

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 7, 2023**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, June 7, 2023 at 9:00A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

John Capo, Public Member

Daniel Gumble, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

being a quorum of the Members of the Board. Mr. Gumble, Mr. Moore, Mr. Piaia and Mr. Vargas participated in the meeting by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Jane F. Kelly, vice president and assistant secretary; Albert Barnes, chief counsel; and Karon Simmonds, former director of the SDA, participated in the meeting. Janice Venables of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

Pledge of Allegiance

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, who 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 was duly posted on the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey and on the SDA Website. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members of the Board was present.

Approval of Meeting Minutes

The Chairman then presented for consideration and approval the minutes of the Board's May 3, 2023 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Burgos, the Open Session minutes of the May 3, 2023 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Authority Matters

CEO's Report

Next, Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva said that he wanted to take a few minutes to acknowledge and thank someone who's been with SDA since 2004, Karon Simmonds. He said that Ms. Simmonds, in her role as director of risk management, has protected the Authority from a liability and insurance perspective, saving the program hundreds of thousands of dollars. He said that Ms. Simmonds retired from the SDA effective

June 1 and that he has had the honor and pleasure of working with Ms. Simmonds since 2010. He noted that Ms. Simmonds was instrumental in developing and defining the Authority's insurance needs. He said that no one can "talk insurance" like Ms. Simmonds can and that she was always looking to improve SDA's coverage with a strong focus on cost savings. He said that, through the years, Ms. Simmonds has gained the respect of the entire SDA family and its contracting community. He advised the Board that Ms. Simmonds was the SDA's expert in the field of insurance which is so difficult to navigate and even more difficult to understand, and that she knew how to manage both very well. He noted that Ms. Simmonds always had a way of figuring out how best to make sure the Authority was protected. Mr. Da Silva said that Ms. Simmonds' retirement is very well deserved and expressed his hope that this new chapter in her life will be both adventurous and exciting. He said that the Authority will miss Ms. Simmonds.

Mr. Nixon said that, on behalf of the Board, he wanted to congratulate Ms. Simmonds on a wonderful career at the SDA. He said that as the Chairman of the Audit Committee, he knew that when Ms. Simmonds came before the Committee with a renegotiation or any complicated insurance issue that, with her recommendation, she was putting the interests of the Authority first. He added that Ms. Simmonds made insurance fun and that she made Owner Controlled Insurance Program (OCIP) a term of enjoyment in the organization. He wished Ms. Simmonds a most enjoyable retirement and all the wonderful things she can accomplish in the future.

Mr. Guarriello said that he has worked with Ms. Simmonds for the last ten plus years and, during that time, he has learned from her. He added that everything Mr. Da Silva and Mr. Nixon said was true, that Ms. Simmonds did save the Authority significant money. He said that Ms. Simmonds always handled herself professionally when negotiating complex matters, that the SDA will miss her and that he personally will miss her as well.

Ms. Kelly said that she would echo everything that has been already said about Ms. Simmonds. She said that Ms. Simmonds was asset to the Authority and that she enjoyed working with her personally. She wished Ms. Simmonds all the best.

Ms. Simmonds said that she wanted to reiterate what she said in her farewell message to staff. She said that she left private industry to be part of a new initiative that's rewards were not solely financial but, rather, allowed her to be a part of something that bettered the lives of the children of New Jersey. Ms. Simmonds said that she was the insurance broker at the Economic Development Authority (EDA) when the school construction program was conceived. She added that she was with the program from the beginning, from the School Construction & Finance (SC&F) division within the EDA; before it became the Schools Construction Corporation; and before it became the SDA. She added that she interviewed under former CEO Alfred McNeill, was hired under former CEO Jack Spencer and has worked and interacted with nine CEOs altogether. She said that Mr. Da Silva is a stabilizing factor in the initiatives that the SDA has going forward. She said that she is excited for the SDA now with the new Capital Plan, adding that she is certain that the Authority will prove its value to all sides of the political fence. She added that the SDA staff is truly committed to the Authority's mission and she thanked everyone for truly becoming a part of her identity.

Next, Mr. Da Silva provided an update on design-build projects in the design phase. He said that for the Union City New Grade 7-9 School project, the export of existing soils and import of clean fill is ongoing. He also advised that Package #1 Design Documents (foundations & structure) have been released from Department of Community Affairs (DCA) and, as a result, management anticipates that footing construction will start later this month.

Turning to design-build projects in construction, Mr. Da Silva reported that the Phase IV Auditorium addition temporary certificate of occupancy (TCO) was received in May for the

Millville High School addition and renovations project. He noted that the District is currently utilizing the Auditorium addition. For the Perth Amboy High School project, he advised the Board that HVAC is being prepared for start up to allow for construction finishes and casework installation. With respect to the Plainfield Woodland Avenue Elementary School project, he said that HVAC commissioning is being finalized and balancing reports are being readied for a TCO. He noted that finish doors installation is ongoing and that training of District staff has begun.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He informed the Members that the TCO recommendation was received on June 6 for the Keansburg Port Monmouth Road School project and that the application for the same has been submitted to the DCA. For the Orange High School project, he said that management's goal is for remaining change order work for new boiler breeching and the green house to be completed this summer.

With respect to projects in the procurement stage, Mr. Da Silva reported that for the Orange Cleveland Street Elementary School project, the contractor has mobilized to the site and is preparing to commence construction. He noted that all submittals are underway and demolition for mechanical, electrical and plumbing installation has begun. He said that all DCA permits are being updated to reflect the change in the project's general contractor.

Next, Mr. Da Silva thanked the Members for submitting their Financial Disclosure Statements with the State Ethics Commission on a timely basis.

Mr. Da Silva informed the Members that management is planning several events this summer including: a ribbon cutting at the Plainfield Woodland Avenue Elementary School; a ground breaking at the new 7-9 School in Union City; and events at the Keansburg Port Monmouth Road School and Millville Senior High School. He said that management will keep the Members abreast of the plans as things evolve and are coordinated with the districts.

Finally, Mr. Da Silva advised the Board that the FY2024 budget testimony has concluded and, if all stays the same, the Authority is on track to receive \$75 million for Emergent Projects and facilities maintenance for both SDA and Regular Operating Districts.

School Review Committee

The Chairman asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on May 15, 2023 and advanced three items for Board consideration today. He said that the first matter involves contract awards for design consultant services for limited-scope projects. He advised the Members that management is recommending that the Board authorize the award of contracts to a new pool of eight firms for design consultant services that will provide viable, cost effective solutions for limited-scope projects in the SDA Districts. He informed the Members that these eight engagements, resulting from a competitive procurement process, will provide the Authority with a pool of design consultants to permit the expedited assignment, or competitive selection and award, of task orders on an as-needed basis. He noted that these firms would not, however, be utilized for the complete design of a new school facilities project. He reported that each of the eight contracts will individually have a not-to-exceed (NTE) amount of \$1.5 million and that the term of each agreement will extend for a period of three years or until all obligations of the design consultant to deliver services under any existing task order have been performed to the Authority's satisfaction.

In continuing, Mr. Luckie said that assignments under this engagement are anticipated to include projects with construction costs ranging from \$50,000 to \$3 million or more per school facility. He added that the CEO and SDA staff will ensure the execution of individual planning charters for each project when design services are assigned through these task orders. He advised that SDA staff will also amend or modify individual task order assignments as appropriate under

this engagement. He noted that, prior to execution of each contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Gumble, the awards for design consultant services for limited-scope projects were approved with the Board's unanimous vote in favor of ***Resolution 5a***.

Next, Mr. Luckie said that management is seeking Board approval of three actions in connection with the East Orange Fresh Start Academy (School) emergent project (Project): a release of funds from the program reserve for emergent projects, a task order award and the project's final charter. He reported that Fresh Start Academy is an approximately 76,000 square foot building housing alternative programs for students in grades 6 to 12. He advised that upon confirming the need for emergent roof replacement, masonry and stucco repairs at the School, the Authority engaged PS&S Architects in December 2021 for the performance of project scope development services to address these conditions. He said that upon completion of the services, staff determined to advance the Project through the engagement of a general contractor (GC) using the GC Task Order Contract (GCTO). He added that following a rotational assignment, the GC was required to engage the services of a design consultant to complete the design services. He noted that construction management oversight for the Project would be provided by SDA staff.

In continuing, Mr. Luckie said that in March 2023, Procurement staff contacted Integrated Construction Enterprises (ICE), the next firm on the GCTO rotational list and ICE confirmed acceptance of the task order assignment. He advised the Board that the assignment will be awarded on a time and materials (T&M) basis for a NTE value representing the most extensive scope of work pursuant to the contract. He reported that on April 5, 2023, SDA staff

and ICE conducted a site visit to review and assess the conditions of the roof and stucco for advancement of the emergent repair work. He added that, at that time, SDA staff instructed ICE to develop a proposal, cost estimate, and schedule to address the emergent conditions. He said that the Project scope includes construction work and related design services for roofing replacement, masonry repair and repointing, and stucco repair. Mr. Luckie explained that ICE's initial work will focus on Project design. He said that the NTE cost for this design work will be \$172,055, which includes \$137,055 for design and \$35,000 in allowances for further investigation of existing conditions. He informed the Members that upon completion of design work, SDA will review the final projected cost and schedule for the required scope of work and determine whether to advance the construction work on a T&M basis for the NTE amount or to establish a fixed cost for the scope of work as defined in the construction documents. Mr. Luckie reported that the award to ICE will be \$2.95 million, which will include the design scope of work to address the emergent project. He said that total Project funding, including design costs, construction costs, contingencies, allowances, and SDA staff costs, is estimated to be \$3.9 million. He noted that this is reflected in the Project Charter that was forwarded to the Board. He added that funding for total Project costs is available within the Program Reserve.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Piaia, the proposed release of funds from the program reserve, task order award and final charter for the East Orange Fresh Start Academy emergent project were approved with the Board's unanimous vote in favor of ***Resolution 5b***.

Mr. Luckie said that the final matter for Board review is management's recommendation for approval of a change order (CO) for the Paterson Public School No. 5 (PS No. 5) emergent project (Project). He reported that CO No. 19 would simply reallocate remaining contract funds

so that its total value is \$0.00. He explained that while a zero dollar change order would not normally require Board approval, as the amount to be reallocated is close to \$700,000, management is seeking Board authorization in keeping with the spirit of the Operating Authority. He reported that PS No. 5 is a 107,000 square foot facility educating 775 students in grades Kindergarten through 6. He advised that SDA staff confirmed emergent conditions at the School related to water infiltration and deterioration of the building's roof and exterior masonry. He said that SDA engaged a consultant to investigate and detail the conditions. He noted that the SDA's consultant submitted findings recommending a minor scope of masonry repair and limited roof repairs. He said that, given that the scope appeared limited, the Project was delegated to the Paterson School District for management.

In continuing, Mr. Luckie reported that the District then engaged EI Associates (EI) to further evaluate the emergent conditions and develop a scope of work that would eliminate water infiltration into the building and address deterioration of the exterior masonry. He said that EI's report concluded that the conditions requiring attention were more extensive than those that were originally identified with the result that management of the Project was returned to SDA. He informed the Members that using the design consultant task order contract, the Authority engaged USA Architects, Planners + Interior Designers to provide design services for the Project. He said that they completed their work and the construction documents were reviewed and released by the DCA. Mr. Luckie said that Paul Otto Building Company, Inc. (Paul Otto) received a notice-to-proceed for construction services on June 14, 2021. He advised that the work was completed and the Project achieved substantial completion on September 14, 2022. He said that the Authority has now asked Paul Otto for a price to complete the School's Auditorium plaster ceiling and wall repair work. He explained that SDA's contract with Paul Otto includes five Allowances. He advised that at this point, there will be no further need for the

funds in Project Allowances No. 1 through 4, resulting in a combined remaining balance of \$683,000 in those Allowances.

In continuing, Mr. Luckie explained that Allowance No. 5 (the “Repair of Water Damaged Plaster Allowance”), in the amount of \$300,000.00, is available for the auditorium ceiling and wall repair work; however, management does not expect that amount to be sufficient for the work. He explained that, for this reason, management is proposing that the Board approve CO No. 19 and authorize management to re-allocate the \$683,000 in unused, remaining funds within Project Allowances No. 1 through 4 to Allowance No. 5 so that these funds can be used for the Auditorium work. He advised that this approach would avoid the duplication and transfer to the SDA of bond, insurance, and mark-ups on the \$683,000. He advised the Board that with approval of this \$0.00 CO and upon reallocation of the funds, the total funds available for the auditorium work would be \$983,320.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Burgos, Change Order No. 19 for Paul Otto Building Company, Inc. for the Paterson Public School No. 5 project was approved with the Board’s unanimous vote in favor of *Resolution 5c*.

Adjournment

There being no further business to come before the Board, upon motion by Chairman Nixon 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 June 7, 2023 meeting.

/s/ Jane F. Kelly
Assistant Secretary