at Hunter College, CUNY, and a B.S in accounting from Molloy College. He is a Certified Public Accountant (CPA) and a Certified Fraud Examiner (CFE).

Relevant Project Experience

Fortune 500 Global Financial Software and Media Company - Capital Operations Monitorships

Since March 2020, Salvatore has performed routine audits across multiple projects on invoices, change orders, and contractual agreements. Salvatore reviews for improper billings, compliance with stipulated labor and material rates, and compliance with Standard Operating Procedures. Sal assists on creating

Forensic Review

Salvatore assists in conducting a forensic review of PPP loans, specifically comparing the fees received to actual payment made through review of agreements, income statements, loan reports, disbursement reports and revenue / cost reports. Additionally, Salvatore reviews the misappropriated costs, unauthorized advances, and loan extensions to determine if any fraud, waste, or abuse exists.

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FINANCIAL INTEGRITY NETWORK

Kyle Paul

Senior Forensic Accountant
New York

[redacted] | [redacted]

Kyle Paul is a senior forensic accountant with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice. As a Certified Public Accountant and Certified Fraud Examiner, Kyle specializes in financial and forensic investigations and compliance reviews, with a focus on identifying fraud, waste, or abuse.

Kyle has experience in both internal accounting and external auditing, with a background in the complexities of trust accounting as it pertains to licensed attorneys. His experience also consists of interviewing persons of interest, reviewing internal controls, creating investigative plans, and preparing investigative summaries, as well as reviewing compliance-related matters.

Prior to joining K2-FIN, Kyle worked as an auditor and investigator for the State of New Jersey's Office of Attorney Ethics, where he was responsible for the audits and subsequent investigations of New Jersey–licensed attorneys.

Kyle received his B.S. from Towson University and completed graduate studies at Rider University in accounting, with a concentration in forensic accounting. He is a Certified Public Accountant (CPA) and a Certified Fraud Examiner (CFE).

Relevant Project Experience

New Jersey Transit

Kyle has also been involved in the NJ Transit BEM project, where he is responsible for invoice reviews. These reviews consist of extensive verification of hours billed, hourly rates, and reimbursement requests for both BEM and the subcontractors on this project. These reviews also include ensuring that fees and overhead have been appropriately billed.

For a further description of this project, start and end dates, and corresponding contact information, please refer to Section 3.

Fortune 500 Global Financial Software and Media Company

Kyle has played an integral role in the monitorship of multiple construction monitorship projects for a global financial institution, including reviews of invoices, change orders, and procurement submissions. These reviews include, but are not limited to, ensuring that internal processes have been adequately followed, substantiating work complete, reviewing time and material billings, and verifying all relevant supporting documentation. Kyle began this project in August 2019 and continues it today.

Fortune 100 Global Financial Institution

Kyle has also played a role in the continued monitorship of a construction project for a global financial institution. In this capacity, Kyle is responsible for the review of monthly invoices; these include, but are not limited to, reviews of both direct and indirect costs, verifying amounts billed for fees, general conditions, building permits, and insurance, as well as reconciling lien waivers. Kyle began this project in January 2020 and continues it today.

12. Financial Statements

K2-FIN has separately provided a file that contains the requested financial information. This file has been encrypted to safeguard this confidential information. Please contact [redacted] at [redacted] or [redacted] to obtain the password.

OFFER AND ACCEPTANCE PAGE

Bid Solicitation Title: Integrity Oversight Monitoring Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitor
Bid Solicitation No.:
Blanket P.O. Term: See Bid Solicitation Section 5.2

State of New Jersey
Department of the Treasury
Division of Purchase and Property
33 West State Street, P.O. Box 230
Trenton, New Jersey 08625-0230

☐ Open to Cooperative Purchasing

TO THE STATE OF NEW JERSEY:

The Undersigned hereby offers and agrees to furnish the good, products, or services in compliance with all terms of this Master Blanket Purchase Order (Blanket P.O.) as defined in Section 2.0 of the Bid Solicitation.

Vendor {Bidder}	K2 Intelligence, LLC	**Authorized Signature**	
Address	845 Third Avenue, 15th Floor	**Printed Name**	Snezana Gebauer
City, State, Zip Code	New York, NY 10022	**Title**	Exec. Managing Director
Phone Number	(212) 845-7500	**Email Address**	[redacted]
Fax Number	[redacted]	**FEIN**	[redacted]

Pursuant to P.L. 2017, c. 95, please indicate whether the Vendor {Bidder} self-identifies as any of the following as defined in N.J.S.A. 52:32-19:

☐ Minority-Owned Business ☐ Women-Owned Business ☐ Small Business ☐ Not Applicable

For set-aside contracts only, a Vendor {Bidder} must be registered with the N.J. Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit. Please refer to N.J.A.C. 17:13-3.1 & 17:13-3.2 for additional information.

By signing and submitting this Offer, the Vendor {Bidder} certifies and confirms that:

1. The Vendor {Bidder} has read, understands, and agrees to all terms, conditions, and specifications set forth in the State of New Jersey Standard Terms and Conditions and the provisions set forth in the Bid Solicitation Section 4.4.1.1.1 (MacBride Principles Certification), Section 4.4.1.1.2 (Non-Collusion), and Section 4.4.1.1.3 (New Jersey Business Ethics Guide Certification);
2. The Vendor's {Bidder's} failure to meet any of the terms and conditions of the Blanket P.O. as defined in the Bid Solicitation shall constitute a breach and may result in suspension or debarment from further State bidding;
3. A defaulting Vendor {Contractor} may also be liable, at the option of the State, for the difference between the Blanket P.O. price and the price bid by an alternate Vendor {Bidder} of the goods or services in addition to other remedies available; and
4. **By signing and submitting this Offer, the Vendor {Bidder} consents to receipt of any and all documents related to this Bid Solicitation and the resulting Blanket P.O. by electronic medium.**

THIS FORM SHOULD BE SIGNED, COMPLETED AND INCLUDED WITH THE VENDOR'S {BIDDER'S} QUOTE

ADDITIONAL VENDOR {BIDDER} REQUIREMENTS

☐ Bid Security Amount _____ ☐ Payment Security Amount _____
☐ Performance Security Amount _____ ☐ Retainage Percentage _____

ACCEPTANCE OF OFFER *(For State Use Only)*

The Offer above is hereby accepted and now constitutes a Blanket P.O. {Contract} with the State of New Jersey. The Vendor {Contractor} is now bound to sell the goods, products, or services listed by the attached Blanket P.O. {Contract} as defined by Section 2.0 of the Bid Solicitation. The Vendor {Contractor} shall not commence any work or provide any good, product, or service under this Blanket P.O. {Contract} until the Vendor {Contractor} complies with all requirements set forth in the Bid Solicitation and receives written notice to proceed.

Blanket P.O. Number _____
Blanket P.O. Award Date _____ Blanket P.O. Effective Date _____

State of New Jersey Authorized Signature _____

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY

33 WEST STATE STREET, P.O. BOX 230
TRENTON, NEW JERSEY 08625-0230

State of New Jersey Standard Terms and Conditions

(Rev: 10/21/19)

1. STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT

Unless the bidder/offeror is specifically instructed otherwise in the Request for Proposals (RFP), the following terms and conditions shall apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in the RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise. In the event that the bidder/offeror would like to present terms and conditions that are in conflict with either these terms and conditions or those set forth in the RFP, the bidder/offeror must present those conflicts during the Question and Answer period for the State to consider. Any conflicting terms and conditions that the State is willing to accept will be reflected in an addendum to the RFP. The State's terms and conditions shall prevail over any conflicts set forth in a bidder/offeror's Proposal that were not submitted through the question and answer process and approved by the State. Nothing in these terms and conditions shall prohibit the Director of the Division of Purchase and Property (Director) from amending a contract when the Director determines it is in the best interests of the State.

1.1 CONTRACT TERMS CROSSWALK

NJSTART Term	Equivalent Statutory, Regulatory and/or Legacy Term
Bid/Bid Solicitation	Request For Proposal (RFP)/Solicitation
Bid Amendment	Addendum
Change Order	Contract Amendment
Master Blanket Purchase Order (Blanket P.O.)	Contract
Offer and Acceptance Page	Signatory Page
Quote	Proposal
Vendor	Bidder/Contractor

2. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS

The statutes, laws or codes cited herein are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.

2.1 BUSINESS REGISTRATION

Pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a contract with an entity unless the bidder and each subcontractor named in the proposal have a valid Business Registration Certificate on file with the Division of Revenue and Enterprise Services. A subcontractor named in a bid or other proposal shall provide a copy of its business registration to the bidder who shall provide it to the State.

The contractor shall maintain and submit to the State a list of subcontractors and their addresses that may be updated from time to time with the prior written consent of the Director during the course of contract performance. The contractor shall submit to the State a complete and accurate list of all subcontractors used and their addresses before final payment is made under the contract.

Pursuant to N.J.S.A. 54:49-4.1, a business organization that fails to provide a copy of a business registration, or that provides false business registration information, shall be liable for a penalty of

$25 for each day of violation, not to exceed $50,000 for each business registration copy not properly provided under a contract with a contracting agency.

The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall, during the term of the contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury, the Use Tax due pursuant to the "Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at http://www.state.nj.us/treasury/revenue/busregcert.shtml.

2.2 ANTI-DISCRIMINATION

All parties to any contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference. The agreement to abide by the provisions of N.J.S.A. 10:5-31 through 10:5-38 include those provisions indicated for Goods, Professional Service and General Service Contracts (Exhibit A, attached) and Constructions Contracts (Exhibit B and Executive Order 151, August 28, 2009, attached) as appropriate.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time.

2.3 PREVAILING WAGE ACT

The New Jersey Prevailing Wage Act, N.J.S.A. 34: 11-56.25 et seq. is hereby made part of every contract entered into on behalf of the State of New Jersey through the Division of Purchase and Property, except those contracts which are not within the contemplation of the Act. The bidder's signature on [this proposal] is his/her guarantee that neither he/she nor any subcontractors he/she might employ to perform the work covered by [this proposal] has been suspended or debarred by the Commissioner, Department of Labor and Workforce Development for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the bidder's signature on the proposal is also his/her guarantee that he/she and any subcontractors he/she might employ to perform the work covered by [this proposal] shall comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.

2.4 AMERICANS WITH DISABILITIES ACT

The contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L 101-336, in accordance with 42 U.S.C. 12101, et seq.

2.5 MACBRIDE PRINCIPLES

The bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

2.6 PAY TO PLAY PROHIBITIONS

Pursuant to N.J.S.A. 19:44A-20.13 et seq. (P.L. 2005, c. 51), and specifically, N.J.S.A. 19:44A-20.21, it shall be a breach of the terms of the contract for the business entity to:

A. Make or solicit a contribution in violation of the statute;

B. Knowingly conceal or misrepresent a contribution given or received;

C. Make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;

D. Make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor or Lieutenant Governor, or to any State or county party committee;

E. Engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation;

F. Fund contributions made by third parties, including consultants, attorneys, family members, and employees;

G. Engage in any exchange of contributions to circumvent the intent of the Legislation; or

H. Directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

2.7 POLITICAL CONTRIBUTION DISCLOSURE

The contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A. 19:44A-20.27 (P.L. 2005, c. 271, §3 as amended) if in a calendar year the contractor receives one (1) or more contracts valued at $50,000.00 or more. It is the contractor's responsibility to determine if filing is necessary. Failure to file can result in the imposition of penalties by ELEC. Additional information about this requirement is available from ELEC by calling 1(888)313-3532 or on the internet at http://www.elec.state.nj.us/.

2.8 STANDARDS PROHIBITING CONFLICTS OF INTEREST

The following prohibitions on contractor activities shall apply to all contracts or purchase agreements made with the State of New Jersey, pursuant to Executive Order No. 189 (1988).

No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52: 13D-13g;

The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the New Jersey Office of the Attorney General and the Executive Commission on Ethical Standards, now known as the State Ethics Commission;

No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he/she is employed or associated or in which he/she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, now known as the State Ethics Commission, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest;

No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his/her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee;

No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his/her official position to secure unwarranted privileges or advantages for the vendor or any other person; and

The provisions cited above in paragraphs 2.8a through 2.8e shall not be construed to prohibit a State officer or employee or Special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards, now known as the State Ethics Commission may promulgate under paragraph 3c of Executive Order No. 189.

2.9 NOTICE TO ALL CONTRACTORS SET-OFF FOR STATE TAX NOTICE

Pursuant to N.J.S.A. 54:49-19, effective January 1, 1996, and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set-off under this act.
The Director of the Division of Taxation shall give notice to the set-off to the taxpayer and provide an opportunity for a hearing within 30 days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c.184 (c.52:32-32 et seq.), to the taxpayer shall be stayed.

2.10 COMPLIANCE - LAWS

The contractor must comply with all local, State and Federal laws, rules and regulations applicable to this contract and to the goods delivered and/or services performed hereunder.

2.11 COMPLIANCE - STATE LAWS

It is agreed and understood that any contracts and/or orders placed as a result of [this proposal] shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

2.12 WARRANTY OF NO SOLICITATION ON COMMISSION OR CONTINGENT FEE BASIS

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business. If a breach or violation of this section occurs, the State shall have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage or contingent fee.

3. STATE LAW REQUIRING MANDATORY COMPLIANCE BY CONTRACTORS UNDER CIRCUMSTANCES SET FORTH IN LAW OR BASED ON THE TYPE OF CONTRACT

3.1 COMPLIANCE - CODES

The contractor must comply with NJUCC and the latest NEC70, B.O.C.A. Basic Building code, OSHA and all applicable codes for this requirement. The contractor shall be responsible for securing and paying all necessary permits, where applicable.

3.2 PUBLIC WORKS CONTRACTOR REGISTRATION ACT

The New Jersey Public Works Contractor Registration Act requires all contractors, subcontractors and lower tier subcontractor(s) who engage in any contract for public work as defined in N.J.S.A. 34:11-56.26 be first registered with the New Jersey Department of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.51. Any questions regarding the registration process should be directed to the Division of Wage and Hour Compliance at (609) 292-9464.

3.3 PUBLIC WORKS CONTRACT - ADDITIONAL AFFIRMATIVE ACTION REQUIREMENTS

N.J.S.A. 10:2-1 requires that during the performance of this contract, the contractor must agree as follows:

A. In the hiring of persons for the performance of work under this contract or any subcontract hereunder, or for the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under this contract, no contractor, nor any person acting on behalf of such contractor or subcontractor, shall, by reason of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex, discriminate against any person who is qualified and available to perform the work to which the employment relates;

B. No contractor, subcontractor, nor any person on his/her behalf shall, in any manner, discriminate against or intimidate any employee engaged in the performance of work under this contract or any subcontract hereunder, or engaged in the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under such contract, on account of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex;

C. There may be deducted from the amount payable to the contractor by the contracting public agency, under this contract, a penalty of $50.00 for each person for each calendar day during which such person is discriminated against or intimidated in violation of the provisions of the contract; and

D. This contract may be canceled or terminated by the contracting public agency, and all money due or to become due hereunder may be forfeited, for any violation of this section of the contract occurring after notice to the contractor from the contracting public agency of any prior violation of this section of the contract.

N.J.S.A. 10:5-33 and N.J.A.C. 17:27-3.5 require that during the performance of this contract, the contractor must agree as follows:

A. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment

advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause;

B. The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;

C. The contractor or subcontractor where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment, N.J.A.C. 17:27-3.7 requires all contractors and subcontractors, if any, to further agree as follows:

1. The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2;

2. The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices;

3. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions; and

4. In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

3.4 BUILDING SERVICE

Pursuant to N.J.S.A. 34:11-56.58 et seq., in any contract for building services, as defined in N.J.S.A. 34:11-56.59, the employees of the contractor or subcontractors shall be paid prevailing wage for building services rates, as defined in N.J.S.A. 34:11.56.59. The prevailing wage shall be adjusted annually during the term of the contract.

3.5 THE WORKER AND COMMUNITY RIGHT TO KNOW ACT

The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to this contract. Therefore, all goods offered for purchase to the State must be labeled by the contractor in compliance with the provisions of the statute.

3.6 SERVICE PERFORMANCE WITHIN U.S.

Under N.J.S.A. 52:34-13.2, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a

required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.
A shift to performance of services outside the United States during the term of the contract shall be deemed a breach of contract. If, during the term of the contract, the contractor or subcontractor, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 5.7(b) (1) of the Standard Terms and Conditions, unless previously approved by the Director and the Treasurer.

3.7 BUY AMERICAN

Pursuant to N.J.S.A. 52:32-1, if manufactured items or farm products will be provided under this contract to be used in a public work, they shall be manufactured or produced in the United States and the contractor shall be required to so certify.

3.8 DIANE B. ALLEN EQUAL PAY ACT

Pursuant to N.J.S.A. 34:11-56.14, a contractor performing "qualifying services" or "public work" to the State or any agency or instrumentality of the State shall provide the Commissioner of Labor and Workforce Development a report regarding the compensation and hours worked by employees categorized by gender, race, ethnicity, and job category. For more information and report templates see https://nj.gov/labor/equalpay/equalpay.html.

4. INDEMNIFICATION AND INSURANCE

4.1 INDEMNIFICATION

The contractor's liability to the State and its employees in third party suits shall be as follows:

A. Indemnification for Third Party Claims - The contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith which shall arise from or result directly or indirectly from the work and/or materials supplied under this contract, including liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract;

B. The contractor's indemnification and liability under subsection (a) is not limited by, but is in addition to the insurance obligations contained in Section 4.2 of these Terms and Conditions; and

C. In the event of a patent and copyright claim or suit, the contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

4.2 INSURANCE

The contractor shall secure and maintain in force for the term of the contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company. All policies must be endorsed to provide 30 days' written notice of cancellation or material change to the State of New Jersey at the address shown below. If the contractor's insurer cannot provide 30 days written notice, then it will become the obligation of the contractor to provide the same. The contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof. Renewal certificates shall be provided within 30 days of the expiration of the insurance. The contractor shall not begin to provide services or goods to the State until evidence of the required insurance is provided. The certificates of insurance shall indicate the contract number or purchase order number and title of the contract in the Description

of Operations box and shall list the State of New Jersey, Department of the Treasury, Division of Purchase & Property, Contract Compliance & Audit Unit, P.O. Box 236, Trenton, New Jersey 08625 in the Certificate Holder box. The certificates and any notice of cancelation shall be emailed to the State at:

ccau.certificate@treas.nj.gov

The insurance to be provided by the contractor shall be as follows:

A. Occurrence Form Commercial General Liability Insurance or its equivalent: The minimum limit of liability shall be $1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Commercial General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as "Additional Insureds" and include the blanket additional insured endorsement or its equivalent. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic Commercial General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage;

B. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than $1,000,000 per occurrence as a combined single limit. The State must be named as an "Additional Insured" and a blanket additional insured endorsement or its equivalent must be provided when the services being procured involve vehicle use on the State's behalf or on State controlled property;

C. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

1. $1,000,000 BODILY INJURY, EACH OCCURRENCE;
2. $1,000,000 DISEASE EACH EMPLOYEE; and
3. $1,000,000 DISEASE AGGREGATE LIMIT.

A. This $1,000,000 amount may have been raised by the RFP when deemed necessary by the Director; and

B. In the case of a contract entered into pursuant to N.J.S.A. 52:32-17 et seq., (small business set asides) the minimum amount of insurance coverage in subsections a., b., and c. above may have been lowered in the RFP for certain commodities when deemed in the best interests of the State by the Director.

5. TERMS GOVERNING ALL CONTRACTS

5.1 CONTRACTOR IS INDEPENDENT CONTRACTOR

The contractor's status shall be that of any independent contractor and not as an employee of the State.

5.2 CONTRACT AMOUNT

The estimated amount of the contract(s), when stated on the RFP form, shall not be construed as either the maximum or minimum amount which the State shall be obliged to order as the result of the RFP or any contract entered into as a result of the RFP.

5.3 CONTRACT TERM AND EXTENSION OPTION

If, in the opinion of the Director, it is in the best interest of the State to extend a contract, the contractor shall be so notified of the Director's Intent at least 30 days prior to the expiration date of the existing contract. The contractor shall have 15 calendar days to respond to the Director's request to extend the term and period of performance of the contract. If the contractor agrees to the

extension, all terms and conditions of the original contract shall apply unless more favorable terms for the State have been negotiated.

5.4 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any deliverable, task or subtask called for under this contract. In such an event, the Director shall provide to the contractor advance written notice of the change in scope of work and what the Director believes should be the corresponding adjusted contract price. Within five (5) business days of receipt of such written notice, if either is applicable:

A. If the contractor does not agree with the Director's proposed adjusted contract price, the contractor shall submit to the Director any additional information that the contractor believes impacts the adjusted contract price with a request that the Director reconsider the proposed adjusted contract price. The parties shall negotiate the adjusted contract price. If the parties are unable to agree on an adjusted contract price, the Director shall make a prompt decision taking all such information into account, and shall notify the contractor of the final adjusted contract price; and

B. If the contractor has undertaken any work effort toward a deliverable, task or subtask that is being changed or eliminated such that it would not be compensated under the adjusted contract, the contractor shall be compensated for such work effort according to the applicable portions of its price schedule and the contractor shall submit to the Director an itemization of the work effort already completed by deliverable, task or subtask within the scope of work, and any additional information the Director may request. The Director shall make a prompt decision taking all such information into account, and shall notify the contractor of the compensation to be paid for such work effort.

5.5 CHANGE IN LAW

If, after award, a change in applicable law or regulation occurs which affects the Contract, the parties may amend the Contract, including pricing, in order to provide equitable relief for the party disadvantaged by the change in law. The parties shall negotiate in good faith, however if agreement is not possible after reasonable efforts, the Director shall make a prompt decision as to an equitable adjustment, taking all relevant information into account, and shall notify the Vendor {Contractor} of the final adjusted contract price.

5.6 SUSPENSION OF WORK

The State may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid for goods ordered, goods delivered, or services requested and performed until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director shall make an equitable adjustment, if any is required, to the contract price. The contractor shall provide whatever information that Director may require related to the equitable adjustment.

5.7 TERMINATION OF CONTRACT

A. For Convenience:
Notwithstanding any provision or language in this contract to the contrary, the Director may terminate this contract at any time, in whole or in part, for the convenience of the State, upon no less than 30 days written notice to the contractor;

B. For Cause:
1. Where a contractor fails to perform or comply with a contract or a portion thereof, and/or fails to comply with the complaints procedure in N.J.A.C. 17:12-4.2 et seq., the Director

may terminate the contract, in whole or in part, upon ten (10) days' notice to the contractor with an opportunity to respond; and

2. Where in the reasonable opinion of the Director, a contractor continues to perform a contract poorly as demonstrated by e.g., formal complaints, late delivery, poor performance of service, short-shipping, so that the Director is required to use the complaints procedure in N.J.A.C. 17:12-4.2 et seq., and there has been a failure on the part of the contractor to make progress towards ameliorating the issue(s) or problem(s) set forth in the complaint, the Director may terminate the contract, in whole or in part, upon ten (10) days' notice to the contractor with an opportunity to respond.

C. In cases of emergency the Director may shorten the time periods of notification and may dispense with an opportunity to respond; and

D. In the event of termination under this section, the contractor shall be compensated for work performed in accordance with the contract, up to the date of termination. Such compensation may be subject to adjustments.

5.8 SUBCONTRACTING OR ASSIGNMENT

A. Subcontracting: The contractor may not subcontract other than as identified in the contractor's proposal without the prior written consent of the Director. Such consent, if granted in part, shall not relieve the contractor of any of his/her responsibilities under the contract, nor shall it create privity of contract between the State and any subcontractor. If the contractor uses a subcontractor to fulfill any of its obligations, the contractor shall be responsible for the subcontractor's: (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws; and

B. Assignment: The contractor may not assign its responsibilities under the contract, in whole or in part, without the prior written consent of the Director.

5.9 NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND STATE

Nothing contained in any of the contract documents, including the RFP and vendor's bid or proposal shall be construed as creating any contractual relationship between any subcontractor and the State.

5.10 MERGERS, ACQUISITIONS

If, during the term of this contract, the contractor shall merge with or be acquired by another firm, the contractor shall give notice to the Director as soon as practicable and in no event longer than 30 days after said merger or acquisition. The contractor shall provide such documents as may be requested by the Director, which may include but need not be limited to the following: corporate resolutions prepared by the awarded contractor and new entity ratifying acceptance of the original contract, terms, conditions and prices; updated information including ownership disclosure and Federal Employer Identification Number. The documents must be submitted within 30 days of the request. Failure to do so may result in termination of the contract for cause.

If, at any time during the term of the contract, the contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the Director must be so notified. All responsible parties of the dissolved business entity must submit to the Director in writing, the names of the parties proposed to perform the contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the Director.

5.11 PERFORMANCE GUARANTEE OF CONTRACTOR

The contractor hereby certifies that:

a. The equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice;

b. All equipment supplied to the State and operated by electrical current is UL listed where applicable;

c. All new machines are to be guaranteed as fully operational for the period stated in the contract from time of written acceptance by the State. The contractor shall render prompt service without charge, regardless of geographic location;

d. Sufficient quantities of parts necessary for proper service to equipment shall be maintained at distribution points and service headquarters;

e. Trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice;

f. During the warranty period the contractor shall replace immediately any material which is rejected for failure to meet the requirements of the contract; and

g. All services rendered to the State shall be performed in strict and full accordance with the specifications stated in the contract. The contract shall not be considered complete until final approval by the State's using agency is rendered.

5.12 DELIVERY REQUIREMENTS

A. Deliveries shall be made at such time and in such quantities as ordered in strict accordance with conditions contained in the contract;

B. The contractor shall be responsible for the delivery of material in first class condition to the State's using agency or the purchaser under this contract and in accordance with good commercial practice;

C. Items delivered must be strictly in accordance with the contract; and

D. In the event delivery of goods or services is not made within the number of days stipulated or under the schedule defined in the contract, the using agency shall be authorized to obtain the material or service from any available source, the difference in price, if any, to be paid by the contractor.

5.13 APPLICABLE LAW AND JURISDICTION

This contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court.

5.14 CONTRACT AMENDMENT

Except as provided herein, the contract may only be amended by written agreement of the State and the contractor.

5.15 MAINTENANCE OF RECORDS

The contractor shall maintain records for products and/or services delivered against the contract for a period of five (5) years from the date of final payment unless a longer period is required by law. Such records shall be made available to the State, including the Comptroller, for audit and review.

5.16 ASSIGNMENT OF ANTITRUST CLAIM(S)

The contractor recognizes that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the ultimate purchaser. Therefore, and as consideration for executing this contract, the contractor, acting herein by and through its duly authorized agent, hereby conveys, sells, assigns, and transfers to the State of New Jersey, for itself and on behalf of its political subdivisions and public agencies, all right, title and interest to all claims and causes of action it may now or hereafter acquire under the antitrust laws of the United States or the State of New Jersey, relating to the particular goods and services purchased or acquired by the State of New Jersey or any of its political subdivisions or public agencies pursuant to this contract.
In connection with this assignment, the following are the express obligations of the contractor:

A. It shall take no action that will in any way diminish the value of the rights conveyed or assigned hereunder;

B. It shall advise the Attorney General of New Jersey:

   1. In advance of its intention to commence any action on its own behalf regarding any such claim or cause(s) of action; and

   2. Immediately upon becoming aware of the fact that an action has been commenced on its behalf by some other person(s) of the pendency of such action.

C. It shall notify the defendants in any antitrust suit of the within assignment at the earliest practicable opportunity after the contractor has initiated an action on its own behalf or becomes aware that such an action has been filed on its behalf by another person. A copy of such notice shall be sent to the Attorney General of New Jersey; and

D. It is understood and agreed that in the event any payment under any such claim or cause of action is made to the contractor, it shall promptly pay over to the State of New Jersey the allotted share thereof, if any, assigned to the State hereunder.

6. TERMS RELATING TO PRICE AND PAYMENT

6.1 PRICE FLUCTUATION DURING CONTRACT

Unless otherwise agreed to in writing by the State, all prices quoted shall be firm through issuance of contract or purchase order and shall not be subject to increase during the period of the contract. In the event of a manufacturer's or contractor's price decrease during the contract period, the State shall receive the full benefit of such price reduction on any undelivered purchase order and on any subsequent order placed during the contract period. The Director must be notified, in writing, of any price reduction within five (5) days of the effective date.

Failure to report price reductions may result in cancellation of contract for cause, pursuant to provision 5.7(b)1.

In an exceptional situation the State may consider a price adjustment. Requests for price adjustments must include justification and documentation.

6.2 TAX CHARGES

The State of New Jersey is exempt from State sales or use taxes and Federal excise taxes. Therefore, price quotations must not include such taxes. The State's Federal Excise Tax Exemption number is 22-75-0050K.

6.3 PAYMENT TO VENDORS

a. The using agency(ies) is (are) authorized to order and the contractor is authorized to ship only those items covered by the contract resulting from the RFP. If a review of orders placed by the using agency(ies) reveals that goods and/or services other than that covered by the contract have been ordered and delivered, such delivery shall be a violation of the terms of the contract and may be considered by the Director as a basis to terminate the contract and/or not award the contractor a subsequent contract. The Director may take such steps as are necessary to have the items returned by the agency, regardless of the time between the date of delivery and discovery of the violation. In such event, the contractor shall reimburse the State the full purchase price;

b. The contractor must submit invoices to the using agency with supporting documentation evidencing that work or goods for which payment is sought has been satisfactorily completed or delivered. For commodity contracts, the invoice, together with the original Bill of Lading, express receipt and other related papers must be sent to the State Contract Manager or using agency on the date of each delivery. For contracts featuring services, invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager or using agency before payment will be authorized;

c. In all time and materials contracts, the State Contract Manager or designee shall monitor and approve the hours of work and the work accomplished by contractor and shall document both the work and the approval. Payment shall not be made without such documentation. A form of timekeeping record that should be adapted as appropriate for the Scope of Work being performed can be found at www.nj.gov/treasury/purchase/forms/Vendor_Timesheet.xls; and

d. The contractor shall provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business, minority or woman-owned subcontractor(s). This breakdown shall be sent to the Chief of Operations, Division of Revenue, P.O. Box 628, Trenton, NJ 08646.

6.4 OPTIONAL PAYMENT METHOD: P-CARD

The State offers contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State agency's use of the p-card are optional. P-card transactions do not require the submission of a contractor invoice; purchasing transactions using the p-card will usually result in payment to a contractor in three (3) days. A contractor should take note that there will be a transaction-processing fee for each p-card transaction. To participate, a contractor must be capable of accepting the MasterCard. Additional information can be obtained from banks or merchant service companies.

6.5 NEW JERSEY PROMPT PAYMENT ACT

The New Jersey Prompt Payment Act, N.J.S.A. 52:32-32 et seq., requires state agencies to pay for goods and services within 60 days of the agency's receipt of a properly executed State Payment Voucher or within 60 days of receipt and acceptance of goods and services, whichever is later. Properly executed performance security, when required, must be received by the State prior to processing any payments for goods and services accepted by state agencies. Interest will be paid on delinquent accounts at a rate established by the State Treasurer. Interest shall not be paid until it exceeds $5.00 per properly executed invoice.

Cash discounts and other payment terms included as part of the original agreement are not affected by the Prompt Payment Act.

6.6 AVAILABILITY OF FUNDS

The State's obligation to make payment under this contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenue.

7. TERMS RELATING TO ALL CONTRACTS FUNDED, IN WHOLE OR IN PART, BY FEDERAL FUNDS

The provisions set forth in this Section 7 of the Standard Terms and Conditions apply to all contracts funded, in whole or in part, by Federal funds as required by 2 CFR 200.317.

7.1 PROCUREMENT OF RECOVERED MATERIALS

To the extent that the scope of work or specifications in the contract requires the contractor to provide any of the following items, this Section 7.1 of the Standard Terms and Conditions modifies the terms of the scope of work or specification.

Pursuant to 2 CFR 200.322, the contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6962. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $ 10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $ 10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

A. Designated items are those set forth in 40 CFR 247 subpart B, as may be amended from time to time, including:
    1. Paper and paper products listed in 40 C.F.R. 247.10;
    2. Certain vehicular products as listed in 40 CFR 247.11;
    3. Certain construction products listed in 40 C.F.R. 247.12;
    4. Certain transportation products listed in 40 C.F.R. 247.13;
    5. Certain park and recreation products, 40 C.F.R. 247.14;
    6. Certain landscaping products listed in 40 C.F.R. 247.15;
    7. Certain non-paper office products listed in 40 C.F.R. 247.16; and
    8. Other miscellaneous products listed in 40 C.F.R. 247.17.

B. As defined in 40 CFR 247.3, "recovered material" means:
    1. waste materials and byproducts which have been recovered or diverted from solid waste, but such term does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process; and
    2. for purposes of purchasing paper and paper products, means waste material and byproducts that have been recovered or diverted from solid waste, but such term does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process. In the case of paper and paper products, the term recovered materials includes:
        a. Postconsumer materials such as --
            i. Paper, paperboard, and fibrous wastes from retail stores, office buildings, homes, and so forth, after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; and
            ii. All paper, paperboard, and fibrous wastes that enter and are collected from municipal solid waste, and
        b. Manufacturing, forest residues, and other wastes such as --

i. Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel in smaller rolls of rough sheets) including: envelope cuttings, bindery trimmings, and other paper and paperboard waste, resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and

ii. Finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others;

iii. Fibrous byproducts of harvesting, manufacturing, extractive, or wood-cutting processes, flax, straw, linters, bagasse, slash, and other forest residues;

iv. Wastes generated by the conversion of goods made from fibrous material (that is, waste rope from cordage manufacture, textile mill waste, and cuttings); and

v. Fibers recovered from waste water which otherwise would enter the waste stream.

C. For contracts in an amount greater than $ 100,000, at the beginning of each contract year, contractor shall provide the State estimates of the total percentage of recovered material utilized in the performance of its contract for each of the categories listed is subsection (A). For all contracts subject to this Section 7.1 of the Standard Terms and Conditions, at the conclusion of each contract year, contractor shall certify to the State the minimum recovered material content actually utilized in the prior contract year.

7.2 EQUAL EMPLOYMENT OPPORTUNITY

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about,

discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

7.3 DAVIS-BACON ACT, 40 U.S.C. 3141-3148, AS AMENDED

When required by Federal program legislation, all prime construction contracts in excess of $ 2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

7.4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT, 40 U.S.C. 3701-3708

Where applicable, all contracts awarded by the non-Federal entity in excess of $ 100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

7.5 RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit

Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

7.6 CLEAN AIR ACT, 42 U.S.C. 7401-7671Q, AND THE FEDERAL WATER POLLUTION CONTROL ACT, 33 U.S.C. 1251-1387, AS AMENDED

Contracts and subgrants of amounts in excess of $ 150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

7.7 DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689)

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

7.8 BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. 1352

Contractors that apply or bid for an award exceeding $ 100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, c. 127)
N.J.A.C. 17:27 et seq.

GOODS, GENERAL SERVICE AND PROFESSIONAL SERVICES CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval;

Certificate of Employee Information Report; or

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at http://www.state.nj.us/treasury/contract_compliance).

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase an Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase an Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to **N.J.A.C. 17:27-1 et seq.**

EXHIBIT B

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, c. 127)
N.J.S.A. 10:5-39 et. seq. (P.L. 1983, c. 197)
N.J.A.C. 17:27-1.1 et seq.

CONSTRUCTION CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, up grading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

N.J.S.A. 10:5-39 et seq. requires contractors, subcontractors, and permitted assignees performing construction, alteration, or repair of any building or public work in excess of $250,000 to guarantee equal employment opportunity to veterans.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer, pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

When hiring or scheduling workers in each construction trade, the contractor or subcontractor agrees to make good faith efforts to employ minority and women workers in each construction trade consistent with the targeted employment goal prescribed by N.J.A.C. 17:27-7.2; provided, however, that the Dept. of LWD, Construction EEO Monitoring Program may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions, A, B and C, as long as the Dept. of LWD, Construction EEO Monitoring Program is satisfied that the contractor or subcontractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Dept. of LWD, Construction EEO Monitoring Program, that its percentage of active "card carrying" members who are minority and women workers is equal to or greater than the targeted employment goal established in accordance with N.J.A.C. 17:27-7.2. The contractor or subcontractor agrees that a good faith effort shall include compliance with the following procedures:

(A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three business days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et. seq., as supplemented and amended from time to time and the Americans with Disabilities Act. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five business days prior to the commencement of construction work, the contractor or subcontractor agrees to afford equal employment opportunities minority and women workers directly, consistent with this chapter. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and women workers consistent with affording equal employment opportunities as specified in this chapter, the contractor or subcontractor agrees to be prepared to provide such opportunities to minority and women workers directly, consistent with this chapter, by complying with the hiring or scheduling procedures prescribed under (B) below; and the contractor or subcontractor further agrees to take said action immediately if it determines that the union is not referring minority and women workers consistent with the equal employment opportunity goals set forth in this chapter.

(B) If good faith efforts to meet targeted employment goals have not or cannot be met for each construction trade by adhering to the procedures of (A) above, or if the contractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions:

(1) To notify the public agency compliance officer, the Dept. of LWD, Construction EEO Monitoring Program, and minority and women referral organizations listed by the Division pursuant to N.J.A.C. 17:27-5.3, of its workforce needs, and request referral of minority and women workers;

(2) To notify any minority and women workers who have been listed with it as awaiting available vacancies;

(3) Prior to commencement of work, to request that the local construction trade union refer minority and women workers to fill job openings, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade;

(4) To leave standing requests for additional referral to minority and women workers with the local construction trade union, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, the State Training and Employment Service and other approved referral sources in the area;

(5) If it is necessary to lay off some of the workers in a given trade on the construction site, layoffs shall be conducted in compliance with the equal employment opportunity and non-discrimination standards set forth in this regulation, as well as with applicable Federal and State court decisions;

(6) To adhere to the following procedure when minority and women workers apply or are referred to the contractor or subcontractor:

(i) The contactor or subcontractor shall interview the referred minority or women worker.

(ii) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required in order to perform the work of the construction trade, the contractor or subcontractor shall in good faith

determine the qualifications of such individuals. The contractor or subcontractor shall hire or schedule those individuals who satisfy appropriate qualification standards in conformity with the equal employment opportunity and non-discrimination principles set forth in this chapter. However, a contractor or subcontractor shall determine that the individual at least possesses the requisite skills, and experience recognized by a union, apprentice program or a referral agency, provided the referral agency is acceptable to the Dept. of LWD, Construction EEO Monitoring Program. If necessary, the contractor or subcontractor shall hire or schedule minority and women workers who qualify as trainees pursuant to these rules. All of the requirements, however, are limited by the provisions of (C) below.

(iii) The name of any interested women or minority individual shall be maintained on a waiting list, and shall be considered for employment as described in (i) above, whenever vacancies occur. At the request of the Dept. of LWD, Construction EEO Monitoring Program, the contractor or subcontractor shall provide evidence of its good faith efforts to employ women and minorities from the list to fill vacancies.

(iv) If, for any reason, said contractor or subcontractor determines that a minority individual or a woman is not qualified or if the individual qualifies as an advanced trainee or apprentice, the contractor or subcontractor shall inform the individual in writing of the reasons for the determination, maintain a copy of the determination in its files, and send a copy to the public agency compliance officer and to the Dept. of LWD, Construction EEO Monitoring Program.

(7) To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract, on forms made available by the Dept. of LWD, Construction EEO Monitoring Program and submitted promptly to the Dept. of LWD, Construction EEO Monitoring Program upon request.

(C) The contractor or subcontractor agrees that nothing contained in (B) above shall preclude the contractor or subcontractor from complying with the union hiring hall or apprenticeship policies in any applicable collective bargaining agreement or union hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and trainees to the union for referral, or to the apprenticeship program for admission, pursuant to such agreement or arrangement. However, where the practices of a union or apprenticeship program will result in the exclusion of minorities and women or the failure to refer minorities and women consistent with the targeted county employment goal, the contractor or subcontractor shall consider for employment persons referred pursuant to (B) above without regard to such agreement or arrangement; provided further, however, that the contractor or subcontractor shall not be required to employ women and minority advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total workforce for the construction trade, which percentage significantly exceeds the apprentice to journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area for said construction trade. Also, the contractor or subcontractor agrees that, in implementing the procedures of (B) above, it shall, where applicable, employ minority and women workers residing within the geographical jurisdiction of the union.

After notification of award, but prior to signing a construction contract, the contractor shall submit to the public agency compliance officer and the Dept. of LWD, Construction EEO Monitoring Program an initial project workforce report (Form AA-201) electronically provided to the public agency by the Dept. of LWD, Construction EEO Monitoring Program, through its website, for distribution to and completion by the contractor, in accordance with N.J.A.C. 17:27-7.

The contractor also agrees to submit a copy of the Monthly Project Workforce Report once a month thereafter for the duration of this contract to the Dept. of LWD, Construction EEO Monitoring Program and to the public agency compliance officer.

The contractor agrees to cooperate with the public agency in the payment of budgeted funds, as is necessary, for on the job and/or off the job programs for outreach and training of minorities and women.

(D) The contractor and its subcontractors shall furnish such reports or other documents to the Dept. of LWD, Construction EEO Monitoring Program as may be requested by the Dept. of LWD, Construction EEO Monitoring Program from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Dept. of LWD, Construction EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1.1 et seq.

EXECUTIVE ORDER NO. 151 REQUIREMENTS

It is the policy of the Division of Purchase and Property that its contracts should create a workforce that reflects the diversity of the State of New Jersey. Therefore, contractors engaged by the Division of Purchase and Property to perform under a construction contract shall put forth a good faith effort to engage in recruitment and employment practices that further the goal of fostering equal opportunities to minorities and women.

The contractor must demonstrate to the Division of Purchase and Property's satisfaction that a good faith effort was made to ensure that minorities and women have been afforded equal opportunity to gain employment under the Division of Purchase and Property's contract with the contractor. Payment may be withheld from a contractor's contract for failure to comply with these provisions.

Evidence of a "good faith effort" includes, but is not limited to:

1. The Contractor shall recruit prospective employees through the State Job bank website, managed by the Department of Labor and Workforce Development, available online at http://NJ.gov/http://NJ.gov/JobCentralNJ;
2. The Contractor shall keep specific records of its efforts, including records of all individuals interviewed and hired, including the specific numbers of minorities and women;
3. The Contractor shall actively solicit and shall provide the Division of Purchase and Property with proof of solicitations for employment, including but not limited to advertisements in general circulation media, professional service publications and electronic media; and
4. The Contractor shall provide evidence of efforts described at 2 above to the Division of Purchase and Property no less frequently than once every 12 months.
5. The Contractor shall comply with the requirements set forth at N.J.A.C. 17:27.

This language is in addition to and does not replace good faith efforts requirements for construction contracts required by N.J.A.C. 17:27-3.6, 3.7 and 3.8, also known as Exhibit B.

I HEREBY ACCEPT THE TERMS AND CONDITIONS OF THIS CONTRACT



Signature	Date
Snezana Gebauer, Executive Managing Director	
Print Name and Title	
K2 Intelligence LLC	
Print Name of Contractor	

September 24, 2020

WAIVERED CONTRACTS SUPPLEMENT TO THE STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS

(Rev. 6/14/2018)

A. WAIVERED CONTRACTS SUPPLEMENT TO THE STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS - This Supplement to the State of New Jersey Standard Terms and Conditions ("Supplement") shall apply to all contracts or purchase agreements made with the State of New Jersey ("State") under N.J.S.A. 52:34-9 or -10 ("Waivered Contracts"). The terms in this Supplement modify the terms of the New Jersey Division of Purchase and Property's Standard Terms and Conditions as may be updated from time to time ("Standard Terms and Conditions"). The combined terms of the Standard Terms and Conditions and this Supplement, in addition to the terms and conditions set forth in the Request for Proposal, Request for Quotation, and/or other agency request ("Solicitation"), if applicable, shall prevail over any conflicts set forth in or incorporated by reference into a contractor's proposal submitted in response to a Solicitation including any standard license, service or other agreement ("Contractor Standard Form Agreement").

The "Contract" shall consist of this Supplement, the Standard Terms and Conditions, the Solicitation, and the proposal submitted by the contractor.

The Standard Terms and Conditions are hereby incorporated by reference. Section numbering of the changes and additions enumerated below continue the number scheme of the Standard Terms and Conditions.

B. CHANGES/ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR ALL GOODS, SERVICES, AND INFORMATION TECHNOLOGY WAIVERED CONTRACTS:

2.13 OWNERSHIP DISCLOSURE

Pursuant to N.J.S.A. 52:25-24.2, in the event the contractor is a corporation, partnership or limited liability company, the contractor must complete an Ownership Disclosure Form.

A current completed Ownership Disclosure Form must be received prior to or accompany the submitted proposal. A contractor's failure to submit the completed and signed form with its proposal will result in the rejection of the proposal as non-responsive and preclude the award of a Contract to said contractor unless the Division has on file a signed and accurate Ownership Disclosure Form dated and received no more than six (6) months prior to the receipt of the proposal. If any ownership change has occurred within the last six (6) months, a new Ownership Disclosure Form must be completed, signed and submitted with the proposal.

In the alternative, to comply with this section, a contractor with any direct or indirect parent entity which is publicly traded may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10 percent or greater beneficial interest. N.J.S.A. 52:25-24.2.

2.14 PROHIBITED INVESTMENT IN IRAN

Pursuant to N.J.S.A. 52:32-58, the contractor must utilize this Disclosure of Investment Activities in Iran form to certify that neither the contractor, nor one (1) of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither the contractor, nor one (1) of its parents, subsidiaries, and/or affiliates, is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the contractor is unable to so certify, the contractor shall provide a detailed and precise description of such activities as directed on the form.

2.15 STATE'S RIGHT TO INSPECT CONTRACTOR'S FACILITIES

The State reserves the right to inspect the contractor's establishment before making an award, for the purposes of ascertaining whether the contractor has the necessary facilities for performing the Contract.

The State may also consult with clients of the contractor to assist the State in making a contract award that is most advantageous to the State.

2.16 STATE'S RIGHT TO REQUEST FURTHER INFORMATION

The Director reserves the right to request all information which may assist him or her in making a contract award, including factors necessary to evaluate the contractor's financial capabilities to perform the Contract. Further, the Director reserves the right to request a contractor to explain, in detail, how the proposal price was determined.

2.17 DELIVERY TIME AND COSTS

Unless otherwise noted elsewhere in the Solicitation, all delivery times are 30 calendar days after receipt of order (ARO) and prices for items in proposals shall be submitted Freight On Board (F.O.B.) Destination (30 calendar days ARO/F.O.B.). The contractor shall assume all costs, liability and responsibility for the delivery of merchandise in good condition to the State's Using Agency or designated purchaser. Thirty calendar days ARO/F.O.B. does not cover "spotting" but does include delivery on the receiving platform of the Using Agency at any destination in the State of New Jersey unless otherwise specified.

No additional charges will be allowed for any additional transportation costs resulting from partial shipments made at the contractor's convenience when a single shipment is ordered.

The weights and measures of the State's Using Agency receiving the shipment shall govern.

2.18 COLLECT ON DELIVERY (C.O.D) TERMS

C.O.D. terms will not be accepted.

2.19 CASH DISCOUNTS

The contractor is encouraged to offer cash discounts based on expedited payment by the State. The State will make efforts to take advantage of discounts.

Should the contractor choose to offer cash discounts the following shall apply:

A. Discount periods shall be calculated starting from the next business day after the Using Agency has accepted the goods or services, received a properly signed and executed invoice and, when required, a properly executed performance security, whichever is latest; and

B. The date on the check issued by the State in payment of that invoice shall be deemed the date of the State's response to that invoice.

2.20 CLAIMS AND REMEDIES

A. All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

B. Nothing in this Contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

C. In the event that the contractor fails to comply with any material Contract requirements, the Director may take steps to terminate this Contract in accordance with the Standard Terms and Conditions, authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor, as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

2.21 NEWS RELEASES & ADVERTISING

A. The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this Contract without the prior written consent of the Director.

B. The contractor shall not use the State's name, logos, images, or any data or results arising from this Contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

2.22 ORGAN DONATION

As required by N.J.S.A. 52:32-33.1, the State encourages the contractor to disseminate information relative to organ donation and to notify its employees, through information and materials or through an organ and tissue awareness program, of organ donation options. The information provided to employees should be prepared in collaboration with the organ procurement organizations designated pursuant to 42 U.S.C. 1320b-8 to serve in this State.

3.8 PERFORMANCE SECURITY

If performance security is required, such security must be submitted with the bid in the amount listed in the Solicitation. N.J.A.C. 17:12-2.5. Acceptable forms of performance security are as follows:

1. A properly executed individual or annual performance bond issued by an insurance or security company authorized to do business in the State of New Jersey,
2. A certified or cashier's check drawn to the order of "Treasurer, State of New Jersey," or
3. An irrevocable letter of credit issued by a federally insured financial institution and naming "Treasurer, State of New Jersey," as beneficiary.

The Performance Security must be submitted to the State within 30 days of the effective date of the Contract award and cover the period of the Contract and any extensions thereof. Failure to submit performance security may result in cancellation of the Contract for cause and nonpayment for work performed.

Although the performance bond is required for the full term of the Contract, the Director recognizes that the industry practice of sureties is to issue a one (1) year performance bond for goods and services contracts. Thus, the contractor is permitted to submit a one (1) year performance bond for the amount required under the Contract and, on each succeeding anniversary date of the Contract, provide a continuation or renewal certificate to evidence that the bond is in effect for the next year of the Contract. This procedure will remain in place for each year of the Contract thereafter until the termination of the Contract. Failure to provide such proof on the anniversary date of the Contract shall result in suspension of the Contract, and possibly, termination of the Contract.

For performance bonds based on a percentage of the total estimated Contract price. On each anniversary of the effective date of the Contract, the amount of the required performance bond, unless otherwise noted, is calculated by applying the established RFQ performance bond percentage to the outstanding balance of the estimated amount of the Contract price to be paid to the contractor.

In the event that the Contract price is increased by a Contract Amendment, the contractor may be required to provide, within 30 calendar days of the effective date of the Contract Amendment, performance bond coverage for the increase in Contract price. The required increase in the performance bond amount is calculated by applying the established bond percentage set forth above to the increase in Contract price. Failure to provide such proof to the Director of this required coverage may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

3.9 RETAINAGE

If retainage is required on the Contract as stated in the Solicitation, the state and/or agency will retain the stated percentage or retainage from each invoice. Payment of retainage will be authorized after satisfactory completion and submission of all services, deliverables or work products by the contractor and acceptance by the agency of all services, deliverables or work products required by the Contract.

For ongoing contracts, the agency will retain the stated percentage of each invoice submitted. At the end of the three (3) month period after payment of each invoice, the agency will review the contractor's performance and if performance has been satisfactory, the agency will release the retainage for the preceding three (3) month period. Following the expiration of the Contract, retained fees will be released to the contractor after certification by the agency's project manager, if any, that all services have been satisfactorily performed.

3.10 SUBCONTRACTOR UTILIZATION PLAN

A contractor that will subcontract any of the work or services to be provided under the Contract shall submit to the agency along with its proposal a Subcontractor Utilization Plan located at the following webpage: http://www.state.nj.us/treasury/purchase/forms/subcontracting.pdf. See also Section 5.8 of the Standard Terms and Conditions.

5.17 CONFIDENTIALITY

a. The State's obligation to maintain the confidentiality of the contractor's confidential information provided to the State under the Contract is conditioned upon and subject to the State's obligations under the New Jersey Public Records Act, N.J.S.A. 47:1A-1 et seq., ("OPRA"), the New Jersey common law right to know, and any other lawful document request or subpoena.
b. By virtue of the Contract, the parties may have access to information that is confidential to one another. The parties agree to disclose only information that is required for the performance of their obligations under the Contract. The contractor's confidential information, to the extent not expressly prohibited by law, shall consist of all information clearly identified as confidential at the time of disclosure ("Contractor Confidential Information"). Notwithstanding the previous sentence, the contractor acknowledges the terms and pricing of the Contract are subject to disclosure under OPRA, the New Jersey common law right to know, and any other lawful document request or subpoena.
c. The State's Confidential Information shall consist of all information or data in any form whatsoever supplied by the State, any information or data gathered by the contractor in fulfillment of the Contract and any analysis thereof (whether in fulfillment of the Contract or not).
d. A party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party, except that if the information is personally identifying to a person or entity regardless of whether it has become part of the public

domain through other means, the other party must maintain full efforts under the Contract to keep it confidential; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

e. The parties agree to hold each other's Confidential Information in confidence, using at least the same degree of care in doing so that it uses to protect its own confidential information.
f. In the event that the State receives a request for Contractor Confidential Information related to the Contract pursuant to a court order, subpoena, lawful document request or other operation of law, the State agrees, if permitted by law, to provide the contractor with as much notice, in writing, as is reasonably practicable and the State's intended response to such request. The contractor shall take any action it deems appropriate to protect its documents and/or information.
g. In addition, in the event the contractor receives a request for State Confidential Information pursuant to a court order, subpoena, or other operation of law, the contractor shall, if permitted by law, provide the State with as much notice, in writing, as is reasonably practicable and the contractor's intended response to such request. The State shall take any action it deems appropriate to protect its documents and/or information. Notice to the State shall not relieve the contractor of its obligation to take action to protect such information if the contractor is aware of a legal reason to do so.
h. Notwithstanding the requirements of nondisclosure described in this Section 5.17, either party may release the other party's Confidential Information (i) if directed to do so by a court or arbitrator of competent jurisdiction, (ii) pursuant to a lawfully issued subpoena or other lawful document request, (iii) in the case of the State, if the State determines the documents or information are subject to disclosure and the contractor does not exercise its rights as described in subsection (f), or if the contractor is unsuccessful in defending its rights as described in subsection (f), or (iv) in the case of the contractor, if the contractor determines the documents or information are subject to disclosure and the State does not exercise its rights as described in subsection (g), or if the State is unsuccessful in defending its rights as described in subsection (g).

C. CHANGES/ADDITIONS TO THE STANDARD TERMS AND CONDITIONS APPLICABLE TO SERVICES AND INFORMATION TECHNOLOGY WAIVERED CONTRACTS:

4.2 INSURANCE

The following paragraph D is added to section 4.2 of the Standard Terms and Conditions:

D. Professional Liability Insurance: When it is common to the contractor's profession to do so, the contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than $5,000,000 and in such policy forms as shall be approved by the State. If the contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

5.18 OWNERSHIP

Capitalized terms used but not defined are defined in Subsection D of this Supplement, below.

a. Contractor Intellectual Property; COTS and Customized Software – The contractor retains ownership of all Contractor Intellectual Property, and any modifications thereto and derivatives thereof, that the contractor supplies to the State pursuant to the Contract. The contractor grants the State a non-exclusive, perpetual royalty-free license to use Contractor Intellectual Property delivered to the State for the purposes contemplated by the Contract.

b. Third Party Intellectual Property – Unless otherwise specified in the Solicitation that the State, on its own, will acquire and obtain a license to Third Party Intellectual Property, the contractor shall secure on the State's behalf, in the name of the State and subject to the State's approval, a license to Third Party Intellectual Property sufficient to fulfill the business objectives, requirements and specifications identified in the Contract at no additional cost to the State beyond that in the bid price. Under no circumstances will the State accept a license for Third Party Intellectual Property that contains terms and conditions that conflict with the terms and conditions of the Contract. If the contractor uses Third Party Intellectual Property, the contractor must indemnify the State for infringement claims with respect to the Third Party Intellectual Property. The contractor agrees that its use of Third Party Intellectual Property shall be consistent with the license for the Third Party Intellectual Property, whether supplied by the contractor, secured by the State as required by the Solicitation, or otherwise supplied by the State.

c. Work Product; Custom Software – The State owns all Custom Software which shall be considered "work made for hire", i.e., the State, not the contractor, subcontractor, or third party, shall have full and complete ownership of all such Custom Software. To the extent that any Custom Software may not, by operation of the law, be a "work made for hire" in accordance with the terms of the Contract, contractor, subcontractor, or third party hereby assigns to the State, or the contractor shall cause to be assigned to the State, all right, title and interest in and to any such Custom Software and any copyright thereof, and the State shall have the right to obtain and hold in its own name any copyrights, registrations and any other proprietary rights that may be available.

d. Work Product; Services – The State owns all Deliverables developed for the State in the course of providing Services under the Contract, including but not limited to, all data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the Contract, including but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the Services required under the Contract.

e. State Intellectual Property – Data and Background Information. The State owns all State Intellectual Property and State data and background information provided to the contractor pursuant to the Contract. The State's data and background information shall include, without limitation, all data, technical information, and materials provided to the contractor by the State to facilitate performance of the Contract, including but not limited to all reports, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents. The items described in the preceding sentence shall be delivered or returned to the State of New Jersey upon thirty (30) days' notice by the State or thirty (30) days after the expiration or termination of the Contract. Only to fulfill the purposes of the Contract does the State grant the contractor a non-exclusive, royalty-free, world-wide license to use, copy, display, distribute, transmit and prepare derivative works of State Intellectual Property and State data and background information. Notwithstanding anything to the contrary contained in the Terms and Conditions or this Supplement, no part of the State's data will be disclosed, sold, assigned, leased or otherwise disposed of to any person or entity other than the State unless specifically directed to do so in writing by the Contract Manager. The State's license to the contractor is limited by the term of the Contract and the confidentiality obligations set forth in Section 5.17 of this Supplement.

f. No Rights – Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the contractor any right, title, or interest in State Intellectual Property or any intellectual property that is now owned or licensed to or subsequently owned by or licensed by the State. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the State any right, title, or interest in any Contractor Intellectual Property that is now owned or subsequently owned by the contractor. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the State any right, title, or interest in any Third Party Intellectual Property that is now owned or subsequently owned by a Third Party.

D. CHANGES/ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR ALL INFORMATION TECHNOLOGY WAIVERED CONTRACTS:

1.2 DEFINITIONS

The following definitions shall apply to information technology contracts:

i. The term "Acceptance" means the written confirmation by an Agency that the contractor has completed a Deliverable according to the specified requirements.

ii. The term "Contractor Intellectual Property" means any intellectual property that is owned by the contractor and contained in or necessary for the use of the Deliverables or which the contractor makes available for the State to use as part of the work under the Contract. Contractor Intellectual Property includes COTS or Customized Software owned by the contractor, the contractor's technical documentation, and derivative works and compilations of any Contractor Intellectual Property.

iii. The term Commercial Off the Shelf Software ("COTS") means Software provided by the contractor that is intended for general use.

iv. The term "Custom Software" means Software and Work Product that is developed by the contractor at the request of the Agency to meet the specific requirements of the Agency and is intended for its use.

v. The term "Customized Software" means COTS that is adapted by the contractor to meet specific requirements of the Agency that differ from the standard requirements of the base product.

vi. The term "Deliverable" means the goods, products, Services and Work Product that the contractor is required to deliver to the State under the Contract;

vii. The terms "goods" and "products" shall be deemed to include, without limitation, Software and Hardware.

viii. The term "Hardware" shall be deemed to include computer equipment and any Software provided with the Hardware that is necessary for the Hardware to operate.

ix. The term "Information Technology Contract" shall mean, notwithstanding any definition in New Jersey Statutes, a Contract for one or more of the following: Hardware, Software, Services, telecommunication goods and services, and all related goods.

x. The terms "Services" shall be deemed to include, without limitation (i) Information Technology ("IT") professional services; (ii) Software and Hardware-related services, including without limitation, installation, configuration, and training and (iii) Software and Hardware maintenance and support and/or Software and Hardware technical support services.

xi. The term "Software" means, without limitation, computer programs, source codes, routines, or subroutines supplied by the contractor, including operating software, programming aids, application programs, application programming interfaces and software products, and includes COTS, Customized Software and Custom Software, unless the context indicates otherwise.

xii. The term "State Intellectual Property" means any intellectual property that is owned by the State. State Intellectual Property includes any derivative works and compilations of any State Intellectual Property.

xiii. The term "Third Party Intellectual Property" means any intellectual property owned by parties other than the State or the contractor and contained in or necessary for the use of the Deliverables. Third Party Intellectual Property includes COTS owned by Third Parties, and derivative works and compilations of any Third Party Intellectual Property.

xiv. The term "Work Product" means every invention, modification, discovery, design, development, customization, configuration, improvement, process, Software program, work of authorship, documentation, formula, datum, technique, know how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) that is specifically made, conceived, discovered, or reduced to practice by the contractor or the contractor's subcontractors or a third party engaged by the contractor or its subcontractor pursuant to the Contract. Notwithstanding anything to the contrary in the preceding sentence, Work Product does not include State Intellectual Property, Contractor Intellectual Property or Third Party Intellectual Property.

2.10 COMPLIANCE - LAWS

The following is added to section 2.10 of the Standard Terms and Conditions:

COMPLIANCE – DATA AND PRIVACY LAWS – The contractor must comply with all State and Federal data and privacy laws, rules and regulations applicable to both the contractor and the State under the Contract.

4.1 INDEMNIFICATION

Section 4.1 of the Standard Terms and Conditions is deleted in its entirety and replaced with the following:

INDEMNIFICATION AND LIMITATION OF LIABILITY:

1. INDEMNIFICATION - The contractor's liability to the State and its employees in third party suits shall be as follows:

    a) The contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State and its officers, agents, servants and employees, from and against any and all third party claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith:
        i. For or on account of the loss of life, property or injury or damage to the person, body or property of any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or products supplied under the Contract or the order; and
        ii. For or on account of the use of any patent, copyright, trademark, trade secret or other proprietary right of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance ("Intellectual Property Rights") furnished or used in the performance of the Contract; and
        iii. The contractor's indemnification and liability under subsection (a) is not limited by, but is in addition to the insurance obligations contained in these Standard Terms and Conditions.

    b) In the event of a claim or suit involving third-party Intellectual Property Rights, the contractor, at its option, may: (1) procure for the State the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties. The State will (1) promptly notify the contractor in writing of the claim or suit; (2) the contractor shall have control of the defense and settlement of any claim that is subject to subsection (a); provided, however, that the State must approve any settlement of the alleged claim, which approval shall not be unreasonably withheld. The State may observe the proceedings relating to the alleged claim and confer with the contractor at its expense. Furthermore, neither the contractor nor any attorney engaged by the contractor shall defend the claim in the name of the State of New Jersey or any Agency, nor purport to act as legal representative of the State of New Jersey or any Agency, without having provided notice to the Director of the Division of Law in the Department of Law and Public Safety and to the Director of DPP. The State of New Jersey may, at its election and expense, assume its own defense and settlement.

    c) Notwithstanding the foregoing, the contractor has no obligation or liability for any claim or suit concerning third-party Intellectual Property Rights arising from: (1) the State's unauthorized combination, operation, or use of a product supplied under the Contract with any product, device, or Software not supplied by the contractor; (2) the State's unauthorized alteration or modification of any product supplied under the Contract; (3) the contractor's compliance with the State's designs, specifications, requests, or instructions, provided that if the State provides the contractor with such designs, specifications, requests, or instructions, the contractor reviews same and advises that such designs, specifications, requests or instructions present potential issues of patent or copyright infringement and the State nonetheless directs the contractor to proceed with one or more designs, specifications, requests or instructions that

present potential issues of patent or copyright infringement; or (4) the State's failure to promptly implement a required update or modification to the product provided by the contractor.

d) The contractor will be relieved of its responsibilities under subsection (a)(i) and (ii) for any claims made by an unaffiliated third party that arise solely from the actions or omissions of the State, its officers, employees or agents.

e) This section states the entire obligation of the contractor and its suppliers, and the exclusive remedy of the State, in respect of any infringement or alleged infringement of any Intellectual Property Rights. This indemnity obligation and remedy are given to the State solely for its benefit and in lieu of, and the contractor disclaims, all warranties, conditions and other terms of non-infringement or title with respect to any product.

f) The provisions of this indemnification clause shall in no way limit the contractor's obligations assumed in the Contract, nor shall they be construed to relieve the contractor from any liability, nor preclude the State from taking any other actions available to it under any other provisions of the Contract or otherwise at law or equity.

g) The contractor agrees that any approval by the State or Using Agency of the work performed and/or reports, plans or specifications provided by the contractor shall not operate to limit the obligations of the contractor assumed in the Contract.

h) The State of New Jersey will not indemnify, defend or hold harmless the contractor. The State will not pay or reimburse for claims absent compliance with Section 4.1(2) of this Supplement and a determination by the State to pay the claim or a final order of a court of competent jurisdiction.

2. STATE RESPONSIBILITIES

Subject to the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) and the appropriation and availability of funds, the State will be responsible for any cost or damage arising out of actions or inactions of the State, its employees or agents under Section 4.1(1)(a)(i) and (ii) of this Supplement which results in an unaffiliated third party claim. This is the contractor's exclusive remedy for these claims.

3. LIMITATION OF LIABILITY

a) The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance of, or in any manner related to, the Contract for any and all claims, shall be limited in the aggregate to 200% of the fees paid to the contractor for the products or Services giving rise to such damages, except that such limitation of liability shall not apply to the following:
   i. The contractor's indemnification obligations as described in Section 4.1(1) of this Supplement; and
   ii. The contractor's breach of its obligations of confidentiality described in Section 5.17 of this Supplement; and

b) The contractor shall not be liable for consequential or incidental damages.

5.11 CONTRACTOR PERFORMANCE WARRANTIES

Section 5.11 of the Standard Terms and Conditions is deleted in its entirety and replaced with the following:

1. COTS and Customized Software

a. Unless the Contractor Standard Form Agreement provides greater coverage as determined by the State, in its sole discretion, the contractor warrants that COTS and Customized Software products licensed to the State shall operate in all material respects as described in the Solicitation and/or contractor technical documentation for ninety (90) days after Acceptance. The State shall

notify the contractor of any COTS or Customized Software product deficiency within ninety (90) days after Acceptance. For a Contract requiring the delivery of COTS or Customized Software and Custom Software, a notice within one hundred eighty (180) days that describes a deficiency in functional terms without specifying whether the deficiency is with COTS, Customized Software or Custom Software shall be deemed a notice that triggers the warranty provisions in both Section 5.11(a) and 5.11(b) of this Supplement.

b. Except for the portion of the contractor's COTS or Customized Software product that intentionally contains one or more of the following for the purpose of anti-virus protection, the contractor warrants that, at the time of delivery and installation of the COTS or Customized Software provided pursuant to the Contract, its product shall be free of what are commonly defined as viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the COTS or Customized Software, collect unlawful personally identifiable information on users, or prevent the COTS or Customized Software from performing as required under the Contract.
c. In the event of any breach of this warranty, the contractor shall correct the product errors that caused the breach of warranty, or if the contractor cannot substantially correct such breach in a commercially reasonable manner, the State may end its usage and recover the fees paid to the contractor for the license and any unused, prepaid, technical support fees paid. Under no circumstances does this warranty provision limit the contractor's obligation in the event of a breach of confidentiality.
d. The contractor does not warrant that COTS or Customized Software is error-free or that it will operate uninterrupted.

2. Custom Software

a. Unless the Contractor Standard Form Agreement provides greater coverage, as determined by the State, in its sole discretion, the contractor warrants that Custom Software Deliverables shall operate in all material respects as described in the applicable specification documentation for one hundred and eighty (180) days after Acceptance. The State shall notify the contractor of any Custom Software deficiency within one hundred and eighty (180) days after Acceptance of the Custom Software Deliverable (the "Notice Period"). Where the contractor is providing multiple Custom Software Deliverables over the term of the Contract, the Notice Period shall begin to run after the Acceptance of the final Custom Software Deliverable under the Contract. At that time, the State may assert defect claims relating to any and all of the Custom Software Deliverables provided under the Contract; however, the State may also assert claims earlier, in its discretion, without waiving the Notice Period.
b. For a Contract requiring the delivery of COTS or Customized Software and Custom Software, a notice within one hundred eighty (180) days that describes a deficiency in functional terms without specifying whether the deficiency is with COTS, Customized Software or Custom Software shall be deemed a notice that triggers the warranty provisions in both Section 5.11(a) and 5.11(b) of this Supplement.
c. The contractor warrants that, at the time of Acceptance of the Custom Software Deliverable provided pursuant to the Contract, its product shall be free of what are commonly defined as viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Custom Software, collect unlawful personally identifiable information on users, or prevent the Custom Software from performing as required under the Contract. Under no circumstances does this warranty provision limit the contractor's obligation in the event of a breach of confidentiality.
d. In the event of any breach of this warranty, the contractor shall correct the Custom Software errors that caused the breach of warranty, or if the contractor cannot substantially correct such breach in a commercially reasonable manner, the State may recover a portion of the fees paid to the contractor for the Custom Software with the uncorrected defect or in the event that the Custom Software is still deemed, by the State in its sole discretion, to be usable by the State even with the uncorrected defect, the State may recover a portion of the fees paid to the

contractor for the Custom Software (up to the total amount of such charges for such Custom Software) to reflect any reduction in the value of the Custom Software Deliverable as a result of the uncorrected defect. Under no circumstances does this warranty provision limit the contractor's obligations in the event of a breach of confidentiality.

e. The contractor does not warrant that Custom Software is error-free or that it will operate uninterrupted.

3. IT Services

a. Unless the Contractor Standard Form Agreement provides greater coverage, as determined by the State, in its sole discretion, the contractor warrants that all Services will be provided in a professional manner consistent with industry standards. The State shall notify the contractor of any Services warranty deficiencies within ninety (90) days from performance of the deficient Services.
b. In the event of any breach of this warranty, the contractor shall re-perform the deficient Services, or if the contractor cannot substantially correct a breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to the contractor for the deficient Services.

4. Hardware

a. Unless the Contractor Standard Form Agreement provides greater coverage, as determined by the State, in its sole discretion, the contractor warrants that the equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice.
b. The contractor warrants that all equipment supplied to the State and operated by electrical current is UL listed where applicable.
c. The contractor warrants that all new machines are to be guaranteed as fully operational for one (1) year from time of Acceptance by the State. For the avoidance of doubt, Acceptance with respect to Hardware in this subsection (d) shall occur no later than sixty (60) days after delivery, as evidenced by a signed delivery receipt. The contractor shall render prompt service without charge, regardless of geographic location.
d. The contractor warrants that sufficient quantities of parts necessary for proper service to equipment shall be maintained at distribution points and service headquarters.
e. The contractor warrants that trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice.
f. The contractor warrants that all Software included with the Hardware shall perform substantially in accordance with specifications, for one (1) year from the time of Acceptance. The contractor warrants that Software media will be free from material defects in materials and workmanship for a period of one (1) year from the date of Acceptance.
g. In the event of any breach of this warranty, the contractor shall promptly repair, replace or refund the purchase price of product rejected for failure to conform with the contractor's product specifications.

5. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND THE CONTRACTOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

5.19 AUDIT NOTICE AND DISPUTE RESOLUTION

To the extent the contractor's proposal or Standard Form Agreement permits the contractor to conduct periodic audits of the State's usage of the Contractor Intellectual Property provided thereunder, such provision is amended to include the following audit notice and dispute resolution process:

a. AUDIT NOTICE – Notwithstanding anything to the contrary in the contractor's proposal or Standard Form Agreement, in the event that the contractor seeks to exercise a right in its proposal or Standard Form Agreement to audit the State's use of Contractor Intellectual Property, the contractor shall deliver simultaneous written notice, no less than thirty days in advance of the audit start date (unless the contractor's notice provides a longer notice period), to the:

    i. Director of the New Jersey Department of Treasury, Division of Purchase and Property:
    Procurement Bureau, Technology Unit
    P.O. Box 230
    Trenton, NJ 08625-0230

    ii. Chief of Staff of the New Jersey Office of Information Technology:
    Office of the Chief Technology Officer
    300 Riverview Plaza
    Trenton, NJ 08625

    iii. State Contract Manager.

    The notice shall reference the specific audit provision(s) in the contractor's proposal or Standard Form Agreement being exercised and include copies of same, specify the means by which the contractor will conduct the audit, and shall require the audit to be conducted in accordance with generally accepted standards in the field of such audits.

b. AUDIT DISPUTE RESOLUTION -- If the State, in good faith, provides the contractor with written notice of an alleged error in the amount of underpaid fees due the contractor as a result of an audit (the "dispute"), then the parties will endeavor to resolve the dispute in accordance with this paragraph. Each party will appoint a Vice President, Assistant Director, or the equivalent (hereinafter referred to as "Representative") to discuss the dispute and no formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief or those required to avoid non-compliance with the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., may begin until either such Representative concludes, after a good faith effort to resolve the dispute, that resolution through continued discussion is unlikely. In addition, the parties shall refrain from exercising any termination right related to the dispute being considered under this paragraph and shall continue to perform their respective obligations under the Contract while they endeavor to resolve the dispute under this paragraph.

c. STATE NOT LIABLE FOR AUDIT COSTS -- Notwithstanding anything to the contrary in the contractor's proposal or Standard Form Agreement, the State will not reimburse the contractor for any costs related to an audit.

d. NO AUDIT RIGHT CREATED -- In the event that the contractor's proposal or Standard Form Agreement does not permit audits of the State's usage of Contractor Intellectual Property, Section 5.19 of this Supplement shall not be interpreted to provide such an audit right.

WAIVERED CONTRACTS SUPPLEMENT TO THE STATE OF NEW JERSEY STANDARD TERMS AND CONDITIONS
(Rev. 6/14/2018)

I HEREBY ACCEPT THE TERMS AND CONDITIONS OF THIS CONTRACT



Signature

September 24, 2020
Date

Snezana Gebauer, Exec. Managing Director
Print Name and Title

K2 Intelligence, LLC
Print Name of Contractor

2nd BAFO

Integrity Oversight Monitoring RFQ
Bidder: K2

Integrity Oversight Monitoring Consumption Model - Category 1			
Staff Classifications	**Hourly Rate**	**Hours Per Month**	**Estimated Monthly Charge**
Partner/Principal/Director	$340.00	25	$ 8,500.00
Program Manager	$325.00	50	$ 16,250.00
Project Manager	$290.00	100	$ 29,000.00
Supervisory/Senior Consultant	$220.00	100	$ 22,000.00
Consultant	$195.00	75	$ 14,625.00
Associate/Staff	$180.00	50	$ 9,000.00
Subject Matter Expert	$315.00	50	$ 15,750.00
Administrative Support	$120.00	25	$ 3,000.00
		Estimated Total Monthly Charge	**$ 118,125.00**
*Other Direct Costs and Travel Expenses and Reimbursements will be evaluated for cost reasonableness			

Integrity Oversight Monitoring Consumption Model - Category 2			
Staff Classifications	**Hourly Rate**	**Hours Per Month**	**Estimated Monthly Charge**
Partner/Principal/Director	$340.00	25	$ 8,500.00
Program Manager	$325.00	50	$ 16,250.00
Project Manager	$290.00	100	$ 29,000.00
Supervisory/Senior Consultant	$220.00	100	$ 22,000.00
Consultant	$195.00	75	$ 14,625.00
Associate/Staff	$180.00	50	$ 9,000.00
Subject Matter Expert	$315.00	50	$ 15,750.00
Administrative Support	$120.00	25	$ 3,000.00
		Estimated Total Monthly Charge	**$ 118,125.00**
*Other Direct Costs and Travel Expenses and Reimbursements will be evaluated for cost reasonableness			

Integrity Oversight Monitoring Consumption Model - Category 3			
Staff Classifications	**Hourly Rate**	**Hours Per Month**	**Estimated Monthly Charge**
Partner/Principal/Director	$340.00	25	$ 8,500.00
Program Manager	$325.00	50	$ 16,250.00
Project Manager	$290.00	100	$ 29,000.00
Supervisory/Senior Consultant	$220.00	100	$ 22,000.00
Consultant	$195.00	75	$ 14,625.00
Associate/Staff	$180.00	50	$ 9,000.00
Subject Matter Expert	$315.00	50	$ 15,750.00
Administrative Support	$120.00	25	$ 3,000.00
		Estimated Total Monthly Charge	**$ 118,125.00**
*Other Direct Costs and Travel Expenses and Reimbursements will be evaluated for cost reasonableness			

BAFO PRICE SCHEDULE

Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for CRF Funds and Programs

Refer to RFQ Section 3.0 (Scope of Work) for task requirements and deliverables, Section 4.2.4 (Staff Classifications), and Section 6.0 (Cost Proposal) for additional information regarding this Price Schedule.

Bidder's Name: K2 Intelligence, LLC

CATEGORY 1: PROGRAM AND PROCESS MANAGEMENT AUDITING

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
1	Partner/Principal/Director	$340	$340
2	Program Manager	$325	$325
3	Project Manager	$290	$290
4	Supervisory/Senior Consultant	$220	$220
5	Consultant	$195	$195
6	Associate/Staff	$180	$180
7	Subject Matter Expert	$315	$315
8	Administrative Support	$120	$120

LINE #	Pass through Price Lines	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
9	Other Direct Costs	**TBD**	**TBD**
10	Travel Expenses and Reimbursements	**TBD**	**TBD**

- **The State makes no guarantee of volume of work effort.**
- **The Pass-Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 10 and 11.**

Bidder's Name: K2 Intelligence, LLC

CATEGORY 2: FINANCIAL AUDITING AND GRANT MANAGEMENT

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
11	Partner/Principal/Director	$340	$340
12	Program Manager	$325	$325
13	Project Manager	$290	$290
14	Supervisory/Senior Consultant	$220	$220
15	Consultant	$195	$195
16	Associate/Staff	$180	$180
17	Subject Matter Expert	$315	$315
18	Administrative Support	$120	$120

LINE #	Pass through Price Lines	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
19	Other Direct Costs	**TBD**	**TBD**
20	Travel Expenses and Reimbursements	**TBD**	**TBD**

- **The State makes no guarantee of volume of work effort.**
- **The Pass-Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 19 and 20.**

Bidder's Name: K2 Intelligence, LLC

CATEGORY 3: INTEGRITY MONITORING/ANTI-FRAUD

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
21	Partner/Principal/Director	$340	$340
22	Program Manager	$325	$325
23	Project Manager	$290	$290
24	Supervisory/Senior Consultant	$220	$220
25	Consultant	$195	$195
26	Associate/Staff	$180	$180
27	Subject Matter Expert	$315	$315
28	Administrative Support	$120	$120

LINE #	Pass through Price Lines	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE
29	Other Direct Costs	**TBD**	**TBD**
30	Travel Expenses and Reimbursements	**TBD**	**TBD**

- **The State makes no guarantee of volume of work effort.**
- **The Pass-Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 29 and 30.**

The Contractor is responsible for providing personnel with all necessary equipment to perform the services required in any Engagement issued under this contract. That cost is to be factored into the hourly rate.