



MEMORANDUM

TO: Directors of the Corporation

FROM: John F. Spencer
Chief Executive Officer

DATE: January 26, 2005

SUBJECT: New Jersey Schools Construction Corporation
December Progress Report

Introduction

The NJ Schools Construction Corporation is proud of the teamwork that produced extraordinary results in 2004. The \$8.6 billion school construction program is one of the largest of its type in the nation and the success that we continue to experience comes from staff working together with partners throughout the state toward the common goal of remaking New Jersey's educational infrastructure.

Currently, SCC is investing in 2,708 school projects in 1,784 schools all across New Jersey; it opened 22 new facilities by the end of 2004 in managed districts alone. SCC issued 47 notices to proceed for school designs in 2004 and that work will ultimately yield an estimated \$738.2 million worth of construction work. The Corporation also obligated \$930 million for construction contracts that were similarly granted notices to proceed or notices to award. Maybe even more remarkable than the \$1.7 billion worth of construction and design activity begun last year is the fact that 58% of the design and 39% of the construction contracts value were awarded in 2004 went to small business enterprises.

SCC also issues grants to school districts that receive less than 55% of their funding in state aid and where the Corporation does not manage construction activities. Over the course of 2004, SCC executed 552 grants with 175 school districts in 20 of New Jersey's 21 counties. These projects will impact 416 schools and have combined estimated construction costs of \$1,290,626,524, of which the state will pay \$381,450,961.

Our agency has stimulated the economy by helping to create construction jobs and graduated 490 individuals through its 10 Construction Trades Training Programs. Beyond the tangible benefits to students and faculty of brand new, state-of-the-art facilities in districts throughout New Jersey, SCC provides much needed direct property tax relief for residents of all 21 counties in the state. We are proud of the

accomplishments that were accumulated during 2004, and look to the future to continue the successes.

**SCC, Asbury Park School District Officials Hold
Dedication for Bradley Primary School Expansion**
State Funded, Managed \$8 Million Project



School Superintendent Dr. Antonio N. Lewis and Mr. Robert DiSanto, Board President

SCC representatives and Asbury Park School District officials formally opened a new addition to Bradley Primary School. Students, teachers, parents and community supporters, along with area officials, were on hand.

The event featured a dedication ceremony, ribbon-cutting and tours of the 33,600-square-foot two-story addition. It provides new general classrooms, a science room, a new gymnasium, an art room and a music room for 450 students in Kindergarten through 5th grade in the Monmouth County municipality. The existing 47,000-square-foot school was renovated to add a new heating and air-conditioning system and a new sprinkler system.

This \$8 million project was fully funded and managed by SCC.

The Bradley School expansion, begun in May 2003, was among the first projects undertaken by SCC, which now has 2,500 projects – new schools, additions and renovations – under way statewide.



SSP Architectural Group, Inc. of Somerville, NJ, designed the project. Turner Construction Company of Somerset, NJ, did the addition and renovation. Gilbane



Building Company of Lawrenceville, NJ, is the project management firm.

**SCC Awards Construction Contract
For New Gregory Elementary School in Long Branch**

At its monthly meeting in December, the SCC Board of Directors awarded a construction contract to build the New Gregory Elementary School in Long Branch, Monmouth County.



The new 94,269-square-foot facility will provide 21st century educational opportunities for 550 students in pre-Kindergarten through 5th grade. The school will include 33 classrooms, a cafetorium with stage, computer room, gymnasium, media center/library, art room and music room. The new school will replace the current Gregory Elementary School built in 1924. It is targeted for completion by fall 2006.

Henderson Corporation of Raritan, NJ was awarded the \$24.3 million construction contract at the SCC Board meeting November 24. Greyhawk North America is the project management firm.

Construction Update

Construction Starts

The SCC awarded 8 construction packages in the same number of districts during the month of December for combined construction award amount totaling \$35,328,321. These awards will involve schools in various districts including: Elizabeth, Irvington, Jersey City, Hoboken, Paterson, Vineland and Trenton.

As of December 31, 2004, the SCC has entered into 437 construction contracts that total \$2,055,089,339 since the inception of the program. In 2004 alone, SCC the obligated \$930 million for construction contracts that were granted either notices to proceed or notices to award.

Contractor Procurement

The SCC advertised 37 construction packages for 23 school districts in the month of December, which will impact 71 schools. (Exhibit B.)

Design bids were sought for 4 schools in 3 districts in December as well. (Exhibit C.)

Design update

In December, the SCC awarded 4 design contracts for schools in Elizabeth, New Brunswick, Plainfield and Jersey City. The combined construction cost estimate for these projects should total \$67,439,900.

As of December 31, 2004, the SCC has entered into 271 design contracts with a total value of \$347,686,265, as well as assumed an additional 74 architectural assignments that totaled \$99,636,466.

Predevelopment & Land Acquisition

At the December Board meeting, the directors granted contingent approval for land acquisition to take place for several projects. One such approval was for a 3.25-acre tract of land in Newark to make way for the new Franklin Elementary School. The new school will be a 3-story, 89,000 gross square foot facility that will serve 600 students PreK through 4th grade.

Another acquisition contingently approved at the Board's December meeting was for 2.9 acres also in Newark. This property will be used for the new Northeast Elementary School. The overall project involves a 3 story, 111,389 gross square foot facility with a projected enrollment of 410 students in grades PreK through 4th.

The Directors also contingently approved acquisition of property in Paterson for PS #16. The site is 2.8 acres and adjacent to the existing school. The old school will be utilized until the new structure is occupied and then will be demolished to make way for playfields. The new school will be a 3-story, 98,000 square foot, PreK-8 school designed to serve upwards of 662 students. The existing school is 14,600 square feet and serves approximately 350 students.

As of December 31, 2004, the SCC has entered into 271 site acquisition contracts for appraisals, site evaluations, environmental investigations, title services and actual acquisitions totaling \$296,016,732.

School District Grants

The SCC executed 33 Section 15 grants with 13 districts that receive less than 55% of their funding in state aid. The total project costs for these grants are expected to be \$161,093,572, with a state share anticipated to be worth \$35,615,192 of that total.

Several districts received multiple grant awards in December. Bloomfield in Essex County will receive 10 grants for projects at their schools. The total projects costs are expected to be \$276,758, with a state share of \$110,702. The Edison Township schools in Middlesex County will receive \$789,350 toward 7 projects, worth a total of \$2,785,165. Fair Lawn in Bergen County will receive 4 grants for their schools with total project costs of \$29,717,457, of which the state will pay \$7,350,583.

As of December 31, 2004, the SCC has executed 1,734 Section 15 grant agreements with districts that receive less than 55% of their budget in state aid for total project amounts of \$5,373,769,341, for which the state share totaled \$1,649,304,866. In 2004 alone, 175 districts in 20 counties received \$381,450,961 in direct property tax relief as the state share for projects that totaled \$1,290,626,524.

Office of Diversity and Emerging Business Markets

**SCC, Regional Alliance for Small Contractors
Honor 33 Graduates of Contractor Training Program**

Thirty-three new trainees representing 27 construction firms were recognized at a graduation ceremony in December for successfully completing the Fall 2004 Northern Region Contractor Training Program sponsored by the SCC.



The free eight-week training program, funded by SCC and conducted by the Regional Alliance for Small Contractors (RASC), is designed to teach small, minority, and women-owned firms about good business management practices in order to assist them in competing for SCC school building contracts.

The Fall 2004 Northern Region Contractor Training Program is to lead the participants to new contracting opportunities in Bergen, Morris, Passaic, Sussex and Warren counties. The graduates of the Northern Region Contractor Training Program received certificates during a ceremony at Berkeley College that featured an address by Lee Quinn, Program Manager of the SCC Office of Diversity and Emerging Business Markets. Recipients were introduced by Amy Warren, Program Administrator for the Trenton-based RASC – a leading force for the training and development of small, minority and women-owned construction firms in the tri-state area of New Jersey, New York and Connecticut.

Ms. Quinn discussed the Mentor /Protégé Pilot Program the SCC unveiled recently at a Small Business Enterprise (SBE) Workshop. SCC is developing the program to pair up large construction firms with SBEs to teach them how to grow, participate in larger construction projects and possibly bid on larger jobs as prime contractors. Ms. Quinn also addressed areas of estimating, administration, project management and support.

Consultants hired by SCC offer four contractor-training courses over a two-year period. Each course consists of eight sessions, which are taught by top executives from major firms and other construction professionals. Session topics include: Overview of Construction Practices and Principles; Marketing Construction Services, Becoming Classified/Pre-qualified as Prime Contractors and/or as Subcontractors; Construction Contract Law; Project Management and Project Scheduling; Construction Cost Estimating; Financial Management, Accounting Principles and Banking, Bonding and Insurance; Operational Management and Construction Management; and Preparing to Bid as a Prime Contractor or as a Subcontractor, Overview of the School Construction Program and Upcoming School Construction Program Projects.

SCC has exceeded the state goal for SBE participation. However, more work needs to be done to ensure there is more diversity in the number of small businesses participating in the school construction program. Spencer said SBE participation in SCC construction projects across the State exceeded 33% (\$350 million in SBE participation on \$1.07 billion in construction contracts) from July of 2003 to June 2004.

Other successful SCC programs for SBEs include:

- **Office of Diversity and Emerging Business Markets** – SCC created this office to focus solely on diversity. SCC provided the office with strong leadership and restructured it to reflect the agency’s ongoing commitment to small, minority-owned and women-owned businesses. Through this office SCC has developed a wide variety of programs to assist these SBEs in becoming a part of the program.
- **Bonding and Working Capital Program** – Enhances the ability of small, minority and women-owned firms to compete by acquiring surety bonding and working capital through access to free technical and financial assistance;
- **Owner-Controlled Insurance Program** – Provides general liability and builder risk insurance for companies, including SBEs, who otherwise may not be able to obtain it.

For information about other small, minority and women-owned business assistance programs offered by New Jersey Schools Construction Corporation, visit our website. For details on the curriculum and course schedule or to register, contact Regional Alliance for Small Contractors’ Contractor Training Program (609) 392-5600.

Conferences/Presentations

Public Planning Board Hearing, 12/1/2004, East Orange

Camden Community Meeting on Lanning Square Elementary, 12/2/2004,
Camden

Contractor Training Program Graduation Ceremony, 12/2/2004, West Paterson

NJ Small Business Development Center Success Awards, 12/3/2004, Monroe
Township

Public Meeting for Middle School 6 and ECC 8B, 12/9/2004, Jersey City

Boys Scouts of America Central NJ Council – 2004 Construction Industry Dinner,
12/9/2004, Monroe Township

Parent Forum Memorial School #11 and Grant ES #7, 12/13/2004, Passaic

Parent Forum Jefferson School #1, 12/14/2004, Passaic

Open House – Projects Presentation, 12/15/2004, Orange

Parent Forum Roosevelt Elementary School #10, 12/15/2004, Passaic

Parent Forum Martin Luther King Junior School #6, 12/16/2004, Passaic

Bradley Elementary School Dedication Ceremony, 12/22/2004, Asbury Park

John F. Spencer

Prepared by: George Strachan

Attachments

Construction Bid Advertising and Bid Due Dates as of February 2, 2005

Package #	District	Description of Work	# of Schools	Advertised Web Date	Advertised Newspaper Date	Bid Due Date
PA-0025-E01	Paterson	Cabling, Telephone System, Network Electronics, Servers	4	12/10/04	12/16/04	1/12/05
HU-0021-E01	West NY	Cabling, Telephone System, Network Electronics & Servers	3	12/10/04	12/16/04	1/13/05
JE-0035-E01	Jersey City	Cabling, Network Electronics & Servers	6	12/10/04	12/16/04	1/13/05
NT-0043-E01	Garfield	Network Electronics	2	12/10/04	12/16/04	1/12/05
ET-0024-E01	Perth Amboy	Cabling, Telephone System, Network Electronics	1	12/10/04	12/016/04	1/12/05
NT-0042-E01	New Brunswick	Cabling, Telephone System, Network Electronics	1	12/10/04	12/16/04	1/12/05
ET-0081-E01	Plainfield	Cabling, Telephone System, Network Electronics, Servers	2	12/10/04	12/16/04	1/12/05
ES-0029-E01	East Orange	Cabling, Telephone System, Network Electronics & Servers	3	12/10/04	12/16/04	1/18/05
ES-0001-E01	Irvington	Cabling, Telephone System, Network Electronics & Servers	1	12/10/04	12/16/04	1/13/05
EL-0038-E01	Elizabeth	Cabling, Telephone System, Network Electronics & Servers	1	12/10/04	12/16/04	1/18/05
HU-0023-E01	Hoboken	Cabling, Network Electronics & Servers	1	12/10/04	12/16/04	1/13/05
HU-0022-E01	Union City	Cabling, Telephone System, Network Electronics & Servers	3	12/10/04	12/16/04	1/13/05
NE-0001-E01	Newark	Cabling, Telephone System, Network Electronics & Servers	1	12/10/04	12/16/04	1/18/05
NE-0043-E01	Newark	Cabling, Telephone System, Network Electronics & Servers	7	12/10/04	12/16/04	1/18/05
NT-0032-C04	Clark	Clark Renovation & Addition	4	12/13/04	12/16/04	1/31/05
CA-0014-C01	Camden	Pyne Poynt JHS TCU Foundations and Sitework	1	12/14/04	12/17/04	2/18/05
CA-0014-C02	Camden	Pyne Poynt JHS TCU's	1	12/14/04	12/17/04	1/20/05
WT-0018-E01 RB1	Trenton	Network Equipment & Servers	4	12/14/04	12/20/04	1/19/05

