



## MEMORANDUM

TO: Directors of the Corporation

FROM: John F. Spencer  
Chief Executive Officer

DATE: April 27, 2005

SUBJECT: New Jersey Schools Construction Corporation  
March Progress Report

### **Introduction**

The SCC has established a productive working relationship with the IG to ensure that this independent review is done in a cooperative, thorough and expeditious manner, which will allow us to continue meeting our obligation to New Jersey's children.

In light of the IG's review, the SCC Board decided to temporarily cease any commitments by the SCC that will result in any new financial obligation for the corporation. The Board did not take any approval action at its meeting March 23, 2005, on issues that had been reviewed by the Schools Review Committee (SRC) regarding any change orders, procurement of construction contracts and recommendations for land acquisition.

Moreover, the SCC was able to continue its daily activity throughout March in other areas, including groundbreakings for schools in Union City and Camden, and advertising construction bids for 6 schools in 6 districts, including Camden, Jersey City, Newark, New Brunswick, Union City and West New York. The SCC also executed 37 Section 15 grants that impacted 34 schools in 11 counties with 20 districts that receive less than 55% of their budget in state aid. These grants supported projects totaling more than \$203 million – with a state share totaling more than \$64 million.

Since inception, SCC has committed support to over 2,700 school construction projects at nearly 1,800 schools, completing \$660 million in health and safety projects at over 350 urban schools. SCC is building early childhood education centers, launching school-based community revitalization efforts and strengthening the economy by creating employment and business opportunities for companies large and small.



## **Groundbreaking Held for Union City's New Early Childhood Education Center**

Groundbreaking ceremonies for Union City's Early Childhood Center were held March 22, 2005 as state and local officials joined representatives of the New Jersey Schools Construction Corporation (SCC) to herald the start of construction on the newest, and one of the largest, early childhood centers in the region.

"We are committed to providing the very best pre-kindergarten programs, and this new school will go a long way toward helping the young children of Union City to begin their education in the best possible," said Union City School Superintendent Stanley Sanger.

The new center, to be built on the site of a former funeral home on Kennedy Blvd. and 22<sup>nd</sup> Street, is a 38,000-square-foot facility that is expected to be completed by fall 2006. A new 1,000-square-foot health-screening center and a 2,800-square-foot multi-purpose room will make this school a centerpiece of community activity. Other features of the new school will include 18 general classrooms, computer stations in every classroom, a 3,600-square-foot playground area, a laundry room, a 1,500-square-foot kitchen, radiant heated classroom floors and toilet facilities in each classroom.

The \$13 million project, funded entirely by the SCC, will accommodate between 243 and 270 students daily.

Currently, the school district provides the majority of its Pre-K programs to some 1500 students through private community providers. At present, these Pre-K facilities are open 10 hours per day, 245 days a year, at no costs to families.



***Union City Early Childhood Center Fact Sheet***

- \$13 million project funded entirely by the NJ Schools Construction Corporation
- One of the newest and largest early childhood centers in the region
- 38,000-square-foot facility to be completed in the fall of 2006
- Center will accommodate between 243 and 270 Pre-K students
- Small class sizes, with 18 general classrooms
- Computer stations in every classroom
- 1,000-square-foot health screening center
- 3,600-square-foot playground area
- Laundry room
- 1,500-square-foot kitchen
- 2,800-square-foot multi-purpose room
- Radiant heated classroom floors
- Toilet facilities in each classroom
- ADA compliant



## **‘New Beginnings’ Groundbreaking Ceremony Kicks Off New Schools Planned in Camden**

Students, teachers and community supporters joined representatives of the Camden City School District, the City of Camden, New Jersey Schools Construction Corporation (SCC) and Don Todd Associates on March 23, 2005, for a ceremonial groundbreaking ceremony on the site of Camden’s New Early Childhood Development Center (ECDC). The event – dubbed “New Beginnings” – marked the initial phase of a proposed district-wide expansion of schools slated to be fully funded and managed by the SCC through the New Jersey’s unprecedented \$8.6 billion school construction program.

New schools slated to be built in Camden over the next few years at an approximate cost of \$255 million include new construction, additions and substantial renovations. The school projects are consistent with Camden City’s redevelopment efforts and embrace every section of the city. The first round of schools proposed include: the Early Childhood Development Center, Dudley Elementary School, Morgan Village Middle School, H.B. Wilson Elementary, Washington Elementary, Cooper’s Poynt Elementary School, Lanning Square Elementary School, Pyne Poynt Family School, Molina Elementary School and Catto Elementary, a SCC demonstration project.

## **Construction Update**

**As of March 31, 2005, the SCC has entered into 465 construction contracts that total \$2,323,440,366 since the inception of the program.**

## **Contractor Procurement**

In March 2005, the SCC advertised 6 construction packages for 6 school districts that will impact 6 schools. (Exhibit B.)

## **Design update**

**As of March 31, 2005, the SCC has entered into 276 design contracts with a total value of \$362,238,330 as well as assumed an additional 75 architectural assignments that totaled \$101,107,318.**

## **School District Grants**

In March 2005, the SCC executed 37 Section 15 grants with 20 districts that receive less than 55% of their funding in state aid. The total project costs for these grants are \$202,870,267, with a state share worth \$64,165,379 of that total.

Several districts received multiple grant awards in March. They include Bayonne in Hudson County, which will receive grants for 3 school projects costing a total of \$41,584,795, with a state share of \$10,538,419. Upper Freehold Regional in Monmouth County will receive \$6,412,705 in grants for 2 school projects totaling \$38,998,901. Maple Shade Township will receive \$8,874,129 in grants for 4 projects totaling \$28,081,268. Washington Township in Gloucester County will receive \$6,774,742 in grants for 2 projects totaling \$13,029,588. Cape May County Special Services District will receive \$1,001,586 in grants for 5 school projects totaling \$2,503,963.

**From its inception in 2002 through of March 31, 2005, the SCC has executed 1,888 Section 15 grant agreements with districts that receive less than 55% of their budget in state aid. Total project costs amount to \$5,850,843,655, for which the state share totaled \$1,788,384,083. In 2005 alone, 47 districts in 19 counties have been earmarked for \$128,332,094 in direct property tax relief as the state share of project costs that totaled \$434,395,636.**

## **SCC Office of Diversity and Business Markets Meeting & Exceeding Goals, Objectives for SBEs**

In just two years, the New Jersey Schools Construction Corporation's (SCC) Office of Diversity & Emerging Business Markets has shown tremendous progress in meeting and exceeding mandated small business participation goals of a minimum of 25% for all contract award values. A recent review of SCC's contracting performance shows that 39% of all SCC construction contracts released in 2004— \$365 million out of \$930 million in total contract award dollars—have gone to certified Small Business Enterprises (SBEs). Nearly 60% of SCC's design contracts in 2004 have been awarded to SBEs, \$46.7 million out of a total contract award value of \$80.8 million.

“While we're extremely proud of the work we've done to ensure that small businesses, and those owned by minorities and women, are given real opportunities to take part in the state's school construction initiative, we want to do even more” said Jack Spencer, CEO of the Schools Construction Corporation.

“The road to reaching these performance levels hasn't always been easy, but it has always been gratifying.”

Despite an agreement by the State of New Jersey that ended public contract set-asides for women-owned and minority-owned business, the SCC has exceeded its goals for small business participation. Through innovative programs like its Contractor Training Program, Bonding & Working Capital Assistance Program, SBE Contract Carve-Out Program, and public outreach efforts, the SCC has worked hard to meet its mandate to ensure small, women-owned and minority-owned businesses are a part of the agency's efforts to build state-of-the-art schools throughout New Jersey. Additionally, the SCC has undertaken an initiative to create a Mentor/Protégé Program that will be implemented in the near future.

“Our success at ensuring a high level of small business participation is certainly due to the programs we've developed and staff commitment,” said Kellie Drakeford, Director of the SCC's Office of Diversity & Emerging Business Markets. “However, we cannot take all the credit. Much credit goes to all of our stakeholders in the process.”

*\*Please visit our website to read the entire March/April 2005 issue of SCC's Diversity Digest in which this story originally appeared. The issue also features articles about MZM Construction & Management Co., a Newark-based SBE; the SCC's Workforce Training Program; the Garfield School District; and Myers Construction Co., a Palmyra firm having success with the SCC's Surety Bonding Program.*

***The Office of Diversity & Emerging Business Markets is dedicated to increasing the availability and accessibility of school construction opportunities for small, women and***

*minority-owned businesses and individuals in New Jersey. For more information on how you can be part of our effort to build a better New Jersey, contact Kellie Drakeford, Director, Office of Diversity at (609) 292-1680*

**Conferences/Presentations**

Regional Alliance for Small Contractors, 3/3/2005, New York City

Greater Newark Business Development Consortium, 3/9/2005, Newark

Harrison Planning Board Meeting, 3/9/2005, Harrison

NJ Small Business Development Center, 3/10/2005, Camden

Public Meeting to Discuss New Magnet School, 3/10/2005, Camden

American Council of Engineering Companies of NJ, 3/16/2005, New Brunswick

Clayton Block "Edu-Tech" Forum/Trade Show, 3/16/2005, Princeton

Dedication Ceremony for the New Donald Stewart Center for Early Childhood Education, 3/16-17/2005, Elizabeth

2<sup>nd</sup> Annual Invest in Camden Day, 3/18/2005, Camden

Camden Construction Projects Update, 3/23/2005, Camden

Women in Housing and Finance (WHF), 3/24/2005, New Brunswick

Camden Community Meeting Regarding Proposed New Morgan Village Middle School, 3/24/2005, Camden

NJ Schools Construction Corporation & The Regional Alliance for Small Contractors, 3/24/2005, Paterson

Engineering News Record Awards Dinner, 3/30/2005, New York City

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John F. Spencer

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Attachments

