

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Board Meeting

August 15, 2007

1 West State Street, Trenton, New Jersey

MINUTES OF THE MEETING

Members of the Authority present: Barry Zubrow, Chairman of the New Jersey Schools Development Authority (SDA or Authority); Debra Bell, representing Bradley Abelow, State Treasurer; Maureen Hassett, representing Caren Franzini, Chief Executive Officer, New Jersey Economic Development Authority; Cynthia Wilk, representing Charles Richman, Acting Commissioner, State Department of Community Affairs; Bernard Piaia, representing Lucille Davy, Commissioner, State Department of Education; and Public Members Laurence Downes, Joseph McNamara (telephonically) and Carmen Twillie Ambar (telephonically).

Absent from the meeting: Gabriella Morris, Public Member.

Members of SDA Management and others present: Scott Weiner, Chief Executive Officer; Gerald Murphy, Chief Operating Officer; John Clark, Vice President and Chief Counsel; Beth Sztuk, Vice President; Regina Bleck, Vice President; Michele Hansch, Senior Director & Assistant Corporate Secretary; Janesa Urbano, Assistant Counsel; and other SDA employees. AAG Susan Roop, Department of Law and Public Safety, as well as representatives of other State agencies, were also present.

Chairman Zubrow called the meeting to order at 11:35 a.m.

In accordance with the Open Public Meetings Act, Chairman Zubrow announced that notice of the meeting had been sent to the *Trenton Times* and *Star Ledger* at least 48 hours prior to the meeting, and that a meeting notice had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

CHAIRMAN'S REPORT

Mr. Zubrow stated that this is the first meeting of the SDA. He noted that the transition from the New Jersey Schools Construction Corporation (SCC) to the SDA reflects an enormous amount of work on the part of the staff, the Legislature and the Governor's Office, and that this new Authority reflects a change in the way the State is approaching the school construction program. Mr. Zubrow also stated that the SDA looks forward to working with the Legislature to receive authorization for additional funding to continue this program.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Weiner noted that the transition to the SDA represents the culmination of reorganization efforts that started in February 2006. Many changes have been implemented, including a new governance structure. At this time, the public members of the Board are serving on an interim basis until the Governor nominates a full Board for Senate approval when the Legislature returns. Mr. Weiner then commented on the progress of several management initiatives including project budgets, cost controls

and reporting accountability, all of which have been implemented with the support of the previous Board.

Mr. Weiner also noted that Ms. Michele Hansch is leaving the SDA on Friday, August 24, 2007, to pursue a new opportunity. Ms. Hansch was hired by the SCC to implement governance reforms for the organization, and most recently served as the Senior Director of Corporate Governance and Compliance, where she oversaw ethics, compliance and governance activities. Mr. Weiner thanked Ms. Hansch for her valuable contribution to the agency and wished her well in her new venture.

Mr. Andrew Yosha, who was with the SCC for many years, will take over the responsibilities of Corporate Governance and Compliance. Before joining the SCC, Mr. Yosha, an attorney, served for a period of time as Special Counsel to the Director of the New York Housing Authority where he was responsible for governance, compliance and ethics issues.

MINUTES OF THE BOARD MEETING

The final Board Meeting of the New Jersey Schools Construction Corporation was held on June 27, 2007. Mr. Zubrow recommended that the SDA Board accept the minutes of this meeting for the historical record. It was the sense of the meeting that the Minutes of the June 27, 2007 Board Public Session and Board Closed Session Meetings of the New Jersey Schools Construction Corporation be approved for the historical record.

ORGANIZATIONAL MATTERS

Mr. Zubrow referred to his August 10, 2007 Memorandum regarding the Organizational Meeting, noting that there were a number of matters for the Members to consider.

Mr. Zubrow stated that the By-Laws of the Authority have been created to govern the affairs and the conduct of the business of the Authority and incorporate specific requirements set forth in the statute.

Mr. Zubrow requested a motion to adopt the proposed By-Laws of the New Jersey Schools Development Authority, a proposed form of which was attached to his August 10, 2007 Memorandum as Exhibit A. A motion was made by Mr. Downes and seconded by Ms. Wilk, and the following resolution was unanimously adopted by the Board:

RESOLVED, that the Members of the Authority hereby adopt the By-Laws of the New Jersey Schools Development Authority, a final copy of which is attached hereto as [Exhibit 1](#), having been distributed as Exhibit A to Chairperson Barry Zubrow's August 10, 2007 Organizational Meeting Memorandum to the Members of the Authority, for the regulation of its affairs and the conduct of its business.

Mr. Zubrow noted that the By-Laws state that the officers of the Authority shall be the Chairperson, who is designated by the Governor, and a Vice-Chairperson, Treasurer and Secretary, who shall be Members of the Authority, and a Chief Executive Officer, all elected by the Board. In addition, the Authority may, by resolution, appoint other officers at its discretion as is necessary to address the affairs of the Authority.

Section 4.7 of the By-Laws allows the Authority, by resolution, to appoint an Assistant Secretary, who need not be a Member of the Authority, and delegate any and all of the duties and confer any and all of the powers of the Secretary to the Assistant Secretary. This Section also allows the Authority, by

resolution, to assign responsibility for the corporate governance and compliance responsibilities of the Authority to an Assistant Secretary. In addition, Section 4.7 provides for the appointment of additional Assistant Secretaries to perform the duties of the Secretary in the absence of the Assistant Secretary, by resolution of the Authority.

Section 4.9 of the By-Laws allows the Authority, by resolution, to appoint the Chief Financial Officer of the Authority to act as Assistant Treasurer, and delegate any and all of the duties and confer any and all of the powers of the Treasurer to the Assistant Treasurer.

Mr. Zubrow requested a motion to elect the officers of the Authority as set forth in his August 10, 2007 Memorandum. A motion was made by Mr. Piaia and seconded by Ms. Bell, and the following resolution was unanimously adopted by the Board:

RESOLVED, that, effective immediately, the following persons be, and hereby are, elected to the office of the Authority opposite their respective names, to serve in that office until the next organizational meeting of the Authority and thereafter until their respective successors be elected, or until such earlier time as provided in Section 4.3 of the Authority's By-Laws; provided, that Donald Guarriello shall serve in his respective office until such time as a permanent Chief Financial Officer is appointed by the Authority:

Vice Chairperson:	Caren Franzini
Treasurer:	State Treasurer (or designee)
Secretary:	Gabriella Morris
Chief Executive Officer:	Scott Weiner
Assistant Treasurer:	Donald Guarriello
Assistant Secretary* (for the period of 8/15/07 – 8/24/07):	Michele Hansch
Assistant Secretary* (commencing 8/25/07):	Andrew Yosha
Assistant Secretary:	Gerald Murphy
Assistant Secretary:	Beth Sztuk

* This position shall also be responsible for the corporate governance and compliance responsibilities of the Authority.

Mr. Zubrow stated that the By-Laws provide for three committees of the Board that meet throughout the year, and that the members and Chair of each committee shall be appointed by the Chairperson of the Authority. Accordingly, Mr. Zubrow stated that he had appointed the following Members of the Authority to serve on each committee until the next organizational meeting of the Authority:

Audit Committee

1. Laurence Downes, Chairperson (Public Member)
2. Barry Zubrow (Public Member)
3. State Treasurer (or designee, as permitted by Section 2.7 of the By-Laws)

School Review Committee

1. Caren Franzini, Chairperson (Chief Executive Officer of the New Jersey Economic Development Authority)
2. Commissioner of the New Jersey Department of Education (or designee, as permitted by Section 2.7 of the By-Laws)
3. Commissioner of the New Jersey Department of Community Affairs (or designee, as permitted by Section 2.7 of the By-Laws)
4. Gabriella Morris (Public Member)

Real Estate Committee

1. Joseph McNamara, Chairperson (Public Member)
2. Carmen Twillie Ambar (Public Member)
3. Commissioner of the New Jersey Department of Community Affairs (or designee, as permitted by Section 2.7 of the By-Laws)

Mr. Zubrow stated that the Authority has developed an Audit Committee Charter to incorporate the requirements of Executive Order 122, issued July 23, 2004 (McGreevey) and to set forth the authority, composition, meetings, voting, and specific responsibilities of the Audit Committee. This Charter was attached to his August 10, 2007 Memorandum as Exhibit F. Mr. Zubrow asked Mr. Downes to comment on the Charter, and Mr. Downes noted that it was created from the Charter of the former New Jersey Schools Construction Corporation, as well as Audit Committee best practices and Executive Order 122.

Mr. Zubrow requested a motion to approve the Audit Committee Charter, at which time the motion was made by Mr. Piaia, seconded by Ms. Hassett, and the following resolution was unanimously adopted by the Board:

RESOLVED, that the Members of the Authority hereby approve the Audit Committee Charter, a final copy of which is attached hereto as [Exhibit 2](#), having been distributed as Exhibit F to Chairperson Barry Zubrow's August 10, 2007 Organizational Meeting Memorandum to the Members of the Authority, to guide the activities of the Audit Committee and to provide for conformance with Executive Order 122, issued July 23, 2004 (McGreevey).

Mr. Zubrow stated that the Audit Committee Charter requires that at least one member of the Audit Committee be designated as the "financial expert" as defined pursuant to the provisions of the Sarbanes-Oxley Act. Mr. Zubrow requested a motion to designate Mr. Downes as the "financial expert," at which time the motion was made by Mr. Piaia, seconded by Ms. Hassett, and the following resolution was unanimously adopted by the Board:

RESOLVED, that, pursuant to Article III.C of the Audit Committee Charter approved by the Authority, the Members of the Authority hereby designate Audit Committee member Laurence Downes as the Audit Committee's "financial expert" as defined pursuant to the provisions of the Sarbanes-Oxley Act.

Mr. Zubrow stated that a proposed meeting schedule for the Board through its next organizational meeting, scheduled for January 2008, was attached to his August 10, 2007 Memorandum as Exhibit H. Mr. Zubrow requested a motion to adopt the Board meeting schedule, at which time the motion was

made by Ms. Hassett, seconded by Ms. Wilk, and the following resolution was unanimously adopted by the Board:

RESOLVED, that the Members of the Authority hereby approve and adopt as the Authority's regular meeting schedule the "New Jersey Schools Development Authority Proposed Board Meeting Schedule" for September 2007 through January 2008, a copy of which is attached hereto as [Exhibit 3](#), having been distributed as Exhibit H to Chairperson Barry Zubrow's August 10, 2007 Organizational Meeting Memorandum to the Members of the Authority.

Mr. Zubrow stated that the Uniform Ethics Code, promulgated by the New Jersey State Ethics Commission and attached to his August 10, 2007 Memorandum as Exhibit K, is the primary ethics code for the employees and Members of the Authority. The Authority has developed a Supplemental Ethics Code, attached to his August 10, 2007 Memorandum as Exhibit L, to address ethics provisions that are specific to the Authority. After approval of the Supplemental Code by the Members of the Authority, it must be forwarded to the Ethics Commission for review and approval.

Mr. Zubrow then requested a motion for the Members of the Authority to adopt the Uniform Ethics Code and Supplemental Ethics Code, at which time the motion was made by Mr. Piaia, seconded by Mr. Downes, and the following resolutions were unanimously adopted by the Board:

RESOLVED, that the Members of the Authority hereby adopt the Uniform Ethics Code, promulgated by the New Jersey State Ethics Commission pursuant to the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq., a copy of which is attached hereto as [Exhibit 4](#), having been distributed as Exhibit K to Chairperson Barry Zubrow's August 10, 2007 Organizational Meeting Memorandum to the Members of the Authority, as the primary ethics code for the employees and Members of the Authority.

RESOLVED, that the Members of the Authority hereby adopt the New Jersey Schools Development Authority Supplemental Ethics Code, a copy of which is attached hereto as [Exhibit 5](#), having been distributed as Exhibit L to Chairperson Barry Zubrow's August 10, 2007 Organizational Meeting Memorandum to the Members of the Authority, to address ethics provisions that are specific to the Authority.

Mr. Zubrow noted that the By-Laws state that the Authority "shall designate by resolution those individual members, officers, employees (or combination thereof) who shall be authorized (either generally or in specific transactions) to approve contracts and to execute documents legally binding on the Authority, or to sign checks and disbursements on behalf of the Authority." Mr. Zubrow stated that the Operating Authority and Policy Narrative, attached to his August 10, 2007 Memorandum as Exhibit N, sets forth the required designations for various categories of transactions that involve the daily operations of the Authority. As noted in the Operating Authority, the Members of the Authority have an active role in contract awards and financial obligations. Mr. Weiner noted that this Operating Authority is the same one that the New Jersey Schools Construction Corporation was operating under through August 6, 2007, and that management is performing a thorough review of the Operating Authority and will be proposing revisions in the coming months.

Mr. Zubrow requested a motion for the Members of the Authority to adopt the Operating Authority, at which time the motion was made by Mr. Piaia, seconded by Ms. Hassett, and the following resolution was unanimously adopted by the Board:

RESOLVED, that the Members of the Authority hereby adopt the New Jersey Schools Development Authority Operating Authority and Policy Narrative, a copy of which is attached hereto as [Exhibit 6](#), having been distributed as Exhibit N to Chairperson Barry Zubrow's August 10, 2007 Organizational Meeting Memorandum to the Members of the Authority.

Mr. Zubrow then requested that the Members of the Authority approve the appointment of Jane Folmer-Kelleher as Records Custodian, at which time the motion was made by Mr. Piaia, seconded by Ms. Wilk, and the following resolution was unanimously adopted by the Board:

RESOLVED, that, effective immediately, Jane Folmer-Kelleher be, and hereby is, appointed to serve as the Records Custodian of the New Jersey Schools Development Authority, pursuant to the requirements of the Open Public Records Act, P.L. 1975, c. 231, as amended.

This completed the organizational portion of the meeting.

AUDIT COMMITTEE REPORT

Mr. Downes reported that the Audit Committee met on August 15, 2007 and presented his report of the meeting. The first item considered by the Committee was an update from Ms. Hansch on the 2007 New Jersey State Ethics Commission's Compliance Review. Ms. Hansch reported that the State Ethics Commission reviewed the ethics program for the SDA and found that we are in substantial compliance but did have minor recommendations that the Authority is in the process of acting on.

Ms Sztuk presented a detailed update on the Second Quarter Cost Savings Report. In December 2006, the Audit Committee and Board of Directors approved additional operating resources that could achieve approximately \$24 million in program savings. Achieved savings at this time are estimated at \$18 million.

Mr. Robert Carney, Senior Director, Project Controls, gave an update on the status of the Deferral Plan. Mr. Carney provided a detailed report and noted that the overall August forecast represents a decrease of approximately \$2.2 million in project costs, which results in an increase to the program contingency of \$161.1 million. Mr. Downes noted that the Committee is very satisfied with the internal tracking of expenditures and that the Deferral Plan remains on forecast.

Ms. Kim Wright, IT Project Manager, provided the Committee with an update regarding Primavera Expedition, which was successfully rolled out to the Trenton and Jersey City regional offices in July 2007 as originally scheduled, and is on schedule to roll out in the Newark regional office in August. Procurement staff performed quality assurance on all newly executed contracts migrated to Expedition from SIMS, and no issues were noted.

The Committee next received an internal audit update from Ms. Lorna Stark of KPMG. KPMG will be issuing a closeout report for the implementation portion of the Primavera Quality Assurance review, and will commence the post-implementation review in the fall. KPMG's assessment of the Primavera implementation was very positive. KPMG also reported on the Post-Audit of Change Orders Statement of Work, which was distributed to the Audit Committee, and provided a brief status update on the Human Resources Review and the Information Technology General Controls Review.

Ms. Sztuk and Ms. Bleck discussed the implementation of the Project Charter initiative. This program involves the creation of cross-functional teams that will improve the capital planning process by bringing together not only different functions inside the Authority, but also outside stakeholders such as Districts and Boards of Education. The Project Charters will also be used to inform the Board about school facilities projects and to allow the Board to become involved earlier in the process.

Mr. Clark noted that management is currently evaluating the feasibility of using outside vendors for Risk Management services. This analysis is ongoing and will be brought before the Audit Committee and the Board later this year.

Ms. Hansch gave an update on the status of audit reports. The Authority received and commented on a draft report from the Office of the Inspector General on State Authorities' Employee Benefits, and a final report is forthcoming.

Mr. Weiner presented the Monthly Financial Report for July 2007 to the Committee. He reported that, on a year-to-date basis, personnel and administrative expenses were \$7.4 million below budget, primarily due to lower payroll and benefits expenses and lower costs for professional outside services than expected. Year-to-date personnel and administrative expenses were \$2.1 million higher than they were for the year-ago period, primarily due to higher pension expenses, increases in employee salaries and benefits and professional outside services. Since program inception, approximately 68% of the funds authorized for the Abbott Districts have been disbursed.

SCHOOL REVIEW COMMITTEE REPORT

Ms. Hassett reported on the August 2, 2007 meeting of the School Review Committee and noted that the Committee reviewed and recommended two contract amendments for Board approval, as more particularly set forth in the memoranda previously distributed to the Board. Ms. Hassett asked Ms. Bleck to discuss these two items, plus the three memoranda that were added to the Board Agenda. On an individual basis, Ms. Bleck summarized the nature of and reasons for each of the contract amendments and presented each one to the Board for further discussion and consideration as follows.

1. The first contract amendment memo presented and discussed was Hillier Architecture, amendment #14, contract #JE-0014-A01, in the amount of \$67,132, for Public School #24 in the Jersey City School District. This amendment is for additional pre-construction administration services performed during demolition of five additional residential structures on Virginia Avenue by Hillier's environmental sub-consultant, Langan Engineering and Environmental Services. This amendment is for field supervisory services during removal of Asbestos Containing Material, removal of Underground Storage Tanks and supervision of the ground intrusive phase of demolition.
2. The second contract amendment memo presented and discussed was DRG Architects, amendment #6, contract #CA-0014-A01, in the amount of \$400,218, for the Pyne Point Junior High School in the Camden School District. This amendment is for additional changes to the scope of services. The project experienced a significant increase due to additional instructional space, temporary swing space, and design of pile foundations.

Mr. Zubrow requested a motion to approve the two contract amendments that were presented to the School Review Committee at its August 2, 2007 meeting. After discussion, upon a motion by Ms. Hassett and seconded by Mr. Piaia, the following resolutions were unanimously adopted by the Board authorizing and approving each of the two contract amendments:

RESOLVED, that the contract amendment as presented to the Board listed above, namely 1, as more particularly set forth in the memorandum addressed to the School Review Committee and presented to the Board, is hereby provisionally approved, contingent upon the Contract Management Department's review and approval of the costs associated with this change order, upon which the Chief Executive Officer is hereby authorized to finally approve said change order.

RESOLVED, that the contract amendment as presented to the Board listed above, namely 2, as more particularly set forth in the memorandum addressed to the School Review Committee and presented to the Board, is hereby approved.

3. The third contract amendment memorandum presented and discussed was Gilbane Building Company, amendment #6, contract #PM-0012-P01, in the amount of \$866,178 for the Long Branch High School. This Amendment is for extended Project Management Services necessary for delay costs and time incurred by Gilbane, as the school project is anticipated to reach substantial completion in May 2008, seven and one-half months later than the revised completion date of September 2007. This Amendment also includes additional services relating to other specialty services requested by the Authority. The Authority is currently evaluating the facts and circumstances behind the delays to determine whether and to what extent to pursue responsible parties for damages.
4. The fourth contract amendment memorandum presented and discussed was Heery International, Inc., amendment #3, contract #PM-0013-P01, in the amount of \$360,000 for scope increases on fifteen health and safety projects. All projects experienced scope increases due to additional masonry repairs, roofing, electrical plumbing and HVAC upgrades, and fire separation walls, which were necessary to meet the program goals. Additionally, the majority of the projects experienced delays beyond PMF control due to work in occupied schools and schedule changes due to additional scope.
5. The fifth contract amendment memorandum presented and discussed was URS Corporation Group Consultants, amendment #66, contract #PM-0006-P01, in the amount of \$884,998. This has four components, the first being PS #14 with a scope increase which included 10,570 square feet of underground parking garage, design of off-site utilities, swing space analysis and demolition work. The second component is PS #20, with a scope increase due to the addition of instructional space and classrooms, underground parking garage, design management of demolition drawings, site utilities, oversight of environmental study and remedial investigation of adjacent property. The third component is New ECC #3, with a scope increase due to the addition of instructional space and classrooms, additional design efforts in the predevelopment phase and an analysis of the design-build delivery method. The fourth component is for additional scope increases for twenty-two health and safety projects. All projects experienced scope increases due to additional masonry repairs, roofing, electrical, plumbing and HVAC upgrades in order to meet program goals.

After discussion, upon a motion by Ms. Hassett, and seconded by Mr. Piaia, the following resolution was unanimously adopted by the Board authorizing and approving each of the three contract amendments/change orders:

RESOLVED, that the contract amendments as presented to the Board in the order listed above, namely 3, 4 and 5, as more particularly set forth in the memoranda presented to the Board, are hereby approved.

Award of Contracts - Delivery and Installation of Furniture, Fixtures and Equipment

Ms. Sztuk summarized her August 15, 2007 Memorandum to the Members of the Authority seeking the Board's approval of the award of twenty-nine contracts for the delivery and installation of furniture, fixtures and equipment (FF&E). The FF&E available from the firms will form the content of a "catalog" of available items for selection by school district officials to furnish and equip schools constructed by the SDA. SDA staff will provide those officials with guidance as to the budget available for their FF&E purchases. These contracts are for a four-year term with an option to renew for one additional year and they will permit the SDA to achieve many economies of cost and time, largely based on volume.

The procurement was initiated as a two-step process. A Request for Qualifications was advertised on April 10, 2007 for the procurement of multiple lots of different types of furniture. On May 31, 2007, the SDA issued a Request for Proposals (RFP) to fifty-seven firms inviting proposals on the various lots for which the firms had qualified. On June 28, 2007, forty-one firms submitted technical and fee proposals for the seventeen lots, and the SDA evaluated each technical proposal against the criteria listed in the RFP. A review of furniture samples took place on July 5 through July 11, 2007 at a facility that would accommodate all of the samples.

After review of the technical proposal and furniture inspection, nine firms were rejected based on the responsiveness review of the RFP. Sealed fee proposals were opened on July 16, 2007. The RFP required firms to submit a percentage discount off the catalog/list price proposed for the lot. The RFP notified firms that the discount would also be applied to all items in the firm's catalog/price list for that lot, and that the price list and discount submitted would be applicable throughout the term of the agreement. On July 24, 2007, SDA staff initiated negotiations with the top ranked firms (as shown in Table 3 of Ms. Sztuk's Memorandum to the Members of the Authority).

After further discussion, upon a motion by Ms. Hassett and seconded by Mr. Piaia, the following resolution was unanimously adopted by the Board:

RESOLVED, that, regarding the delivery and installation of Furniture, Fixtures and Equipment, the Members of the Authority hereby approve the SDA contracting with the firms specified for each lot at the negotiated discounts as shown in Table 3 of Ms. Sztuk's August 15, 2007 Memorandum to the Members of the Authority, attached hereto as **Exhibit 7**, with such approval conditioned upon moral integrity review and approval of the firms by the Bureau of Fiscal Oversight, the review and approval of the SDA Office of the CFO for fiscal soundness, and the agreements being reviewed and approved by the Attorney General's office.

Construction Award – Barnegat School District – Collins, Dunfee & Horbelt Elementary Schools – ET-0065-C01-RB1; CCE: \$14,549,610

Ms. Sztuk presented and summarized the August 15, 2007 Memorandum to the Members of the Authority regarding an award of a contract for construction work on three separate schools, Collins, Dunfee, and Horbelt Elementary Schools in the Barnegat School District, all requiring additional square footage. The project consists of additions and renovations to Dunfee Elementary School and Horbelt Elementary School, and renovations only to Collins Elementary School.

Ms. Sztuk reported that this package was advertised on June 7, 2007 and a mandatory pre-bid conference was held on June 14, 2007. Project Rating Proposals were received from seven interested

firms on June 20, 2007, and all seven bidders demonstrated bidding capacity for this project. Responsive price proposals were received from three contractors at the public bid opening on July 31, 2007, and Hessert Corporation was the responsive low bidder at \$15,878,000.

Upon a motion by Mr. Piaia, and seconded by Ms. Hassett, the Board unanimously adopted the following resolution:

RESOLVED, that the Members of the Authority hereby authorize the award of a contract for construction services, Package ET-0065-C01-RB1, for the Collins, Dunfee and Horbelt Elementary Schools, to Hessert Corporation, in the amount of \$15,878,000, as more particularly set forth in Ms. Sztuk's and Ms. Bleck's August 15, 2007 Memorandum to the Members of the Authority, with such approval conditioned upon the agreement and related documentation being reviewed and approved by the Attorney General's office.

**Construction Award – Newark School District – Speedway School
NE-0009-C02; CCE: \$36,014,881**

Ms. Sztuk presented and summarized the August 15, 2007 Memorandum to the Members of the Authority regarding an award of a contract for construction work at the Speedway Elementary School in the Newark School District. The project consists of the construction of an elementary school complex including the following design elements: (1) a three-story, 121,373 square foot pre-K through eighth grade elementary school; (2) 3,000 square foot playground space and equipment for pre-K grades and 7,000 square foot playground space for the remaining grades; and (3) a surface parking lot consisting of 24,300 square feet. Upon occupancy of the new school, the existing facility will be demolished through a separate procurement.

Ms. Sztuk reported that this package was advertised on June 19, 2007 and a mandatory pre-bid conference was held on June 27, 2007. Project Rating Proposals were received from seven interested firms on July 5, 2007, and six bidders demonstrated bidding capacity for this project. Responsive price proposals were received from four contractors at the public bid opening on August 7, 2007, and Delric Construction Company, Inc. was the responsive low bidder at \$33,626,000.

Upon motion by Mr. Piaia, and seconded by Ms. Hassett, the Committee unanimously adopted the following resolution:

RESOLVED, that the Members of the Authority hereby authorize the award of a contract for construction services, Package NE-0009-C02, for the Speedway Elementary School, to Delric Construction Company, Inc., in the amount of \$33,626,000, as more particularly set forth in Ms. Sztuk's and Ms. Bleck's August 15, 2007 Memorandum to the Members of the Authority, with such approval conditioned upon the agreement and related documentation being reviewed and approved by the Attorney General's office.

**Construction Award – West New York School District, Public School #2
HU-0015-C01; CCE: \$22,750,000**

At the June 27, 2007 Board meeting, the Board delegated authority to the Chief Executive Officer and Chairperson of the School Review Committee to award the construction contract for Public School #2 in the West New York School District to the qualified contractor submitting the lowest responsive

price proposal. Ms. Sztuk reported that D&K Construction Company, Inc., submitted the lowest responsive price proposal, with a bid amount of \$20,401,532 inclusive of the alternate, and the Notice to Proceed was executed on August 8, 2007.

LEGAL

Mr. Weiner referred to Ms. Bohi's August 15, 2007 Memorandum to the Members of the Authority seeking approval for the adoption of new rules governing the disposition of surplus real and personal property owned by the Authority and for the submission of the rules to the Office of Administrative Law for publication in the New Jersey Register. In February 2007, the Board of Directors of the New Jersey Schools Construction Corporation approved the submission of the rules to the Office of Administrative Law for publication and initiation of a 60-day public comment period. The Rules were proposed for public comment in the May 7, 2007 New Jersey Register, and no public comments were received.

Mr. Weiner requested that the Members of the Authority approve the adoption of the SDA's new Rules for the Disposition of Real and Personal Property and their transmittal to the Office of Administrative Law for publication in the New Jersey Register.

Upon a motion by Mr. Piaia, and seconded by Ms. Hassett, the Board unanimously adopted the following resolution:

RESOLVED, that the Rules for the Disposition of Real and Personal Property of the New Jersey Schools Development Authority, as presented with Ms. Bohi's August 15, 2007 Memorandum to the Members of the Authority, be, and hereby are, adopted by the Authority and approved for transmittal to the Office of Administrative Law for publication in the New Jersey Register.

NEW BUSINESS

Mr. Weiner referred the Members of the Authority to the August 7, 2007 presentation by Ms. Bleck and Ms. Sztuk on the Project Charter Initiative that had been previously distributed to the Board, and urged the Members to review this material.

PUBLIC COMMENT

At 11:20 a.m., Chairman Zubrow announced that the Public Comment portion of the meeting would begin. There being no public comment, this portion of the meeting ended at 11:20 a.m.

CLOSED SESSION

Chairman Zubrow indicated that there were several items that needed to be considered by the Board and suggested that the Board entertain going into closed session.

Upon a motion by Mr. Piaia, and seconded by Ms. Wilk, the Board unanimously adopted the following resolution, and at 11:20 a.m. the meeting temporarily adjourned to closed session.

WHEREAS, Section 7 of the Open Public Meetings Act, Chapter 231 P.L. 1975 (N.J.S.A. 10:4-8), permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW THEREFORE, BE IT RESOLVED that:

1. The public shall be excluded from discussion of an action upon the specified subject matters.
2. The general nature of the subject matters to be discussed is as follows:
 - Real Property Matter(s)
 - Litigation/Contract Matter(s)
3. It is anticipated that the minutes on the subject matters of the closed session will be made available to the public upon final resolution of agreements on these matters; or conclusion, dismissal or settlement of litigation; and in any event, when appropriate pursuant to N.J.S.A. 10:4-7 and 4-14.
4. The Board may come back into open session and may take further action.
5. This resolution shall take effect immediately.

OPEN SESSION

At 12:40 p.m. the meeting resumed in open session.

Upon motion by Mr. Zubrow, and with unanimous consent, the meeting adjourned at 12:40 p.m.

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 August 15, 2007 meeting.

Michele L. Hansch
Assistant Secretary