

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, MAY 10, 2013**

A special teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA”, “NJSDA” or “the Authority”) was held on Friday, May 10, 2013 at 9:00 AM at the offices of the Authority at One West State Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman  
Maureen Hassett (NJEDA)  
Kevin Luckie (NJDOE)  
Jennifer D’Autrechy (Treasury)  
Bernard Piaia (NJDOE)  
Michael Capelli  
Kevin Egan  
Karim Hutson  
Michael Maloney  
Joseph McNamara  
Martin Perez  
Mario Vargas

being a quorum of the Board.

At the Chairman’s request, Marc Larkins, chief executive officer; Jane Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; and Cecelia Haney, senior counsel, of the SDA participated in the meeting. Peter Simon of the Governor’s Authorities Unit also participated in the meeting by teleconference.

The meeting was called to order by the Chairman of the Board, Mr. Walsh. Mr. Walsh requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the

meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

*Office of Corporate Governance & Operations*

**1) Rule Readoptions: Proposed Re-adoption with Amendments: N.J.A.C. 19:38 -- Procedures for Low-Bid Procurement of Construction Contracts for School Facilities Projects; 2) Proposed Re-adoption with Amendments: N.J.A.C. --19:38A Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program**

At the Chairman's request, Ms. Haney provided the Members with an overview of the two rule proposals before the Board. First she discussed the Proposed Re-adoption with Amendments of N.J.A.C 19:38—Procedures for Low-Bid Procurement of Construction Contracts for School Facilities Projects (N.J.A.C. 19:38 Rules).

Next, at the Chairman's request, Ms. Haney discussed the Proposed Re-adoption with Amendments of N.J.A.C 19:38A--Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program (N.J.A.C. 19:38A Rules). Both Rules and proposed technical amendments thereto (collectively "the Rules") were fully described in a memorandum that was previously distributed to the Members.

With respect to the two Rule proposals, Ms. Haney explained that the proposed amendments to the existing Rules are limited to technical changes. Specifically, she said, the technical amendments to both Rules change any references therein from "School Construction Corporation" to "Schools Development Authority" and update the statutory citations as needed. She informed the Members that the Rules are set to expire on May 15, 2013. Ms. Haney noted that approval of the Rules will allow the SDA to prevent expiration of the Rules and to maintain the effectiveness of the underlying rules. She reminded the Members that the Rules were

previously submitted to the April School Review Committee (SRC) with additional changes that have been omitted from the Rules before the Board in order to advance the Rules expeditiously. Ms. Haney then opened the floor for questions and/or comments.

The Members then discussed a number of issues related to the prequalification process. Mr. McNamara questioned whether the project rating process continues to be used to ensure the quality and fitness of the participating bidders at the early stages. Ms. Haney answered in the affirmative and explained the various factors applied by the Authority to ensure that the bidding pool is comprised of capable and appropriate bidders.

Ms. Hassett questioned how contractor evaluations are utilized in the process. Ms. Haney and Mr. Larkins explained the interplay between a bidder's submission of its largest previous project and the reference score criteria. Mr. Larkins indicated that while both rule proposals before the Board make technical changes only, additional and more substantive changes may be presented at a later date for Board consideration.

Mr. Perez inquired as to the impact if a contractor submits a bid inconsistent with the request for proposals. Ms. Haney explained the options available to the Authority to address irregular bids that have been submitted considering the nature (material or non-material) of the irregularity.

Mr. Maloney inquired as to the applicability of the N.J.A.C. 19:38A Rules to particular categories of projects. Ms. Haney and Mr. Larkins generally described which Authority rules are available for application to which types of projects and the process utilized in making determinations in this regard.

Mr. Larkins asked the Members to review the N.J.A.C. 19:38A Rule amendment materials that originally had been submitted to the SRC for review and to consider them a

starting point for a future discussion regarding potential additional changes to the prequalification rules to ensure that a robust prequalification process is maintained.

The Board and staff then generally discussed issues associated with the prequalification renewal process, project rating limits and the debarment process. Mr. Larkins noted the high standard associated with efforts to debar a contractor and described the factors relevant to such determinations.

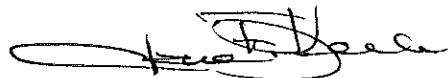
A resolution pertaining to the N.J.A.C. 19:38 Rules and the proposed technical amendments thereto had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Egan, and seconded by Mr. Piaia, the N.J.A.C. 19:38 Rules as presented were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 3ai*.

A resolution pertaining to the N.J.A.C. 19:38A Rules had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Mr. Piaia, the N.J.A.C. 19:38A Rules were approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 3aii*.

### ***Public Comments***

Mr. Walsh then asked if any member of the public is present who wishes to address the Board. No public members came forward. Ms. Kelly then reminded the Members of the following week's Financial Disclosure Statement filing deadline. Thereafter, upon motion and with unanimous consent, the meeting was adjourned.

**Certification:** The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its May 10, 2013 meeting.

A handwritten signature in black ink, appearing to read 'Jane F. Kelly', with a long horizontal flourish extending to the left and a vertical line extending downwards from the end of the signature.

Jane F. Kelly  
Assistant Secretary