

RESOLUTION No. 13 - 55

**RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN
THE NJ DEPARTMENT OF ENVIRONMENTAL PROTECTION AND
THE NJ ENVIRONMENTAL INFRASTRUCTURE TRUST for ENGINEERING SERVICES
FOR THE STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN PROGRAM**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) was established pursuant to N.J.S.A. 58:11B-1 et seq. (Trust Act) as an independent authority, in but not of the New Jersey Department of Environmental Protection (Department) authorized to provide essential governmental services for the purpose of making loans to both publicly and privately owned community and nonprofit, non-community water systems (project sponsors); and

WHEREAS, Section 5(m) of the Trust Act authorizes the Trust to issue loans to local government units and water systems for the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any (1) wastewater treatment system project, including any stormwater management or combined sewer overflow abatement projects; or (2) water supply project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources project, as authorized pursuant to P.L.2003, c.162 (hereafter “environmental infrastructure project”); and

WHEREAS, Section 5(e) of the Trust Act authorizes the Trust to accept the cooperation of any State Agency, for the purpose of the Trust Act and do anything necessary in order to avail itself of that aid and cooperation; and

WHEREAS, the Trust has worked in partnership with the Department since 1987 in issuing low interest loans to Project Sponsors through the New Jersey Environmental Infrastructure Financing Program (NJEIFP) for long-term financing of environmental infrastructure projects; and

WHEREAS, each NJEIFP loan consists of Trust funds (typically Trust bond proceeds) and Clean Water Act, State Revolving Fund (SRF) Capitalization Grant (33 U.S.C. Section 1381, et seq.), and Safe Drinking Water Act Capitalization Grants (42 U.S.C. 300j-12, Section 1452 and 65 FR 48299, Section 35.3500), wherein such “leveraging” significantly increases the number of environmental infrastructure projects financed with public funds; and

WHEREAS, the Trust has the fiduciary responsibility to ensure that Trust loans to Project Sponsors for environmental infrastructure projects are disbursed in a manner consistent with its statutory mission; and

WHEREAS, the issuance and management of NJEIFP loans requires the close coordination of efforts between the NJEIT and the Department, wherein the Department prioritizes projects, conducts environmental, permitting, SRF, and engineering application reviews, conducts site inspections, and reviews requisitions; and the Trust provides technology assistance, manages loan closings, disburses funds, and manages loan repayments; and

WHEREAS, the Trust is authorized to issue short term loans pursuant to the Disaster Relief Emergency Financing Program, commonly referred to as the Statewide Assistance Infrastructure Loan Program (SAIL) for environmental infrastructure projects to repair facilities and systems adversely impacted during natural disasters (P.L. 2013 c.93); and

WHEREAS, the Department and the Trust recognize the necessity of financing SAIL applications to ensure critical environmental infrastructure projects are constructed as a component of New Jersey's Superstorm Sandy recovery effort; and

WHEREAS, the Trust and the Department are jointly soliciting applications for projects to be financed through the following environmental infrastructure financing programs: SAIL, the State Fiscal Year 2015 Clean Water and Drinking Water NJEIFP (SFY15 NJEIFP), and the Superstorm Sandy NJEIFP (Sandy NJEIFP); and

WHEREAS, the Department's resources are anticipated to be fully committed to the review of Sandy NJEIFP projects and as such, it is separately securing the services of an outside engineering firm to review SFY15 NJEIFP applications; and

WHEREAS, Letters of Intent for projects have been received seeking only short-term financing through SAIL (Sail only loans) in anticipation of reimbursement from the Federal Emergency Management Act (FEMA) and/or the U.S. Housing and Urban Development, Community Development Block Grant Program (CDBG); and

WHEREAS, the review and monitoring of applications, construction, and requisitions for Sail only loan projects necessitates the reviewing agency to have a thorough understanding of FEMA/CDBG technical requirements to ensure that short-term funds are only disbursed for FEMA/CDBG eligible costs; and

WHEREAS, given the necessity to aid in the recovery effort and the limitation of existing resources and expertise, the Department and the Trust agree that the services of an engineering consulting firm are necessary to review and approve loan applications, conduct site inspections, and review of construction requisitions and backup documentation, and as specifically set forth in Appendix A, for the disbursement of funds to those Project Sponsors utilizing SAIL short-term financing loans to meet cash flow needs in anticipation of FEMA and/or CDBG reimbursements (Engineering Consultant).

NOW THEREFORE BE IT RESOLVED, the Trust authorizes the Executive to execute a Memorandum of Understanding with the Department for, among other things, the procurement and oversight of an Engineering Consultant, and payment for Engineering Consultant Services as more fully set forth in Appendix A and incorporated herein.

Adopted Date:	October 17, 2013
Motion Made By:	Mr. Briant
Motion Seconded By:	Mr. Ellis
Ayes:	6
Nays:	0
Abstentions:	1 (Mr. Barrack)

MEMORANDUM OF UNDERSTANDING
Between
The New Jersey Department of Environmental Protection and
The New Jersey Environmental Infrastructure Trust for
Engineering Services for the
STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN PROGRAM

WHEREAS, this Memorandum of Understanding (**Agreement**), made and entered into between the New Jersey Environmental Infrastructure Trust (**Trust**) and the New Jersey Department of Environmental Protection (**Department**); and

WHEREAS, the Trust was established pursuant to N.J.S.A. 58:11B-1 et seq. (Trust Act) as an independent authority, in but not of the Department authorized to provide essential governmental services for the purpose of making loans to both publicly and privately owned community and nonprofit, non-community water systems (**Project Sponsors**); and

WHEREAS, Section 5(m) of the Trust Act authorizes the Trust to issue loans to local government units and water systems for the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any (1) wastewater treatment system project, including any stormwater management or combined sewer overflow abatement projects; or (2) water supply project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources project, as authorized pursuant to P.L.2003, c.162 (hereafter "environmental infrastructure project"); and

WHEREAS, Section 5(e) of the Trust Act authorizes the Trust to accept the cooperation of any State Agency, for the purpose of the Trust Act and do anything necessary in order to avail itself of that aid and cooperation; and

WHEREAS, the Trust has worked in partnership with the Department since 1987 in issuing low interest loans to Project Sponsors through the New Jersey Environmental Infrastructure Financing Program (NJEIFP) for long-term financing of environmental infrastructure projects; and

WHEREAS, each NJEIFP loan consists of Trust funds (typically Trust bond proceeds) and Clean Water Act, State Revolving Fund (SRF) Capitalization Grant (33 U.S.C. Section 1381, et seq.), and Safe Drinking Water Act Capitalization Grants (42 U.S.C. 300j-12, Section 1452 and 65 FR 48299, Section 35.3500), wherein such "leveraging" significantly increases the number of environmental infrastructure projects financed with public funds; and

WHEREAS, the Trust has the fiduciary responsibility to ensure that Trust loans to Project Sponsors for environmental infrastructure projects are disbursed in a manner consistent with its statutory mission; and

WHEREAS, the issuance and management of NJEIFP loans requires the close coordination of efforts between the NJEIT and the Department, wherein the Department conducts the following activities for SRF funded projects: prioritizes projects, conducts environmental, permitting, and engineering application reviews, conducts site inspections, and reviews requisitions; and the Trust

oversees the implementation of the Financing Program's credit worthiness standards, provides technology assistance, manages loan closings, disburses funds, facilitates the borrowers' compliance and reporting obligations pursuant to Federal Emergency Management Agency (**FEMA**) requirements as well as with the New Jersey Office Of Emergency Management (**OEM**) and manages loan repayments; and

WHEREAS, the Trust is authorized to issue short term loans pursuant to the Disaster Relief Emergency Financing Program, commonly referred to as the Statewide Assistance Infrastructure Loan Program (**SAIL**) for environmental infrastructure projects to repair facilities and systems adversely impacted during natural disasters (P.L. 2013 c.93); and

WHEREAS, the Department and the Trust recognize the necessity of financing SAIL applications to ensure critical environmental infrastructure projects are constructed as a component of New Jersey's Superstorm Sandy recovery effort; and

WHEREAS, the Trust and the Department are jointly soliciting applications for projects to be financed through the following environmental infrastructure financing programs: SAIL, the State Fiscal Year 2015 Clean Water and Drinking Water NJEIFP (**SFY15 NJEIFP**), and the Superstorm Sandy NJEIFP (**Sandy NJEIFP**); and

WHEREAS, certain projects will utilize short-term financing through SAIL in anticipation of reimbursement from FEMA and/or the U.S. Housing and Urban Development, Community Development Block Grant Program (**CDBG**), and the review and monitoring of applications, construction, and requisitions for such projects necessitates the reviewing agency to have a thorough understanding of FEMA/CDBG technical requirements to ensure that short-term funds are only disbursed for FEMA/CDBG eligible costs; and

WHEREAS, given the necessity to aid in the recovery effort and the limitation of existing resources and expertise, the Department and the Trust agree that the services of an engineering consulting firm (**Engineering Consultant**) may be necessary to review and approve technical aspects of loan applications, conduct site inspections, review construction requisitions and backup documentation as specifically set forth in Appendix A, for the disbursement of funds to those Project Sponsors utilizing SAIL short-term financing loans to meet cash flow needs in anticipation of FEMA and/or CDBG reimbursements.

WHEREAS, in the event that an Engineering Consultant is determined to be necessary to perform the tasks discussed above, NJEIT will contract with an Engineering Consultant pursuant to the Program and Process Management Auditing, Financial Auditing and Grant Management and Integrity Monitoring/Anti-Fraud services for Disaster Recovery Assistance procurements (RFP/RFQ).

THEREFORE, the Trust and Department enter into this Memorandum of Understanding (**MOU**) as follows:

1. The Department is primarily responsible for providing engineering and technical support and oversight to the Trust for work done by the Engineering Consultant for infrastructure projects funded in whole or in part with either FEMA and/or SRF repayment monies within the constraints of available resources. The Department shall not certify any project for which the Department lacks the

aforementioned engineering and technical support and oversight and no SAIL project shall be funded absent Department certification in accordance with P.L. 2013 c. 93). The Department and the Trust will identify the requirements for oversight of FEMA and CDBG funding in order to allow the Department to review the Engineering Consultant's work for compliance with FEMA and CDBG funding eligibility requirements, however, the Department takes no responsibility for the ultimate determination of FEMA and/or CDBG funding eligibility. The Trust is primarily responsible for overseeing the legal, credit and required documentation review and submission processes required of the local borrower and/or the Engineering Consultant to expedite project expense reimbursement to the local borrower and minimize the possibility of de-obligation of FEMA funds. Department oversight of projects that are funded with SRF monies will take priority over non-SRF funded project reviews.

2. The Department will communicate this quality of work to the Trust and will provide guidance, evaluate the project contractor's (**Contractor**) performance and communicate the Engineering Consultant's performance to the Trust in the following areas:

- a. Application Review / Approval:
 - i. State Revolving Fund (SRF) requirements, including but not limited to:
 - a. Prevailing Wage Requirements;
 - b. Socially and Economically Disadvantaged (**SED**) Business Requirements;
 - c. EPA SRF Requirements;
 - d. Cost eligibility;
 - e. Environmental Review requirements;
 - f. NJEMS permit confirmation;
 - g. Review exhibits for inclusion in the loan closing agreements;
- b. Construction Management / Disbursement of Funds:
 - i. Abridged requisition cost eligibility confirmation;
 - Assure costs are in agreement with approved design;
 - ii. Assure that the contractor is performing adequate requisition review in line with base program processes ;
 - iii. Verification of the contractor provided progress tracking sheet;
 - iv. Allowable and Unallowable cost guidance;
 - v. Assist the contractor to make sure applicant is in compliance with all permitting requirements prior to project certification;
- c. Other:
 - i. Certify projects pursuant to the provisions of the Disaster Relief Emergency Financing Program (P.L.2013, c.93);
 - ii. Provide engineering guidance and expertise in accordance with the 'Engineering Services – Scope of Work' outlined in Appendix A, and as otherwise may be needed;
and

3. The Department shall also:

- a. Conduct project ranking;
- b. Process disbursements of funds from available State / Department funding sources;
- c. Provide working space and building access for contractors, which will be located at the Department;

- d. Provide meeting space and send a representative to attend the bi-weekly project status and contractor performance meetings; and
4. The Trust shall perform the following services pertaining to the Engineering Consultant:
 - a. Develop a solicitation for engineering consulting services;
 - b. Work in partnership with the New Jersey Department of Treasury in procuring such services;
 - c. Monitor expenditures for compliance with FEMA and CDBG requirements;
 - d. Assignment of Engineering Consultant's project review schedule;
 - e. Receipt of contractor performance reviews and take corrective actions based on these reviews;
 - f. Review results of Engineering Consultant's site inspections;
 - g. Review exhibits for inclusion in the loan closing agreements; and
5. The Trust shall administer loans including but not limited to:
 - a. Structure the sources of funds for SAIL Loans;
 - b. Draft and execute Sail Loans;
 - c. Disburse funds from available Trust sources;
 - d. Receive Repayments of State/Department and Trust funds; and
 - e. Conduct post-issuance compliance reviews for SAIL projects.
6. Although the Trust and the Department will seek to offset the cost of the remaining costs (local share) of such services from FEMA and the CDBG, program borrowers are responsible for all unreimbursed engineering consultants service costs.
7. The Trust and Department shall commit the necessary staff resources and conduct the necessary meetings to perform the above functions; and
8. The responsibilities outlined above shall take effect upon the execution of this agreement and any changes in the facts upon which this agreement is based or any deviations from the terms and conditions of this MOU may render this MOU null and void; and
9. In the event any provision of this MOU is rendered invalid or unenforceable by any valid act of Congress or is found to be in violation of State statutes and/or regulations, said provision(s) hereof will be immediately void and may be re-negotiated for the sole purpose of rectifying the non-compliance. The remainder of the provisions of this MOU not in question shall remain in full force and effect; and
10. Should one or more covenants or conditions be waived by either party, such waiver shall not be deemed to waive or render unnecessary the consent or approval of the waiving party to or of any subsequent similar act by the other party.
11. This MOU shall remain in full force and effect as long as the following conditions are present: the Trust has outstanding SAIL loans or repaid SAIL loans being reimbursed either wholly/partially by FEMA grants that have not been closed out, including the record retention period. Any changes in regulations, policies or procedures applicable to disaster funding shall constitute an amendment to this Agreement; and

12. All notices and other communications pertaining to this Agreement shall be in electronic format and/or writing and shall be transmitted either by e-mail, personal hand-delivery (and receipted for) or deposited in the United States Mail, as certified mail, return receipt requested and postage prepaid, to the other party, addressed as follows: New Jersey Environmental Infrastructure Trust 3131 Princeton Pike, Bldg. 6, Ste. 201 Lawrenceville, NJ 08648 **or** dzimmer@njeit.org; and
13. This MOU shall be construed and interpreted according to the laws of the State of New Jersey; and
14. This MOU constitutes the entire understanding among the Parties and may only be modified by a written amendment signed by the Parties; and
15. This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees. There are no third party beneficiaries of this MOU; and
16. All the terms, conditions, and covenants to be observed and performed by the parties shall be applicable to and binding upon their several successors and assigns, as the case may be; and
17. This MOU may be executed in counterpart on separate signature pages and each fully signed MOU shall be enforceable; and
18. By the signatures below, the parties execute the MOU and confirm that they are mutually bound by and fully authorized and empowered to enter into and bind their organization by all provisions contained herein.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be signed on the dates set forth below:

DEPARTMENT OF ENVIRONMENTAL
PROTECTION

Bob Martin, Commissioner

_____, 2013
Date

NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST

David E. Zimmer

_____, 2013
Date

APPENDIX A
ENGINEERING SERVICES – SCOPE OF WORK

INTRODUCTION:

The Department of Treasury (“Department”) on behalf of the New Jersey Environmental Infrastructure Trust (NJEIT) is seeking quotes pursuant to the Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services for Disaster Recovery Assistance procurements (RFP/RFQ) from the prequalified contractors in Pool 3 - Integrity Monitoring/Anti-Fraud. (“Contractors”).

This request for quote is seeking to engage the services of an Integrity Oversight Monitor with environmental engineering capabilities to serve as the EIT’s technical oversight Contractor.

I. TITLE:

Integrity Monitor Assistance - Engineering and Technical Support in the Issuance and Administration of Bridge Loans to FEMA Sub-grantees in the Construction of Environmental Infrastructure Projects to Repair and improve Resiliency of Facilities Adversely Impacted During Superstorm Sandy.

II. PERIOD OF PERFORMANCE: Effective date through November 8, 2016 with potentially two one (1) year extensions.

III. BACKGROUND:

On October 29, 2012, President Obama signed the New Jersey Emergency Declaration in response to the damage caused by Hurricane Sandy. The President's action authorizes the Federal Emergency Management Agency (FEMA) to coordinate all disaster relief efforts which have the purpose of alleviating the hardship and suffering caused by the emergency on the local population, and to provide appropriate assistance for required emergency measures, authorized under Title V of the Stafford Act, to save lives and to protect property and public health and safety, and to lessen or avert the threat of a catastrophe in all counties in the State of New Jersey. FEMA is authorized to identify, mobilize, and provide at its discretion, equipment and resources necessary to alleviate the impacts of the emergency. Emergency protective measures, limited to direct federal assistance, will be provided at 90 percent federal funding. The remaining 10 percent match also known as the “local share” must come from a non-federal source.

New Jersey’s critical environmental infrastructure, specifically wastewater treatment, drinking water, and stormwater facilities, was heavily damaged during Superstorm Sandy. The numerous repair and improvement projects have and will continue to significantly strain local government resources as they engage contractors for these essential projects and await FEMA reimbursement. The New Jersey Environmental Infrastructure Trust’s (NJEIT) bridge loan financing program is available to local government units eligible for FEMA public assistance to meet short-term cash flow needs. Experienced technical engineering assistance in the review of documentation for construction design, construction management, and the disbursement of funds for rehabilitation of wastewater and drinking water facilities together with related force mains, system interconnections and other subsurface infrastructure, is critical to ensuring public funds are expended responsibly.

Overview of Engineering and Technical Support for the NJEIT

The objective of the requested work is to provide dedicated technical and engineering oversight monitoring assistance to the NJEIT in three key areas in order to expedite the processing and review of projects and to prevent, detect, and remediate waste, fraud, and abuse so that only eligible projects proceed to construction, based on costs pre-determined to be eligible, so as to ensure that any funds released by FEMA for the project are in compliance with all FEMA federal and State requirements and any potential for FEMA de-obligation is minimized by ensuring full compliance with all regulations. The Contractor shall provide third-party technical and engineering oversight in the areas of environmental, engineering, and requisition reviews based on professional engineering standards as well as NJEIT checklists and standards. These are functions normally performed by the NJDEP's Municipal Finance and Construction Element for the NJEIT's Financing Program. The Contractor will comply with the Performance Surveillance Plan attached to this Scope of Work. The Contractor must ensure that the reviews are designed and applied to eliminate any potential for waste, fraud, and abuse.

Projects will be assigned by the NJEIT to the Contractor and the necessary reviews shall be completed in a short timeframe to meet project and funding deadlines. Due to the need to ensure thorough engineering review is conducted efficiently, the Contractor staff shall report to Trenton, NJ at the New Jersey Department of Environmental Protection (NJDEP) offices in order to have on-site access to necessary project documents and files. Feedback shall be sought from the NJEIT/NJDEP so that the technical and engineering assistance provided through the reviews ensure integrity of the project and the responsible disbursement of public funds while also recognizing the need to restore and protect the State's critical environmental infrastructure.

IV. STATEMENT OF WORK (SOW) REQUIREMENTS:

Task 1: Technical and Engineering Support Kick-off Meeting.

Within 10 days of work assignment approval and receipt of a task order, the Contractor shall hold a kick-off meeting with NJEIT to discuss tasks and deliverables required under this Work Assignment.

Deliverables for Task 1: The Contractor shall provide a written summary of the meeting to the NJEIT and OEM within ten (10) calendar days of the kick-off meeting.

Task 2: Environmental Oversight and Review Assistance.

The Contractor shall provide oversight and technical and engineering support to the NJEIT by assessing environmental and permitting compliance. An environmental review shall consist of reviewing a FEMA produced record of environmental consideration report (Attachment A) and identification of the required permits (Attachment B). The Contractor shall resolve any issues pertaining to the completion of the review but should an issue or item arise as a result of the environmental review that requires State approval then the Contractor shall notify the NJEIT immediately in order to seek approval. During all contact with individuals outside of NJEIT, Contractor staff shall identify themselves as a contractor with NJEIT.

For estimating purposes, it is expected that the Contractor will provide an average of 40 hours of technical and engineering review assistance per environmental review for approximately 18 projects.

Included in the 40 hour allotment are any administrative compliance reviews required precedent to the commencement of tasks 2 and 3.

Deliverables for Task 2: A completed environmental review summary shall constitute the deliverable for this task. The completed environmental review summary must identify any permits that may be required, as well as whether or not the required permits have already been acquired for the project. If permits have not been acquired the Contractor must work with both the project representative as well as NJDEP/NJEIT to ensure that all permits have been acquired as a prerequisite to project certification. The completed environmental review summary and supporting documentation shall be provided within five (5) calendar days after review completion. Additionally, completion of an environmental review for a project shall be documented in the weekly project progress tracking report required under Task 5 of this work assignment. In order to achieve approximately 18 environmental reviews in the twelve-week timeframe the Contractor shall endeavor to meet the following milestones:

Weeks after Work Assignment Approval	Number of Completed Environmental Reviews
4	6
8	12
12	18

Task 3: Engineering Oversight and Monitoring.

The Contractor shall provide technical and engineering support to the NJEIT by conducting engineering reviews of projects funded through the Statewide Assistance Infrastructure Loan Program (SAIL), a program designed to aid local government units meet cash flow needs during project construction for periods up to 47 months in anticipation of FEMA. The technical review will be in compliance with NJEIT standards, using a checklist provided by NJEIT. Attachment C is included with this Work Assignment to provide a sample checklist that shall be completed. These projects shall be assigned to the Contractor by NJEIT on a rolling basis. The purpose of the assistance shall be to provide a professional assessment of project contract documents using the NJEIT engineering review checklist and process. The Contractor must have knowledge of the New Jersey Environmental Financing Program (NJEIFP), the Stafford Act and all applicable FEMA regulations as provided in Title 44 of the Code of Federal Regulations (CFR) and FEMA policies that govern the Public Assistance and/or Hazard Mitigation programs and shall adhere to the application of the Stafford Act and those applicable regulations and policies as a condition for the acceptance of and expenditure of said FEMA funding. The Contractor shall resolve any issues pertaining to the completion of the checklist or process but should an issue or item arise as a result of the engineering review that requires State approval then the Contractor shall notify NJEIT immediately in order to seek NJEIT approval. During all contact with individuals outside of NJEIT, Contractor staff shall identify themselves as a contractor with NJEIT.

For estimating purposes, it is expected that the Contractor shall provide an average of 40 hours of technical and engineering review assistance per project. The engineering reviews shall be completed in a short timeframe of two (2) weeks from the date of assignment or the date of receipt of full design plans and specifications. Due to the need of expedited engineering reviews, the Contractor shall endeavor to provide Contractor staff in Trenton, NJ at the NJDEP offices in order to have on-site access to necessary project documents and files.

Deliverables for Task 3: A completed NJEIT engineering review checklist and supporting documentation for each Contractor-reviewed project shall constitute the deliverable for this task. The

completed engineering review checklist and supporting documentation shall be provided within five (5) calendar days after review completion. Additionally, completion of an engineering review for a project shall be documented in the weekly project progress tracking report required under Task 5 of this work assignment. In order to achieve approximately 18 engineering reviews in the twelve-week timeframe the Contractor shall endeavor to meet the following milestones:

Weeks after Work Assignment Approval	Number of Completed Engineering Reviews
4	6
8	12
12	18

Task 4: Request for Reimbursement (Requisition) Review and On-Site Inspection Assistance.

The Contractor shall provide technical and engineering support to the NJEIT by conducting multiple requisition reviews for all projects submitting a request for reimbursement (Attachment D). The purpose of the requisition review is to ensure that all amounts being requested by a Project Sponsor are eligible and properly justified as well as in line with the approved project scope. The Contractor will be required to regularly perform location based “on-site” inspections (Attachment E) every 30 days in order to verify that ongoing work is compliant with approved design and specifications and that any potential waste, fraud, and abuse is eliminated

For estimating purposes, it is expected that construction for the average project will take 18 months to complete requiring the Contractor to commit a total of approximately 6,000 hours for requisition review/approval and on-site inspections.

Deliverables for Task 4:

A completed approved or denied requisition package and supporting documentation including an inspection report and a monthly site inspection report for each Contractor-reviewed project shall constitute the deliverables for this task. A completed approved or denied requisition package and supporting documentation shall be provided within five (5) calendar days after receipt of each request for reimbursement. Additionally, all requisition approvals/denials shall be documented in the weekly project progress tracking report required under Task 5 of this work assignment. Any denials as a result of alleged waste, fraud or abuse must be reported to the EIT immediately.

Task 5: Project Progress Reports.

Due to the short timeframe to complete the necessary reviews, the Contractor shall conduct bi-weekly (every two weeks) meetings with NJEIT and OEM to ensure that any problems related to Tasks 2, 3, and 4 are quickly identified, discussed, and corrected with a minimum of delay and to minimize potential misunderstandings. The bi-weekly meetings shall range from thirty (30) minutes to one hour in length, and shall typically be held on Thursday unless scheduling conflicts occur at which point the meeting shall be rescheduled to another day in the same week that is convenient for the NJEIT and the Contractor and possibly OEM. The Contractor shall also provide a simple progress tracking sheet that lists the assigned projects, types of reviews complete (environmental, engineering, requisition), the start and end dates of the reviews, and the number of hours spent per review. These reports shall be in addition to the monthly progress report required by the Contract.

Deliverables for Task 5: Bi-weekly project progress tracking sheets are due on the Monday following the meeting.

Task 6: Other.

At the option of the NJEIT, the contractor may also be engaged to provide integrity monitoring services in relation to Federal Emergency Management Agency (FEMA) grants management, including maintaining the necessary documentation for compliance with program requirements and monitoring procurement and vendor invoice accuracy and associated controls.

Deliverables for Task 6: TBD.

V. ESTIMATED LEVEL OF EFFORT (LOE): 7,440 hours

VI. PROPOSAL CONTENT:

Within six (6) business days (x/xx/xx) from receipt of this Request for Quote, contractors will provide a detailed proposal with a detailed budget to perform the SOW in this engagement to:

Dave Ridolfino, Associate Deputy State Treasurer
Department of the Treasury
Office of the State Treasurer
PO Box 002
Trenton, NJ 08625

An electronic copy of the detailed proposal with a detailed budget must be submitted to David.Ridolfino@treas.state.nj.us by 5pm(Date)

Questions must be submitted to David.Ridolfino@treas.state.nj.us by 5pm,.....(Date)

If the Contractor declines to bid because of a conflict of interest, scheduling, or any other reason, it must provide notice to the Department of Treasury within three (3) business days of the receipt of the Request for Quote.

The Contractor's proposal must contain the following elements:

- A. Contract schedule identifying performance milestones and associated deliverables;
- B. Person-hour and/or labor category mix, including a chart that shows the person-hours proposed, reflects the tasks, sub-tasks or other work elements required and identifies the labor category by person hours. The person hours must be those bid or lower;
- C. Detailed list of engagements or task orders in which the firm is currently providing services for any type of disaster recovery, including those of sub-contractors proposed for this engagement;
- D. Detailed budget with person-hours and estimated travel and direct costs for the duration of the engagement;

- E. Identification of any sub-contractors to be utilized for this engagement which must be consistent with those identified in the original proposal/bid;
- F. Resumes of employees of the bidder and any sub-contractor proposed for this engagement; and
- G. Summary of experience of the primary and sub-contractor for engagements of similar scope and size.

VII. OTHER REQUIREMENTS:

All travel (other than local travel) shall be approved in advance and shall be in accordance with the contract.

VIII. LIQUIDATED DAMAGES:

To the extent that actions of the Contractor result in failure to meet performance standards, the State may suffer damages that could be difficult or impossible to quantify. Given the significance of the rehabilitation of the State's critical environmental infrastructure, the necessity that all resources dedicated to the recovery from Super Storm Sandy be applied in an efficient manner, and the need to take all necessary precautions to prevent, detect, and remediate waste, fraud, and abuse, the State and the Contractor agree to the specified liquidated damage amounts for late delivery of the following deliverables.

The methodology utilized to calculate liquidated damages pertaining to the delays in completion of activities associated with technical approval are based on the assumption that such delays will directly result in a delay of project approval and thus delay in project construction. Such delays in construction are anticipated to result in economic impact to Project Sponsors in having critical infrastructure out of service. The methodology utilized to calculate liquidated damages for approval of requisitions was based on an assessment of potential charges to Project Sponsors in the delay of disbursing construction funds.

Task	Deliverable	Liquidated Damages
Task 1.	Kick-Off Meeting Summary	\$300 per day for each calendar day beyond ten (10) calendar days after the kick-off meeting to complete and distribute a written summary of the kick-off meeting
Task 2	Environmental Review Summaries	\$2,000 per day for each additional calendar day beyond fourteen days from assignment required to complete six (6) summaries.
Task 3	Engineering Review Checklists	\$2,000 per day for each additional calendar day beyond fourteen (14) days from assignment required to complete six (6) checklists.
Task 4	Completion of Requisition Package Review	\$2,000 per day for each additional day beyond five (5) days to complete the review of each requisition package
Task 5	Progress Tracking Sheet	\$300 per day for each calendar day beyond five (5)calendar days after a Bi-weekly Meeting to complete and distribute a Tracking Sheet

PERFORMANCE SURVEILLANCE PLAN

Performance Requirement	Measurable Performance Standards	Surveillance Methods	Incentives/Disincentives
<p>Management and Communications: During the life of this work assignment, the Contractor shall notify NJEIT immediately of any issues that may impact the timeliness of deliverables of the problems associated with the development of deliverables.</p>	<p>The Contractor shall maintain contact with NJEIT throughout the performance of the work assignment.</p> <p>The Contractor shall identify to NJEIT any delays with regard to deliverables not less than one week prior to the deliverable date that has been established in the work assignment or technical direction document.</p> <p>The Contractor shall identify to NJEIT any issues or concerns that have a direct impact on project schedules within three (3) days of occurrence.</p> <p>The Contractor shall provide options for NJEIT’s consideration on resolving or mitigating the impacts identified.</p>	<p>NJEIT (as necessary) will allocate the time needed to discuss and address all issues identified by the Contractor. The NJEIT will document and maintain a complete record of the issues, agreements and outcome. The NJEIT will review monthly progress reports for indicators of problems not previously mentioned. The NJEIT will also monitor the timely receipt of deliverables. For those that are late without prior notice, the NJEIT will formally document to the Contracting Officer the late delivery.</p>	<p>If the Contractor fails to implement corrective actions after NJEIT identifies and provided written documentation of performance issues, NJEIT will rate this performance category “unsatisfactory.”</p> <p>If three or more the active work assignments for the period are rated unsatisfactory, NJEIT will conduct a remedial review.</p>
<p>Cost Management and Control: The Contractor shall perform all work in an efficient and cost effective manner, applying cost control measures where practical.</p>	<p>The Contractor shall monitor, track and accurately report level of effort, labor cost, other direct cost and fee expenditures to NJEIT through monthly progress reports and approved special reporting requirements.</p> <p>The Contractor shall assign appropriately leveled and skilled personnel to all tasks. The Contractor should not exceed established work assignment ceilings and, in general, should expend dollars and hours at similar ratios. If either the expenditure of hours or dollars deviates significantly, the Contractor shall provide an explanation in its Monthly Progress Report.</p>	<p>The NJEIT will routinely meet with the Contractor’s Project Manager to discuss the work progress and contract and individual work assignment level expenditures and may include the NJDEP and NJOEM to provide additional guidance in such meetings.</p> <p>The NJEIT shall review the Contractor’s monthly progress reports and request the Work Assignment Managers to ensure that ceilings are not exceeded, that progress is being made, and that the Contractor is effectively utilizing the LOE provided under the work assignment. The NJEIT may NJDEP and NJOEM in the review of such report.</p>	<p>NJEIT will thoroughly review work assignment funding ceiling overruns to determine the Contractor’s ability to control the situation. If NJEIT determines that the Contractor failed to control cost, the Contractor will be rated “unsatisfactory” in this category.</p> <p>Multiple incidents of work assignment overrun that result in an overall cost overrun of greater than 4% of the approved total work assignment funding for the current contract period, NJEIT may determine that the cost shall be borne by the Contractor.</p>
<p>Quality of Product/Services: The Contractor shall ensure documents developed under this task order are quality products that are factual and based on sound science and engineering principles.</p>	<p>Products delivered under this work assignment must not contain any major factual errors. The analyses provided in each product shall be logical, consistent, and defensible.</p>	<p>The NJEIT will review all documents delivered under this work assignment for content accuracy.</p>	<p>If NJEIT determines that the Contractor’s analyses is factually inaccurate or if significant technical errors are found in any documents produced by the Contractor, NJEIT may determine that the cost associated with redoing the work shall be borne by the Contractor.</p>