



State of New Jersey
OFFICE OF THE STATE TREASURER
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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON - ERISTOFF
State Treasurer

April 11, 2014

David J. Rosen, Ph.D.
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex
P.O. Box 068
Trenton, NJ 08625-0068

Dear Dr. Rosen:

I write in response to Chairman Schaer's April 3 letter, which included the following question from Assemblyman Cryan:

P.L. 2013, c. 37 requires all non-State governmental entities that are a party to a contract for a recovery or rebuilding project to provide notice thereof to the Department of the Treasury. If the contract is valued at \$5.0 million or more, the department shall procure the services of an integrity oversight monitor during the project's initial implementation, subject to the availability of federal funding, unless the State Treasurer waives this condition. Please list all recovery and rebuilding contracts for which non-State government entities have submitted notice to the Department of the Treasury. Please list all recovery and rebuilding project contracts entered into by non-State governmental entities whose value is at least \$5.0 million for which the State Treasurer has procured, or plans to procure, the services of an integrity oversight monitor. Please specify the instances, if any, in which the State Treasurer has used his statutory authority to waive the requirement to procure the services of an integrity oversight monitor for recovery and rebuilding project contracts entered into by non-State governmental entities whose value is at least \$5.0 million.

Per this request, Attachment A lists contracts that fit these parameters and the current status of integrity oversight monitor engagements.

It should be noted that the Department of the Treasury and its consultant, Ernst and Young, have reviewed contract information and/or been in contact with local officials to review contracts and contract related information at 57 municipal and local government entities. Attachment B breaks these entities down into two groups: those that are subject to the requirements of P.L. 2013, c. 37 (seven municipal/local entities) and those that are not (50 entities municipal/local) as of the date of the Department's most recent review. The Department has also reviewed contracts in respect of nine State agencies and State authorities. We perform a risk assessment if the estimated contract value is \$5 million or more.

David J. Rosen, Ph.D.
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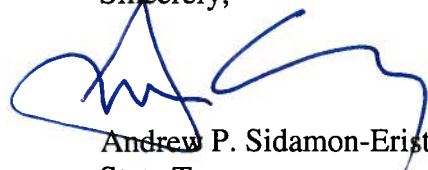
In total, 14 projects or programs had estimated contract values at the time of the risk assessment in excess of \$5 million, thereby invoking the requirement of P.L. 2013, c. 37 to the extent federal funding is available. Attachment A provides all details available for these 14 projects/programs. To date, I have granted no waivers for programs or projects subject to the terms of P.L. 2013, c. 37.

The balance of the local and State agency projects or programs reviewed do not require an integrity oversight monitor at this time for one or more of the following reasons:

- Contracts are below the \$5 million value;
- Contracts are partially covered by non-federal sources (ex., insurance proceeds); or
- Contracts were procured and completed prior to P.L. 2013, c. 37 (ex., dry debris).

The Department has released multiple alerts to local governments, State agencies and State authorities notifying them of their reporting responsibility under this law. Additionally, the Department stays in contact with those entities in the event that change orders to contracts result in the contract exceeding \$5 million thus invoking P.L. 2013, c. 37.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew P. Sidamon-Eristoff', is written over the typed name below.

Andrew P. Sidamon-Eristoff
State Treasurer

Attachments

State of New Jersey
Integrity Oversight Monitor Contracts
Required by the Act
As of 4/8/2014

Integrity Oversight Monitor Engagements Awarded			
#	Engagement	Estimated Contract Value at the Time of the Risk Assessment in Millions	Associated Contracts and Estimated Values
1	EQ2013-001-P3 Elizabeth Veteran's Memorial Waterfront Park Monitor: Thacher and Associates	\$16.2	<ul style="list-style-type: none"> • Waterfront Park (originally \$7.5M) • Municipal Marina (originally \$2.M) • Recreation Pier and Boardwalk (originally \$4.5) • Hike, Bike, and Roll Throughway originally (\$1.6)
2	EQ2013-006-P3 Atlantic Highlands Harbor Marina and Piers Monitor: KPMG	\$14.9	<ul style="list-style-type: none"> • JH Reid Contract
3	EQ2013-007-P3 Belmar Boardwalk Monitor: Guidepost	\$7.5	<ul style="list-style-type: none"> • Epic Management
4	EQ2013-005-P3 Perth Amboy Marina and Walkways Monitor: Thacher	\$5.8 (increased to >\$8)	<ul style="list-style-type: none"> • Construction Contract (\$6M) • Promenade (\$2.4M) • Engineering (\$800,000) • Temporary Bluff (\$100,000 to \$150,000)
5	EQ2014-002-P3 DCA Sandy Contracts Monitor: Navigant	\$200.9	<ul style="list-style-type: none"> • CohnReznick - DCA-SRD (\$10.4M) • ICF Project Management (\$5.0M) • CGI SIROMS (\$38.5M) • HGI SSHIP (\$67.7M) • RREM Gilbane, Shaw, and URS (\$73.3M) • LRRP Gilbane(6.0M)
Integrity Oversight Monitor Engagements Out to Bid (to be awarded in April 2014)			
#	Engagement	Contract Value at the Time of the Risk Assessment in Millions	Associated Contracts and Values at the Time of the Risk Assessment
1	EQ2014-003-P1 EDA Sandy Contracts	\$13.7	<ul style="list-style-type: none"> • Stronger NJ Busi. Grant Prog - PFM (\$9M) • Tourism Marketing Prog - MWW (\$4.7M)
2	EQ2014-004-P2&3 MCUA Middlesex County Utility Authority	\$90.4	<ul style="list-style-type: none"> • Allied Construction (\$7.2M) • Cruz Construction (\$8.21) • Sayreville Pumping Station Repairs (\$50) • Edison Pumping Station Repairs (\$25M)
3	EQ2014-005-P2&3 BRSA Bayshore Regional Sewerage Authority	\$9.0	<ul style="list-style-type: none"> • Niro Incinerator (\$5.2M) • Air Emissions Upgrade (\$3-5M)
4	NJ Transit IM Services for Superstorm Sandy Recovery and Resiliency Program	Combined Project Contract Value <ul style="list-style-type: none"> • Year 1 - \$100M • Year 2 - \$140M • Year 3 - \$200M 	<ul style="list-style-type: none"> • See Attachment C - list of NJ Transit projects with potential rebuilding and recovery contracts
RFQ/Engagement Query Under Development or in Risk Assessment Phase			
1	Belmar Pavilion	\$5.0	<ul style="list-style-type: none"> • Contract A 5th and 10th Avenue Pavilion Construction
2	DEP	\$154.8	<ul style="list-style-type: none"> • Water Debris Removal - 1 contract, 3 contractors (\$100M) AshBritt - (at least \$12.3M) DonJon (\$51.5M) CrowderGulf (\$45.9M) • Debris Removal Monitoring - 1 contract, 2 contractors (\$7M) SAIC (At least \$440K) Arcadis (\$2.7M) • Project Management Services (\$7.8M) Dewberry Engineers • Steel Seawall Construction (\$40M) No contract at this time.
3	HMFA	\$88.2	<ul style="list-style-type: none"> • See Attachment D - list of HMFA rebuilding and recovery grants or loans
4	DOT	\$42.7	
5	Passaic Valley Sewerage Commission	\$345.0	<ul style="list-style-type: none"> • PVSC anticipates over \$345 million in overall FEMA reimbursement but much of the work was performed by force account labor. Currently, there are no contracts greater than \$5M.
Note: Contract values related to Superstorm Sandy damage			

Attachment B

**State of New Jersey - Department of the Treasury
Integrity Oversight Monitor Program**

Municipal and Local Government Entity Review (Not including State Agencies)

Integrity Oversight Monitor Required

Awarded, Out to Bid, or RFP/Engagement Query is Under Development or in Risk Assessment Phase

- 1 Atlantic Highlands Borough of
- 2 Bayshore Regional Sewage Authority
- 3 Belmar, Borough of
- 4 Elizabeth, City of
- 5 Middlesex County Sewage Authority
- 6 Passaic Valley Sewage Authority
- 7 Perth Amboy, City of

No Integrity Oversight Monitor Required at this Time

Program or project currently has one or more contracts that fall under the threshold prescribed by the Act; are fully or partially covered by insurance; predate the Act, or are primarily forced labor account.

- | | | | |
|----|-----------------------------------|----|--|
| 1 | Asbury Park, City of | 26 | Middletown Township |
| 2 | Atlantic, City of | 27 | Monmouth Beach, Borough of |
| 3 | Avon by the Sea, Borough of | 28 | Monmouth County Public Works |
| 4 | Beach Haven, Borough of | 29 | Neptune, Township of |
| 5 | Bergen County Utility Authority | 30 | North Hudson Sewage Authority |
| 6 | Berkeley, Township of | 31 | North Wildwood, Borough of |
| 7 | Brick Municipal Utility Authority | 32 | Ocean, City of |
| 8 | Brick, Township of | 33 | Ocean, County of |
| 9 | Brigantine, Borough of | 34 | Piscataway, Township of |
| 10 | Colts Neck, Township of | 35 | Point Pleasant Beach, Borough of |
| 11 | Eaton, Town of | 36 | Readington, Township of |
| 12 | Essex, County of | 37 | Rumson, Borough of |
| 13 | Holmdel, Township of | 38 | Sayreville, Township of |
| 14 | Hudson, County of | 39 | Sea Isle, City of |
| 15 | Jersey, City of | 40 | Seabright, Borough of |
| 16 | Keansburg, Borough of | 41 | Seaside Heights, Borough of |
| 17 | Lavalette, Borough of | 42 | Seaside Park, Borough of |
| 18 | Little Egg Harbor, Township of | 43 | South Amboy, Town of |
| 19 | Long Branch, City of | 44 | South Monmouth Regional Sewerage Authority |
| 20 | Longport, Borough of | 45 | Spring Lake, Borough of |
| 21 | Manalapan Township of | 46 | Toms River, Township of |
| 22 | Mantaloking, Borough of | 47 | Union Beach Board of Education |
| 23 | Margate, City of | 48 | Union Beach, Borough of |
| 24 | Marlboro, Township of | 49 | Upper, Township of |
| 25 | Middlesex, County of | 50 | Woodbridge, Township of |

Attachment C

Potential List of Projects Subject to Integrity Oversight Monitoring Services

Project Name	Scope of Work
Mason Traction Power Substation	Design and construct Mason Traction Power Substation with resiliency
Hoboken Yard Power Supply System Repairs (Wayside, Building, Yard Lighting, Traction Power Control, Switch Heater)	Repair and resiliency modifications including relocation and raising of the main power supply system (13.2 kVa - 3 phase) for Hoboken Yard including main feeders, transformers, switches, breakers, support structures, secondary feeders and the associated conduit and duct banks for supplying power to wayside power outlets, yard lighting, yard buildings, switch heater control cabinets, traction power control equipment. Included in the scope is to provide back up generator power for selected buildings including the Engine House and the Engineering Building.
System Wide Rail Yard Power Repairs and Upgrade	Replace all power feeders in yard with 13.2 KV rather than 4.16 KV. Requires replacement of transformers and controls which will be installed on raised platforms with stairs. Replace wayside 600 amp receptacles throughout the yard.
Hoboken Depot and Observer Highway Traction Power Substation	Design and construct Hoboken Depot and Observer Highway Substation at one central location, Pullman/Immigration Building. Modifications and repairs to the building structure/envelope as necessary to accommodate installation of switch gear, transformers and the associated relays, breakers, other electrical system components, and ancillary equipment.
Hoboken Yard Signal Power Supply System Repairs	Material to support the Repair and resiliency modifications including relocation and raising of the signal power supply system for Hoboken Yard including system components GS1 and GS2 feeders, transformers, switches, breakers, support structures, secondary feeders and the associated TMAC sub system
Building NO. 9 Substation at the Meadows Maintenance Complex	Design and construct Building No. 9 Substation with resiliency
Rail Inventory and Spares	The assessment and replacement in kind of parts and material inventory that was lost or damaged. This is also to provide additional stock of spare parts to enable NJT to recover quickly from a storm. Identify any offsite areas/facilities to provide additional spare parts storage such that materials are available to bring damaged systems back online in a timely manner.
Henderson Street Traction Power Substation Repair	Design and repair/replacement of switch gear, transformers and the associated relays, breakers, back up power, other electrical system components, and ancillary equipment for Henderson Street Substation. A redundant utility service feeder will be included in the replacement substation.
Bayhead Yard Traction Power Substation	Design and repair/replacement of electrical equipment including breakers, transformers, load break switches, cooling fans and heaters, automatic transfer switches, back up power and ancillary equipment for Bay Head Yard Traction Power Substation. A redundant utility service feeder will be included in the replacement substation.
Hoboken Yard B Traction Power Substation	Rail/ET Substation repairs - Specific Scope TBD
North Jersey Coast Line River Draw Repairs	Permanent repairs at piers 8, 9, 10, 11, 12 & 13, which were damaged by Sandy
North Jersey Cost Line Cable Trays and Submarine Cables Repairs	Replacement of power supply cables from Essay to bridge approach spans; three transformers connecting power supply cables to submarine cables; connections to fender lights; replacement of signal cables on approach spans and from existing submarine cable to operators house; new overhead traction/fiber optic cable from Essay to new cabinet on east shore; new communication cables on approach spans; new cable trays on approach spans
Hoboken Station Ferry Terminal Repairs & Modifications	Restore and modify abandoned space off Main Terminal Waiting Room for relocation of Ferry Operations ticketing and employee welfare facilities. Repair and make resiliency improvements to Ferry concourse areas and piers including clean up and repairs/modifications to utility huts and rooms, power supply equipment, passenger information signs, heating equipment, spud wells , spud piles, corridor walls, berthing facilities and associated equipment.

Potential List of Projects Subject to Integrity Oversight Monitoring Services

Project Name	Scope of Work
Meadows Maintenance Complex Perimeter Protection	Protect perimeter of Meadow Maintenance Complex - Building 1, 2, 3, 4, 7, 10, 12 and 13. Priorities are Building 1, 2, 3, and 7. Options include repair and waterproof building joints, waterproof any windows that are below flood level, waterproof door openings with watertight doors or stop log systems. Use stop log system where tracks enter buildings. Also add back flow preventers on storm and sanitary sewers. Scope also includes emergency power for lighting and pumps.
North Jersey Coast Line Embankment Hardening	Assessment, design and construction of embankment hardening along the North Jersey Coast Line at various locations.
Yard Interoperable Communications Upgrade	This project involves assessment, design, and fit out, within the existing Maplewood General Office Building (GOB), a consolidated Emergency Operations Center (EOC) for all NJ TRANSIT Operations and Service including Rail, Light Rail, Bus, Access Link, Police, and Customer Communications. The GOB site has been selected for these critical functions as it is an existing NJ TRANSIT facility and is not in a floodplain. The work will include fit-out of spaces in the Maplewood GOB, (approximately 25,000 square feet) with electrical and communication systems hardware and software for LAN electronics, security system, CATV/AV, PA system, EOC phone system and backup power. New connections from Maplewood to existing wayside signal system infrastructure will be made so as to create new redundant pathways, avoiding the ROC, and located strategically to bypass or avoid known vulnerabilities. The GOB is located at the intersection of Springfield Avenue and Boyden Avenue in Maplewood, NJ. The work of this project is located entirely within the transit agency's existing right-of-way/footprint. This project will require Pre-award Authority, will not require the acquisition of any additional property and there potential utility coordination or redundant service. The area surrounding the project site is mixed residential and commercial and there are no significant environmental impacts anticipated in the work of this project.
SANDY Program Management/Oversight	This project involves the tasks associated with Program Management, Administration, and the mandated Oversight and Integrity Monitors required for the Superstorm Sandy Recovery Program. Such tasks may be performed by NJ TRANSIT personnel or by consultants.
Tier III Competitive Resiliency Project	Tier III Competitive Projects. Federal Transit Administration (FTA) as per the Notice of Funding Availability (NOFA) (December 2013) is awarding competitive \$3 Billion for the resilience projects in response to the Hurricane Sandy. NJ TRANSIT is applying for the grant money to protect the power grid, signals, substations, bridges, rail terminal, rail yards and bus garage assets by making them resilient against future disasters.

Attachment D**HMFA - Loans or Grants Over \$5 Million**

GRANT, CONTRACT OR LOAN NUMBER	AMOUNT
Heritage Village @ Oakhurst HMFA#2874	\$11,020,000
Franklin Manor HMFA#2885	\$10,200,000
Willows at Waretown HMFA#2599	\$9,097,970
Booker T. Washington HMFA#2927	\$6,000,000
The Beachview Residence HMFA#2683	\$5,642,518
Heritage Village @ Bloomfield HMFA#2844	\$5,453,332
Conifer Village @ Rittenberg HMFA#2704	\$5,440,700
Carolina Crescent & Connecticut Crescent HMFA#2859	\$5,145,721
Railroad Avenue HMFA#2508	\$5,102,748
Rio Grande HMFA#2837	\$5,086,221
Egg Harbor Hotel Conversion HMFA#2861	\$5,000,000
Westmont Station HMFA#2869	\$5,000,000
Catherine Todd Sr. Living Center HMFA#2553	\$5,000,000
Delaney Homes HMFA#2878	\$5,000,000
	\$88,189,210