

Addx - Bayshore Regional Sewerage Authority

State of New Jersey
 Department of Treasury
 Integrity Monitoring Reporting Model
 For Quarter Ending 03/31/15 (3 months ending prior to date of report)

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

No.	Recipient Data Elements	Response	Comments
A. General Info			
1.	Recipient of funding	Bayshore Regional Sewage Authority (BRSA)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	Federal Emergency Management Authority (FEMA)	
3.	State Funding (if applicable)	N/A	
4.	Award Type	Public Assistance - Category G	Fixed Priced Contract
5.	Award Amount	Stone Hill Contracting Co, Inc., Doylestown, PA	\$16,445,977
6.	Contract/Program Person/Title	Bayshore Regional Sewage Authority (BRSA), Union Beach, NJ	Robert Fischer, Executive Director; George Rolon, Project Manager, New JersEnvironmental Infrastructure Trust (NJEIT)
7.	Brief Description, Purpose and Rationale of Project/Program	Due to high winds, heavy rain, subsequent flooding and storm surge from SuperStorm Sandy, the BRSA sustained major damage to two incinerators; the Dorr Oliver as well as the Niro incinerator, in addition to its adjacent equipment. The Project Worksheet (PW) relates to the demolition and reconstruction of these two incinerators and adjacent equipment.	
8.	Contract/Program Location	BRSA, Union Beach, NJ	
9.	Amount Expended to Date		\$0
10.	Amount Provided to other State or Local Entities	None	
11.	Completion Status of Contract or Program		0% As of March 31, 2015, awaiting submission of Bonds from Stone Hill Contracting
12.	Expected Contract End Date/Time Period		12/31/2016
B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Contract awarded to Stone Hill Contracting Co, Inc, (SHC) Doylestown, PA. Two companies submitted bids on the project. Project not started to date. Awaiting bonds for project to be submitted by SHC. On March 30, 2015, a copy of the contract executed by SHC, to include, performance bond, labor and material bond; the subcontractor's performance bond, subcontractor's labor and material bond and the required dual oblige bond, was obtained from Mr. Fischer, Executive Director, BRSA. Mr. Fischer advised that BRSA is still waiting for SHC's insurance certificates; and that BRSA will execute the contract once the certificates are received prior to implementing the Notice to Proceed for the work awarded.	

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14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	Had discussion with BRSA Director to confirm Bidders meeting scheduled for 1/5/15 and attended meeting as such to gather information on what was being told to all bidders at the meeting. A copy of the sign-in sheet was obtained for compliance monitoring records. Additional teleconference with BRSA Director regarding postponement of "Public Bid Openings" until February 10, 2015; and discussed prior Quarterly Report submitted to NJ Department of Treasury by Adx Corporation. Potential internal control issues were discussed and why these were identified. Explained that the potential issues, while identified, have not led to any procurement issues being identified as part of the examination.	
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.	Previously obtained electronic copy of the BRSA "Purchasing and Payment of Invoice Policy, Readopted February 2014"; and review conducted. NJEIT has been extremely cooperative as part of this review and provided Adx examiners with a USERID and password to enter into their system and review all documents in their system pertaining to this project.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	In connection with Task B, reviewing system flow of procurement, reviewed the Bayshore Regional Sewerage Authority (BRSA) "Notice to Bidders"; reviewed all the BRSA solicitation documents downloaded to the New Jersey Environmental Infrastructure Trust (NJEIT) Dropbox and had several discussions with Managers regarding monitoring compliance strategies.	Due diligence was initiated on Stone Hill Contracting Company, Inc. (SHC). To date, the due diligence has revealed that SHC of Doylestown, Bucks County, was established on September 1, 1981, by Samuel A. Mott, who serves as president, treasurer and director of the company. SHC constructs water and wastewater treatment facilities, as well as pump stations for public and private owners; and works throughout the Mid-Atlantic region from Virginia to northern New Jersey. They are a bona fide and licensed company in the state of PA.
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	N/A - None submitted to date	

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No. Recipient Data Elements	Response	Comments
18. Description of quarterly activity to prevent and detect waste, fraud and abuse.	<p>Due diligence was initiated on Stone Hill Contracting Company, Inc. (SHC). To date, the due diligence has revealed that SHC of Doylestown, Bucks County, was established on September 1, 1981, by Samuel A. Mott, who serves as president, treasurer and director of the company. SHC constructs water and wastewater treatment facilities, as well as pump stations for public and private owners; and works throughout the Mid-Atlantic region from Virginia to northern New Jersey. A New Jersey Business Gateway, Status Report, reflects that SHC is an active domestic profit corporation, which was originally filed on November 10, 1975. Samuel A. Mott is listed as its principal; and Jill Tobia, Esq, 500 Supor Blvd, Harrison, NJ 07029 is the listed registered agent. The main business addresses are P.O. Box 1370, Doylestown, PA 18901; and 252 W. Swamp Road, Doylestown, PA 18901. According to the Commonwealth of Pennsylvania, Department of State, SHC is also qualified as a foreign corporation. SHC is also a listed corporation in the States of Maryland and North Carolina. In addition to Samuel A. Mott, David C. Mott, Stephen C. Mott, Max S. Mott, Robert K. McIntyre, James J. Lipo, Mike English and Jeanne Mulrone have been identified as being associated with SHC.</p> <p>Due diligence, which includes searches of Open Source Intelligence (OSINT), public records, newspaper archives, and fee-based databases, indicates that SHC is an on-going concern; and has been awarded, and performed on, a number of similar contracts for various New Jersey sewerage and authorities.</p>	<p>To date, due diligence performed has not identified any criminal convictions (other than minor traffic offenses) involving any SHC principals, nor did it identify any remarkable state or federal civil court cases. Lastly, newspaper articles referencing SHC were overwhelmingly positive. Due diligence was conducted on the subcontractors SHC identified in their bid: Irven "Bob" Miller, Inc., 175 Washington, Street, Long Branch, NJ; MBE Mark III Electric, Inc., 213 Main Street, Madison, NJ; and Cooper Plumbing and Mechanical LLC, 40 Patterson Avenue, Hamilton, NJ. The NJ Business Gateway, Business Entity Information and Records Service, disclosed that all of the subcontractors are "Active" Domestic Profit Corporations. Additionally, the State of New Jersey, Department of Law & Public Safety, Division of Consumer Affairs, License Information, disclosed that all the subcontractors are currently licensed.</p>
19. Provide details of any integrity issues/findings	N/A	

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20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	Solicitation of construction work was delayed for over 6 months due to the under realization of the complexity of the project. As a result, the BRSA did not issue a solicitation for the Niro Incinerator Repairs and Mitigation until December 17, 2014. Bids were due to the BRSA by 2 PM on January 20, 2015 at which time they were unsealed.	
21.	Provide details on any other items of note that have occurred in the past quarter	Bidders meeting took place on 1/5/2015	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	Addx has been monitoring the procurement process, to include providing due diligence and a review of the solicitation documents. No irregularities were noted. Further, Addx representatives attended the bidders meeting scheduled for January 5, 2015 as a means to observe and note all contractors in attendance.	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	Quarterly - 55 hours; \$6,231.05 labor and \$28.75 of Other Direct Costs (ODC's); Equates to total 1st quarter 2015 expenditures of \$6,259.80	
24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None	

Name of Integrity Monitor: Timothy Herlihy
 Name of Report Preparer: Harry Armstrong

 Signature: *Ulm. Harry Armstrong* (Electronic)

 Date: June 30, 2015