

State of New Jersey			
Department of the the Treasury			
Integrity Monitor Report			
Middlesex County Utility Authority - Pumping Stations Contract # T-2939; EQ2014-004-P2&P3			
For Quarter Ending: 3/31/2017			
The reporting period for this report is January 1, 2017 through March 31, 2017			
Under Section A-60, this report must 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	Middlesex County Utility Authority (MCUA)	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	FEMA	
3.	State Funding (if applicable)	Not Applicable	
4.	Award Type	Grant	
5.	Award Amount	Awarded Contractors and Award Amounts for Permanent Restoration and Mitigation work on Sayreville and Edison Pumping Stations are as follows: Sayreville Pump Station (SPS) award: \$67,398,000 to Northeast Remsco Construction Inc. Edison Pump Station (EPS) award: \$26,871,000 to Walsh Construction Co. II	
6.	Contract/Program Person/Title	Permanent Restoration and Mitigation work on Sayreville and Edison Pumping Stations Program Person: Richard Fitamant, Executive Director MCUA	
7.	Brief Description, Purpose and Rationale of Project/Program	<p>During the ongoing incident period of Post Superstorm Sandy, beginning on October 26, 2012, the Middlesex County Utilities Authority (MCUA) suffered substantial damage to its Sayreville Pump Station and Edison Pump Station. These damages prompted the sub-grantee to immediately secure emergency contracts to prevent further damage to the existing infrastructure and prevent raw sewage from being discharged into the waterways. In addition, future contracts were to be awarded for permanent restoration and flood mitigation work at the two pump stations.</p> <p>On March 27, 2013, the Integrity Oversight Monitor Act ("the Act") was enacted for the purpose of authorizing the deployment of Integrity Oversight Monitors for recovery and rebuilding contracts resulting from Superstorm Sandy and subsequent major storms in New Jersey. The Act authorizes the State Treasurer to require integrity oversight monitor services on any State or non-State, federally funded, recovery and rebuilding contract of \$5 million or more.</p> <p>KPMG LLP ("KPMG") was engaged by the Department of the Treasury ("DOT") to serve as the Integrity Oversight Monitor ("IM") for MCUA, given that contracts for both the Sayreville Pump Station and Edison Pump Station projects exceed the \$5 million threshold required by the Act.</p> <p>On June 24, 2016, MCUA received authorization to award Contract 14-3-2(EPS) titled Flood Mitigation, Restoration and Upgrade of the Edison Pump Station in the amount of \$26,871,000 to Walsh Construction Company II, LLC.</p> <p>On September 1, 2016 MCUA received authorization to award Contract 14-1-4 (SPS) (REBID) titled Flood Mitigation and Permanent Restoration of Sayreville Pump Station in the amount of \$67,398,000 to Northeast Remsco Construction Inc. This contract was re-bid due to bid protests concerning completeness of apparent low-bidder PKF-Mark III's original bid. At that time the bid submitted by PKF-Mark III was \$66,410,010.</p>	

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8.	Contract/Program Location	Middlesex County Utility Authority 2571 Main Street Sayreville, NJ 08872	
9.	Amount Expended to Date	Permanent Restoration and Mitigation work on Sayreville Pump Station: \$2,281,705.58 Permanent Restoration and Mitigation work on Edison Pump Station: \$0.00 (Mobilization next quarter)	
10.	Amount Provided to other State or Local Entities	Not Applicable	
11.	Completion Status of Contract or Program	Emergency Work for Sayreville Pumping Station- 100% Complete. Sayreville and Edison Pumping Stations Permanent Restoration and Mitigation - Mobilization has begun Q1 2017 for SPS and commencing next quarter for EPS	
12.	Expected Contract End Date/Time Period	Sayreville and Edison Pumping Stations Permanent Restoration and Mitigation - November 2016 - November 2019	
B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Funding for the approved Hazard Mitigation Proposals (HMP) was obligated under the respective FEMA PWs for Sayreville and Edison Pump Station. <ul style="list-style-type: none"> For Sayreville Pump Station PW 5061, the HMP represents \$61,659,218.32 of the project worksheet's total value of \$73,877,840.25. For Edison Pump Station PW 5075, the HMP represents \$11,799,830.00 of the project worksheet's total value of \$15,760,971.59. Pursuant to the approved project worksheet, this HMP includes the construction of a floodwall surrounding the Edison Pump Station, the construction of an isolation vault with a bypass pumping system, and the construction of a riser ring to elevate the Northwest Access Shaft & Tunnel top slab above the design 500-year flood elevation. 	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	<p>January 1 - 30, 2017: KPMG refined internal work plan of tasks to be performed throughout the duration of its Integrity Monitorship of the SPS and EPS Permanent Restoration and Mitigation work.</p> <p>January 24, 2017: KPMG attended the Pre-Construction Conference for the Sayreville Pump Station at the MUA office in Sayreville, NJ.</p> <p>Attendees included representatives from:</p> <ul style="list-style-type: none"> • MUA • R3M Engineering (R3M) • Northeast Remsco • New Jersey Department of Environmental Protection (NJDEP) • New Jersey Environmental Infrastructure Trust (NJEIT) • New Jersey Office of Equal Opportunity and Public Contracts Assistance (NJOEO) • New Jersey Office of Emergency Management (NJOEM) • KPMG <p>Topics of discussion:</p> <ul style="list-style-type: none"> • Introductions • Roles and Responsibilities • Project Overview <ul style="list-style-type: none"> » Flood Wall Mitigation Work » Standby Power Resiliency Work » Permanent Restoration Work » Upgrades and Modifications • Contractor Submittals to Engineer • Project Milestones and Liquidated Damages <ul style="list-style-type: none"> » Preliminary Project Submittals: January 17, 2017 » Complete Temporary 34.5KV Feed to Existing Substations: April 8, 2017 » Complete Major Equipment Submittals: May 23, 2017 	

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		<ul style="list-style-type: none"> » Submit Technical Manuals: August 31, 2017 » Install, Test, and Start Up Suction Gate Valves: December 9, 2017 » Complete Construction of MDS Generator Building: May 8, 2018 » Power Up and Test 34.5KV Incoming Service Substation: August 26, 2018 » Power Up and Test MDS Generator Building: December 4, 2018 » Power Up and Test Stormwater Pump Station: July 12, 2019 » Substantial Completion: December 19, 2019 • Meetings <ul style="list-style-type: none"> » Daily Meetings of Contractor's Site Superintendent and SPS Staff » Weekly Meeting - Owner, Contractor, Engineer » Monthly Meeting - Owner, Contractor, Engineer » Engineer will generate meeting minutes and upload to the Project Database • Applications for Payment • Contractor and Subcontractor Insurance • Healthy and Safety • Regulatory Restrictions on Construction Schedule • Critical Work Sequencing • Change Orders <ul style="list-style-type: none"> » Change in Contract Price is by executed Change Order to be approved by Owner and funding agencies » Contractor is required to inform Engineer within 5 days of an event resulting in a claim » Potential Change orders tracked by PCO number » Approved PCOs will be grouped by funding category and ay included in a common Change Order • Request for Information (RFI) • Advanced Delivery Notifications • Traffic Control • Coordination with Utilities • Agency Inspections • Spare Parts • Contractor's Punch List <p>February 24, 2017: Update with Mott MacDonald on status of Edison Pump Station project.</p> <p>March 3, 2017: Attended Construction Progress Meeting for Contract 14-3-2 (EPS) Flood Hazard Mitigation, Restoration, and Upgrade of the Edison Pump Station. Topics of discussion included:</p> <ul style="list-style-type: none"> • CPM schedule update • Submittals • Shop Drawings • SED Compliance • Walsh Value Engineering proposals <ul style="list-style-type: none"> • Modifications to floodwall design • Replacement of the floodwall access ladder with an aluminum stairway • Replacement of existing wet well sluice gates • Elimination of roof cuts and supports for installation of mechanical screens <p>March 8, 2017: Received invitation to access project document database system for Contract 14-1-4(SPS) (REBID) Flood Mitigation and Permanent Restoration of the Sayreville Pump Station. Navigated database for latest uploaded documentation.</p>	

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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.	This quarter KPMG frequently accessed both the SPS and EPS project SharePoint sites, which contain all key project data and information. KPMG receives notifications when additional documentation and data are uploaded in relation to these contracts and reviews accordingly.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	This quarter, both projects were awaiting construction mobilization. There was no major procurement procedures performed this quarter.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	KPMG did not review any new payment requisitions this quarter.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	This quarter, both projects were awaiting construction mobilization. As mentioned previously, KPMG continued to review contract documentation and attend project status meetings.	
19.	Provide details of any integrity issues/findings	No noted issues this quarter.	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	No noted issues this quarter.	

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21.	Provide details on any other items of note that have occurred in the past quarter	No other items to note this quarter.	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	No actions required.	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	Attached. See January - March 2017 Time & Expense Summary Tab.	
24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	None.	
	Name of Integrity Monitor:	KPMG	
	Name of Report Preparer:	Kevin Max	
	Signature:		
	Date:	7/1/2017	

Time Summary	
Resource	Hours Incurred (Jan - Mar)
Kevin Max	2.00
John Christensen	17.00
Grand Total	19.00