



MEMORANDUM

TO: Members of the Authority

FROM: Larry Hanover, Senior Public Information Manager

DATE: December 24, 2008

SUBJECT: New Jersey Schools Development Authority (SDA)  
December Progress Report

**Introduction:**

The year 2008 marked a new beginning for New Jersey's school construction program. With reforms and accountability measures in place, the New Jersey Schools Development Authority (SDA) received authorization for an additional \$3.9 billion in new funding. The SDA then developed plans late in the year to expedite school-construction projects in an effort to help stimulate a flagging economy.

On July 9, 2008, Governor Corzine signed legislation authorizing new funds, including \$2.9 billion for new schools and renovations in SDA (formerly Abbott) districts and \$1 billion for the State share of projects in Regular Operating Districts (RODs). The SDA worked in concert with the Department of Education (DOE) to equitably distribute the SDA District funding. The New Funding and Capital Allocation Plan identified 52 projects to be funded for construction and renovation, including 26 new projects and 26 others that previously had been deferred due to a funding shortfall.

The SDA also used previously created reserves to begin addressing more than 100 repair projects deemed emergent for health-and-safety reasons.

Following the Governor's direction to expedite work to stimulate the state's flagging economy, the SDA identified \$1.4 billion in projects that could begin work in 2009.

"I am looking forward to advancing projects to support and create jobs in 2009, putting New Jerseyans to work during this economic crisis," said SDA CEO Kris Kolluri. "Accelerating projects, while using the controls implemented during the Governor's administration, will not only stimulate the economy but produce safe, efficient, quality schools that will benefit the state for generations."

The SDA opened 16 schools in September 2008, benefiting nearly 15,000 New Jersey students. Since its creation in 2007, the SDA has opened 38 schools attended by nearly 30,000 students around the state.

To ensure taxpayer dollars are spent effectively and efficiently, the SDA and DOE collaborated on a Design Review process to ensure that newly approved projects reflect

up-to-date student enrollment projections and educational program needs. The SDA is using Value Engineering to ensure projects are built cost effectively without sacrificing quality.

Another key accountability initiative at the SDA has been the development of project charters. Project charters, developed by project teams, establish the budget, scope and schedule of a project. The project team concept ensures collaboration and includes any and all stakeholders who are critical to the process of meeting performance benchmarks.

The SDA continued to aggressively pursue recoveries in cases of design errors and project delays, as well as to recover environmental remediation costs. It initiated legal action in June against Gilbane Building Co., the project management firm for Neptune's Midtown Community Elementary School, for \$15 million for errors that contributed to the growth and remediation of mold.

### **SDA Events:**

- December 11: Newark's **First Avenue Elementary School** was recognized by the Urban Land Institute (ULI) of Northern New Jersey for sustainable design and New York Construction magazine for green-design features. It is Newark's first new elementary school project managed by the SDA. It was designed by Paulus, Sokolowski & Sartor Engineering and built by Hall Construction Company Inc. PB+3DI managed the project for the SDA. They received ULI's 4th Annual Land Use Award for Sustainable Design Development at a dinner in New Brunswick. ULI is a publication that sponsors development of urban areas and sustainable design to provide students with a healthy educational environment.

First Avenue School also earned an Award of Merit from New York Construction magazine's "Best of '08" awards program featured in the publication's December issue. The school, which opened in September 2007, provides 21st century educational opportunities to 850 pre-kindergarten to 8th grade students.

- December 16: A \$20,997,000 construction contract was awarded to Chanree Construction Company, Inc. for Phase I of Camden's new **Morgan Village Middle School**, which will provide 21st century educational opportunities for 520 students in 6<sup>th</sup> through 8<sup>th</sup> grades. A Notice to Proceed is expected to be issued by mid-January for Phase I, which entails construction of the new building; Phase II will entail demolition of the previous school building.
- December 18: A \$15,160,480 construction contract was awarded to Tamburro Brothers Construction Co., Inc., for the new **Egg Harbor City Elementary/Middle School**, which will serve 364 students in 4<sup>th</sup> through 8<sup>th</sup> grades. A Notice to Proceed is expected to be issued by mid-January.

### **Upcoming Events:**

- January 9: Ribbon-cutting: **Camden Early Childhood Development Center #25**. The Early Childhood Development Center accommodates 444 students. The design includes 37 classrooms for pre-kindergarten and kindergarten students ages 3 through 5.
- January 17: The SDA will have a booth at the Future City Competition Event at Rutgers University's Busch Campus Student Center. The event is aimed toward 7th and 8th grade students who want to pursue careers in math, science and engineering. Students will have the chance to speak directly with professionals at the event, which is centered around a competition where students provide a presentation about their vision for a city in the future.
- January 27: Ribbon-cutting: **Juan Pablo Duarte-Jose Julian Marti School # 28** in Elizabeth. The school, which opened last month, has a capacity of approximately 750 students. The three-story project provides approximately 42 classrooms, including special education, as well as athletic facilities, support programs, technology upgrades, parking and community activities.

### **Construction Update:**

The SDA currently has **18** active construction projects in SDA (formerly Abbott) Districts, **3** active Demonstration Projects and **7** ongoing projects in Regular Operating Districts (ROD). Overall the SDA has completed **585 projects**: **44** new schools; **41** extensive additions, renovations and/or rehabilitations; **21** other rehabilitation projects; **354** health and safety projects; **122** SDA District grant projects; and **3** demonstration projects in SDA Districts. In addition, **19** ROD projects managed by the SDA have been completed. The program also has distributed \$2.2 billion in grants, impacting more than **1,400** suburban ROD schools statewide.

### **Contractor Procurement:**

A construction bid was advertised in December for an early childhood center project in **Pemberton Township**. (Exhibit A)

### **Construction Contracts:**

As of December 24, 2008, the Authority has entered into construction contracts totaling **\$3,529,376,476.45** since the inception of the school construction program in 2002.

  
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Larry Hanover