

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD MEETING  
WEDNESDAY, JANUARY 4, 2012 AT 9:00A.M.  
ONE WEST STATE STREET, 1 WEST BOARD ROOM, TRENTON, NJ

AGENDA

**1. Notice of Public Meeting**

**2. Roll Call**

**3. Approval of Meeting Minutes**

- a. Board Regular Open Session Minutes of December 7, 2011
- b. Board Executive Session Minutes of December 7, 2011

**4. Authority Matters**

- a. CEO Report
- b. Chairman's Report

**5. Report and Recommendations of the Audit Committee (Chairman's Report)**

**6. Report and Recommendations of the School Review Committee (Chairman's Report)**

- a. Change Orders/Amendments

1. COMPANY NAME: Wallace Brothers, Inc.  
DISTRICT: Trenton  
CONTRACT NO.: EP-0051-C01  
PMF/CM: NA  
SCHOOL NAME: Trenton Central High School  
CHANGE ORDER NO.: 1  
REASON: Credit for Unused Funds  
AMOUNT: (\$27,406.49)  
CONTRACT STATUS: 54 % Paid to Date against the Current Contract Value  
PROJECT SCHOOL  
OCCUPANCY DATE: July 28, 2011

2. COMPANY NAME: Promedia Technology Services, Inc.  
DISTRICT: Camden City  
CONTRACT #: CA-0010-E01  
PMF/CM: NJSDA  
SCHOOL NAME: Morgan Village Middle School  
CHANGE ORDER No.: 2  
REASON: Change in Scope  
AMOUNT: (\$ 86,602)  
CONTRACT STATUS: 73.7% Paid to Date Against the Current Contract Value

**7. Monthly Reports**

- a. For Informational Purposes
  - i. Project Status Report
  - ii. Contracts Executed Report/Amendments & Change Orders Report
  - iii. Contract Termination Report (*no activity*)
  - iv. Settlement Activities Report
  - v. Jobs Report
  - vi. Contractor and Workforce Compliance Report
  - vii. Monthly Financial Report (November 2011)
  - viii. Emergent Reserve Balance Summary
  - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$250,000  
(*no activity to report*)
  - x. Communications Progress Report
  - xi. Regular Operating District Grant Activity Report
  - xii. Active Project Status Report
  - xiii. Project Close Out Status Report

**8. Public Comment**

**9. Executive Session**

- a. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)

**10. Adjournment**

**APPROVAL OF MEETING MINUTES**

**DECEMBER 7, 2011 Regular Open Session Minutes**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, DECEMBER 7, 2011**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA”, “NJSDA” or “the Authority”) was held on Wednesday, December 7, 2011 at 9:00 A.M. at the offices of the Authority at One West State Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman  
Maureen Hassett (NJEDA)  
Kevin Luckie (NJDCA)  
James Petrino (Treasury)  
Bernard Piaia (NJDOE)  
Kevin Egan  
Lester Lewis-Powder  
Michael Maloney  
Joseph McNamara  
Robert Nixon  
Martin Perez

being a quorum of the Board. Mr. Petrino, Mr. Lewis-Powder, Mr. Egan, Mr. Perez and Mr. Piaia participated in the meeting by teleconference.

Marc Larkins, chief executive officer; Jason Ballard, chief of staff; Jane Kelly, vice president and assistant secretary; Andrew Yosha, vice president; Donald Guarriello, vice president and chief financial officer; Albert Barnes, senior counsel; Sean Murphy, manager; Ritchard Sherman, director; Thomas Schrum, director; Karon Simmonds,

director, of the SDA; and Nicole Crifo of the Governor's Authorities Unit participated in the meeting.

The meeting was called to order by the Chairman, Mr. Walsh. Mr. Walsh 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 that a meeting notice had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

### *Approval of Meeting Minutes*

Mr. Walsh then presented the minutes of the meeting of the Board held November 2, 2011 for consideration and approval. He noted that presented for Board consideration are the minutes of the Board's November 2, 2011 Open and Executive Session meetings. A copy of the minutes and a resolution for Board consideration and approval were provided to the Members for review in advance of the meeting. Upon motion duly made by Ms. Hassett, and seconded by Mr. McNamara, the November 2, 2011 Open and Executive Session meeting minutes were approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibits 3a/3b*.

### *Authority Matters*

#### *CEO Report*

Mr. Walsh asked Mr. Larkins to provide the report of the CEO. Mr. Larkins informed the Members of recent SDA activities and events. First, Mr. Larkins reported that Mr. Yosha and his staff would be presenting a PowerPoint update regarding the standardization and Kit of Parts ("KOP") process. He mentioned that the presentation was presented to the School Review Committee ("SRC") last month.

Next, Mr. Larkins advised the Committee that he recently attended two events and noted that the first event was the Alliance For Action sponsored Construction Forecast. He reported that the event was held at the Trenton Marriott and that he discussed SDA's forecasted construction activity. Mr. Larkins said that the second event that he attended was a community meeting in the Elizabeth school district regarding the Victor Mravlag School project which, he noted, is back underway. Mr. Larkins further reported that on Monday, December 5, the SDA advertised its first project in the 2011 Capital Program. He reminded the Members that, in March, the SDA had announced that there would be two projects making their way into construction phase in 2011. He said that the second project for advertisement is anticipated to be released in the next two weeks for the Long Branch Catrambone Elementary School in the Long Branch school district. He noted that the SDA is excited about moving the projects forward. Mr. Larkins then asked Mr. Yosha and Mr. Sherman to begin their PowerPoint presentation on the standardization and KOP efforts. He also asked that Mr. Yosha provide the Members with an update regarding the status of the emergent program. Mr. Yosha began by offering additional thoughts regarding standardization which, he noted, is a key element of the 2011 Capital Program. He explained that the SDA is pursuing standardization in several ways, and that one of the methods involves a "phased approach". He announced that one of the standardization elements is the issuance of materials and systems standards which, he noted, were produced by SDA staff. He said that the information can be found on SDA's website. In addition to the information on the website, Mr. Yosha said that there is a comprehensive table of contents, which offers additional information that will follow the information currently available on the website. In continuing, Mr. Yosha reported that

another significant element is the development of the KOP for use on SDA projects. He said that this element is also the work product of SDA staff. Mr. Yosha said that the SDA has formed a design studio, inclusive of architects and educational facilities planners, as well as staff that has been in communication with the districts. Mr. Yosha then asked Mr. Sherman to begin the PowerPoint presentation. Mr. Sherman then offered the PowerPoint presentation of the SDA's KOP development process. He said that the presentation would detail the following elements: model programs, component elements ("building blocks"), model educational specifications ("Ed Specs"), current/future applications and next steps in the KOP process. He reminded the Members that the SDA's 2011 Capital Program had signaled a movement towards standardization and specifically addresses the notion of a KOP procurement, which will be undertaken using in-house resources. Mr. Sherman noted that the use of in-house resources will allow for more consistency. He said that the SDA is already seeing some benefits in this regard. He said that the process will also enable the SDA to provide more quality facilities in a more cost effective and timely manner. Mr. Sherman added that the standardization process will also allow the SDA to advance projects in early design phases more rapidly than in the past. Mr. Sherman said that once the first wave of projects rollout, there is the potential to build on these designs as they are completed. Mr. Sherman defined the basic elements that make up the KOP to include interaction with the Department of Education ("DOE") and the districts in order to establish standardized models. He said that another required element is the Ed Specs. He said that the working group has put a lot of time and effort into the process and that the process is made up of the following components:

- 1) a more narrative description of what each space is used for and what kinds of activities

the space would support, and 2) a “room fit out list”, which is comprised of a detailed listing of furniture, fixtures and equipment (“FFT&E”) for each space. Mr. Sherman said that at the very early stages of a project the SDA is being extremely clear and straight forward regarding what the Authority is responsible for providing, what is provided through special programs like FFT&E and what the district is responsible for providing. Next, Mr. Sherman presented slides of the various prototype models. He then presented slides applying the prototype models to specific projects that are in various stages of advancement, as well as projects that are still being discussed with the districts. He reported that the project furthest along is the replacement school for New Brunswick Redshaw (“Redshaw”). Mr. Sherman then gave a description of the elements of the Redshaw design to the Members. Mr. Sherman then referenced and gave a descriptive overview of the design for the Jersey City New Elementary School project. He said that the test fit is currently being reviewed. Next, Mr. Sherman presented a slide pertaining to the project for Newark Oliver Street and reported that the project is currently being vetted for the KOP model. Mr. Sherman then referenced a slide for Paterson PS #16 (“PS #16”) and reported that SDA staff recently met with the district to review the project in detail for the KOP model. Next, Mr. Sherman referenced a slide regarding the Bridgeton Cherry Street Elementary School and reported that SDA staff recently met with the district to discuss use of KOP. He noted that the SDA is vetting the utilization of KOP not only for new projects, but also for potential use on addition/renovation projects. In summarizing, Mr. Sherman reported that, with regard to KOP, the SDA is still vetting some issues with DOE relative to the Ed Specs. He said that programs have been finalized and that room layout plans that are relying on fit outs are being finalized. Mr.

Sherman further noted that the KOP elements have largely been finalized, but are still in the final stages of discussion. Mr. Sherman said that, when using the KOP approach, the SDA will supplement in-house resources by engaging site environmental consultants when SDA staff does not possess a necessary skillset. He said that through utilizing SDA staff and site environmental consultants, projects will be taken through conceptual and schematic design phases, inclusive of securing DOE schematic approval, as well as preliminary DCA approval. Mr. Sherman then reported that the SDA is vetting potential use of design/build delivery. He noted that upon preliminary design approval and final design approval by DCA, the project would move to construction and ultimately the closeout process.

Mr. Larkins thanked Mr. Yosha, Mr. Sherman and their staff for their efforts. He stressed that this is an accomplishment as the availability of material and system standards provides a new tool that the SDA did not previously possess. Mr. Larkins added that another aspect of the process is working with DOE to finalize Ed Specs to deal with room fit outs and different delivery responsibilities. Mr. Larkins noted that this process is the first step towards advancing SDA projects. He then asked Mr. Yosha to give an update with regard to the project schedule, specifically, when the SDA would be able to advertise the 2011 Capital Program projects. Mr. Larkins noted that, included among the meeting materials is a new report regarding the status of the 2011 Capital Program projects. Mr. Yosha referenced the 2011 Capital Program report previously mentioned by Mr. Larkins and informed the Members that the report identifies the projects that are candidates for the KOP model. He said that the report also identifies the schedule for projects that will be advertised for construction. He used Redshaw as an

example and noted that site investigation work is ongoing there. Mr. Yosha identified the report, which can be found in the materials previously provided to the Members. He referenced page 141 of the materials and gave an overview of the report. Mr. Yosha then opened the floor for questions. Mr. McNamara asked if actual bids are going out for construction for the Jersey City and New Brunswick projects since they are in early design phase. Mr. Walsh replied that those projects would be advertised if they are considered for design/build. Mr. Yosha agreed with Mr. Walsh and noted that the KOP development would lead to projecting construction to a design/build engagement, which would ultimately be a construction contract. Mr. Walsh suggested that at January's SRC meeting, the Committee discuss the construction process in detail. Mr. Maloney asked if the KOP would be expanded to go "green". Mr. Yosha replied that the detailed elements of the design that are inclusive of going green are representative of projects approaching the LEED standard and requirement which, he noted, would be something that would be further reviewed in terms of using the design/build model. Mr. Walsh had a question regarding mechanical electrical plumbing ("MEP") and inquired as to whether the MEP work would be done through a vendor since it would not be done by in-house staff. Mr. Yosha replied that the tie to the materials and systems standards is how the work coordinates with MEP. He said that the designs to be further developed in a design/build engagement would have to build upon the KOP and be inclusive of the standards for materials, equipment and systems. Mr. Sherman added that the SDA has mechanical engineers on staff and they are part of the design team in terms of conceptual design. He said that to do bridging documents, the SDA anticipates that there will be a need to be more specific in terms of the system requirements. He said that it is anticipated that the

SDA will have conceptual mechanical plans as a part of the process. Mr. Maloney asked if the architectural plans would be shared with the Members. Mr. Larkins replied that some of the standards have been published on SDA's website. After discussion, Mr. Walsh suggested that at the next SRC meeting, details be provided to the Committee with regard to moving forward with MEP and that there should also be a "green" discussion along with a summary of steps on design/build.

Next, Mr. Yosha presented an overview of the 2011 Emergent Project Program. Mr. Yosha reminded the Members that with approval of the 2011 Capital Program, the need for emergent work was recognized and the Board allocated \$100 million to fund future emergent projects. Mr. Yosha referenced Mr. Voronov's memorandum and gave a report on the fundamental considerations underlying the program. In continuing, Mr. Yosha informed the Members about the various steps that comprise the program., Mr. Yosha noted that one of the steps requires sending a letter to all SDA districts requesting that they complete a spreadsheet provided by SDA and detail health and safety capital maintenance projects that they believe represent "emergent conditions". Mr. Voronov informed the Members that, upon sending the letter to the districts, the SDA held a joint SDA/DOE conference call, providing the districts an opportunity to ask any questions they may have regarding completion of the spreadsheet. He said that a summary of the questions and answers from the conference call were then shared with the districts. Mr. Voronov further reported that SDA and DOE staff met on June 29 and July 5 to perform a preliminary review of the reported conditions that are outlined in Mr. Voronov's memorandum. Following discussion, Mr. Maloney inquired as to how the emergent list would be prioritized. Mr. Larkins explained that SDA staff is working on project

prioritization. He explained that the SDA will be sending the districts a holistic communication by end of year with regard to which potential emergents have been rejected and which are still being considered. Mr. Larkins said that funding will also come into consideration. He noted that the emergent projects will be prioritized based on which projects have the greatest need. He said that timing would also be an issue as, e.g. boiler work would be timed differently from roof repair. Mr. Maloney inquired as to whether the SDA is prepared for liability issues if e.g. a district needs a roof, but the SDA did not deem it emergent. He asked if in a situation where the district does not have money to fix the roof, they can appeal a denial and, if so, would the SDA face liability issues. Mr. Larkins noted that Mr. Maloney's concern is very pertinent, but there is still the matter of limited funding. He said that the law allows the districts to use some of their own funds up to a threshold of \$500,000 to do their own work. Mr. Larkins said that the SDA would work as closely as possible with the districts and DOE to address the districts' emergent situations. Mr. Larkins stressed the difference between an emergent project and "emergency", noting that the district is responsible for stabilizing any emergency situation. He reminded the Members that, prior to March 2011, emergent funding was close to being exhausted and if the SDA did not make changes to the 2008 Capital Program, there would have been few, if any, emergent projects that the SDA could have addressed moving forward. Mr. Larkins stated that it had been the recommendation of the SDA, with Board approval, to put additional funding into the emergent pool. After further discussion, Mr. Larkins informed the Members that, upon conclusion of discussions with DOE, the SDA would submit the emergent projects list to the SRC for consideration.

### *Chairman's Report*

Mr. Walsh then provided the Chairman's report. He advised the Members that he has had discussions with Mr. Larkins regarding the 2012 budget. He said that he had nothing further at this time to report and extended an invitation to the Members to call or email him if they have any issues or concerns that need to be addressed.

### *Audit Committee Report*

#### **2012 Proposed Operating Budget**

Mr. Walsh then asked for the report of the Audit Committee. Mr. Nixon advised the Board that the Audit Committee ("AC") met on November 21, 2011. He said that, over the last couple of months, the Committee has been discussing the proposed 2012 Budget ("Budget") from its predevelopment through its development. He reminded the Members that the proposed Budget was previously reviewed at the November Board meeting. He said that, after discussion, at Mr. Walsh's suggestion and with the AC in agreement, the budget discussion was opened up to all the Members of the Authority. He said that many of the Members participated in conference calls so that questions regarding the proposed budget could be raised and any concerns addressed. Mr. Nixon then gave a brief overview of the Budget. He noted that, in its entirety, the Budget reflects a 16% reduction from the 2011 Operating Budget and, if viewed over the last number of years, reflects a 25% reduction from the 2009 Operating Budget. He pointed to six (6) cost reductions and/or avoidances contained in the Budget as proposed and noted them as follows: 1) there are 50 fewer employees than last year, representing a \$3.9 million savings; 2) a cost avoidance of \$2.6 million as the result of staff self-performing the duties of Construction Manager ("CM"); 3) the insourcing of the Small

Business Enterprise training program for a \$500,000 savings; 4) a more stringent review of change orders and amendments which will result in an approximate \$1.4 million in cost avoidance; 5) a variety of policy changes that have resulted in savings and 6) an aggressive pursuit of rebate/incentive monies resulting in \$2.9 million recovered by the SDA from various e-Rate, utility and hazardous discharge site remediation funds. Mr. Larkins said that the KOP, standardization and the emergent program that was presented earlier in the meeting is also relevant to the Budget discussion. He stressed that, when taking into account the reductions the Authority has achieved, it is important to recognize that the organization itself is performing more work. He said that much of the work that is being performed by the SDA was historically performed by outside vendors. He noted that, typically, Project Management Firms (“PMFs”) were hired to handle much of the project related work, including some of the emergent projects. He said that, at its peak around 2005, the organization was spending approximately \$100 million for outside services. He noted that there has been a strong move away from the use of PMFs, not only for cost savings reasons, but in response to audit recommendations encouraging the SDA to move away from the use of PMFs and towards utilization of in-house staff to perform certain functions. He then said that, over time, the organization has taken on more work internally and this has increased exponentially during this past year. He stressed that these factors are important to note as the Authority is trending down and he wanted to recognize the tremendous effort that staff has put forth. He noted that the public will see the fruits of these efforts over time. He said that the Board should be proud of the KOP, standardization and emergent projects efforts along with the gearing up of projects. Mr. Larkins then referenced the employee benefits line item. He noted

that this line item has remained stagnant even though the Authority is down fifty (50) people. He said that this is due mainly to the increase in healthcare and pension costs. He advised that some offset will be realized with the recent changes in the law that require employees to contribute a little bit more towards those line items. He said that he is mentioning this as it is the largest piece of the budget. He said that for next year's budget, the Board should anticipate a "trueing up" of costs. He explained that what is happening now is that salaries are covered in their entirety in the operating budget. He said that what should happen and what is being planned is an effort to track such costs back to specific projects. He explained that when employees are working on specific projects, the Authority will track those costs back to those projects, and this will ultimately impact the operational budget. He said that this approach will also provide a truer picture of what it costs to advance a project. Mr. Larkins noted that adjustments to the Budget will be made over the course of the year. He then asked that the Members approve the proposed 2012 Budget. Mr. Walsh noted that most of his conversations with Mr. Larkins have centered on what staff is doing now versus what they have been doing in the past. He said that the PMF discussions would be continuing at the next SRC meeting regarding in-house capabilities. He said that those discussions would be centered on the least expensive and most efficient ways of running each project. Mr. McNamara noted that the teleconference calls regarding the Budget were most helpful in not only providing details regarding the figures in the Budget but the philosophy behind the approach the Authority is taking. Ms. Hassett asked what the headcount is today. Mr. Larkins replied that there are now approximately 256 Authority employees. Ms. Hassett then asked to what the 16% reduction from the 2011 operating budget could be

attributed. Mr. Larkins replied that a large portion of the 16% reduction is due to the reclassifications of costs in an effort to “true up” costs. By way of example, he said that legal expenses are now tracked to a specific project and are no longer part of the operating budget. Ms. Hassett then said that tracking costs in a different manner doesn’t necessarily translate to actual cost savings. Mr. Larkins replied that the Authority has achieved an actual reduction in that line item in terms of dollars but as it relates to the budget itself, she is correct. Mr. Perez asked how much of the 2011 budget represented performance based compensation adjustments. Mr. Larkins responded zero. Mr. Walsh asked if there were any more questions regarding the Budget. Hearing none, upon a motion by Mr. Nixon and seconded by Ms. Hassett, the proposed 2012 Budget was approved by the Board.

A resolution pertaining to the 2012 Budget had been provided to the Members in advance of the meeting. The resolution approved by the Board is attached hereto as *Exhibit 5a*.

***Owner Controlled Insurance Program II (OCIP II) Contract Amendments to Extend Contract Term for an Additional Two Years (GP-0106-R02)***

Mr. Nixon then discussed proposed amendments to SDA’s OCIP II program. Mr. Nixon referenced materials that had been previously provided for the Members to review. He noted that the proposed changes would amend the SDA’s various OCIP II insurance policies to extend the enrollment term for an additional two (2) years. He explained that the proposed changes would also extend OCIP II administration services through March 31, 2014 at a cost not to exceed \$700,000, and brokerage services at a cost of \$150,000. He advised that Karon Simmonds was present to answer any questions the Members

might have. Mr. Walsh inquired as to whether the OCIP is something the Authority has on all projects. Ms. Simmonds responded in the affirmative. Mr. Walsh asked if there was ever any discussion regarding the contractors covering the insurance on their own. Ms. Simmonds replied that the only projects the SDA does not insure are those that involve environmental remediation as the OCIP coverage doesn't include environmental liability. Mr. Walsh then asked if, once this coverage is approved, a project is precluded from opting out of coverage if a contractor could provide coverage less expensively. Ms. Simmonds said that theoretically that is an alternative but it is not really a practical option given the constraints of this program since it was pre-purchased with minimum premiums. Mr. Walsh asked if utilization of the design/build method would change things. Ms. Simmonds replied in the negative. She said that the cost would be purely on the construction costs and not the design costs. She explained that the design/builder would compel their architect of record to provide that front line of professional liability. Mr. Walsh then asked if the cost was based on volume. Ms. Simmonds answered in the affirmative. She then said that the SDA has taken the time to realign how the program will move forward. She noted that this same approach was taken with the OCIP program. She explained that the OCIP was pre-purchased on the basis of the 2008 Capital Plan which consisted of 52 projects and approximately \$2 billion of construction volume. She said that as it became obvious that the SDA was not going to hit the \$2 billion mark, the insurance company, based on solid information and on their long history with the Authority, was amenable to reducing the minimum premiums from 85% to 60%, which saves the SDA approximately \$5.5 million. She also noted that the provider has agreed to extend the coverage for an additional two (2) years to allow for additional enrollment

of volume which essentially allows the SDA to earn the minimum premiums that will be incurred. She said the provider also extended their services at no additional cost through March of 2014. Ms. Hassett inquired as to whether the Authority was out-of-pocket for the \$2.4 million. Ms. Simmonds said that the policy is paid out quarterly and noted that it is paid out over five (5) years at the 60% reduced figure. Mr. Walsh inquired as to the duration of the previous contract. Ms. Simmonds responded that the OCIP I was purchased in 2004 and ran for three (3) years of enrollment, inclusive of a two (2) year run-off. She explained that projects not completed in OCIP I were rolled into OCIP II. Mr. Walsh then asked Ms. Simmonds how many people she has on staff that are involved with the OCIP. She responded that three (3) people are involved in OCIP, noting that one person specializes in overseeing the claims, another oversees the OCIP administrator, and the third oversees the enrollment of the various contractors. She explained that other support staff approve every subcontractor that comes on to a project prior to being enrolled in OCIP as required by the contract. Mr. Walsh questioned why the OCIP company administrator doesn't provide this service. Ms. Simmonds replied that this function is solely the responsibility of the SDA. She added that this function used to be handled by the PMFs. Mr. Walsh asked if there were any other questions regarding the proposed changes to the OCIP. Hearing none, upon a motion by Ms. Hassett and seconded by Mr. Nixon, the proposed amendments and contract extension in connection with the Authority's OCIP II program were approved by the Board.

A resolution pertaining to the OCIP II program had been provided to the Members in advance of the meeting. The resolution approved by the Board is attached hereto as *Exhibit 5b*.

Mr. Nixon then informed the Members that David Milkosky, of Ernst & Young, SDA's financial auditor, had presented the 2011 Audit Plan ("Audit") to the Committee. He explained that Mr. Milkosky outlined the areas of emphasis and the thought process utilized in the development of the Audit and discussed the financial reporting in accordance with the requirements of the General Accounting Standards Board ("GASB"). Mr. Nixon concluded by informing the Members that, at the conclusion of the AC meeting, the Committee had met privately, without management, with the head of SDA's internal audit function, Susan Pacuta and then separately with Ernst & Young in accordance with Executive Order 122.

#### *School Review Committee Report*

#### **Approval of Award - Package No. GP-0175-R01 – Statewide Property Management & Maintenance Services; Package No. ET-0061-N01 – Keansburg-Caruso ES – Demolition, Abatement & Tank Removal; Epic Management, Inc. – Amendment – Columbus ES No. 3**

The Chairman then asked Ms. Hassett to provide the report of the SRC. Ms. Hassett reported that the Committee met on November 21, 2011 and discussed various issues. She referenced materials that were previously sent to the Members for review and gave a brief summary of the approval of award for Statewide Property Management & Maintenance Services. She noted that the agreement provided for Bluegrass Services ("Bluegrass") to be compensated for property management services at a lump sum amount of \$799,968 for a two-year (2) term commencing January 2012. She said that the Members of the Authority are also requested to approve total expenditures estimated not to exceed \$2,000,000 for property maintenance services for a two-year (2) term commencing January 2012. She then asked if the Members had any questions. Mr.

Walsh asked Mr. Murphy for an explanation of the procurement. Mr. Murphy reported that the vendor previously billed hourly rates when performing a service for the SDA. He noted that if the vendor traveled to a site, they billed the SDA for mileage, tolls and parking as well as their hourly rate. Mr. Murphy informed the Members that the management function has changed and that, based on past history, the SDA vetted what the cost should be to perform the services for the given year and negotiated a lump sum amount. Mr. Larkins noted that SDA Safety staff also has a role in site maintenance. Mr. Maloney asked if, by way of example, there was a boiler on a property that needed a stationery engineer, would SDA staff be assigned or would a Bluegrass employee be assigned. Mr. Larkins replied that it would be an individual that Bluegrass would procure that would address the situation. Mr. Maloney asked if a list of Bluegrass' vendors could be provided to the Committee. Mr. Murphy answered in the affirmative. Mr. Walsh inquired as to whether Bluegrass could be involved in some of the emergent project work. Mr. Murphy replied that Bluegrass is limited to work on the SDA properties identified in the request for proposals ("RFP").

A resolution pertaining to the approval of award for Statewide Property Management & Maintenance Services had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Ms. Hassett, and seconded by Mr. Luckie, the approval of award for Statewide Property Management & Maintenance Services was approved by the Board. The resolution approved by the Board is attached hereto as *Exhibit 6ai*.

Next, Ms. Hassett reported that the Committee had also discussed the award for Caruso Elementary School in the Keansburg district. She reported that the award is for

demolition, abatement and tank removal and gave a brief description of the award as outlined in Mr. Murphy's memorandum. Mr. Murphy noted that there was an abundance of bids submitted for the award.

A resolution pertaining to the approval of award for Keansburg Caruso Elementary School for demolition, abatement and tank removal had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Piaia, and seconded by Ms. Hassett, the approval of award was approved by the Board. The resolution approved by the Board is attached hereto as *Exhibit 6aii*.

Next, Ms. Hassett provided a brief summary regarding the amendment for Epic Management, Inc. ("Epic"), for Columbus Elementary School #3 ("Columbus ES #3") in the Union City school district. She informed the Members that the SDA is pursuing cost recovery in connection with this matter. Mr. Walsh inquired about the timeframe of the rock excavation on the project. Mr. Schrum reported that the rock excavation began in 2009. He reported that the methodology that Epic used proved to be inefficient, and is currently a claim being handled by the Office of Chief Counsel. Mr. Schrum further reported that in 2010 Epic took a more conventional approach to rock removal by performing rock blasting.

A resolution pertaining to the amendment for Epic for Columbus ES #3 in the Union City school district had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Ms. Hassett, with Mr. McNamara abstaining, the amendment was approved by the Board. The resolution approved by the Board is attached hereto as *Exhibit 6b1*.

### Public Comments

The Chairman then announced that the Public Comment portion of the meeting would begin. The Chairman reviewed the Public Comment Sign-In sheet and asked Wendy Kunz of the Camden school district to address the Members. Ms. Kunz thanked the Members for the opportunity to share her concerns with the Board. She reminded the Members that she had visited the SDA in October 2011. Ms. Kunz reported that she had four (4) issues concerning the Camden school district to present to the Members. Ms. Kunz then introduced Ms. Susan Dunbar-Bey, President of the Camden Board of Education, who had accompanied her to the Board meeting. Ms. Kunz then discussed the following issues: 1) Ms. Kunz reported that the H.B. Wilson Elementary School has been vacated in order to build a new school. She said that the new school wrapped around the existing school, which is slated to become a playground. She said that the project was approved by DOE and was a fully funded project. Ms. Kunz said that the building has been vacant for more than two (2) years and has been subjected to vandalism, fire, loitering and illicit activity. She reminded the Members that the SDA is still responsible for the building and all that this entails. Ms. Kunz said that she has spoken with SDA management a number of times and the situation has not been addressed; 2) Ms. Kunz then discussed issues regarding the Broadway School (“Broadway”), reporting that it was one of two schools that was reopened and assigned to the students of the Lanning Square School (“Lanning Square”) upon its demolition. She said that it always has been promised that this project would be put on the fast track as an emergent project. She reported that the project has stalled a number of times and did not make it into the 2011 Capital Program. Ms. Kunz noted that the project received DCA approval, but did not

meet the prioritization criteria---a situation she believes is politically motivated. She said that the students from Lanning Square were moved to Fedders School (“Fedders”), which is Camden’s oldest school (built in 1876), and has suffered catastrophic damage, but has been stabilized. Ms. Kunz further reported that Fedders has suffered and continues to suffer structural damage. She said that the SDA has visited the site a number of times and completed a repair project to stabilize the south entrance of the gymnasium. She said that Broadway had a number of repairs, but suffered catastrophic damage due to the recent earthquake. She said that on Tuesday, December 13, the Camden Board of Education will consider a resolution to demolish the building due to its safety hazards. Ms. Kunz stated that it will cost at least \$700,000 to stabilize the building and \$700,000 to demolish it. She said that if the building is stabilized and repaired, Camden will end up with a \$15 million input into a school that is an 1840 educational space that will not work; 3) Ms. Kunz reported that she is getting frustrated attending legislative meetings and SDA Board meetings, as well as having discussions with SDA staff and DOE staff regarding Lanning Square. She said that the school was supposed to be a fast track replacement for an emergent condition. Ms. Kunz said that the students have been bussed to other schools that also have structural issues. She noted that one of those schools was demolished and now students have been bussed to a third school, which is Parkside Elementary School (“Parkside”), a school that is over 100 years old. Ms. Kunz said that Parkside was slated to be closed in 2011. She said that it appears that every time a school has an issue, instead of addressing it, the students are bussed to other schools. Ms. Kunz then informed the Members that the Camden community does not want Lanning Square to become a charter school, which is being politically pushed and would

have selected enrollment. She said that the school should be available to the children of the neighborhood who attended the original Lanning Square. Ms. Kunz then questioned the criteria that was used in selecting the 2011 projects and why Lanning Square was not selected as a project on the 2011 Capital Program when \$10 million has already been spent on the project; 4) Ms. Kunz's last issue was addressed to Mr. Larkins. She informed the Members that Mr. Larkins has been officially invited a number of times to Camden City public schools to speak with the district and tour the schools that she discussed in her presentation to the Members. She said that she cannot understand how people can make decisions for the district without seeing firsthand the conditions in the district. Ms. Kunz stated that, to date, Mr. Larkins has not visited the Camden district at all to meet with the administration and has not toured any of Camden's schools with the exception of one of the new schools. Ms. Kunz said that the most recent invitation was sent to Mr. Larkins two to three weeks ago, with no response from his office. She said that, again, an official invitation is being extended to Mr. Larkins to come and meet with the Board, the administration and to tour the above-mentioned schools. She said that every Camden school, with the exception of the new ones, is in the same condition. Ms. Dunbar-Bey added that the community is extremely concerned about sending its children to schools that could fall down on them. She said that the Lanning Square project is "a must" and that due to the recent earthquake, students have to be bussed to the other side of town. Ms. Dunbar-Bey said that many of those parents do not have transportation and if an emergency occurred, they would not be able to pick up their children. She added that, even with the quick fix, Broadway School is not fit for human habitation. She noted that she toured the school and was appalled by its condition. Ms. Dunbar-Bey said that

she resides in the community where the H.B. Wilson School is located and that Camden has experienced a lot of fires last year. She stated that this is not only putting that building in jeopardy, but the new school is so close to it, that it is also in jeopardy. She reiterated that the school needs to be demolished and that anything the SDA can do to aid in moving these projects along would be greatly appreciated. She noted that it is not realistic to expect children to do well under these deplorable conditions and that she is doing everything she can for the students to get a thorough education. Ms. Kunz then noted that, in the past, Camden did not have a good reputation as far as mismanagement and corruption were concerned, but within the last ten (10) years, Camden has had adequate and exceptional capacity in place to maintain its buildings with the funding if it is available. She said that the district is maintaining and correcting capital maintenance items, but cannot continue to do so due to limited funding. Mr. Larkins noted that, for the record, and with all due respect to Ms. Kunz, her information is incorrect. He said that he has, in fact, visited the Camden district and has toured the schools she discussed. He said that Ms. Kunz was not a part of the visit. Mr. Larkins said that he has made numerous outreach attempts to the Camden superintendent's office, noting that the district superintendents are his liaisons for any dealings with the districts. He added that there are times when representatives from the Board or even facilities representatives show up for meetings but SDA has to liaison directly with the superintendents because they make the decisions with regard to the advancement of projects. Mr. Larkins said that he has not received a response from the superintendent. He said that he just received the letter that Ms. Kunz referenced and the letter did not indicate that he contact anyone. He said that, rather, the letter indicated that someone from the district would make

outreach to him. Mr. Larkins said that all the above-mentioned projects are on SDA's radar and that conflicting information has been received from the Camden district with regard to these projects, which he offered to discuss with her in an offline conversation. He noted that everyone in the district may not share Ms. Kunz's opinion and that he is not in a position to suggest to her what is right or wrong, but that there are definitely conflicting viewpoints with regard to what is best for the Camden district. Mr. Larkins reiterated that the SDA is engaged with Camden's issues and that he has visited the district. Ms. Kunz stated that when she spoke with the deputy superintendent, who is the acting superintendent, he directed her to draft the letter and noted that he has not had any contact with Mr. Larkins. Mr. Larkins said that he will give the acting superintendent a call after the meeting and stressed to Ms. Kunz that he and SDA staff are available. Ms. Kunz again extended a personal invitation to Mr. Larkins to visit the district. Ms. Dunbar-Bey said that she is in agreement with Ms. Kunz's comments and noted that the superintendent has been out since August and that Deputy Superintendent Mills is filling in for the superintendent. She said that the only reason Mr. Mills isn't present today is due to a sudden illness. Ms. Dunbar-Bey reiterated her concerns for the students and the deplorable buildings in which they are being educated. She noted that if there is a conflict, it is not with the Board members. Mr. Walsh noted that a separate meeting needs to take place between the Camden district and the SDA. Mr. Larkins said that the DOE also should have involvement and would also need to be a part of discussions. Mr. Walsh stressed to Ms. Kunz that the Members do hear the concerns of the Camden district and will have further discussion prior to the next Board meeting. Ms. Kunz asked that Mr. Larkins contact her as his schedule permits. Mr. Larkins replied that he would

reach out to the superintendent's office because only the superintendent can speak to the district's needs. He said that he would contact Mr. Mills and if Ms. Kunz can be a part of the discussion that would be fine.

Next, Mr. Walsh recognized representatives of the Statewide Education Organizing Committee - Paterson ("SEOC/PEOC"), an organization consisting of concerned parents from Paterson, New Jersey. Also accompanying the group was Dr. Jonathan Hodges, a member of the Paterson Board of Education. Fernando Martinez of SEOC/PEOC, along with other concerned parents, addressed the Members regarding the Hazel Marshall Street School project ("Marshall Street") and other projects in the Paterson school district. Mr. Martinez said that he didn't want 2011 to end without appearing before the Board to inquire about the status of projects in the Paterson school district. Specifically, he asked what the status of the remediation plan was for the contaminated soil at the Marshall Street school site. He said he observed that new signs had gone up so this morning he called the "1-800 number" that was listed and spoke to a member of SDA's Communications staff. He then asked when construction would begin on the Marshall Street and School No. 16 projects. Mr. Larkins said that Mr. Schrum was present and could respond. Mr. Schrum explained that, at present, the classification of the unsuitable soils is ongoing at the site, as well as work on some footings and foundations, the need for which was initially unforeseen. He added that some geotechnical work is being performed at the site as it relates to the design and advancement of the Marshall Street School. He said that this work has been underway for the last six (6) to eight (8) weeks. He advised that the next step would be the delivery

of the engineering documents sometime in February 2012. He noted that after looking over the engineering documents a better informed decision can be made as to how to deliver the project. Mr. Larkins interjected that if the information comes back as expected, the advancement of the project will begin using the pre-existing design in some form. He said that, barring any drastic findings from the engineering report, the procurement process would take another three (3) to five (5) months. He stressed that everything hinges on the geotechnical report. Mr. Martinez asked if the parents would be able to see the report. Mr. Larkins said that he imagined that at some point the report could be made public. Mr. Martinez then requested that the standardized approach include a cooking kitchen and not just a “free plate” (warming) type kitchen. Mr. Larkins said he would take Mr. Martinez’s suggestion under consideration, but wanted him to know that those types of decisions are generally made by the district. He explained, as an example, that not all districts have the staff to support a cooking kitchen. However, he agreed that Mr. Martinez made a valid point. Mr. Martinez said that even if the staff doesn’t exist at the time the school is built it should be put in because it does not make sense to later have to spend more money to add a kitchen years after a school is built. Mr. Sherman and Mr. Walsh noted that the KOP includes a kitchen. Dr. Jonathan Hodges then addressed the Members and said that he was saddened after listening to the visitors from Camden because, despite what they are going through, the State has said that Paterson has some of the worst facilities in the entire state. He referenced School No. 6. and noted that while recent weather has been nice and warm, he knows that this situation is about to change and the situation with the faulty windows at that school has existed for almost two (2) years. He said that last February the SDA said that this

situation would be taken care of but the entire summer went by and nothing was done at School No. 6. He lamented that the children are going to have to endure another winter which he said is unacceptable. He said that the SDA cannot explain the delay to him and that he cannot explain it to the parents. He then noted that the auditorium at School No. 4 was so badly engineered that a person cannot hear what is going on due to the noise. He said that the space is unusable and that this situation has dragged on for almost two (2) years as well. He said that the atrium at School No. 24 was repaired from the original design with glass blocks that are now all cracking and falling down. He noted that this may be a warranty problem like the floor at the Roberto Clemente School where teachers have fallen due to that condition. He said that the floor is being taken care of because it is a safety issue. Mr. Walsh asked if these issues are on the emergent project list. The answer was in the affirmative. Dr. Hodges said that it cannot take two years to fix windows. He said that this is not reasonable and he cannot explain it to the parents. He said that Paterson has over eleven (11) schools that are over one hundred (100) years old and he is not speaking of those schools today. Rather, he said, he is speaking of new schools. He then referenced the International High School (“International”), stressing that this is a new building. Mr. Larkins noted that the Schools Construction Corporation (“SCC”) replaced the windows at School No. 6. Dr. Hodges said that the replacement windows don’t open and close and do not fit properly. As a result, he said, the wind comes in from all around and through the windows. Mr. Larkins noted that the replacement windows are residential and not commercial. Dr. Hodges said that last October he came to SDA to speak about the window situation and nothing was done and now it is a year and a few months later and still nothing has been done and the children

will have to endure another freezing winter. Dr. Hodges then discussed the ongoing situation at International involving the need for a fire marshal presence and the lack of a certificate of occupancy ("CO"). Mr. Walsh asked if the SCC did the work at International. Dr. Hodges said that the SCC built the school addition with an atrium that did not meet existing code by the time it was built. He said that glass blocks were installed but they are now cracking and this will probably become a warranty issue over time. Mr. Larkins noted that he has been to all of the schools Dr. Hodges mentioned with the exception of School No. 6. Mr. Hernandez then asked what it would take to put an end to the need for a fire marshal at the school. Mr. Larkins said the Authority is finalizing the plans with DCA regarding the atrium issue. He stressed that there are other issues at International and over the summer some of the craftsmanship issue were dealt with. He explained that the smoke evacuation system in the atrium is the reason there currently is a need for a fire marshal. Dr. Hodges noted that the parents standing before the Members today left their homes to come down and make it clear that they cannot continue to live with these conditions. Mr. Walsh said that the Members appreciated them taking the time to address the Board. He then asked if there were any other members of the public present that wished to address the Board. There were none.

After further discussion, upon a motion by Mr. Walsh the Board unanimously adopted the following resolution and the meeting temporarily adjourned to Executive 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.

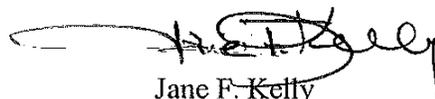
**NOW THEREFORE, BE IT RESOLVED that:**

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:
  - Litigation/Contract Matter(s)
3. It is anticipated that the minutes on the subject matters of the executive 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.

The Members returned to Open Session and discussed the status of the closeout projects. Mr. Ballard reported that the SDA has received two (2) pre-development grants on the demonstration projects and twelve (12) regular, capital and emergent project closeouts in the past month, including transferring some of the property completely off SDA's records. He identified the two pre-development grants as the Vineland Elementary School ("Vineland") and the Cicely Tyson Performing Arts School ("Cicely Tyson") in East Orange. Mr. Walsh asked how East Orange built Cicely Tyson. Mr. Ballard replied that it was a demonstration project and that the district had the redevelopment agency build it. Mr. McNamara added that SDA funded the project.

The Chairman then asked if there were any other topics for discussion. Hearing none, upon a motion by Mr. Nixon, and seconded by Ms. Hassett and with unanimous consent, the Open Session 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 December 7, 2011 meeting.



Jane F. Kelly  
Assistant Secretary

**RESOLUTION—3a. & 3b.****Approval of Minutes**

**WHEREAS**, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

**WHEREAS**, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the December 7, 2011 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions, was forwarded to the Governor on December 13, 2011.

**NOW, THEREFORE, BE IT RESOLVED**, that the minutes of the New Jersey Schools Development Authority's December 7, 2011 Open and Executive Session meetings are hereby approved.

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: January 4, 2011

## AUTHORITY MATTERS

## CEO REPORT

**CHAIRMAN'S REPORT**

**REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE -CHAIRMAN'S REPORT**

**REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE**

**CHAIRMAN'S REPORT**

**WALLACE BROTHERS, INC.**



## MEMORANDUM

6

TO: Members of the Authority

FROM: Ritchard J. Sherman  
Program Director, Program Operations

DATE: January 4, 2012

SUBJECT: Credit Change Order – Wallace Brothers, Inc.

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COMPANY NAME: Wallace Brothers, Inc.

DISTRICT: Trenton

CONTRACT NO.: EP-0051-C01

PMF/CM: NA

SCHOOL NAME: Trenton Central High School

CHANGE ORDER NO.: 1

REASON: Credit for Unused Funds

AMOUNT: (\$27,406.49)

CONTRACT STATUS: 54 % Paid to Date against the Current Contract Value

PROJECT SCHOOL

OCCUPANCY DATE: July 28, 2011

### INTRODUCTION

I am writing to recommend approval by the Members of the Authority of a credit change order in the amount of \$27,406.49 against the remaining balance of Contract EP-0051-C01 for unused funds. A credit change order is the accounting mechanism by which the SDA de-obligates a contract's unused funds. Execution of this change order is necessary for final payment and contract close-out. In accordance with the Operating Authority, approval by the Members is required for emergent project change orders or credit change orders which exceed \$250,000 or 10 % of the contract value. The value of this change order exceeds 10% of the contract value.

### BACKGROUND

The Trenton Central High School, which educates approximately 1,600 students in grades 9 through 12, was constructed in 1931. Following joint site visits by the SDA and DOE in August and September 2008, it was determined by DOE that emergent conditions existed related to the dentils on the pediments at the building's three primary entrances. Other potentially emergent conditions identified by the District are currently under review by DOE and SDA.

On October 2, 2009, the design portion of the work was assigned to Design Ideas Group (DIG). Based upon DIG's investigations and recommendations, construction documents were developed to address the following primary emergent conditions:

- Removal of damaged dentils from three entrance pediments.
- Securing of all loose dentils.

Members of the Authority  
 Change Order No 1 – Wallace Brothers, Inc.  
 January 4, 2012  
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- Patching and waterproofing of masonry joints in those areas.

DIG and SDA staff estimated the construction cost for the work at \$56,522. Because of the unknown conditions of the lintels and the relative low cost of the project, it was decided to contract for the construction services on the basis of time and material for an appropriate not to exceed value.

On June 24, 2011, Task Order Contract EP-0051-C01 was issued to Wallace Brothers, Inc., (Wallace) through the General Construction Services Task Order engagement on a time and material basis for a not to exceed cost of \$59,730.19. Wallace completed the work of this contract in July 2011. Wallace’s actual costs for this work have been verified at \$32,323.70.

REASON FOR CHANGE

Final review of the contract indicates a final payment to the contractor remains after recognizing the values of services rendered. The balance of the remaining funds, subsequent to final payment, represents funds not required for completion of the work of this contract. This proposed credit change order of \$ 27,406.49 is the means by which the remaining unused funds will be de-obligated.

SUMMARY OF CHANGE

The credit change order being presented is to facilitate closing out the NJSDA Contract No. EP-0051-C01 with Wallace Brothers Inc., by finalizing a credit for unused funds which are not required for the Trenton Central High School pediment repairs project.

The remaining amounts for unused funds are as follows:

Original Contract Amount	\$ 59,730.19
Amount Utilized	<u>\$ 32,323.70</u>
Remaining Amount	\$ 27,406.49

Documents supporting this amendment have been reviewed by the associated SDA project team members and Deputy Program Director for adherence to current NJSDA policy and procedures. All reviewing SDA staff members have determined that the amendment is appropriate and necessary.

CALCULATIONS

a. Original Contract Amount	\$ 59,730.19
b. Amendments to Date (excluding proposed amendments)	\$ 0.00
c. Proposed Amendment Amount	(\$27,406.49)
d. Total of Line (b.) and Line (c.)	(\$27,406.49)
e. Line (d.) Represents a Percent of Line (a.)	-49 %
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.)	\$ 32,323.70

Members of the Authority  
Change Order No 1 – Wallace Brothers, Inc.  
January 4, 2012  
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RECOMMENDATION

The Members of the Authority are requested to approve this credit change order, in the amount of \$ 27,406.49, in accordance with the Operating Authority, which requires approval by the Members of the Authority of an SDA Managed emergent project change order or credit change order which exceeds \$250,000 or 10 % of the contract value with recommendation of the Program Director and the Vice President of Program Operations.

For the reasons stated above, I am now recommending approval of Change Order No. 1, crediting the unused portion of the contract to NJSDA, for a total value of \$27,406.49.

Recommended by:

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Ritchard J. Sherman, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations  
Reviewed and Recommended by: Gary Cleveland, Deputy Program Director, Program Operations  
Reviewed and Recommended by: Hugo Horcada, Program Officer, Program Operations  
Prepared and Recommended by: Rick Ferrara, Program Officer, Program Operations

***Resolution—6a1***

COMPANY NAME: Wallace Brothers, Inc.  
 DISTRICT: Trenton  
 CONTRACT NO.: EP-0051-C01  
 PMF/CM: NA  
 SCHOOL NAME: Trenton Central High School  
 CHANGE ORDER NO.: 1  
 REASON: Credit for Unused Funds  
 AMOUNT: (\$27,406.49)  
 CONTRACT STATUS: 54 % Paid to Date against the Current Contract Value  
 PROJECT SCHOOL  
 OCCUPANCY DATE: July 28, 2011

**Resolution**

**WHEREAS**, a credit change order is the accounting mechanism by which the New Jersey Schools Development Authority (“SDA” or “Authority”) de-obligates a contract’s unused funds; and

**WHEREAS**, the SDA’s Operating Authority requires approval by the Members of the Authority for any emergent project change order or credit change order which exceeds \$250,000 or 10 % of the contract value; and

**WHEREAS**, Trenton Central High School, educating approximately 1,600 students in grades 9 through 12, was constructed in 1931; and

**WHEREAS**, following joint site visits by the SDA and the State Department of Education (“DOE”) in August and September 2008, it was determined by DOE that emergent conditions existed related to the dentils on the pediments at the building’s three primary entrances; and

**WHEREAS**, on October 2, 2009, the design portion of the work was assigned to Design Ideas Group (“DIG”); and

**WHEREAS**, upon DIG’s recommendation, construction documents were developed to address primary emergent conditions as set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, on June 24, 2011, Task Order Contract EP-0051-C01 was issued to Wallace Brothers, Inc. (“Wallace”), through the General Construction Services Task Order engagement on a time and material basis for a not to exceed cost of \$59,730.19, based on an estimated construction cost for the work of \$56,522; and

**WHEREAS**, the work was completed in July 2011 at an actual cost of \$32,323.70, necessitating a credit change order exceeding 10% of the contract value; and

**WHEREAS**, all documents supporting this Amendment have been reviewed by the associated SDA project team, Program Director, deputy Program Director, Contract Management Division, the Vice President of Program Operations and Division of Chief Counsel for adherence to current SDA policy

and procedures and it has been determined that the credit change order is justified, that the amount is reasonable and appropriate, and that Board approval is recommended.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve this Credit Change Order No. 1 in the amount of \$27,406.49 to close out the Authority's contract with Wallace Brothers, Inc. (Contract No. EP-0051-C01) in accordance with the Operating Authority limits adopted by the Board.

**BE IT FURTHER RESOLVED**, that this resolution will take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Change Order No. 1, Wallace Brothers, Inc. (Contract No. EP-0051-C01), dated January 4, 2012  
Dated: January 4, 2012

**PROMEDIA TECHNOLOGY SERVICES, INC.**



MEMORANDUM

**TO:** Members of the Authority

**FROM:** Ritchard J. Sherman  
Program Director, Program Operations

**DATE:** January 4, 2012

**SUBJECT:** Change Order – Promedia Technology Services, Inc.

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COMPANY NAME:	Promedia Technology Services, Inc.
DISTRICT:	Camden City
CONTRACT #:	CA-0010-E01
PMF/CM:	NJSDA
SCHOOL NAME:	Morgan Village Middle School
CHANGE ORDER No.:	2
REASON:	Change in Scope
AMOUNT:	(\$ 86,602)
CONTRACT STATUS:	73.7% Paid to Date Against the Current Contract Value

INTRODUCTION

I am writing to recommend approval by the Members of the Authority for Change Order #2 in the credit amount of \$86,602 for changes in the scope of the contract. A credit change order is the accounting mechanism by which the SDA de-obligates a contract’s unused funds. Execution of this change order is necessary for final payment and contract close-out.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, a change order that exceeds \$500,000 or singularly or in the aggregate is greater than 10% of the contract value requires Board approval. The value of this change order exceeds 10% of the contract value.

BACKGROUND

The Morgan Village Middle School project consists of the construction of a new 92,000 square foot facility to educate 520 students in grades 6 through 8. The new school facility was delivered to the district and has been occupied since September, 2011. The delivery strategy for the project’s scope of work included separate engagements for construction of the school and for delivery of technology along with pursuit of an E-Rate rebate for that technology. Promedia was given the Notice to Proceed (NTP) to perform an E-Rate scope of work on February 4, 2008.

Promedia has completed the scope of work and had pursued E-Rate rebate funds by filing in 2008 with the Schools and Libraries Division of the Universal Service Administrative Company, which operates under direction of the Federal Communications Commission. At the time of this

Members of the Authority  
 Change Order – Promedia Technology Services, Inc.  
 Camden City – Morgan Village Middle School  
 January 4, 2012  
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filing, the Camden School District had already received E-Rate rebate funds for facilities’ infrastructure improvements twice in the prior five funding years, and was not eligible for additional rebate funds. Therefore, no rebate funds will issue specific to the Promedia engagement.

REASON FOR CHANGE

This change order is comprised of four elements:

- A credit for the deletion of the PBX phone system, no longer utilized by Camden Board of Education, and replaced by a Voice Over internet Protocol (VOiP) system. The VOiP system was purchased under a separate contract;
- A credit for the deletion of switches associated with the aforementioned PBX phone system;
- A credit due to a streamlined redesign of the Main Distribution Frame (MDF) and Intermediate Distribution Frame (IDF) rooms. Promedia developed a more efficient and cost-effective layout of these rooms without compromising the end-product; and
- An increase and redistribution of Voice, Data, and Video wiring. Receipt of bids for this work preceded a reconciliation of the solicitation documents with the approved DOE technology plan. For this reason, this aspect of the bid was supported by a Proposal Per Unit Price (PPUP). The additional cost recognizes the reconciliation of the wiring and its distribution with the approved DOE Technology plan.

SUMMARY OF CHANGE

This change order represents an overall credit to the contract that helped improve the efficiency of the project. It included the removal of the PBX phone system, extra switches, and Uninterruptible Power Supply (UPS), while adding the appropriate amount of data lines to be consistent with the approved DOE IT plan.

1) <b>Deletion of PBX Phone System</b>	\$ (75,579.00)
2) <b>Deletion of Switches</b>	\$ (5,142.00)
3) <b>Field Changes to improve efficiency of Network</b>	\$ (33,528.00)
4) <b>Addition/Reallocating of Voice, Data, and Video Wiring</b>	\$ 27,647.00

**TOTAL ADDITIONAL COST/CREDIT (NET CREDIT) \$ (86,602.00)**

Documents supporting this change order have been reviewed by the associated SDA project team members as well as the Program Director, Deputy Program Director, and the Contract Management Department (CMD) for adherence to current NJSDA policy and procedures. All reviewing SDA staff members, including CMD, have determined that the change order is justified and that the amount is reasonable and appropriate.

Members of the Authority  
 Change Order – Promedia Technology Services, Inc.  
 Camden City – Morgan Village Middle School  
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CALCULATIONS

a.	Original Contract Amount (base contract including allowances and selected alternates)	\$	470,535
b.	Change Orders to Date	\$	41,326
c.	Proposed Change Order Amount	\$	(86,602)
d.	Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$	(45,276)
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		-9.6%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	425,259

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RECOMMENDATION

The Members of the Authority are requested to approve Change Order No. 2 in the credit amount of \$86,602. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, a change order that exceeds \$500,000 or singularly or in the aggregate is greater than 10% of the contract value requires approval by the Members of the Authority. The value of this change order exceeds 10% of the contract value.

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Ritchard J. Sherman, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations  
 Reviewed and Recommended by: Victor Perla, Program Operations  
 Prepared and Recommended by: Andrew Oakley, Program Operations

**Resolution—6a2.**

COMPANY NAME: Promedia Technology Services, Inc.  
 DISTRICT: Camden City  
 CONTRACT #: CA-0010-E01  
 PMF/CM: NJSDA  
 SCHOOL NAME: Morgan Village Middle School  
 CHANGE ORDER No.: 2  
 REASON: Change in Scope  
 AMOUNT: (\$ 86,602)  
 CONTRACT STATUS: 73.7% Paid to Date Against the Current Contract Value

**Resolution**

**WHEREAS**, a credit change order is the accounting mechanism by which the New Jersey Schools Development Authority (“SDA” or “Authority”) de-obligates a contract’s unused funds and facilitates final payment and contract close-out; and

**WHEREAS**, the SDA’s Operating Authority requires approval by the Members of the Authority for any project change order or credit change order which exceeds \$500,000 or 10 % of the contract value; and

**WHEREAS**, the Morgan Village Middle School project located in Camden City (the “District”), consisting of construction of a new 92,000 square foot facility, educating 520 students in grades 6 through 8, was delivered to the District and has been occupied since September, 2011; and

**WHEREAS**, the delivery strategy for the project’s scope of work included separate engagements for construction of the school and for delivery of technology along with pursuit of an E-Rate rebate for that technology; and

**WHEREAS**, on February 4, 2008, Promedia Technology Services, Inc. (“Promedia”) was given the Notice to Proceed (“NTP”) to perform an E-Rate scope of work; and

**WHEREAS**, Promedia has completed the scope of work and, in 2008, pursued E-Rate rebate funds by filing with the appropriate entities; and

**WHEREAS**, this credit change order, in the total amount of \$86,602, is comprised of four elements the specifics of which are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, the value of this change order exceeds 10% of the contract value; and

**WHEREAS**, all documents supporting this Amendment have been reviewed by the associated SDA project team, Program Director, deputy Program Director, Contract Management Division, the Vice President of Program Operations and Division of Chief Counsel for adherence to current SDA policy and procedures and it has been determined that the credit change order is justified, that the amount is reasonable and appropriate, and that Board approval is recommended.

**NOW, THEREFORE, BE IT RESOLVED**, the Members of the Authority hereby authorize and approve Change Order No. 2 (CA-0010-E01) in the credit amount of \$86,602 consistent with the memorandum presented to the Board on this date and incorporated herein.

**BE IT FURTHER RESOLVED**, that this resolution will take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Change Order No. 2, Promedia Technology Services, Inc. (CA-0010-E01), dated January 4, 2012  
Dated: January 4, 2012

**MONTHLY REPORTS**  
**(For Informational Purposes)**

**PROJECT STATUS REPORT**



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

**MEMORANDUM**

TO: Members of the Authority

FROM: Greg Voronov  
Managing Director – Program Operations

DATE: January 4, 2011

SUBJECT: Executive Summary – Monthly Project Status Reports

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**MONTHLY PROJECT STATUS REPORT**

**NEW ITEMS**

**Projects that have Expended 75% or More of Board Approved Contingency:**

No new data to report

**Projects Greater than 90 Days Behind Schedule:**

No new data to report.

**Revisions to Project Charters:**

No new data to report.



**Projects that have Expended 75% or More of Board Approved Contingency**  
Reporting Period: Jan. 1, 2008 to November 25, 2011

District	Project <sup>1</sup>	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining <sup>2</sup>	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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**In Construction**

Camden	Morgan Village M.S.	\$5,174,775	\$4,597,424	\$577,351	88.8%	95%	1. Unforeseen soil remediation 2. Structural steel changes	TCO has been achieved on the construction of the new school and the District has taken occupancy of the building. Demolition of the existing school on the site and related site work is still required.
Elizabeth	Number 21, Victor Mravlag I	\$8,240,000	\$7,606,498	\$633,502	92.3%	49%	1. Unforeseen asbestos abatement 2. Unforeseen structural integrity issues. 3. Project changed from addition/renovation to new construction.	Revised Charters were approved by the Board in accordance with the Operating Authority adding a total of \$8.4M against a total project budget of \$31.9M. Close monitoring of the projected costs will continue. The project is scheduled for completion to allow for occupancy in September 2012.

**Substantially Complete & Building Occupied**

Please refer to the Project Close-Out Activity Report for status of close-out activities

Burlington City	Burlington City H.S.	\$17,830,990	\$17,817,588	\$13,402	99.9%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement.	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$1.1M against a total project budget of \$55M. Project Closeout in Process.
Camden	Dudley E.S.	\$3,215,000	\$2,864,078	\$350,922	89.1%	99%	1. Installation of IT/AV systems	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$1.4M against a total project budget of \$42.8M. The Core Team is currently preparing a CEO memo in accordance with the Operating Authority requesting \$450k in additional funds.
Camden	Camden ECDC	\$11,314,645	\$9,916,987	\$1,397,658	87.6%	99%	1. Unforeseen soil remediation	Close monitoring of the projected costs will continue.
Camden	HB Wilson E.S.	\$3,097,150	\$3,097,150	\$0	100.0%	99%	1. Installation of centralized water filtration system 2. Installation of IT/AV systems	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$2M against a total project budget of \$33.6M. Close monitoring of the projected costs will continue.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,355,772	\$73,860	94.8%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Close monitoring of the projected costs will continue.
Egg Harbor City	New M.S.	\$1,058,907	\$914,694	\$144,213	86.4%	98%	1. Delays caused by design errors and extreme weather	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$818k against a total project budget of \$21.8M. Close monitoring of the projected costs will continue.

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)



**Projects that have Expended 75% or More of Board Approved Contingency**  
Reporting Period: Jan. 1, 2008 to November 25, 2011

District	Project <sup>1</sup>	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining <sup>2</sup>	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
Neptune	Neptune Community School	\$21,377,995	\$19,770,159	\$1,607,836	92.5%	99%	1. Unforeseen mold remediation 2. Teardown/rebuild portion of the structure due to mold	A revised Charter was approved by the CEO in accordance with the Operating Authority which added \$289k against a total project budget of \$77.9M (portion of unforeseen costs absorbed by \$6.5M in cost recovery). Close monitoring of the projected costs will continue.
Newark	Park School	\$3,294,431	\$2,435,335	\$859,096	73.9%	99%	1. Removal of unsuitable soils 2. Removal of unforeseen USTs 3. Installation of groundwater monitoring wells	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$975k against a total project budget of \$51.6M. Close monitoring of the projected costs will continue. Project close-out in process.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,826,000	\$0	100.0%	99%	1. Removal of unforeseen impacted materials	Close monitoring of the projected costs will continue.
Orange	Lincoln Ave E.S.	\$5,615,000	\$5,369,352	\$245,648	95.6%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$2.95M against a total project budget of \$48.2M. Close monitoring of the projected costs will continue.
Orange	Park Avenue E.S.	\$3,360,000	\$3,275,103	\$84,897	97.5%	99%	1. Unforeseen asbestos abatement	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$1.91M against a total project budget of \$35.3M. Close monitoring of the projected costs will continue.
Passaic	E.S. at Main Avenue	\$9,548,320	\$8,259,178	\$1,289,142	86.5%	98%	1. Atrium design changes required by code 2. Unforeseen subsurface sewage line work 3. Adding back Security/IT System (removed and anticipated to be bid as a separate engagement for E-Rate reimbursement)	A revised Project Charter was approved by the Board in accordance with the Operating Authority adding \$7M against a total project budget of \$55.7M. Certificate of Occupancy issued and Project Closeout in process.
Paterson	International H.S. Academy	\$5,039,000	\$4,150,099	\$888,901	82.4%	98%	1. Installation of two foot soil cap required to meet DEP regulations 2. Modifications to smoke evacuation system	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$1.7M against a total project budget of \$55.3M. Close monitoring of the projected costs will continue.
Paterson	E.S. #24	\$4,616,120	\$4,582,581	\$33,539	99.3%	99%	1. Unforeseen soil remediation and clean fill.	Certificate of Occupancy issued. Project close-out in process.
Perth Amboy	ECC II	\$2,604,619	\$2,033,073	\$571,546	78.1%	99%	1. Removal of unsuitable soils 2. Adding back Security/IT System (removed and anticipated to be bid as a separate engagement for E-Rate reimbursement)	A revised Charter was approved by the CEO in accordance with the Operating Authority adding \$1.7M against a total project budget of \$30.1M. Project closeout in process.



**Projects that have Expended 75% or More of Board Approved Contingency**  
 Reporting Period: Jan. 1, 2008 to November 25, 2011

District	Project <sup>1</sup>	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining <sup>2</sup>	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
Trenton	MLK/Jefferson School	\$3,256,159	\$2,498,300	\$757,859	76.7%	99%	1. Unforeseen soil remediation	Project close-out in progress. Close monitoring of the projected costs will continue.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Certificate of occupancy issued. The Core Team is currently preparing a Board memo in accordance with the Operating Authority requesting additional funds.

<sup>1</sup> \* Indicates Final Project Charter Revision

<sup>2</sup> Does not include expended contingency or contingency funds allocated for change orders, amendments and claim



**Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy**  
 Reporting Period: November 2011

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No New Data to Report



### Revisions to Project Charters

Reporting Period: November 2011

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
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No New Data to Report

**CONTRACTS EXECUTED/AMENDMENTS REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Program Director

DATE: January 4, 2012

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report  
(For Informational Purposes Only)

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**Contracts Executed Report**

This report contains the activity of contracts executed during the period November 1 through November 30, 2011.

**Noteworthy Items during the reporting period:**

- No data during the reporting period.

**Amendments & Change Orders Report**

This report contains the activity of Amendments and Change Orders executed during the period November 1 through November 30, 2011.

**Noteworthy Items during the reporting period:**

- Execution of 2 Design Amendments totaling \$26k.
- Execution of 4 Construction Services Change Orders totaling \$1.1M. Of the 4 executed change orders two received board approval for \$1,073,000.

**Report of change orders less than \$10,000 yet requiring Board Approval**

In accordance with the Operating Authority adopted by the Member on December 1, 2010 the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No data during the reporting period.



New Jersey Schools Development Authority  
Amendments & Change Orders Report

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board
<b>Professional Services &amp; Grants</b>																
<b>Design Consultant</b>																
Long Branch	George L. Catrambone E.S. (formerly Elberon)	ET-0068-A01	7/8/04	14	Becica Associates, LLC	11/28/11	\$1,341,025	\$1,683,776	8/19/11	\$13,522			\$3,038,323	126.56%	\$1,341,025	1.00%
Long Branch	George L. Catrambone E.S. (formerly Elberon)		7/8/04	16	Becica Associates, LLC	11/29/11	\$1,341,025	\$1,697,298	8/19/11	\$13,000			\$3,051,323	127.53%	\$1,341,025	1.97%
<b>Design Consultant</b>																
<b>Site Investigation</b>																
East Orange	Dionne Warwick Institute Johnnie L. Cochran Jr. Academy E.S. Whitney E. Houston Academy E.S.	GP-0084-L03	2/14/08	70	Whitman	11/18/11	\$0	\$3,216,278		\$20,739			\$3,237,017	0.00%	\$0	NA
Paterson	Number 25 E.S.	NT-0015-L01	9/30/03	8	Lan Associates, Engineering, Planning, A	11/3/11	\$825,889	\$49,480		\$6,693			\$882,062	6.80%	\$825,889	6.80%
Paterson	Number 25 E.S.		9/30/03	9	Lan Associates, Engineering, Planning, A	11/3/11	\$825,889	\$56,173		\$2,200			\$884,262	7.06%	\$825,889	7.06%
Paterson	New PS# 16	NT-0015-L02	9/8/03	2	CMX, Inc.	11/18/11	\$1,005,278	\$12,650		\$-48,890			\$969,038	-3.60%	\$1,005,278	-3.60%
<b>Site Investigation</b>																
<b>Relocation</b>																

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board	
<b>Professional Services &amp; Grants</b>																	
<b>Relocation</b>																	
Multi-District	New PS# 16 A. Chester Redshaw E.S. Dayton Avenue Middle School East Side High School (Replacement) ECC 03 ECC 13 Elliott Street E.S. Gladys Hillman-Jones M.S. Harriet Tubman E.S. Harry L. Bain E.S. James Madison School #10 (Most Holy Name) Magnet K-8 Marshall Street Elementary School New Early Childhood Center New Early Childhood Center (-x02) New ES at Henry St. (-x01) New Franklin Elementary School Replacement New Middle School New North East ES (-x06) Number 1, Thomas Jefferson E.S. Number 20 E.S. Oliver Street E.S. Roebing School South Street E.S. University H.S. West Side H.S.	GP-0117-R03	3/25/09	64	Bluegrass Services	11/17/11	\$192,711	\$2,271,205			\$24,364			\$2,488,280	1,191.19%	\$192,711	1191.19%
<b>Relocation</b>																	
<b>Furniture, Fixtures &amp; Equipment</b>																	
City Of Orange Township	Lincoln Avenue E.S.	ES-0008-K09	7/26/10	1	Datamation Systems Inc	11/16/11	\$14,760	\$0		\$-165			\$14,595	-1.11%	\$14,760	-1.11%	
<b>Furniture, Fixtures &amp; Equipment</b>																	
<b>Others</b>																	
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L06	4/15/05	46	JCP&L	11/9/11	\$8,060	\$6,538		\$72			\$14,671	82.01%	\$8,060	82.01%	
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L16	8/2/11	3	New Jersey American Water	11/17/11	\$410	\$240		\$164			\$814	98.66%	\$410	98.66%	

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**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board
<b>Professional Services &amp; Grants</b>																
<b>Others</b>																
Bridgewater-Raritan Regional	Bridgewater-Raritan H.S.	G5-4096-D01	11/10/10	1	District - Bridgewater-Raritan Regional	11/17/11	\$172,110	\$0		\$-9,593			\$162,517	-5.57%	\$172,110	-5.57%
Clearview Regional	Clearview Regional H.S.	G5-4726-D01	5/3/11	1	District - Clearview Regional	11/14/11	\$134,869	\$0		\$-59,782			\$75,087	-44.32%	\$134,869	-44.32%
Commercial Township	Haleyville-Mauricetown E.S.	G5-3781-D01	6/23/10	1	District - Commercial Township	11/22/11	\$64,909	\$0		\$-10,608			\$54,301	-16.34%	\$64,909	-16.34%
Commercial Township	Port Norris E.S.	G5-3783-D01	6/23/10	1	District - Commercial Township	11/22/11	\$67,141	\$0		\$-7,240			\$59,901	-10.78%	\$67,141	-10.78%
Edison Township	Edison High School	G5-3256-D01	8/13/10	1	District - Edison Township	11/22/11	\$23,478	\$0		\$0			\$23,478	0.00%	\$23,478	0.00%
Edison Township	Edison High School	G5-3257-D01	8/13/10	1	District - Edison Township	11/22/11	\$503,105	\$0		\$-357,089			\$146,016	-70.97%	\$503,105	-70.97%
Edison Township	J.P. Stevens H.S.	G5-3260-D01	8/13/10	1	District - Edison Township	11/22/11	\$375,200	\$0		\$-121,224			\$253,976	-32.30%	\$375,200	-32.30%
Edison Township	J.P. Stevens H.S.	G5-3261-D01	8/13/10	1	District - Edison Township	11/23/11	\$22,485	\$0		\$-14,272			\$8,214	-63.47%	\$22,485	-63.47%
Edison Township	Herbert Hoover M.S.	G5-3263-D01	8/13/10	1	District - Edison Township	11/22/11	\$27,142	\$0		\$-20,891			\$6,251	-76.96%	\$27,142	-76.96%
Edison Township	Thomas Jefferson M.S.	G5-3265-D01	8/13/10	1	District - Edison Township	11/23/11	\$165,251	\$0		\$-86,017			\$79,234	-52.05%	\$165,251	-52.05%
Edison Township	Woodrow Wilson M.S.	G5-3267-D01	8/13/10	1	District - Edison Township	11/23/11	\$125,712	\$0		\$-14,157			\$111,555	-11.26%	\$125,712	-11.26%
Edison Township	James Madison Intermediate E.S.	G5-3269-D01	8/13/10	1	District - Edison Township	11/23/11	\$102,750	\$0		\$-25,928			\$76,822	-25.23%	\$102,750	-25.23%
Edison Township	James Madison Intermediate E.S.	G5-3271-D01	8/13/10	1	District - Edison Township	11/28/11	\$49,872	\$0		\$-21,251			\$28,621	-42.61%	\$49,872	-42.61%
Edison Township	James Madison Primary E.S.	G5-3273-D01	8/13/10	1	District - Edison Township	11/23/11	\$86,775	\$0		\$-28,954			\$57,821	-33.36%	\$86,775	-33.36%
Edison Township	Martin Luther King E.S.	G5-3276-D01	8/13/10	1	District - Edison Township	11/23/11	\$16,508	\$0		\$-6,451			\$10,058	-39.07%	\$16,508	-39.07%
Garfield	James Madison School #10 (Most Holy Name)	NT-0014-L18	1/16/08	14	PSE&G	11/9/11	\$188	\$367		\$13			\$569	202.13%	\$188	202.13%
Keansburg Borough	New ECC PK-2 (Caruso)	ET-0030-L08	1/1/09	14	JCP&L	11/23/11	\$49	\$625		\$33			\$707	1,356.06%	\$49	1,356.06%
Multi-District, Project, or Statewide	Adverts As Contracts	GP-0004-R01	4/12/01	21	Star Ledger Newspaper	11/18/11	\$130,907	\$798		\$42			\$131,747	0.64%	\$130,907	0.64%
Multi-District, Project, or Statewide	Adverts As Contracts		4/12/01	22	Star Ledger Newspaper	11/22/11	\$130,907	\$840		\$30			\$131,777	0.66%	\$130,907	0.66%
Multi-District, Project, or Statewide	Adverts As Contracts	GP-0004-R02	4/12/01	19	Times Newspaper (The)---(Adverts)	11/18/11	\$62,132	\$250		\$19			\$62,401	0.43%	\$62,132	0.43%
Multi-District, Project, or Statewide	Adverts As Contracts		4/12/01	20	Times Newspaper (The)---(Adverts)	11/22/11	\$62,132	\$269		\$13			\$62,414	0.45%	\$62,132	0.45%
Multi-District, Project, or Statewide	First Avenue Elementary School (new) Memorial H.S. New Science Park HS	GP-0005-R10	7/3/02	5	Napco Copy Graphics Center Corp.	11/3/11	\$251,397	\$15,052		\$1,398			\$267,848	6.54%	\$251,397	6.54%

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**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board
<b>Professional Services &amp; Grants</b>																
<b>Others</b>																
Multi-District, Project, or Statewide	Marshall Street Elementary School New Science Park HS	GP-0005-R10	7/3/02	6	Napco Copy Graphics Center Corp.	11/15/11	\$251,397	\$16,450		\$1,902			\$269,749	7.29%	\$251,397	7.29%
Multi-District, Project, or Statewide	Morgan Village M.S. Speedway Ave. ES Replacement	GP-0089-R10	8/28/08	8	Schenck, Price, Smith & King, LLP	11/2/11	\$38,000	\$113,577		\$7,158			\$158,735	317.72%	\$38,000	317.72%
Newark	Speedway Ave. ES Replacement		8/28/08	9	Schenck, Price, Smith & King, LLP	11/9/11	\$38,000	\$120,735		\$2,680			\$161,415	324.77%	\$38,000	324.77%
Multi-District, Project, or Statewide	10 Region PMF Selection	PM-0022-P01	11/27/02	51	GREYHAWK North America L.L.C.	11/29/11	\$7,151,570	\$-5,020,010	9/9/09	\$126,880			\$2,258,440	-68.42%	\$7,151,570	2.69%
New Brunswick	Temporary School	ET-0071-L03	10/18/11	1	PSE&G	11/30/11	\$759	\$0		\$33,938			\$34,697	4,472.92%	\$759	4472.92%
Newark	West Side H.S.	NE-0008-L56	7/1/04	20	City of Newark	11/18/11	\$2,512	\$4,528		\$49			\$7,089	182.14%	\$2,512	182.14%
Paterson	New International High School Academy	PA-0008-R04	3/1/09	11	Paterson Public Schools	11/2/11	\$177,221	\$84,760		\$3,612			\$265,593	49.86%	\$177,221	49.86%
Sayreville	War Memorial H.S.	G5-3282-D01	11/19/09	1	District - Sayreville	11/1/11	\$82,373	\$0		\$-14,356			\$68,017	-17.42%	\$82,373	-17.42%
Sayreville	Sayreville M.S.	G5-3283-D01	11/19/09	1	District - Sayreville	11/1/11	\$8,786	\$0		\$-5,404			\$3,382	-61.50%	\$8,786	-61.50%
Sayreville	Sayreville M.S.	G5-3284-D01	11/19/09	1	District - Sayreville	11/1/11	\$37,454	\$0		\$-829			\$36,625	-2.21%	\$37,454	-2.21%
Sayreville	Arleth E.S.	G5-3286-D01	11/19/09	1	District - Sayreville	11/1/11	\$132,920	\$0		\$-27,376			\$105,544	-20.59%	\$132,920	-20.59%
Summit City	Brayton E.S.	G5-3121-D01	10/20/09	1	District - Summit City	11/23/11	\$686,247	\$0		\$-120,247			\$566,000	-17.52%	\$686,247	-17.52%
Summit City	Jefferson E.S.	G5-3126-D01	10/20/09	1	District - Summit City	11/23/11	\$599,066	\$0		\$-135,436			\$463,630	-22.60%	\$599,066	-22.60%
Summit City	Lincoln - Hubbard E.S.	G5-3129-D01	10/20/09	1	District - Summit City	11/23/11	\$972,572	\$0		\$-361,597			\$610,975	-37.17%	\$972,572	-37.17%
Sussex County Vocational School District	Sussex County Tech V.S.	G5-2046-D01	8/2/04	1	District - Sussex County Voc. S.D.	11/30/11	\$335,638	\$0		\$-16,642			\$318,996	-4.95%	\$335,638	-4.95%
Trenton	Roebing School	WT-0008-L06	2/3/04	118	PSE&G	11/18/11	\$30,574	\$15,706		\$63			\$46,343	51.57%	\$30,574	51.57%
Upper Township	Upper Township M.S.	G5-3416-D01	8/20/09	1	District - Upper Township	11/23/11	\$37,790	\$0		\$-219			\$37,571	-0.57%	\$37,790	-0.57%
West New York	Number 3 E.S.	HU-0006-L43	4/15/11	12	PSE&G	11/9/11	\$819	\$91,321		\$195			\$92,335	11,176.13%	\$819	11176.13%
West New York	Number 3 E.S.		4/15/11	13	PSE&G	11/9/11	\$819	\$91,516		\$16,991			\$109,326	13,251.12%	\$819	13251.12%
West New York	Number 3 E.S.	HU-0006-L44	4/1/11	2	North Hudson Sewerage Authority	11/18/11	\$335	\$236		\$335			\$906	170.33%	\$335	170.33%
Woodbridge Township	Colonia H.S.	G5-4638-D01	2/14/11	1	District - Woodbridge Township	11/30/11	\$299,126	\$0		\$-28,285			\$270,841	-9.45%	\$299,126	-9.45%
Woodbridge Township	Iselin M.S.	G5-4644-D01	2/14/11	1	District - Woodbridge Township	11/28/11	\$612,676	\$0		\$-58,470			\$554,206	-9.54%	\$612,676	-9.54%

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board
<b>Professional Services &amp; Grants</b>																
<b>Others</b>																
Woodbridge Township	Woodbridge M.S.	G5-4645-D01	2/14/11	1	District - Woodbridge Township	11/28/11	\$210,060	\$0		\$-19,525			\$190,535	-9.29%	\$210,060	-9.29%
Woodbridge Township	Avenel Street E.S.	G5-4646-D01	2/14/11	1	District - Woodbridge Township	11/28/11	\$286,898	\$0		\$-29,943			\$256,955	-10.43%	\$286,898	-10.43%
Woodbridge Township	Indiana Avenue E.S.	G5-4651-D01	2/14/11	1	District - Woodbridge Township	11/30/11	\$148,722	\$0		\$-39,791			\$108,931	-26.75%	\$148,722	-26.75%
<b>Others</b>																
<b>Professional Services &amp; Grants</b>										<b>\$-1,414,524</b>						

**7**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board
<b>Construction Services</b>																
<b>Contractor</b>																
Elizabeth	Number 21, Victor Mravlag E.S.	EL-0016-C03	11/16/06	92	Ernest Bock & Sons, Inc.	11/28/11	\$20,587,000	\$7,120,700	1/5/11	\$96,000	Yes	10/5/11	\$27,803,700	35.05%	\$20,587,000	0.46%
Irvington Township	Union Avenue M.S.	EP-0050-C01	6/23/11	1	Sunnyfield Corporation	11/28/11	\$1,063,000	\$0		\$-1,410			\$1,061,590	-0.13%	\$1,063,000	-0.13%
Irvington Township	Union Avenue M.S.		6/23/11	2	Sunnyfield Corporation	11/28/11	\$1,063,000	\$-1,410		\$1,245			\$1,062,835	-0.01%	\$1,063,000	-0.01%
West New York	Number 2 E.S.	HU-0015-C01	8/8/07	207	D&K Construction Co., Inc.	11/3/11	\$20,401,532	\$3,192,863	7/16/09	\$977,000	Yes	8/3/11	\$24,571,395	20.43%	\$20,401,532	7.00%
<b>Contractor</b>																
<b>Construction Services</b>																
										<b>\$1,072,835</b>						

**7**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board
<b>Other Contracts &amp; Services</b>																
<b>Appraisals</b>																
Multi-District, Project, or Statewide	Memorial H.S.	NT-0021-L23	4/22/10	1	Cooney Bovasso Realty Advisor, Inc.	11/2/11	\$0	\$0		\$1,000			\$1,000	0.00%	\$0	NA
<b>Appraisals</b>																
<b>Other Contracts &amp; Services</b>																
										\$1,000						

**7**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - Monthly Reports (For Informational Purposes)**

Reporting Period 11/1/11 through 11/30/11

Total Change Order Summary

Total Change Orders

**Grand Totals**

\$-340,689

62

**Column Description Legend**

CO Execution Date	Date the Change Order was entered into the SIMS system
Revised Contract Amount	Current value of the contract (excluding additional assignments) including current change order
Cumulative CO %	Cumulative percentage change in contract value (excluding additional assignments) over the original contract award amount
RBC Value	Revised Basis Contract Value – This value is the Original Award amount for contracts executed after July 27, 2005 or contracts for which board approval has been required after July 27, 2005. Otherwise, this value is the contract value as of July 27, 2005.
Cumulative % since last Board Approval	Cumulative percentage change in contract value since either the later of July 27, 2005 or last board action date over the RBC Value. If the current change order received approval prior to July 27, 2005 this value is not applicable.

**7**

**CONTRACT TERMINATION REPORT** (*no activity*)

**SETTLEMENT ACTIVITIES REPORT**

## Settled Claims Log

Contract #	School Name	Claimant	Type of Claim	Settlement Date	Claim Amount (Per SDA Form 505)	Settlement
ET-0065-C01	Dunfee/Collins Horbelt ES	Hessert Corp.	OCIP Admin. Work	5/2/2011	\$95,368	\$38,000
ET-0065-C01	Dunfee/Collins Horbelt ES	Hessert Corp.	Inconsistencies in Haunched Footing Design	5/2/2011	\$20,271	\$0
ET-0065-C01	Dunfee/Collins Horbelt ES	Hessert Corp.	2nd Shift Work on Dunfee ES	5/2/2011	\$55,948	\$41,367
ET-0064-C01	Donohue ES	Hessert Corp.	Delays assoc. w/design changes	5/2/2011	\$236,204	\$148,650
ET-0064-C01	Donohue ES	Hessert Corp.	Asphalt material escalation	5/2/2011	\$42,465	\$0
ET-0064-C01	Donohue ES	Hessert Corp.	Detention basin design	5/2/2011	\$29,378	\$29,378
CA-0001-C02	Camden ECDC	Henderson Corp.	Re-routing of Fire Sprinkler Piping	5/5/2011	\$44,528	\$23,320
ET-0049-C02	Emerson ES	TAK Construction	Add'l Costs - Design and Dimension Conflicts	5/5/2011	\$78,394	\$37,343
WT-0008-C05	Roebbing ES	Cobra/CAP	Demolition/Environmental remediation	5/11/2011	\$2,389,000	\$329,458
PM-0022-P01	Egg Harbor City MS	Greyhawk	Scheduling Assistance	9/12/2011	\$35,234	\$11,600
PM-0022-P01	Egg Harbor City MS	Greyhawk	Delay/Extended Services	9/12/2011	\$280,415	\$115,280
PM-0022-P01	Egg Harbor Twp HS	Greyhawk	Scheduling Assistance	9/12/2011	\$36,462	\$12,640
PM-0022-P01	Egg Harbor Twp HS	Greyhawk	Delay/Extended Services	9/12/2011	\$428,972	\$210,480
HU-0015-C01	West New York PS #2	D&K Construction	Settlement of 33 CO's and 9 claims	9/21/2011	\$4,284,386	\$977,000
			<b>TOTAL FOR 2011</b>		<b>\$8,057,024</b>	<b>\$1,974,515</b>

## JOBS REPORT



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

**Monthly Job Created/Saved Report**  
**Reporting Period: November-11**

*Date Printed 12/21/2011*

**Summary**

**In November the NJSDA created 73 and saved 312 direct jobs for a total of 385 direct jobs created or saved.**

<b>Jobs Created</b>	<b><u>Total</u></b>	<b><u>Minority</u></b>	<b><u>Woman</u></b>
Construction	47	24	1
Construction Managers	0	0	0
Design Consultants	0	0	0
Real Estate & Environmental	26	17	4
<b>Total</b>	<b>73</b>	<b>41</b>	<b>5</b>

<b>Jobs Saved</b>	<b><u>Total</u></b>	<b><u>Minority</u></b>	<b><u>Woman</u></b>
Construction	162	46	0
Construction Managers	3	1	1
Design Consultants	2	0	0
Real Estate & Environmental	145	53	91
<b>Total</b>	<b>312</b>	<b>100</b>	<b>92</b>

<b>Total Jobs Head Counts</b>	<b><u>Total</u></b>	<b><u>Minority</u></b>	<b><u>Woman</u></b>
Construction	209	70	1
Construction Managers	3	1	1
Design Consultants	2	0	0
Real Estate & Environmental	171	70	95
<b>Total</b>	<b>385</b>	<b>141</b>	<b>97</b>

<b>50% Multiplier for Indirect Jobs Impact</b>	<b>193</b>
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<b>Total Job Impact</b>	<b>578</b>
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**CONTRACTOR AND WORKFORCE COMPLIANCE REPORT**



STATE OF NEW JERSEY

# SCHOOLS DEVELOPMENT AUTHORITY

1 WEST STATE STREET  
P.O. BOX 991  
TRENTON, NJ 08625-0991  
609-943-5955

## MEMORANDUM

TO: Members of the Authority

FROM: Karon Simmonds /s/ Karon Simmonds  
Director Risk Management and Vendor Services  
Office of the Chief Financial Officer

DATE: January 4, 2012

SUBJECT: Contractor and Workforce Compliance Monthly Update

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### **SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE REVIEW**

#### **Project Approvals:**

Two emergent construction projects were verified to be compliant with SBE requirements by the Contractor Compliance Coordinator.

Vendor Services staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA's SBE goals, policies and procedures, including:

- Small Business Enterprise subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Detailed process procedures to monitor and track the progress made toward these goals throughout the life cycle of each project

At these meetings, general contractors are strongly encouraged to identify and hire minority-owned and women-owned firms, as well as locally-based enterprises, for diverse business participation on all school building projects. Additional outreach strategies are discussed and utilized.

### **SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE MONITORING**

The SDA regularly exceeds the State-mandated 25% SBE goal. The figures below demonstrate compliance with this requirement.

#### **SBE Breakdown**

**The total SDA contract dollars awarded from January 1 through October 31, 2011 was \$8,328,399.97.**

- The total contract dollars awarded to all SBE contractors (January 1 through October 31, 2011), was \$6,547,515.05 (including minorities and women). This represents 78.62% of all SDA contracts.

**MONTHLY FINANCIAL REPORT (SEPTEMBER 2011)**



WEST STATE STREET  
P.O. BOX 991  
MANTON, NJ 08625-0991  
609-943-5955

## MEMORANDUM

TO: The Members of the Authority

FROM: Sherman E. Cole, CPA /s/ Sherman E. Cole  
Controller

RE: Monthly Financial Report – November 2011

DATE: January 4, 2012

The Office of the Chief Financial Officer is providing the attached monthly financial report to the Members of the Authority for their information. Included on pages 1 and 2 of this report is a “Financial Summary” of the Authority’s activities for the year. On pages 3 and 4 of the report is a summary of the Authority’s operating expenditures and headcount information. The basic financial statements and cash flow report follow.

### **Authority Operating Expenses (Actual vs. Budget)**

For the November 2011 year to date period, Authority operating expenses total \$34.3 million which is **\$9.3 Million lower** than budget for the corresponding period. The variation of actual expenses versus budget is mainly due to:

- Personnel Expense has a **\$4.5M** positive variance because; 1) the Authority is currently 53 FTEs under budget, \$4M, and 2) changes in policy have resulted to a cost savings of \$486K for business travel, temporary staffing, and employee training;
- Contract and Professional Outside Services, has a **\$3.3M** positive variance because; outside legal services and claims have been reclassified to project expenditures, \$2.5M, and interagency DAG services, internal audit projects and capital planning grant activity has yet to occur as anticipated, \$650K;
- Management Information System, the **\$1.4M** positive variance is due to; 1) the DOE Long Range Facility Project will take place in 2012, \$1.1M, and overall spending reductions for system software, hardware and on-line subscriptions \$300K.

The Members of the Authority  
January 4, 2012  
Page 2

### **Authority Operating Expenses (Actual vs. Prior Year)**

For the November 2011 year to date period, Authority operating expenses (\$34.3 million) have **decreased \$6.4M** as compared to the corresponding prior year. The decrease in expenses year-over-year is due to:

- Personnel Expense has a **\$4M** positive variance due to; 1) 49 fewer FTEs, which resulted to a \$3.3M reduction in payroll expense, 2) recognized cost savings of \$700K due to policy changes for temporary staffing, vehicle parking, business travel, and training & development;
- Contract and Professional Outside Services **\$1.5M** positive variance due to; 1) reclassification of outside legal services and claims for the current year, \$1.2M, and 2) reduced spending for the projected internal audit projects, \$250K;
- General Office **\$745K** – primarily due to the 2010 Newark office lease termination.

### **School Facilities Project Expenditures (Actual vs. Prior Year)**

For the November 2011 year to date period, project expenditures totaled \$158 million, which is **\$109 million lower** than the project expenditures for the corresponding prior year. The variance is associated with a decrease in construction work and related project cost \$124M, offset by a \$15M increase in grant activity.

### **Other**

Since program inception, 65.1% of the funds authorized for the SDA Districts have been disbursed. Additionally, since inception 96.1% of all SDA disbursements relate to school facilities projects and 3.9% relate to program administrative and general expenses. For the current year, program administrative and general expenses comprise about 16.5% of total disbursements.

Attachment



**New Jersey Schools Development Authority  
Monthly Financial Report**

**November 2011**

**(Unaudited)**

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New Jersey Schools Development Authority  
 Financial Summary  
 November 30, 2011

To: The Audit Committee

From: Sherman E. Cole, Controller

The following unaudited financial statements (pages 5 & 6) and supplementary information is presented as of, and for the year-to-date ending, November 30, 2011.

**Selected Financial Information:**

► Overall **Cash and Cash Equivalents** has decreased by \$190 million to \$382 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	534,888
■ Miscellaneous revenue	303,013
■ Project costs	(157,913,731)
■ SDA operating expenses	(31,055,471)
■ SDA capital expenditures	(26,142)
■ Deposits (primarily district local shares)	<u>(1,484,038)</u>
Net Change in Cash	<u>\$ (189,641,481)</u>

► **Prepaid Expenses** total \$366,536 as follows:

- Prepaid insurance of \$53,476.
- Prepaid rents of \$172,845 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$119,568.
- Prepaid security deposits of \$10,937 for the Authority's leased swing space.
- Other prepaids of \$9,710.

► **Capital Assets** total \$1.6 million (net of accumulated depreciation of \$12.3 million), consisting of leasehold improvements (SDA offices), capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$26,142 and **Depreciation Expense** is \$946,703.

► **Accrued Liabilities** total \$151.1 million, as follows:

- Accrued project costs of \$40.6 million consisting of unpaid invoices (\$28.3 million); retainage (\$12.3 million).
- Pollution remediation obligations (PRO) under GASB 49 net to \$36.4 million (PRO liability \$38.2 million, offset by expected cost recoveries of \$1.8 million).
- Estimated liability for loss contingencies totaling \$61.5 million (contractor claims \$61.5 million).
- Payroll related liabilities of \$1.5 million.
- Post-employment benefits obligation of \$10.9 million.
- Other accrued liabilities of \$2 million.

► **Deposits** total \$11.2 million, as follows:

- \$11.1 million is held for local share agreements (pass-through item).
- \$0.1 million is for bond refunding costs & other deposits (pass-through item).

(Continued on Next Page)



New Jersey Schools Development Authority  
Financial Summary  
November 30, 2011

Financial Summary (Continued)

**School Construction Highlights:**

► **Bond Proceeds & School Facilities Project Disbursements**

- During the current year to date, the SDA has received \$0 bond and note proceeds. The total amount of proceeds received from program inception is \$8.645 billion.
- Project disbursements for the month and year-to-date periods total \$16.3 million and \$157.9 million, respectively, as follows:

<u>Category</u>	<u>Month</u>	<u>Year-To-Date</u>	<u>From Inception</u>
■ Construction Contracts	\$ 3,442,788	\$ 40,978,309	\$ 3,671,115,609
■ Grant Agreements	11,829,243	88,307,590	2,260,033,558
■ Site Acquisition Contracts	254,654	6,033,694	564,363,141
■ Demonstration Projects	30,177	10,753,345	629,154,661
■ Project Management & Construction Management Firms	174,339	531,900	420,822,290
■ Design/Architect Contracts	189,755	2,550,833	392,349,394
■ Project Insurance	-	3,711,440	98,335,339
■ School Furniture & Technology Purchases	334,432	4,387,444	106,787,976
■ Interagency Agreements	-	958,025	44,559,893
■ Temporary Classroom Units (SDA owned)	-	-	34,157,261
■ Funding Agreements	10,102	121,224	29,475,950
■ Outside Legal & Claims Consulting Services	27,138	755,195	755,195
■ Other Project Costs	3,404	32,408	55,818,570
■ Project Credits	-	(4,834)	(40,146,574)
Total Project Disbursements	16,296,032	159,116,573	8,267,582,263
■ Less: Local Share Disbursements	(9,362)	(1,202,842)	(172,824,563)
Total Project Disbursements - State Share	\$ 16,286,670	\$ 157,913,731	\$ 8,094,757,700
■ Invoice Accruals at Month End (not included above)	\$ 28,267,467	\$ 28,267,467	

► **Program Funding & Disbursements Allocation** (From Inception)

	<u>Bonding Cap</u> <sup>1</sup>	<u>Available Funding</u> <sup>2</sup>	<u>Paid to Date</u> <sup>3</sup>	<u>% Paid to Date</u>
■ SDA Districts	\$ 8,900,000,000	\$ 9,006,336,358	\$ 5,860,687,925	65.1%
■ Regular Operating Districts	3,450,000,000	3,492,669,312	2,469,004,654	70.7%
■ Vocational Schools	150,000,000	151,704,972	95,321,647	62.8%
Totals - State Share	\$ 12,500,000,000	\$ 12,650,710,642	\$ 8,425,014,226	66.6%

► **Procurement Activity** (Current Year)

- 14 construction contract has been awarded with an aggregate contract value of \$8,126,770.
- 4 design contracts were awarded with an aggregate contract value of \$201,630 (CCE \$299,197).
- 2 design contract previously suspended has been restarted during 2011.
- 336 Section 15 Grant Agreements have been executed with an aggregate contract value of \$75,008,343 (State Share - Non-SDA Districts).
- 68 purchase orders have been issued for school furniture & technology (i.e., computers & related equipment) purchases with an aggregate contract value of \$2,770,280.

1 Of the \$12.5 billion authorized for the school construction program, \$8,645,129,000 principal amount of bond and note proceeds have been received to date.

2 Includes bonding cap amounts as well as other income and miscellaneous revenue earned to date, consisting primarily of interest income on invested funds and State appropriations.

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$330,256,526.



New Jersey Schools Development Authority  
Flash Operating Report  
November 30, 2011

Authority Operating Expenses:	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Prior Yr	Variance - Favorable/(Unfavorable)		Annual Budget	Current Budget Reforecast
				Actual vs. YTD Budget	Actual vs. Prior Yr		
Salaries	\$18,257,731	\$ 21,592,114	\$ 21,970,297	\$ 3,334,383	\$ 3,712,566	\$23,550,466	\$20,017,674
Employee Benefits	11,514,175	12,155,845	11,099,630	641,670	(414,545)	13,006,798	12,547,173
Total Salaries & Benefits	29,771,906	33,747,959	33,069,927	3,976,053	3,298,021	36,557,264	32,564,847
Temporary Employees	-	137,500	264,397	137,500	264,397	150,000	50,000
Interagency Agreements	236,369	571,087	302,595	334,718	66,226	623,000	294,236
Outside Legal & Claims Consulting Services (a)	-	2,512,587	1,197,127	2,512,587	1,197,127	2,741,000	-
Other Contract & Professional Outside Services	77,237	519,011	344,883	441,774	267,646	595,000	483,550
Employee Expense Reimbursements	8,312	223,059	175,222	214,747	166,910	243,298	15,000
Training & Professional Development	22,282	145,236	64,213	122,954	41,931	158,109	60,000
Parking	50,520	57,750	292,408	7,230	241,888	63,000	55,320
Automobiles	55,874	66,187	67,374	10,313	11,500	72,200	72,200
Communications & Outreach	232	13,464	1,396	13,232	1,164	14,704	10,000
Management Information Systems	818,084	2,209,185	954,717	1,391,101	136,633	2,410,000	2,420,000
General Office & Facilities	3,257,101	3,355,429	3,940,287	98,328	683,186	3,660,485	3,681,131
Other General	10,784	12,199	13,067	1,415	2,283	13,300	13,300
<b>Total Authority Operating Expenses</b>	<b>34,308,701</b>	<b>43,570,653</b>	<b>40,687,613</b>	<b>9,261,952</b>	<b>6,378,912</b>	<b>47,301,360</b>	<b>39,719,584</b>
<b>Reserve for Unforeseen Events &amp; New Initiatives</b>	<b>-</b>	<b>114,587</b>	<b>-</b>	<b>114,587</b>	<b>-</b>	<b>125,000</b>	<b>125,000</b>
<b>SDA Capital Expenditures (Internal)</b>	<b>26,142</b>	<b>-</b>	<b>-</b>	<b>(26,142)</b>	<b>(26,142)</b>	<b>-</b>	<b>-</b>
<b>Total Authority Operations</b>	<b>\$34,334,843</b>	<b>\$ 43,685,240</b>	<b>\$ 40,687,613</b>	<b>\$ 9,350,397</b>	<b>\$ 6,352,770</b>	<b>\$47,426,360</b>	<b>\$39,844,584</b>

(a) Effective January 1, 2011, costs for outside legal & claims consulting services, \$755,195, (related to projects) are accounted for in School Facilities Project Costs (see page 2).

(Continued on Next Page)



New Jersey Schools Development Authority  
Flash Operating Report  
November 30, 2011

Flash Operating Report (Continued)

SDA Headcount by Division/Unit	Current Month	EOY Budget	Variance
Office of Chief Executive Officer (CEO)	3	3	-
COS, Program Assessment & Development	7	10	3
COS, Special Projects	11	11	-
Program Operations, Program Operations Management	4	4	-
Program Operations, Capital Planning & Grants Admin.	20	22	2
Program Operations, Safety	11	11	-
Program Operations, Project Teams	88	110	22
Corp Governance & Operations, Management	3	3	-
Corporate Governance & Operations, Human Resources	10	11	1
Corporate Governance & Operations, Chief Counsel	12	11	(1)
Corporate Governance & Operations, MIS/Project Services	16	24	8
Corporate Governance & Operations, Facilities	6	6	-
Corporate Governance & Operations, Communications	10	17	7
Financial Operations, CFO Management	3	3	-
Financial Operations, Controller	12	13	1
Financial Operations, Contract Management	14	16	2
Financial Operations, Real Estate Services	7	9	2
Financial Operations, Procurement & Contract Services	8	14	6
Financial Operations, Risk Management & Vendor Services	12	12	-
<b>Total Full-Time Employees</b>	<b>257</b>	<b>310</b>	<b>53</b>
<b>EOM Budget</b>	<b>310</b>		



**New Jersey Schools Development Authority**  
**Statement of Net Assets and General Fund Balance Sheet**  
**November 30, 2011**

	General Fund		Statement of Net Assets	
	<u>Total</u>	<u>Adjustments</u>	<u>Current Yr</u>	<u>Prior Yr End</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 381,985,614		\$ 381,985,614	\$ 571,627,095
Receivables	166,028	\$ 583,260	749,288	724,780
Prepaid Expenses	366,536		366,536	881,075
Capital Assets (Net of Accumulated Depreciation of \$12,261,432)		1,554,709	1,554,709	2,475,270
<b>Total Assets</b>	<b>\$ 382,518,178</b>	<b>\$ 2,137,969</b>	<b>\$ 384,656,147</b>	<b>\$ 575,708,220</b>
<b>LIABILITIES</b>				
Accrued Project Costs	\$ 40,578,739	\$ 97,906,842	\$ 138,485,581	\$ 183,255,070
Accrued Other Post-Employment Benefits Obligation		10,858,772	10,858,772	7,665,153
Other Accrued Liabilities	855,245	931,353	1,786,598	2,439,875
Deposits	11,160,200		11,160,200	12,644,238
<b>Total Liabilities</b>	<b>52,594,184</b>	<b>109,696,967</b>	<b>162,291,151</b>	<b>206,004,336</b>
<b>FUND BALANCE/NET ASSETS</b>				
Invested in Capital Assets		1,554,709	1,554,709	2,475,270
Nonspendable:				
Prepaid Expenses	366,536	(366,536)		
Restricted:				
Schools Construction Build America Bond Program	287,271,881		287,271,881	345,002,960
Schools Construction Special Revenue Fund	42,285,577	(108,747,171)	(66,461,594)	22,225,654
<b>Total Fund Balance/Net Assets (Deficit)</b>	<b>329,923,994</b>	<b>(107,558,998)</b>	<b>222,364,996</b>	<b>369,703,884</b>
<b>Total Liabilities and Fund Balance/Net Assets</b>	<b>\$ 382,518,178</b>	<b>\$ 2,137,969</b>	<b>\$ 384,656,147</b>	<b>\$ 575,708,220</b>



**New Jersey Schools Development Authority**  
**Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balances**  
**November 30, 2011 Year-To-Date**

	<u>General Fund Total</u>	<u>Adjustments</u>
<b>Revenues</b>		
Program Revenues:		
Bond and Note Proceeds (Issued by EDA)	\$ -	
Bidding Fees-Plans & Specs	4,579	
General Revenues:		
Investment Earnings	534,888	
Rental Income	295,732	
Other Revenue-OPRA	2,702	
Total Revenues	<u>837,901</u>	<u>-</u>
<b>Expenditures/Expenses</b>		
Employee Salaries & Benefits	26,578,287	\$ 3,193,619
Administrative & General Expenses	4,536,795	
Capital Expenditures	26,142	(26,142)
Capital Depreciation	946,703	
School Facilities Project Costs	112,713,923	207,462
Total Expenditures/Expenses	<u>143,855,147</u>	<u>4,321,642</u>
Excess of Revenues Over Expenditures	(143,017,246)	(4,321,642)
Change in Net Assets		
<b>Fund Balance/Net Assets (Deficit)</b>		
Beginning of Year	472,941,240	(103,237,356)
End of Period	\$ <u>329,923,994</u>	\$ <u>(107,558,998)</u>

<b>Statement of Activities</b>	
<u>Current Yr</u>	<u>Prior Yr</u>
\$ -	\$ 499,200,000
4,579	725
534,888	1,183,074
295,732	148,439
2,702	2,883
<u>837,901</u>	<u>500,535,121</u>
29,771,906	33,069,927
4,536,795	7,617,686
-	-
946,703	1,218,765
112,921,385	197,566,267
<u>148,176,789</u>	<u>239,472,645</u>
(147,338,888)	261,062,476
369,703,884	189,498,079
\$ <u>222,364,996</u>	\$ <u>450,560,555</u>



New Jersey Schools Development Authority  
Summary of Cash Receipts & Disbursements  
From Inception through November 30, 2011

Cash Receipts - State Share

Cash Disbursements - State Share

Year	Principal Amount <sup>1</sup> Bond Proceeds	Appropriations <sup>2</sup> from State	Investment Earnings	Miscellaneous <sup>3</sup> Revenue	Project Costs	Operating Expenses	Gross Capital <sup>4</sup> Expenditures	Deposits <sup>5</sup>	Totals
2000	-	\$1,510,975	\$5,013	-	-	\$639,406	\$1,150	-	\$875,432
2001	\$508,600,000	47,125,988	18,862,686	\$10	\$18,967,828	6,705,756	1,735,148	-	547,179,952
2002	629,400,000	(43,500,000)	9,991,010	221,897	460,970,915	11,318,973	1,440,184	\$11,453,239	133,836,074
2003	607,929,000	-	5,488,373	305,596	1,096,480,983	19,983,448	7,609,761	13,612,751	(496,738,472)
2004	1,700,000,000	-	8,098,130	356,167	1,289,801,167	28,882,347	844,489	6,299,119	395,225,413
2005	2,075,000,000	-	17,472,686	638,597	1,332,923,106	27,460,855	194,394	53,393,712	785,926,640
2006	600,000,000	-	39,701,591	446,994	1,069,330,378	30,483,062	349,158	(9,559,780)	(469,573,793)
2007	800,000,000	-	28,304,347	541,065	890,787,821	35,055,800	572,252	(24,223,201)	(121,793,662)
2008	450,000,000	-	13,584,070	837,796	880,936,507	39,760,922	940,178	12,538,723	(444,677,018)
2009	775,000,000	-	2,197,675	260,902	613,756,613	43,258,213	243,801	(40,375,956)	79,823,994
2010	499,200,000	-	(2,749,864)	171,035	282,888,651	41,612,847	82,769	(10,494,369)	161,542,535
2011	-	-	534,888	303,013	157,913,731	31,055,471	26,142	(1,484,038)	(189,641,481)
<b>Totals</b>	<b>8,645,129,000</b>	<b>5,136,963</b>	<b>141,490,605</b>	<b>4,083,072</b>	<b>8,094,757,700</b>	<b>316,217,100</b>	<b>14,039,426</b>	<b>11,160,200</b>	<b>\$381,985,614</b>
<b>Cash &amp; Cash Equivalents</b>									<b>\$381,985,614</b>

<sup>1</sup> Pursuant to the provisions of the Educational Facilities Construction and Financing Act (C.18A:7G-14a), as amended, the aggregate principal amount of bonds, notes or other obligations the EDA may issue to finance school facilities projects, and the costs related thereto, shall not exceed \$12.5 billion. This limitation excludes indebtedness incurred for refunding purposes.

<sup>2</sup> Represents funds received prior to the first bond issuance by the EDA in 2001.

<sup>3</sup> Consists of rental income and cash receipts for bidding fees and OPRA requests.

<sup>4</sup> Consists of leasehold improvements (SDA offices), capitalized software, furniture, fixtures & equipment for SDA operations.

<sup>5</sup> Consists of deposits held for Section 13(B) Local Share Agreements (\$11,019,394); bond proceeds received for the payment of bond refunding closing costs (\$11,133) and other deposits (\$129,673)

<sup>6</sup> 2010 Investment Earnings includes: 2009 New Brunswick legal settlement, \$144,736, and interest income \$1,299,176, offset by the Rebate Arbitrage payment of \$4,193,776



New Jersey Schools Development Authority  
Interagency Agreements  
November 30, 2011

<u>State of New Jersey Department / Agency</u>	<u>Service(s) Provided to SDA</u>	<u>Current Yr Payments</u>	<u>Payments from Inception through December 31, 2010</u>	<u>Total Payments</u>
<b><u>Included in Project Costs:</u></b>				
Department of Community Affairs	Provide code inspections, plan reviews and permits for schools.	\$ 317,810	\$ 18,775,878	\$ 19,093,688
Department of Labor and Workforce Development	Provide training in construction trades to women and minorities pursuant to the Educational Facilities Construction & Financing Act (EFCFA). Also, provide enforcement of prevailing wage requirements on SDA projects.	-	10,541,812	10,541,812
Office of the Attorney General - Division of NJ State Police (services formerly provided by the Bureau of Fiscal Oversight and, prior to that, the Office of Government Integrity)	Perform prequalifying review and investigative services related to vendor integrity as required by the EFCFA.	306,264	4,659,347	4,965,611
Department of Education	Perform educational adequacy reviews for Abbott district schools.	-	3,276,059	3,276,059
New Jersey Institute of Technology	High Performance Schools guideline development and program implementation costs.	-	4,116,295	4,116,295
Rutgers University	Perform studies on the potential cost savings that could be realized through the use of standardized design elements, components, and construction materials. Also, includes fees paid to NJ Small Business Development Centers.	180,263	297,063	477,326
Department of Environmental Protection	Provide expedited environmental remediation review and support services.	153,688	1,399,987	1,553,675
Department of Transportation (terminated)	Provide relocation assistance services.	-	355,875	355,875
Other	Miscellaneous	-	179,552	179,552
<b>Payments Included in Project Costs</b>		<u>958,025</u>	<u>43,601,868</u>	<u>44,559,893</u>

(Continued on Next Page)



New Jersey Schools Development Authority  
 Interagency Agreements  
 November 30, 2011

Interagency Agreements (Continued)

<u>State of New Jersey Department / Agency</u>	<u>Service(s) Provided to SDA</u>	<u>Current Yr Payments</u>	<u>Payments from Inception through December 31, 2010</u>	<u>Total Payments</u>
<b><u>Included in Administrative &amp; General:</u></b>				
Office of the Attorney General - Division of Law (TRE009)	Provide legal services and contract reviews. Also, provide legal support for environmental cost recoveries.	149,802	9,335,068	9,484,870
Governor's Authorities Unit	Annual assessment (not all years)	-	109,388	109,388
Office of the Inspector General (TRE030) (terminated in 2010)	Salaries & benefits for Assistant Inspector Generals assigned to SDA. .	57,236	801,636	858,872
Rutgers University, Center for Organizational Development and Leadership (RUT009)	Assist SDA in the development of a mission statement, vision statement and statement of values.	-	8,300	8,300
Department of Community Affairs (terminated)	Salaries & benefits for DCA employee assigned to SDA.	-	349,471	349,471
<b>Payments Included in Administrative &amp; General</b>		<u>207,038</u>	<u>10,603,863</u>	<u>10,810,901</u>
<b>Total Interagency Payments</b>		<u>\$ 1,165,063</u>	<u>\$ 54,205,731</u>	<u>\$ 55,370,794</u>

**EMERGENT RESERVE BALANCE SUMMARY**



STATE OF NEW JERSEY

# SCHOOLS DEVELOPMENT AUTHORITY

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## MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: January 4, 2012

SUBJECT: Monthly Emergent Reserve Balance Summary  
(For Informational Purposes Only)

---

The report shows the remaining balance in the \$97M reserve fund for emergent projects as of December 1, 2011. Both the current contractual obligations as well as total estimated project costs funded within the reserve are shown.

### **Noteworthy Items during the reporting period:**

- **Additional Emergent Projects approved during the reporting period**  
No additional Emergent Projects were approved during the reporting period.
- **Changes in Estimated Total Project Costs**  
Estimated Total Project Costs have increased \$23k
  - SDA Managed Projects
    - No change during the reporting period
  - District Delegated Projects:
    - Estimated Total Project Costs have increased \$23k due to change orders executed for the Hoboken Brandt MS #2 Unit Ventilator Replacement project
- **Changes in Contractual Obligations**  
Contractual Obligations have increased \$21k
  - SDA Managed Projects
    - Current Contractual Obligations have increased \$21k due to change orders and amendments executed on several projects.
  - District Delegated Projects:
    - No change during the reporting period



Monthly Emergent Reserve Balance Summary  
As of 12/01/11

Reserve Balance \$ 97,000,000

<u>Current Contractual Obligations</u>			
District Delegated Projects	84 Projects	\$	29,821,833
SDA Managed Emergent Projects	46 Projects	\$	23,340,489
SDA Managed Emergency Situations at Existing Projects	2 Projects	\$	445,103
<b>Total Current Contractual Obligations</b>		<b>\$</b>	<b>53,607,426</b>
<b>Reserve Balance Remaining Unobligated</b>		<b>\$</b>	<b>43,392,574</b>

<u>Estimated Total Project Costs</u>			
District Delegated Projects	84 Projects	\$	41,502,902
SDA Managed Emergent Projects	46 Projects	\$	36,533,218
SDA Managed Emergency Situations at Existing Projects	2 Projects	\$	5,636,692
<b>Total Estimated Total Project Costs</b>		<b>\$</b>	<b>83,672,812</b>
<b>Reserve Balance Remaining for Additional Projects</b>		<b>\$</b>	<b>13,327,188</b>

**NOTIFICATION OF GOODS AND SERVICES CONTRACTS REPORT** (*no activity*)

**COMMUNICATIONS PROGRESS REPORT**

**MEMORANDUM**

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: January 4, 2012

SUBJECT: New Jersey Schools Development Authority  
Monthly Communications Report

**Authority Announces “Kit of Parts”**

The SDA announced the second phase toward standardization of school design with the release of the “Kit of Parts”. The “Kit of Parts” will be used during construction of new school facilities and will introduce more consistency across designs for classrooms and other school facility areas. Following Governor Christie’s announcement in March 2011, SDA has been developing methods to utilize standardization in all public school facilities projects in the State of New Jersey that are managed by the SDA. Standardization on all SDA projects will be implemented in phases. The first phase culminated with the release of the “Materials and Systems Standards Manual” and the “Construction Details Manual” in November. Phase Two, the “Kit of Parts” was developed to create model school components, which can easily be rearranged to accommodate the various shapes and sizes of the school sites and can be used across multiple Capital Program projects. The “Kit of Parts” consists of three parts – Model Programs, Model Educational Specifications and Component Elements. A press release was distributed statewide to various media outlets announcing the “Kit of Parts” and presentation is available to view on the SDA website. In addition, NJ Spotlight ran a profile on the new SDA Model Schools Program and the “Kit of Parts” initiative.

**Governor’s “Season of Service” Initiative**

As part of the Christie Administration’s “Season of Service” initiative, CEO Marc Larkins and Chief of Staff Jason Ballard volunteered to mentor and provide homework assistance to children at the Jubilee Center in Hoboken through the Jersey Cares program on Wednesday, December 14. The “Season of Service” was announced by the Governor and First Lady on Thanksgiving Eve as a way to encourage volunteering and highlight service opportunities in the state.

**Authority Distributes ROD Grant Press Releases**

The SDA has continued executing state grants across New Jersey through its Regular Operating District (ROD) grant program, furthering the Governor’s commitment to providing the state’s children with modern and efficient schools.

Members of the Authority  
 Communications Report  
 January 4, 2012  
 Page 2 of 2

The chart below lists districts for which ROD grant press releases were distributed on December 1, 2011.

<b>County Name</b>	<b>District Name</b>	<b>State Share</b>
Somerset	Bernards Township	\$72,980
Mercer	Hamilton Township	\$466,151
Mercer	Hopewell Valley Regional	\$15,206
Monmouth	Oceanport Borough	\$94,024
Bergen	Paramus	\$398,654
Camden	Pine Hill Borough	\$306,390
Salem	Pittsgrove Township	\$542,986

Report Prepared by: Andrea Pasquine

**REGULAR OPERATING DISTRICT GRANT ACTIVITY REPORT**



STATE OF NEW JERSEY

# SCHOOLS DEVELOPMENT AUTHORITY

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## MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: January 4, 2012

SUBJECT: Regular Operating District Grant Activity Report  
(For Informational Purposes Only)

---

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of November 2011. Also included is a detailed list of grants executed and grants offered during the reporting period.

### **Monthly Update:**

- No new grants were offered during the reporting period.
- 6 grants impacting 3 districts were executed during the reporting period representing total estimated project costs of \$1.8M and estimated state share of \$0.9M.
- 21 grants impacting 7 districts were closed out during the reporting period representing \$20.8M in total project costs and state share of \$6.7M.
- Since inception, over \$2.1B has been disbursed to over 500 regular operating districts through the grant program.
- Since inception \$2.9B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



Monthly Regular Operating District Grant Report - Summary

As of 11/30/2011

ROD Grant Summary Since Program Inception				
	Offered <sup>1</sup>	Executed	Closed-Out	Active
Districts Impacted	173	501	446	291
Number of Grant Projects	679	3,781	2,540	1,241
Total Project Cost Estimate	\$ 890,455,064	\$ 7,901,911,994	\$ 5,543,352,939	\$ 2,358,559,054
Grant Amount	\$ 314,345,556	\$ 2,555,930,633	\$ 1,769,456,277	\$ 786,474,356
Amount Disbursed	N/A	\$ 2,174,461,228	\$ 1,769,456,277	\$ 405,004,952

Total Funding Offered to School Districts via Grant Program	\$ 2,870,276,189
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Total ROD Grant Funding remaining for new Grant Projects	\$ 330,448,070
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1. Includes grants that have been offered to District's but have not yet been executed.

ROD Grant Summary - November 2011		
	Executed	Closed-Out
Districts Impacted	3	7
Number of Grant Projects	6	21
Total Project Cost Estimate	\$ 1,793,772	\$ 20,746,765
Grant Amount	\$ 860,135	\$ 6,717,404
Amount Disbursed	\$ -	\$ 6,717,404

\* Report is inclusive of all Regular Operating Districts grants (including vocational school districts)

\*\* Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.



Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

As of 11/30/2011

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Bergen	Paramus	Paramus H.S.	\$ 218,986	\$ 87,594	Renovate classroom to Self-Contained Special Education Classroom.
Camden	Pine Hill Borough	Albert M. Bean E.S.	\$ 133,189	\$ 89,730	Install fire alarm system
Camden	Pine Hill Borough	John Glenn E.S.	\$ 170,153	\$ 114,632	Replace fire alarm system
Camden	Pine Hill Borough	John Glenn E.S.	\$ 151,444	\$ 102,028	Provide emergency backup generator
Mercer	Hamilton Township - Mercer	Morgan E.S.	\$ 665,000	\$ 276,777	Roof replacement
Mercer	Hamilton Township - Mercer	Yardville Heights E.S.	\$ 455,000	\$ 189,374	Window replacement
<b>Grand Total</b>		<b>Grants Executed - 6</b>	<b>\$ 1,793,772</b>	<b>\$ 860,135</b>	

**ACTIVE PROJECT STATUS REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: January 4, 2012

SUBJECT: Active Project Status Report  
(For Informational Purposes Only)

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The 1<sup>st</sup> section of the report includes a 2011 Capital Program Activities Summary.

The 2<sup>nd</sup> part of the report displays project completion milestones for all other major capital projects and emergent projects.

**Noteworthy Items during the reporting period:**

**Major Capital Projects**

- No data during the reporting period

**Emergent Projects**

- Achieved substantial completion for the Irvington Union Ave MS Boiler Replacement project



**2011 Capital Program Activities Summary**

as of 11/29/2011

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Elizabeth	Academic HS	9-12	1,091	\$81.5	Existing Design	Final Preparation for Construction Procurement.	Dec-11
Long Branch	Catrambone ES	PK-5	817	\$40.2	Existing Design	Final Preparation for Construction Procurement.	Dec- 11
Bridgeton	Cherry St. ES	K-8	591	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Jersey City	ES 3	PK-5	814	\$67.3	Kit of Parts Candidate	Site Investigations ongoing. Design Development.	1 QTR 12
Jersey City	PS 20	K-5	628	\$54.6	Existing Design	Site Investigations ongoing. Design Development.	4 QTR 12
New Brunswick	Redshaw ES	K-5	670	\$49.3	Kit of Parts Candidate	Site Investigations ongoing. Design Development.	1 QTR 12
Newark	Oliver St. ES	TBD	TBD	TBD	Kit of Parts Candidate	Design Development. Scoping Conversations with Working Group (DOE/SDA/District).	3 QTR 12
Paterson	Marshall St. ES	K-8	650	\$42.5	Existing Design	Site Investigations ongoing. Design Development.	2 QTR 12
Paterson	PS 16	PK-8	651	\$61.7	Kit of Parts Candidate	Site Investigations ongoing. Land acquisition and related activities ongoing. Design Development.	2 QTR 12
West New York	Harry L. Bain PS 6	PK-6	736	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District). Design Development for demolition of existing structure on SDA owned site.	1 QTR 12

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project



**Active Project Status Report**

Report Date: 12/6/11

**Major Capital Projects**

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	Occupancy Date	Status of Occupancy Date	Total Estimated Project Cost
1	Camden City	Morgan Village M.S.	New Construction	Substantial Completion	Aug-11	Achieved	Sep-11	Achieved	\$ 40,097,376
2	Egg Harbor Twp	High School Phase II	Addition/ Renovation	Substantial Completion	Aug-11	Achieved	Sep-11	Achieved	\$ 23,827,527
3	Pemberton	ECC #1	New Construction	Substantial Completion	Jun-11	Achieved	Sep-11	Achieved	\$ 29,748,937
4	Elizabeth	Victor Mravlag ES	New Construction	Construction	Nov-12	On-target	Jan-13	On-target	\$ 45,464,204
5	Passaic City	New Henry Street ES	New Construction	Construction	Apr-14	On-target	Sep-14	On-target	\$ 40,250,458
6	Union City	New Columbus ES	New Construction	Construction	Jun-12	On-target	Sep-12	On-target	\$ 46,203,896
7	West New York	Public School #3	New Construction	Construction	Jan-12	On-target	Jan-12	On-target	\$ 66,303,105

**Emergent Projects**

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Camden City	Molina ES	HVAC & Roofing	Complete	Oct-11	Achieved	Dec-11	On-Target	\$ 3,110,783
2	Camden City	Washington ES	Structural Repairs	Complete	Aug-11	Achieved	Jan-12	On-Target	\$ 95,887
3	Camden City	East Camden M.S.	HVAC	Design	Oct-12	On-Target	Dec-12	On-Target	\$ 3,158,761
4	East Orange	Cochran Academy	Roof & Ceilings	Construction	Jan-12	On-Target	Feb-12	On-Target	\$ 324,410
5	East Orange	Houston ES	Roof & Ceilings	Construction	Jan-12	On-Target	Feb-12	On-Target	\$ 762,227
6	East Orange	Warwick ES	Roof, Ceilings & Curtain Wall Repair	Construction	Dec-11	On-Target	Jan-12	On-Target	\$ 832,549
7	Irvington	Irvington HS	HVAC & Roofing	Pre-Development	Oct-12	On-Target	Dec-12	On-Target	\$ 2,840,625
8	Irvington	Union Avenue Middle School	Boiler Replacement	Construction	Nov-11	Achieved	Jan-12	On-Target	\$ 1,390,747



**Active Project Status Report**

**Report Date: 12/6/11**

**Emergent Projects (cont.)**

	<b>District</b>	<b>Project Name</b>	<b>Project Scope</b>	<b>Project Phase</b>	<b>Substantial Completion</b>	<b>Status Substantial Completion</b>	<b>Final Completion</b>	<b>Status of Final Completion</b>	<b>Total Estimated Project Cost</b>
9	Passaic City	School #6-MLK Jr.	Roofing	Construction	Mar-12	On-Target	Apr-12	On-Target	\$ 1,008,230
10	Paterson	PS #6	Windows	Pre-Development	Oct-12	On-Target	Dec-12	On-Target	\$ 792,899
11	Trenton	Trenton Central HS	Roofing	Construction	Mar-12	On-Target	Apr-12	On-Target	\$ 431,857

**PROJECT CLOSE OUT ACTIVITY**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: January 4, 2012

SUBJECT: Active Project Status Report  
(For Informational Purposes Only)

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The 1<sup>st</sup> section of the report includes a 2011 Capital Program Activities Summary.

The 2<sup>nd</sup> part of the report displays project completion milestones for all other major capital projects and emergent projects.

**Noteworthy Items during the reporting period:**

**Major Capital Projects**

- No data during the reporting period

**Emergent Projects**

- Achieved substantial completion for the Irvington Union Ave MS Boiler Replacement project



**2011 Capital Program Activities Summary**

as of 11/29/2011

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Elizabeth	Academic HS	9-12	1,091	\$81.5	Existing Design	Final Preparation for Construction Procurement.	Dec-11
Long Branch	Catrambone ES	PK-5	817	\$40.2	Existing Design	Final Preparation for Construction Procurement.	Dec- 11
Bridgeton	Cherry St. ES	K-8	591	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Jersey City	ES 3	PK-5	814	\$67.3	Kit of Parts Candidate	Site Investigations ongoing. Design Development.	1 QTR 12
Jersey City	PS 20	K-5	628	\$54.6	Existing Design	Site Investigations ongoing. Design Development.	4 QTR 12
New Brunswick	Redshaw ES	K-5	670	\$49.3	Kit of Parts Candidate	Site Investigations ongoing. Design Development.	1 QTR 12
Newark	Oliver St. ES	TBD	TBD	TBD	Kit of Parts Candidate	Design Development. Scoping Conversations with Working Group (DOE/SDA/District).	3 QTR 12
Paterson	Marshall St. ES	K-8	650	\$42.5	Existing Design	Site Investigations ongoing. Design Development.	2 QTR 12
Paterson	PS 16	PK-8	651	\$61.7	Kit of Parts Candidate	Site Investigations ongoing. Land acquisition and related activities ongoing. Design Development.	2 QTR 12
West New York	Harry L. Bain PS 6	PK-6	736	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District). Design Development for demolition of existing structure on SDA owned site.	1 QTR 12

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project



**Active Project Status Report**

Report Date: 12/6/11

**Major Capital Projects**

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	Occupancy Date	Status of Occupancy Date	Total Estimated Project Cost
1	Camden City	Morgan Village M.S.	New Construction	Substantial Completion	Aug-11	Achieved	Sep-11	Achieved	\$ 40,097,376
2	Egg Harbor Twp	High School Phase II	Addition/ Renovation	Substantial Completion	Aug-11	Achieved	Sep-11	Achieved	\$ 23,827,527
3	Pemberton	ECC #1	New Construction	Substantial Completion	Jun-11	Achieved	Sep-11	Achieved	\$ 29,748,937
4	Elizabeth	Victor Mravlag ES	New Construction	Construction	Nov-12	On-target	Jan-13	On-target	\$ 45,464,204
5	Passaic City	New Henry Street ES	New Construction	Construction	Apr-14	On-target	Sep-14	On-target	\$ 40,250,458
6	Union City	New Columbus ES	New Construction	Construction	Jun-12	On-target	Sep-12	On-target	\$ 46,203,896
7	West New York	Public School #3	New Construction	Construction	Jan-12	On-target	Jan-12	On-target	\$ 66,303,105

**Emergent Projects**

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Camden City	Molina ES	HVAC & Roofing	Complete	Oct-11	Achieved	Dec-11	On-Target	\$ 3,110,783
2	Camden City	Washington ES	Structural Repairs	Complete	Aug-11	Achieved	Jan-12	On-Target	\$ 95,887
3	Camden City	East Camden M.S.	HVAC	Design	Oct-12	On-Target	Dec-12	On-Target	\$ 3,158,761
4	East Orange	Cochran Academy	Roof & Ceilings	Construction	Jan-12	On-Target	Feb-12	On-Target	\$ 324,410
5	East Orange	Houston ES	Roof & Ceilings	Construction	Jan-12	On-Target	Feb-12	On-Target	\$ 762,227
6	East Orange	Warwick ES	Roof, Ceilings & Curtain Wall Repair	Construction	Dec-11	On-Target	Jan-12	On-Target	\$ 832,549
7	Irvington	Irvington HS	HVAC & Roofing	Pre-Development	Oct-12	On-Target	Dec-12	On-Target	\$ 2,840,625
8	Irvington	Union Avenue Middle School	Boiler Replacement	Construction	Nov-11	Achieved	Jan-12	On-Target	\$ 1,390,747



**Active Project Status Report**

**Report Date: 12/6/11**

**Emergent Projects (cont.)**

	<b>District</b>	<b>Project Name</b>	<b>Project Scope</b>	<b>Project Phase</b>	<b>Substantial Completion</b>	<b>Status Substantial Completion</b>	<b>Final Completion</b>	<b>Status of Final Completion</b>	<b>Total Estimated Project Cost</b>
9	Passaic City	School #6-MLK Jr.	Roofing	Construction	Mar-12	On-Target	Apr-12	On-Target	\$ 1,008,230
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