

RESOLUTION NO. 13 - 56

**RESOLUTION OF THE TRUST AUTHORIZING THE ISSUANCE OF A SOLICITATION OF BIDS
FROM PREQUALIFIED FIRMS FOR ENGINEERING CONSULTING SERVICES
FOR THE TRUST'S STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN PROGRAM (SAIL)**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d); and

WHEREAS, in Resolution No. 13-47, the Board authorized the Disaster Relief Emergency Financing Program wherein authorization is given to issue loans to qualified borrowers through SAIL; and

WHEREAS, Letters of Intent and Applications are being solicited through the Trust's online software program, H2IOans, from project sponsors seeking financing for their environmental infrastructure projects to repair and improve the resiliency of systems adversely impacted during Superstorm Sandy; and

WHEREAS, Letters of Intent in process indicate certain applicants will be seeking short-term financing as they await FEMA reimbursement for a portion of their project costs through the SAIL program and long-term financing through the New Jersey Environmental Infrastructure Financing Program (NJEIFP) for the remaining portion of project costs (local share); and

WHEREAS, the Trust and NJDEP both share the responsibility of ensuring the disbursement of funds through SAIL and the NJEIFP are made only after a thorough review of activities and eligible costs; and

WHEREAS, the NJDEP has technical engineering expertise of applicable State Revolving Fund applicant and project eligibility standards necessary to effectively review project costs, engineering design, project construction and requisitions; and

WHEREAS, NJDEP lacks expertise of applicable FEMA applicant and project eligibility standards necessary to effectively review project costs, engineering design, project construction and requisitions through SAIL; and

WHEREAS, it is the desire of the Trust to secure the services of an engineering firm to assist in the review of construction design, requisition review and approval and site inspections of projects to be financed solely through SAIL short-term loans for costs sought to be reimbursed by FEMA; and

WHEREAS, The State Office of Emergency Management has agreed to request FEMA reimbursement for these engineering costs but cautions that the NJDEP or the Trust will likely be liable for up to 10% of the total engineering fees not covered by reimbursement; and

WHEREAS, Trust staff has consulted with the NJ Department of Treasury (Treasury) who advised that the nature of the engineering assistance required is permitted as addenda to contracts between the State of New Jersey and Superstorm Sandy integrity monitors currently and is agreeable to proceed with a bid from among the pool of prequalified integrity monitors for engineering consulting services subject to the approval of the Office of the State Comptroller and the Attorney General's Office ; and

WHEREAS, The Office of the State Comptroller and the Attorney General's Office have recently approved the Scope of Services for engineering consulting services.

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby authorizes the Executive Director to proceed with soliciting bids through Treasury for engineering consulting services for projects seeking financing through SAIL for costs sought to be reimbursed by FEMA; and

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to review all bids received in partnership with Treasury received in accordance with Trust's Policy and Procedures and to make a report and recommendation to the Trust as to the contract award for selection of an engineering consultant for a contract period of up to four years with an option for one (1) additional one-year period at the discretion of the Executive Director in consultation with the Chairman; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all measures to minimize the costs to the NJEIT and authorizes the Executive Director to expend a sum not to exceed an outlay of \$700,000 for such services and only in such instances that the Executive Director is confident that such outlays will be at least 90% reimbursed by the Federal Emergency Management Act, Federal Urban Development, Community Development Block Grant, or other State or federal funding source; and

BE IT FURTHER RESOLVED THAT the SAIL Loan agreements shall obligate the applicant/borrower to pay the Trust an amount equal to the cost of all engineering consulting services for which FEMA reimbursement is not received within the term of the SAIL Loan; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all other actions consistent with approved procedures to procure the services of an engineering consultant.

Adopted Date: October 17, 2013

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Requa

Ayes: 6

Nays: 0

Abstentions: 1 (Mr. Barrack)

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> |