

ENGAGEMENT: REQUEST FOR QUOTE

INTRODUCTION

The Department of Treasury (“Department”) is seeking quotes pursuant to Section 1.4 of the Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services for Disaster Recovery Assistance 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 to serve as the centralized point of contact (“gatekeeper”) in the implementation of P.L. 2013 c.37, N.J.S.A. §52:15D-1,-2 (the Law) which requires the State Treasurer to create a pool of integrity oversight monitors and assign monitors to all federally funded Sandy recovery and rebuilding contracts over \$5M. The Law allows discretion for contracts under \$5M. (Attachment 1).

The prequalified contractor awarded this quote (Gatekeeper Contractor) will partner with the Department to implement, and monitor all aspects of the Law.

The Department has developed a procedure and issued guidance to governmental entities for compliance with the Law. (Attachment 2).

SCOPE OF WORK REQUIREMENTS

The Gatekeeper Contractor will perform tasks including, but not limited to, the following:

- A. Develop and propose to Treasury for approval risk assessment models and loss prevention strategies for federally funded contracts related to Sandy recovery and rebuilding
- B. Using the risk assessment model approved by Treasury, assess all local, state and quasi-governmental agencies’ contracts in excess of \$2M pursuant to the requirements of P.L. 2013 c.37, N.J.S.A. §52:15D-1,-2 (the Law);
- C. If the risk assessment performed indicates that an integrity oversight monitor is required by the Law, recommend to the State Contract Manager the oversight services required and assist the State Contract Manager to develop a task order to procure the services from the established pools;
- D. Develop for Treasury approval policies, guidelines and procedures related to certain requirements under the Law, specifically:
 - o Develop of a waiver process;
 - o Develop a reporting process;

- Management of integrity oversight engagements; and
 - Responsibilities as it relates to coordination, reporting and correction of material weaknesses, discovery of fraud, etc. with assigned integrity oversight monitors;
- E. Review the process already developed by the Department for compliance with the Law and recommend changes based on best practices;
- F. Recommend funding sources for integrity oversight monitor services based on federal requirements for the various programs e.g., FEMA, US FHWA, US HHS, etc;
- G. Review payment requests from engaged oversight firms as applicable, primarily as it relates to FEMA-funded contracts, but not limited to FEMA-funded oversight contracts;
- H. Assist Treasury to ensure compliance with all applicable federal requirements related to oversight contracts;
- I. Assist Treasury to ensure compliance with all applicable State requirements related to oversight contracts;
- J. Apply the risk assessment model developed and approved by Treasury in Task A to all FEMA project worksheets (PW) and work completed to date in excess of \$5M already approved (Attachment 3) and at some level of completion and recommend any corrective actions required and/or integrity oversight monitoring services necessary; and
- K. Develop a reporting system for tracking of all integrity monitor contractors retained and provide the State Treasurer with ongoing information to comply with reporting requirements under the Law.

The Gatekeeper Contractor may be asked to provide assessments of control environments in State and local agencies receiving federal funding

DELIVERABLES

The Gatekeeper Contractor must ensure compliance with the following required timelines and documents developed for the State Contract Manager:

- A. Required timelines:
- Tasks A, D, E, and K are required to be completed by June 15, 2013;
 - Task J is required to be completed by August 1, 2013; and
 - All other tasks shall be performed on an ongoing basis and in a timely manner for the duration of this engagement and may have completion dates assigned by Treasury at a later date.

B. Required documents:

- A monthly report submitted to the State Contract Manager for approval within 15 days from the end of the month with metrics on all activities performed over the last month; and
- Copies (and upon request, originals) of time logs maintained by the Gatekeeper Contractor which shall include information on the allocation of hours worked by the Gatekeeper Contractor to the respective federally-funded programs and all other data required in order to ensure compliance with all federal requirements.

LENGTH OF ENGAGEMENT

This initial engagement will be for a period of 2 years, which may be extended for all or part of any 4-6 month extension periods.

CONFLICT FOR FUTURE ENGAGEMENTS

The Gatekeeper Contractor will be considered to have a conflict of interest such that it will not be able to provide integrity oversight monitoring services (services identified in pool 3) for any contract whereby the vendor is assessing risk and recommending necessary services (task C above).

PROPOSAL CONTENT

Within seven (6) business days (May 24, 2013) from receipt of this Request for Quote, contractors will provide a detailed proposal with a detailed budget to perform the Scope of Work 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 5 PM Friday, May 24, 2013.

Questions must be submitted to David.Ridolfino@treas.state.nj.us by 5 PM, Monday, May 20, 2013.

The contractors should familiarize themselves with the Law and indicate within their proposal how they will assist the Department with compliance of the key areas. If the contractor has a conflict of interest or scheduling, it must provide notice to the Department 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; and
- D. Detailed budget with person-hours and estimated travel and direct costs for the duration of the engagement.

LIQUIDATED DAMAGES

Because the following deliverables are critical to the State's compliance with the Law, and to the overall effort by the State to ensure that all resources dedicated to the recovery from Super Storm Sandy be applied in an efficient manner and that the State should take all necessary precautions to prevent, detect, and remediate waste, fraud, and abuse, the State and the Gatekeeper Contractor agree to be specified liquidated damage amounts for late delivery of the following deliverables.

Deliverable	Performance Requirement	Time Frame	Performance Guarantee
Task A	Develop risk assessment model	Due June 15, 2013	\$1,000 per day after June 1, 2013
Task D	Develop policies, guidelines and procedures	Due June 15, 2013	\$250 per day after June 1, 2013
Task E	Review current process and provide recommendations	Due June 15, 2013	\$250 per day after June 1, 2013
Task J	Apply risk assessment model to project worksheets already approved	Due August 1, 2013	\$500 per day after August 1, 2013
Task K	Develop reporting system for engaged monitors	Due June 15, 2013	\$1,000 per day after June 15, 2013
Monthly Report	Report containing all metrics of activities for the month	Due on or before the 15 th day following the prior month's end.	\$250 per day beyond the 15 th day

Attachments

Attachment 1 - Copy of A60 signed into law (PI 2013 Ch. 37).

Attachment 2 - Current process released to governmental entities for compliance with the Law.

Attachment 3 - List of PWs in excess of \$5M already approved.