

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD MEETING  
WEDNESDAY, NOVEMBER 7, 2012 AT 9:00 A.M.  
ONE WEST STATE STREET, ONE WEST BOARD ROOM

AGENDA

1. NOTICE OF PUBLIC MEETING

2. ROLL CALL

3. APPROVAL OF MEETING MINUTES

- a. Board Open Session Meeting Minutes of October 3, 2012

4. AUTHORITY MATTERS

- a. CEO Report  
b. Chairman's Report

5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)

- a. Business and Real Estate Insurance Program Renewal

6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)

- a. Change Orders/Amendments

1. COMPANY NAME:	URS Corporation
DISTRICT:	Camden City
CONTRACT NO:	CA-0010-M01
CM:	URS Corporation
SCHOOL NAME:	Morgan Village Middle School
AMENDMENT NO.:	6
REASON:	Credit for Unused Professional Services
AMOUNT:	(\$299,436)
CONTRACT STATUS:	79.5% Paid to Date against Current Contract Value
OCCUPANCY DATE:	September 1, 2011
2. COMPANY NAME:	Tricon Enterprises, Inc.
DISTRICT:	Newark
CONTRACT NO:	NE-0003-J01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	South Street Elementary School
CHANGE ORDER NOs.:	3, 4, and 5
REASON:	Various
AMOUNT:	\$618,139.90
	CCD No. 1 \$500,000 + Resolving CO No. 3 \$0.00
	CCD No. 2 \$250,000 + Resolving CO
	No. 4 \$(5,344.08)
	CO No. 5 \$(126,516.02)
CONTRACT STATUS:	85.52% Paid to Date against the Current Contract Value
DATE:	January 15, 2010

3. COMPANY NAME: Skanska USA Building Inc.  
DISTRICT: Passaic  
CONTRACT NO: PM-0018-P01  
SCHOOL NAME: Henry Street Elementary School  
AMENDMENT NOS: 20 and 22  
REASON: Additional Services and Credit of Unused Funds  
AMOUNT: No. 20 - \$140,414.00 (Extended and Additional Services)  
No. 22 – (\$579,856.16) (De-obligation of Unused Funds)  
(\$439,442.16) (Total Credit Amount)  
CONTRACT STATUS: 96% Paid to Date against the Current Contract Value  
REVISED DELIVERY DATE: TBD

- b. Construction Award and Approval of Final Charter
  - i. EL-0006-C01 - Elizabeth - Academic High School – New Construction
- c. Delegated Authority Award
  - i. EL-0006-M02 – Elizabeth – Academic High School – Construction Management Services  
(*Informational*)
- d. Proposed Readoption of Regulations – N.J.A.C. 19:38B Procedures for Price and Other Factors  
Procurement of Construction Contracts for New School Facilities Projects

**7. MONTHLY REPORTS**

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

**8. PUBLIC COMMENT(S)**

**9. REPORT OF THE REAL ESTATE COMMITTEE**

**10. EXECUTIVE SESSION**

- a. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)  
CCD Report (*no activity*)

**11. ADJOURNMENT**

**APPROVAL OF MEETING MINUTES**

**OCTOBER 3, 2012 , 2012 OPEN SESSION MINUTES**

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

**WEDNESDAY, OCTOBER 3, 2012**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA”, “NJSDA” or “the Authority”) was held on Wednesday, October 3, 2012 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 (State Treasury)  
Bernard Piaia (NJDOE)  
Michael Capelli  
Kevin Egan  
Loren Lemelle  
Lester Lewis-Powder  
Michael Maloney  
Joseph McNamara  
Robert Nixon  
Martin Perez  
Mario Vargas

being a quorum of the Board. Mr. Egan, Mr. Piaia, Mr. Petrino, Ms. Lemelle, Mr. Perez, Mr. Capelli and Mr. Lewis-Powder participated in the meeting via telephone conference.

At the Chairman’s request, Marc Larkins, chief executive officer; Jason Ballard, chief of staff; Jane Kelly, vice president & assistant secretary; Andrew Yosha, vice president; Donald Guarriello, vice president and chief financial officer; Albert Barnes,

acting chief counsel; and James Adams, program director, of the SDA participated in the meeting. Brett Tanzman of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, 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 Open Session meeting of the Board held September 5, 2012 for consideration and approval. A copy of the minutes and resolution presented were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas, and seconded by Ms. Hassett, the September 5, 2012 Open Session meeting minutes were approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 3a*.

#### *Authority Matters*

#### *CEO Report*

Mr. Walsh asked Mr. Larkins to provide the report of the CEO. Mr. Larkins updated the Members regarding activity underway. He reported that, last week, the SDA advertised two (2) major Capital projects as follows: 1) New Phillipsburg High School in the Phillipsburg School District on Thursday, September 27, with construction cost estimates ("CCE") at over \$80 million; and 2) Completion of construction on the New Henry Street Elementary School in the Passaic School District on Friday, September 28.

With regard to active projects, Mr. Larkins informed the Members that SDA staff, along with Governor Christie, attended a ground breaking ceremony for the New George L. Catrambone Elementary School (“Catrambone”) in the Long Branch School District on September 24. He also reported that on Tuesday, October 2 SDA staff visited the Keansburg School District to announce the advancement of demolition of the existing Caruso Elementary School (“Caruso”) to prepare for construction of a replacement school.

Next, Mr. Larkins reported that SDA staff toured certain Regular Operating District (“RODs”) projects. He said that staff visited the Linden School District on September 10 and toured a school addition receiving grant assistance. He said that on September 22, staff participated in a ribbon cutting for a new addition to an existing school in the Buena School District. Mr. Larkins also reported that demolition activities are taking place in the following school districts: the Paterson School District at PS 16 Elementary School (“PS16”); the West New York School District at Harry L. Bain Elementary School (“Bain”); and the Newark School District at Oliver Street Elementary School (“Oliver Street”).

In addition, Mr. Larkins reported that a notice of award was issued for Elementary School No. 3 (“ES No.3”) in the Jersey City School District.

In terms of active procurements, Mr. Larkins reported that a notice of award was issued to Hall Construction Company, Inc. for the A. Chester Redshaw Elementary School (“Redshaw”) project in the New Brunswick School District. He reminded the Members that this is advancing as a design/build project. He noted that additional design work would be needed and would potentially take the project through the winter months,

with construction beginning in the spring. Mr. Larkins also reported that bids for procurement associated with the Academic Magnet High School (“Academic”) project in the Elizabeth School District will be opened on October 18. He noted that the SDA is hopeful that, in general, there will be an advertisement by the Authority every month over the next year for new projects.

In terms of other events, Mr. Larkins reported that SDA staff is continuing outreach to various groups in the construction community. He said that on September 21 he had the opportunity to speak at a Business Leadership Conference that was sponsored by the African American Chamber of Commerce. Mr. Larkins also reported that on September 27, he participated in a construction round table discussion held in Madison.

Lastly, Mr. Larkins provided the Members with an update regarding the emergent projects, noting that the projects are advancing, and that the SDA is anticipating assigning a few of those projects to general contractors (“GCs”) in the coming months. He also stated that other emergent projects are being prepared for advertisement for either design or actual construction work over the next couple of months. Mr. Walsh inquired about the schedule for the Redshaw project, asking whether the construction timetable had been revised. Mr. Larkins informed the Members that the SDA shared a schedule that was received from the GC with the Committee that projected occupancy of the school in September 2014, while the SDA’s projected schedule for occupancy would be in 2015. He briefly discussed the basis for the difference between the two (2) schedules and said that SDA staff and the GC will have further discussions on this issue. After discussion, Mr. Walsh asked that, on a monthly basis, the Members be informed of the Redshaw project schedule. Ms. Hassett referenced the recent Catrambone event that Mr.

Larkins had discussed earlier and suggested that, going forward, the Members be invited to future groundbreakings.

### *Audit Committee Report*

Mr. Walsh then asked for the report of the Audit Committee. Mr. Nixon advised the Members that the Committee met on September 17, 2012. He said that, as part of the July 2012 New Funding Allocation and Capital Program update, management had reported no changes in the Unforeseen Events or Planning Reserves. He advised that there was a \$62,000 decrease in commitments in the Emergent Projects Reserve. He informed the Members that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$900,000 due entirely to a reduction in state share for projects nearing completion. He advised that ten (10) new grants were offered totaling \$2.2 million. Mr. Nixon then reported that management had reported to the Committee on the results of one audit. He outlined the key points in the audit of the Matrix Development East Front Street Common Areas Maintenance (“CAM”) fees. He explained that CAM fees are the operating expenses incurred by the landlord in order to maintain areas or services that are common to all building tenants. He noted that the Audit concluded that the 2011 operating expense reconciliation had been properly calculated. He advised that the SDA’s *pro rata* share for CAM fees was \$164,669 of the total \$493,680. He noted that staff made one low level recommendation that the methodology used for calculating property management fees be included in the lease agreement should the lease be renewed.

Mr. Nixon then reported that management had provided the Committee with the August 2012 Monthly Financial Report. He said that, as of August 2012, the Authority’s

operating expenditures were at \$24.1 million, which is \$3.3 million lower than budget for the period and a \$2 million decrease from the corresponding period in the prior year. He advised the Board that school facilities project expenditures total \$124 million, which is \$9 million higher than spending for the corresponding prior year period due largely to an increase in grant activity offset by a decrease in construction work and related project costs. He reported that, since inception, 96% of all SDA disbursements relate to school facilities projects and 4% relate to program administrative and general expenses. Mr. Nixon advised that, of the current year operating expenses of \$24.1 million, approximately \$10.5 million in personnel costs can be attributed to school facilities projects. He noted that the SDA is now tracking staff costs and allocating them to projects. In conclusion, he reported that current year project expenditures total \$124 million, excluding the \$10.5 million in personnel costs, and that the estimated value of current school facilities project activity is approximately \$2.2 billion. Mr. Walsh asked when the discussion on the 2013 budget will occur. Mr. Larkins replied that a draft budget will be presented at the October Audit Committee Meeting. Mr. Walsh suggested that a detailed conversation take place regarding personnel costs relating to projects and total volume of work anticipated going forward. He said that the budget review may require that a special meeting be convened and asked that Mr. Nixon forward all reports prior to the meeting.

### *School Review Committee Report*

#### **Tricon Enterprises, Inc.; Becica Associates, LLC**

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee ("SRC"). Mr. Luckie reported that the Committee met on September 17,

2012 and discussed various issues. He reported that the Committee was provided with a resolving change order for Tricon Enterprises, Inc. ("Tricon") for the Joseph C. Caruso Elementary School ("Caruso") project in the Keansburg School District. He said that the change order was for the removal of asbestos in the amount of \$39,000. Mr. Adams provided a brief overview of the matter.

A resolution for approval of a resolving change order for Tricon had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Maloney and seconded by Mr. Vargas, the Board approved the resolving change order as presented upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6a1*.

Mr. Luckie then reported that the Committee had discussed an amendment for Becica Associates, LLC ("Becica"). He said that the amendment, in the amount of \$125,000, was due to the need for an increase in the testing and inspection allowance as there have been significant changes in the project scope for the Catrambone Elementary School project in the Long Branch School District. Mr. Adams then gave a brief overview of the project.

A resolution pertaining to the approval of an amendment for Becica had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Nixon, and seconded by Ms. Hassett, the amendment as presented was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6a2*.

**Preliminary `Project Charters – Keansburg School District – Caruso ES and Port Monmouth Road School**

Mr. Luckie reported that the Committee was provided with preliminary project charters for the Caruso Elementary School and Port Monmouth Road School in the Keansburg School District. He said that management is recommending Board approval so that SDA staff might proceed with in-house design activities and procure necessary professional and construction services for the projects. Mr. Luckie noted that these projects will address overcrowding in the grades where it exists and allow for efficient utilization of district facilities. He said that the SDA's Operating Authority ("OA") will govern the award of all professional services and construction contracts and Board notification of the use of contingency monies. Mr. Yosha then provided the Members with an overview of the project charters and associated issues.

A resolution pertaining to the preliminary project charters for the Caruso Elementary School and Port Monmouth Road School in the Keansburg School District had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Ms. Hassett and seconded by Mr. McNamara, the project charters for the Caruso Elementary School and Port Monmouth Road School in the Keansburg School District were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6bi*.

**Approval of Award – NE-0013-N01- Newark – Oliver Street ES – Early Site Preparation (*Informational Memorandum*)**

Mr. Luckie then discussed an informational memorandum that had been previously provided to the Members for review regarding an award for early site preparation activities at the Oliver Street Elementary School ("Oliver Street") in the

Newark School District. He reported that, at the August Board meeting, delegated authority was given to the CEO and SRC Chair to approve the award. He said that the Committee was advised that, following expiration of the Governor's veto period, the award, in the amount of \$1,844,444, was approved for Silverlands Services, Inc. on August 20 and a NTP was issued on September 13.

### **Reports**

Referencing the project closeout report that had been provided to the Members in advance of the meeting, Mr. Luckie reported that Mr. Ballard had provided the Committee with a brief update regarding the status of project closeouts. He said that the Committee was informed that the Special Projects Division was actively engaged in transferring properties back to the school districts, closing out projects and recording deeds for transfers back to the districts. Mr. Luckie said that SDA staff was able to open the West New York No. 3 Elementary School ("WNY"), and simultaneously process and transfer the deed to the school district. He said that Mr. Ballard had reported that this was the first time in SDA history that this has occurred. Mr. Luckie also reported that three (3) additional schools have been transferred back to the districts, saving the SDA approximately \$11,000 in insurance costs. He said that the Lincoln Avenue Elementary School was fully transferred back to the Orange School District. Mr. Luckie congratulated SDA staff on their success with the project closeout initiative.

Mr. Larkins informed the Members that an informational memorandum had been distributed to the Members prior to the meeting for discussion in Executive Session. He said that this item will not be considered today and, as such, there is no need for the Board to convene in Executive Session. He asked that the Members review the

memorandum that had been provided, advising that it may come back to the Committee and then to the full Board for consideration in the future.

### Public Comments

The Chairman, Mr. Walsh, then announced that the Public Comments portion of the meeting would begin. Mr. Walsh asked if there were any members of the public present who wished to address the Board. Hearing none, upon a motion by Mr. McNamara, and seconded by Mr. Vargas, and with unanimous consent, the 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 October 3, 2012 meeting.



Jane F. Kelly  
Assistant Secretary

**RESOLUTION—3a.****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 October 3, 2012 Board meeting of the New Jersey Schools Development Authority, for the Open Session, was forwarded to the Governor on October 5, 2012.

**NOW, THEREFORE, BE IT RESOLVED**, that the minutes of the New Jersey Schools Development Authority's October 3, 2012 Open Session meeting is 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: November 7, 2012

## AUTHORITY MATTERS

**CEO REPORT (*ORAL*)**

**CHAIRMAN'S REPORT**

**REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE**

**BUSINESS AND REAL ESTATE INSURANCE PROGRAM RENEWAL**



**TO:** Members of the Authority

**FROM:** Karon L. Simmonds, Director /s/ Karon Simmonds  
Risk Management and Vendor Services

**DATE:** November 7, 2012

**SUBJECT:** Business and Real Estate Property & Casualty Insurance Program  
GP-0173-R01

Risk Management is requesting Board approval to renew various insurance policies to continue NJSDA's Business and Real Estate Property and Casualty Insurance Program ("Insurance Program"). The renewal policies will be purchased pursuant to the second year of a three-year term for broker services with The Safeguard Group, Inc. ("Safeguard"). In November, 2011, the Board approved the award of broker services to Safeguard, while concurrently approving the purchase of various Business and Real Estate insurance policies for the first of three years. The renewal policies will have a one year term with an effective date of December 14, 2012, and the proposed cost is not to exceed \$828,000. The "Operating Authority By Level," adopted by the Board, requires the approval by the Members of the Authority for a contract amendment of Goods and Services contracts that exceeds \$100,000.

#### BACKGROUND

In November 2011, the Board approved the award of the Business and Real Estate Property and Casualty Insurance broker services to Safeguard for a three-year term. As part of their scope of services, Safeguard was directed to purchase on behalf of the Authority various insurance policies included in the Authority's Insurance Program. The policies included in the Insurance Program are: Business Administration Package (this includes General Liability, Business Personal Property, Electronic Data Processing Property, Valuable Papers and Extra Expense); Automobile Liability; Worker's Compensation; Umbrella/Excess Liability; Public Officials' and Employment Practices Liability; Real Estate Package (this includes Property and General Liability for Temporary Classroom Units (TCU's) and General Liability for the Real Estate Owned (REO) inventory); and Property insurance for our Swing Space schools and other REO properties. The 2011-2012 Business and Real Estate Property and Casualty insurance policies, which are due to expire on December 14, 2012, were purchased pursuant to a three-year term broker services contract at an annual not to exceed amount of \$1,002,100, inclusive of commissions, plus an allowance of 5% to account for potential exposure increases during the policy term.

Members of the Authority  
November 7, 2012  
Page 2 of 3

### DESCRIPTION

In preparation for the 2012-2013 Insurance Program renewal, Risk Management has provided Safeguard with key data and other information that was disseminated to the incumbent insurers to obtain insurance policy quotations. This data is used by the insurers to quantify the Authority's various insurable risk exposures, and for pricing of the insurance policies. Data provided for the quotations was based on the Authority's risk exposures as of August 31, 2012. Risk Management has met with Human Resources, Facilities, MIS, Office of the Chief Financial Officer, Office of Chief Counsel and Real Estate. We believe that the Authority's risk exposures are reasonably quantified and any changes forthcoming will be endorsed onto the policy accordingly.

Safeguard has presented the Authority with a proposal which outlines the limits, terms and conditions for renewing the Insurance Program, effective December 14, 2012. Attached for your review are Safeguard's Coverage and Executive Summaries, which include a synopsis of the cost comparisons and program changes. The annual cost for the 2012-2013 Insurance Program, as outlined below, is \$789,095.33, which is inclusive of commissions.

Coverage	2011-2012 Annual Premium (as of 12/14/2011)	2012-2013 Renewal Premium (as of 12/14/2012)
Business Administration Package	\$43,008.65	\$46,138.52
Automobile Liability	\$24,200.87	\$28,084.51
Workers' Compensation	\$122,686.00	\$103,916.00
Umbrella and Excess Liability	\$119,524.14	\$68,775.46
Public Officials' Liability/EPL and Excess Public Officials' Liability	\$286,056.55	\$286,056.55
Real Estate Property, Excess Property and Equipment Breakdown	\$152,775.25	\$143,664.16
Real Estate Package	\$211,895.05	\$112,460.13
<b>Total Premiums</b>	<b>\$960,146.51</b>	<b>\$789,095.33</b>
<b>Allowance for Exposure Adjustments</b>	<b>\$41,953.49</b>	<b>\$38,904.67</b>

The highlights of the Insurance Program renewal include:

- Under the Business Administration Package policy, the 32 East Front St., Trenton location has decreased from 21,666 sq. ft. to 6,462 sq. ft. of leased space.
- The Public Officials' Liability insurance company has agreed to include Network Security and Privacy Liability coverage onto our existing policy with a \$1,000,000 sublimit at no additional cost.

Members of the Authority  
November 7, 2012  
Page 3 of 3

- Workers' Compensation estimated annual payroll is the same as per the expiring; new figures will be provided to the carrier as appropriate.
  - Due to increased Workers' Compensation payroll attributed to staff assigned to construction sites, Risk Management successfully applied to the New Jersey Compensation Rating Bureau for a Construction Classification Premium Adjustment Credit. A 15% premium discount was granted which more than offsets any applicable Workers' Compensation rate increases.
- Real Estate policy rates have increased an average of 10%. Conversely, a decrease in REO inventory resulting from recent deed transfers of 13 Occupied Schools is contributing to an annual cost avoidance in excess of \$150,000.

#### RECOMMENDATION

Risk Management has reviewed Safegard's renewal recommendations and considerations. Based upon this review and our own professional judgment, we are requesting that the Board approve the purchase of various Business and Real Estate insurance policies, for a one year policy term commencing December 14, 2012, at a cost not to exceed \$828,000, inclusive of an approximate 5% allowance for potential exposure increases (e.g., increases due to the acquisition of real and/or personal property, the opening of a new school prior to deed transfer, payroll increases, etc.) during the policy term.

Prepared by: Stephanie Ryan and Jeanell Newmuis-Haley

#### Attachments:

- Safegard's Program Executive Summary
- Safegard's Program Coverage Summary

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
ADMINISTRATION & REAL ESTATE PROPERTY & CASUALTY INSURANCE**

**EFFECTIVE DECEMBER 14, 2012 TO DECEMBER 14, 2013 (REV. 10/2/2012)**

The Safeguard Group, Inc. is pleased to present the Renewal Property & Casualty Insurance Proposal to New Jersey Schools Development Authority. The following is an overview of the program.

**RENEWAL PREMIUM SUMMARY**

<b>COVERAGE</b>	<b>2011 - 2012 ESTIMATED PREMIUM (INCLUDES PLIGA)</b>	<b>2012 - 2013 RENEWAL PREMIUM (INCLUDES PLIGA)</b>	<b>DIFFERENCE</b>
Administration Package	\$ 43,008.65	\$ 46,138.52	\$ 3,129.87
Automobile	\$ 24,200.87	\$ 28,084.51	\$ 3,883.64
Workers' Compensation	\$ 122,686.00	\$ 103,916.00	(\$ 18,770.00)
Umbrella Liability	\$ 94,299.14	\$ 49,301.76	(\$ 44,997.38)
Excess Liability	\$ 25,225.00	\$ 19,473.70	(\$ 5,751.30)
Public Officials' Liability	\$ 209,872.00	\$ 209,872.00	\$ 0
Excess Public Officials' Liability	\$ 76,184.55	\$ 76,184.55	\$ 0
Real Estate Property	\$ 119,797.00	\$ 108,808.00	(\$ 10,989.00)
Real Estate Excess Property	\$ 27,798.00	\$ 30,618.00	\$ 2,820.00
Real Estate Equipment Breakdown	\$ 5,180.25	\$ 4,238.16	(\$ 942.09)
Real Estate Package	\$ 211,895.05	\$ 112,460.13	(\$ 99,434.92)
<b>Total Premium</b>	<b>\$ 960,146.51</b>	<b>\$ 789,095.33</b>	<b>(\$ 171,051.18)</b>

## MARKETING RESULTS

Given the extensive marketing effort conducted last year as part of the RFQ/RFP process, formal quotations were not solicited for renewal. Conversations were conducted with all incumbent markets in July and August to ensure that there would be no significant changes in terms or pricing that would require moving coverage. All carriers indicated they were anticipating 5-10% rate increases, which is consistent with what the market is bearing at this time.

Several other insurance companies were approached with regard to Public Officials' Liability to determine if they could provide competitive quotations from either a pricing or coverage standpoint. The following are the results of those conversations:

- Starr Indemnity is a developing market in the Northeast. They were approached regarding the Public Officials' Liability coverage. At this time, they are not able to provide coverage for inverse condemnation under their form.
- ACE also declined to quote the Public Officials' Liability due to the inverse condemnation coverage.

## RENEWAL CHANGES/RECOMMENDATIONS

The following section outlines differences in the overall insurance program as compared to last year and offers coverage recommendations for your consideration. These changes include applicable rates, exposure basis, new or amended terms and conditions of coverage, plan factors and additional varying program factors.

## ADMINISTRATION PACKAGE

- EDP limit **increased** 29% from \$1,809,450 to \$2,331,282.
- General Liability rating basis for the office located at 32 E. Front St., Trenton **decreased** from 21,666 square feet to 6,462 square feet.
- Pricing includes an overall rate **increase** of approximately 10% for renewal.

**AUTOMOBILE**

- The total number of owned vehicles remains as expiring at 18 vehicles.
- During the 2011-2012 policy term, four older model vehicles were replaced with four 2012 vehicles and garaging locations were amended. These changes resulted in an increase in overall premium.
- Pricing includes a rate increase of approximately 5% for renewal.

**WORKERS' COMPENSATION**

- The Experience Rating Modification *decreased* 12% from 0.977 to 0.857.
- NJSDA applied and was approved for a 15% Construction Classification Credit from the State of New Jersey for renewal.
- New Jersey Compensation Rating Bureau authorized the utilization of Classification Code 9015 – Buildings (NOC) to account for janitorial and maintenance staff as identified in Chubb's 2010 Audit. Per the results of the audit, we included an estimated payroll of \$250,000 and have reduced the Outside Sales (8742) classification accordingly. The rate for this classification is \$6.68 per \$100 of payroll, which is significantly higher than the Outside Sales classification at \$0.52.
- Safegard was successful in maintaining the full 20% Scheduled Credit allowable in New Jersey in addition to the Construction Classification Credit and the reduction in the Experience Rating Modification.
- The Dividend endorsement remains on the policy for renewal. Please see the coverage summary for dividend details.
- Chubb has advised that they are unable to amend the Notice of Cancellation provision as it is mandated by New Jersey state law. As such, 30 days notice of cancellation is provided under this policy.

### UMBRELLA AND EXCESS LIABILITY

- Overall pricing for the Umbrella and Excess Liability policies *decreased* as a result of reduced exposures on the underlying Real Estate General Liability as detailed below.
- The following exclusions will be added to the Umbrella for renewal:
  - Medical Malpractice & Professional Services Exclusion
  - Real Estate Agents Limitation and Exclusion
- An updated Construction Operations Exclusion will be included on the Umbrella renewal to better follow the underlying Chubb endorsement.

### PUBLIC OFFICIALS' AND EXCESS PUBLIC OFFICIALS' LIABILITY

- Terms and conditions will renew as expiring on both policies.
- Despite Chartis' home office directive of 5-10% rate increases on all renewal policies, Safeguard was successful in negotiating a flat rate renewal. Our ability to negotiate this is largely based on NJSDA's outstanding loss ratio with Chartis.
- Chartis has agreed to add the Network Security & Privacy Liability coverage endorsement with a \$1,000,000 limit for no additional charge. This endorsement provides coverage for the following (a copy of the full endorsement is attached for your review):

*Any actual or alleged breach of duty, neglect, act, error, or omission that results in a Failure of Security or a Privacy Peril.*

*Failure of Security includes failure or inability of the security of your computer system to mitigate loss from or prevent a Computer Attack or physical theft of hardware or firmware controlled by the Public Entity on which electronic data is stored, by a person other than the Insured, from a premise occupied or controlled by the Public Entity.*

*Privacy Peril means any actual or alleged unauthorized disclosure or failure to protect Private or Personally Identifiable Information from misappropriation, include the failure to disclose others of such actual or potential Identity Theft.*

- RSUI was willing to maintain their pricing given Chartis' flat renewal.

### REAL ESTATE PROPERTY & EXCESS PROPERTY

- The Loss Limit *decreased* 17% over the course of the policy term from \$91,634,115 to \$75,722,263 as a result of the following changes:
  - 512 – 526 Market Street, Paterson, NJ 07501 deleted effective 1/23/2012
  - 216 Union Ave., Paterson, NJ 07502 added effective 2/16/2012
  - 30 Van Dyke Ave., New Brunswick, NJ 08901 deleted effective 7/1/2012
- The Primary Property rate *increased* 10% due to an increase in claims across the industry associated with vacant buildings. Many property carriers, Aspen among them, are expressing concern and tightening coverage on properties that are vacant for an extended period of time. These properties represent an attractive nuisance thus increasing the exposure. Additionally, cost of claims at these locations is typically higher as there is no one regularly on premises. Given the controls SDA has in place and the use of the property manager to check vacant premises, Aspen agreed not to add any coverage restrictions for renewal.
- The Excess Property quote is subject to acceptable loss prevention survey and compliance with any recommendations generated from such survey for the following properties:
  - 1700-1804 W. Front Street, Plainfield, NJ
  - 135 Glenwood Ave., East Orange, NJ
- Excess Property rates *increased* as a result of changes in Great American's underwriting guidelines and changes in hurricane wind models. Safegard does not feel that the amount of this increase is warranted and will continue to explore other quotations over the course of the next two months.

### REAL ESTATE EQUIPMENT BREAKDOWN

- Terms & conditions will renew as expiring.

*New Jersey Schools Development Authority*

2012 Executive Summary

**REAL ESTATE PACKAGE**

- Real Estate General Liability exposure changed as follows:

<i>Class Code</i>	<i>Description</i>	<i>Rating Basis</i>	<i>2011 Exposure</i>	<i>2012 Exposure</i>	<i>Difference</i>
49451	Vacant Land/Parking Lots	Acre	104	106	2% Increase
61212	Occupied Building/School	Per 1,000 [']	1,648,717	653,945	60% Decrease
68606	Vacant Building	Per 1,000 [']	626,958	438,069	30% Decrease
91591	Subcontractors	Per \$1,000 Cost	1,500,000	1,400,000	7% Decrease
63010	1-4 Family Dwelling (Vacant or Occupied)	Per Unit	26	13	50% Decrease
60010	Occupied Apt. Building	Per 1,000 [']	0	0	
46671	Athletic Fields/Playgrounds	Flat Per Field	4	2	50% Decrease
61212	Temporary Classroom Units	Per Unit	7	6	14% Decrease

- Renewal rates are as follows:

<i>Class Code</i>	<i>Description</i>	<i>Rating Basis</i>	<i>2012 Rate</i>
49451	Vacant Land/Parking Lots	Acre	\$ 50
61212	Occupied Building/School	Per 1,000 [']	\$ 110
68606	Vacant Building	Per 1,000 [']	\$ 50
91591	Subcontractors	Per \$1,000 Cost	\$ 1.96
63010	1-4 Family Dwelling (Vacant or Occupied)	Per Dwelling	\$ 175
60010	Occupied Apartment Building	Per 1,000 [']	\$157.50
46671	Athletic Fields/Playgrounds	Flat Per Field	\$ 850
61212	Temporary Classroom Units	Per Unit	\$ 315

- Although rates *increased* from expiring as a result of decreases in exposure, they are still significantly lower than historic rate levels. (See next page for historical rate comparison.)

**PAYMENT TERMS**

- All premiums are due on an annual basis.
- Premium Financing options are available upon request.

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE**

*New Jersey Schools Development Authority  
TCU Package/Site Acquisition Liability Rate History with Safegard Group, Inc.*

<i>Class Code</i>	<i>Class Description</i>	<i>Rating Basis</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006*</i>	<i>2007**</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
99999	TCU	Average Per Unit	\$450.00	\$447.00	\$433.00	\$ 439.00	\$ 419.00	\$ 404.00	\$ 362.00	\$362.00	\$300.00	\$315.00
99999	Vacant Dwelling	Per Dwelling	\$225.00	\$225.00	\$203.00	\$ 182.25	\$ 164.03					
63010	Occupied 1 Family Dwelling	Per Dwelling	\$320.00									
63011	Occupied 2 Family Dwelling	Per Dwelling	\$490.00	\$320.00	\$288.00	\$ 288.00	\$ 259.20	\$ 175.00	\$ 145.00	\$145.00	\$145.00	\$175.00
63012	Occupied 3 Family Dwelling	Per Dwelling	\$520.00									
63013	Occupied 4 Family Dwelling	Per Dwelling	\$680.00									
49451	Vacant Land	Per Acre	\$ 75.00	\$ 75.00	\$ 67.50	\$ 60.75	\$ 54.68	\$ 50.00	\$ 42.00	\$ 42.00	\$ 45.00	\$ 50.00
68606	Vacant Commercial Building	Per 1,000 Square Feet	\$120.00	\$120.00	\$108.00	\$ 97.20	\$ 87.48	\$ 50.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 50.00
61212	Occupied Commercial Building	Per 1,000 Square Feet	\$400.00	\$225.00	\$202.50	\$ 182.25	\$ 164.03	\$ 114.00	\$ 100.00	\$100.00	\$ 97.50	\$110.00
61212	Occupied Schools	Per 1,000 Square Feet			\$162.00	\$ 145.80	\$ 131.22					
91591	Subcontractors	Per \$1,000 Cost	\$ 6.00	\$ 6.00	\$ 6.00	\$ 5.40	\$ 4.86	\$ 3.00	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.96
99999	Athletic Fields	Per Field				\$ 2,500.00	\$ 2,250.00	\$ 1,000.00	\$ 800.00	\$800.00	\$800.00	\$850.00

\*Average Per Unit rate increased as a result of addition of double unit TCUs.

\*\*Site Acquisition Liability coverage moved from surplus lines market to Chubb (standard insurance company) as of this policy term, providing significant coverage enhancements. TCU Package policy has been with Chubb for all years shown.

**ADDITIONAL COVERAGE CONSIDERATIONS**

- As discussed in previous meetings, virtually all forms of property and liability insurance contracts, including your current policies, contain exclusions for pollution, mold, and microbial matter. We suggest completing a pollution liability application in order to obtain a quotation for this coverage.
- 1201 Memorial Drive, Asbury Park, NJ (added for Property coverage effective 3/8/2010) is located within 2 miles of the coast and would therefore be subject to the increased Wind/Hail deductible. Wind/Hail coverage to reduce the deductible can be quoted for this location upon request.
- Flood Zones which are excluded from coverage under the Real Estate Property policy are “All A, B, Shaded X and V Flood Zones and any other zone with a greater than .2% chance of flooding as delineated by the National Flood Insurance Program (NFIP).” At this time, 216 Union Ave. is located in an X/AE Flood Zone. Primary coverage can be purchased for this location up to \$500,000 through the National Flood Insurance Program. Please advise if you would like to proceed with a quote.
- Flood coverage for all properties not located in an excluded flood zone has a maximum limit of \$2,500,000 for each occurrence. Additional limits can be quoted upon request.
- Network Security/Cyber Liability coverage was discussed extensively during the 2011 policy term with Safegard coordinating meetings between various NJSDA departments and underwriters from Chartis. Chartis agreed to endorse the existing Public Officials Liability policy with the Network Security & Privacy Liability endorsement at no additional charge. A stand alone policy is also available to provide more robust coverage. We are awaiting receipt of a quotation for such a policy.
- Physical Damage coverage is currently not included as part of the Automobile policy. At the last renewal, Chubb quoted an annual Physical Damage premium of \$10,306 for 18 vehicles with \$1,000 Comprehensive & Collision deductibles. Please advise if you would like to proceed with a firm quotation for this renewal.

**DOCUMENTS REQUIRED FOR BINDING*****Workers Compensation***

- Please provide an employee count per office location.

***Umbrella***

- Signed Terrorism (TRIA) Disclosure
- Confirmation of limits required of contractor vendors (property management) and copy of contract requiring Additional Insured status and Hold Harmless.

***Excess Liability***

- Signed & dated ACORD Application
- Signed Terrorism (TRIA) Disclosure

***Public Officials' Liability***

- Signed & dated MuniPro Renewal Application
- Signed & dated NetAdvantage Application
- Copy of most recent Employee Handbook

***Excess Public Officials' Liability***

- Signed & dated Chartis MuniPro Renewal Application

***Real Estate Property***

- Signed & dated ACORD Application
- Signed Terrorism (TRIA) Disclosure
- Completed Fire Life Safety Application for each occupied location
- Completed Vacant Property Supplemental Application for each vacant location

***Real Estate Excess Property***

- Signed & dated ACORD Application

*New Jersey Schools Development Authority*

2012 Executive Summary

5

**ACCOUNT SERVICE TEAM**

The following individuals will be members of your Account Service Team. Additional members may be assigned to the team as necessary.

*Account Administration*

Robert V. Donato, III, CWCP, CRIS  
Chairman & CEO

Extension: 224  
[rdonato@safegardgroup.com](mailto:rdonato@safegardgroup.com)

William C. Donato, Jr.  
President & COO

Extension: 222  
[wdonato@safegardgroup.com](mailto:wdonato@safegardgroup.com)

*Customer Service*

Jennifer D. Ackerman, CIC, CPIA  
Assistant Vice President – Commercial Lines

Extension: 237  
[jackerman@safegardgroup.com](mailto:jackerman@safegardgroup.com)

- Contract Review
- Policy/Coverage Review
- Audits
- Billing
- Certificates of Insurance (Back-up)

Jennifer Marconi  
Account Assistant – Commercial Lines

Extension: 263  
[jmarconi@safegardgroup.com](mailto:jmarconi@safegardgroup.com)

- Certificates of Insurance
- Automobile ID Cards
- Policy Changes

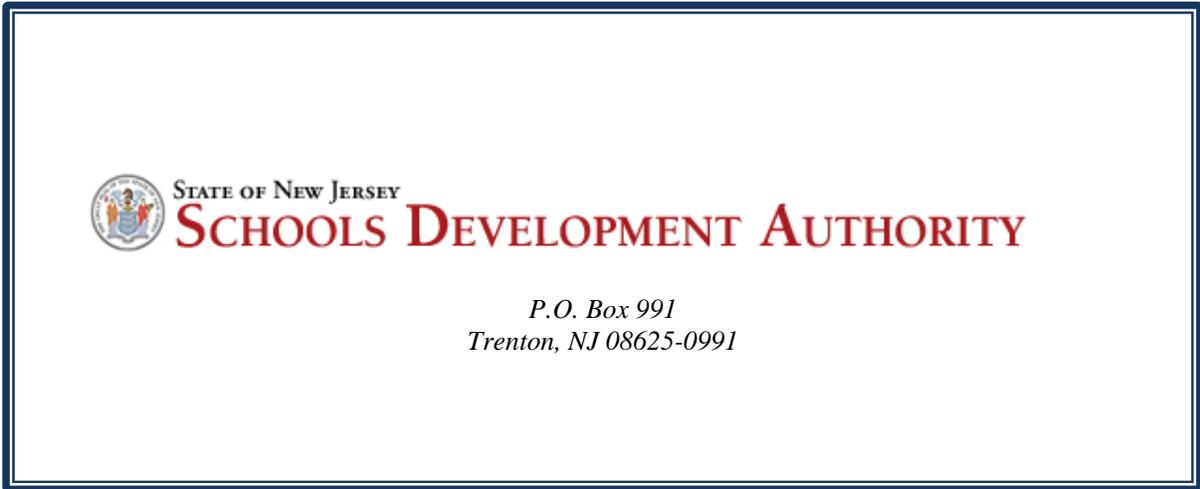
*Claims*

Lisa Hale, CIC, AIC  
Senior Claims Consultant

Extension: 226  
[lhale@safegardgroup.com](mailto:lhale@safegardgroup.com)

If any of these individuals are not available, any one of the associates in our office would be glad to help in an emergency situation. The Safeguard Group phone number is (609)278-0977.

This document has been prepared in confidence and should be utilized solely for the internal benefit of *New Jersey Schools Development Authority*.



***BUSINESS AND REAL ESTATE PROPERTY AND CASUALTY INSURANCE PROGRAM  
COVERAGE SUMMARY***

***Contract No.: GP-0173-R01***

*Effective Date:*

December 14, 2012 through December 14, 2013

*Presented by:*

Safeguard Group, Inc.  
P.O. Box 224  
Bridgeport, NJ 08014-0224

*As Of:*

October 2, 2012

***IMPORTANT:*** *This proposal of insurance is intended to be only a representative outline of coverages proposed by this office. It is not intended to replace actual contract language. The policies themselves must be read for specific details of coverages, extensions, limitations, and exclusions.*

*New Jersey Schools Development Authority*

2012 Coverage Summary

**ADMINISTRATION PACKAGE**

**Carrier:** Great Northern Insurance Company (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 9/15/2012

**Policy Period:** December 14, 2012 to December 14, 2013

**Policy Number:** 3577-04-04

**Annual Premium:** \$44,564.00

**Terrorism:** \$ 1,163.00

**NJPLIGA:** \$ 400.13

**EB Surcharges:** \$ 11.39  
**\$46,138.52**

***Business Personal Property***

Covering the Business Personal Property, including improvements and betterments, signs, glass, exterior light fixtures and poles.

- A. Location(s):
- 1) 1 West State Street, Trenton, NJ
  - 2) 32 E. Front St., Trenton, NJ
  - 3) 375 McCarter Highway, Newark, NJ
- B. Blanket Limit: \$11,882,165 Blanket BPP, including leasehold improvements at scheduled locations on file
- \$ 100,000 BPP at Any Other Location
- Statement of Values:
- |                         |                 |
|-------------------------|-----------------|
| 1) 1 West State Street  | \$2,590,850 BPP |
|                         | \$7,498,516 I&B |
| 2) 32 E. Front Street   | \$1,004,500 BPP |
|                         | \$ 59,420 I&B   |
| 3) 375 McCarter Highway | \$ 308,850 BPP  |
|                         | \$ 420,029 I&B  |
- C. Causes of Loss: Special, including Machinery Breakdown; subject to policy exclusions
- D. Valuation: Replacement Cost;  
 including ordinance or law, construction fees and extended warranties
- E. Coinsurance: Agreed Value
- F. Deductible: \$5,000 each occurrence  
 \$3,500 Mobile Communication Property

*New Jersey Schools Development Authority*

2012 Coverage Summary

***Earthquake***

Blanket earthquake coverage over all locations exclusive of California and New Madrid fault locations.

- A. Blanket Limit: \$1,000,000 each occurrence  
\$5,000,000 aggregate
- B. Deductible: \$50,000 each occurrence  
72 hour waiting period

***Flood***

Blanket flood coverage, including inundation, back-up and mud flow, over all locations exclusive of properties in, or within 1000 feet of, A and V Flood Zones where coverage will be in excess of \$500,000 real property and \$500,000 personal property.

- A. Blanket Limit: \$1,000,000 each occurrence  
\$5,000,000 aggregate
- B. Deductible: \$50,000 each occurrence  
\$500,000 for 32 E. Front St., Trenton, NJ location  
72 hour waiting period

***Electronic Data Processing Property***

Covering the direct physical loss or damage to computers, related equipment and the data, media, and computer programs and telephone systems.

- A. Blanket Limit: \$2,331,282
- B. Causes of Loss: Special, subject to policy exclusions
- C. Valuation: Equipment : Replacement Cost including extended warranties  
Media: Cost of blank material and duplicating costs
- D. Coinsurance: Agreed Value
- E. Deductible: \$5,000 each occurrence

***Valuable Papers Insurance***

Covering the cost to repair or replace valuable papers and documents following loss by an insured peril.

- A. Blanket Limit: \$500,000 Scheduled Locations  
\$500,000 At Any Other Premises
- B. Valuation: Cost of blank materials and duplicating costs
- C. Deductible: \$5,000

***New Jersey Schools Development Authority***

*2012 Coverage Summary*

***Extra Expense Insurance***

Covering the additional costs to continue operations following damage or destruction to insured property by a covered cause of loss.

- A. Blanket Limit: \$360,000
- B. Causes of Loss: Special, subject to policy exclusions
- C. Monthly Limitation: None
- D. Deductible: NIL
- E. Coverage Extensions: Civil Authority (30 days)  
Dependent Business Premises (except from Earthquake or Flood)  
Loss of Utilities

***General Property Exclusions:***

- Business Errors
- Employee Dishonesty
- Government Military Action
- Inherent Vice or Latent Defect
- Insects/Animals
- Nuclear Hazard
- Faulty, Inadequate or Defective Planning, Design, Materials or Maintenance
- War & Military Action
- Wear & Tear

**CHUBB COVERAGE ENHANCEMENTS:**

*A \$500,000 Blanket Limit applies, separately at each location, to any or all of the following coverages (subject to a \$5,000 deductible):*

- Accounts Receivable
- EDP Property
- Fine Arts
- Public Safety Service Charges
- Leasehold Interest – Undamaged Tenants’ Improvements & Betterments (I&B)
- Outdoor Trees, Shrubs, Plants and Lawns
- Personal Property of Employees
- Property Damage Extortion
- Rental Income
- Valuable Papers

*New Jersey Schools Development Authority*

2012 Coverage Summary

**MISCELLANEOUS COVERAGE EXTENSIONS***This is automatic coverage at no additional charge with specific limits (additional limits can be purchased):*

Any Other Location	\$ 75,000
Accounts Receivable	
Building Components	
Electronic Data Processing Property	
Fine Arts	
Personal Property	
Valuable Papers	
Debris Removal – 25% of direct damage loss if such limit remains, plus:	
Premises shown in declarations	\$ 500,000
Any Other Location	\$ 50,000
Exhibition, Fair or Trade Show	\$ 50,000
In Transit	\$ 50,000
Extra Expense	\$ 250,000
Exhibition, Fair or Trade Show	\$ 25,000
Electronic Data Processing Property	
Fine Arts	
Personal Property	
Fungus Clean-up or Removal	\$ 25,000
In Transit	\$ 100,000
Accounts Receivable	
Electronic Data Processing Property	
Fine Arts	
Personal Property	
Valuable Papers	
Loss of Master Key	\$ 25,000
Loss Prevention Expenses	\$ 25,000
Mobile Communication Property	\$ 10,000
Pollutant Clean-up or Removal	\$ 25,000
Preparation of Loss Fees	\$ 25,000
Newly Acquired or Constructed Property (180 Days)	
Building	\$2,000,000
Personal Property	\$1,000,000
Personal Property at Existing Premises	\$ 100,000
Electronic Data	\$ 250,000
Electronic Data Processing Equipment	\$ 500,000
Fine Arts	\$ 25,000
Communication Property	\$ 250,000

*New Jersey Schools Development Authority*

2012 Coverage Summary

5

***Commercial General Liability***

Coverage for damages the insured becomes legally obligated to pay by reason of liability imposed by law or assumed under an insured contract for Bodily Injury or Property Damage caused by an occurrence; or Advertising Injury or Personal Injury caused by an offense.

**A. Limits of Liability - Bodily Injury & Property Damage**

General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	Included
Personal & Advertising Injury	\$ 1,000,000
Each Occurrence	\$ 1,000,000
All Risk Legal Liability	\$ 1,000,000 any one fire
Medical Expense Payments	\$ 10,000 any one person

**B. Coverages:**

- Premises Operations
- Products/Completed Operations
- Personal/Advertising Injury
- Independent Contractors
- Blanket Contractual Liability
- Premises Medical Payments
- Host Liquor Law Liability
- All-risk Legal Liability
- Broad Form Property Damage
- Incidental Medical Malpractice
- Non-Owned Watercraft Liability (55 foot limitation)
- Limited World-Wide Liability
- Extended Bodily Injury
- Automatic coverage - newly acquired organizations (90 days)
- Per Location General Aggregate, subject to \$5,000,000 Combined Total Aggregate

**C. Exclusions:**

- Construction Related Loan
- Securities & Trade Practices
- Foreclosure and Trust
- Absolute Pollution ; *except* for Hostile Fire
- Asbestos and Lead
- Professional Liability
- Biological Agents
- Information Distribution Laws
- Intellectual Property Laws or Rights

*New Jersey Schools Development Authority*

2012 Coverage Summary

**General Liability Exposure**

Location	Class	Description	Exposure
1 West State St., Trenton	61226	Building or Premises – Office	68,358 (sf)
32 E. Front St., Trenton	61226	Building or Premises – Office	6,462 (sf)
375 McCarter Highway, Newark	61226	Building or Premises - Office	8,200 (sf)

**Employee Benefits Liability**

Coverage for damages the insured becomes legally obligated to pay for any claim arising out of a negligent act, error or omission by the insured in the administration of the insured's employee benefit programs.

- A. Limit of Liability: \$1,000,000 each employee  
\$3,000,000 policy aggregate
- B. Deductible: \$1,000 each employee
- C. Retroactive Date: December 14, 2002
- D. Exposure Basis: 263 Employees

**Chubb General Liability Coverage Enhancements:** (coverage enhancements as compared to standard ISO General Liability Form.)

Coverage Features	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<b>Who Is An Insured</b>		
Vendors automatically included as insureds	Yes	No
Lessors of equipment and premises automatically included as insureds	Yes	No
Existing subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds	Yes	No
New subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds to end of policy period	Yes	No, limited to 90 days and no coverage for unscheduled partnerships, joint ventures or limited liability companies
Employees, including leased workers, and volunteer workers are automatically insureds, including bodily injury to co-employees caused by cardiopulmonary resuscitation and first aid	Yes	No
Directors, managers, members, officers, partners and supervisors are automatically insureds, including bodily injury to employees	Yes	No

*New Jersey Schools Development Authority*

2012 Coverage Summary

Coverage Features	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<b>Covered Exposures</b>		
<b>Oral and written contractual liability: bodily injury/property damage</b>	Yes	Yes
<b>Written contractual liability: personal/advertising injury</b>	Yes	No
Worldwide coverage territory for all covered suits brought in U.S.A., its possessions or territories, Canada or Puerto Rico	Yes	No
Medical expenses protection reporting period	Yes, three (3) years from date of accident	Yes, but limited to one (1) year from date of accident
<b>Medical expenses, including injury to insured's tenants and persons working on insured's behalf</b>	Yes	No
<b>Definition of bodily injury includes humiliation, mental anguish, mental injury and shock resulting from physical injury</b>	Yes	No
<b>Definition of personal injury includes discrimination, harassment and segregation (other than employment-related)</b>	Yes	No
Protection for violation of right of publicity	Yes, via Reputation Injury and Communications Liability Insurance	No
Definition of advertising injury includes trademark infringement	Yes, if registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title	No
Definition of advertising injury includes use of another's advertising idea in an advertisement	Yes, if another's advertising idea is a copyrighted advertisement or registered trademark	Yes
Definition of advertising injury includes infringing upon another's trade dress or slogan in an advertisement	Yes, if another's trade dress or slogan is a copyrighted advertisement or registered trademark	Yes
Additional intellectual property infringement protection, whether or not in advertisements	Yes, via Reputation Injury and Communications Liability Insurance	No

*New Jersey Schools Development Authority*

2012 Coverage Summary

Coverage Features	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<b>Covered Exposures (Continued)</b>		
Nonowned aircraft - with crew	Yes	No
Nonowned watercraft	Yes, if less than 55 feet	Yes, but limited to less than 26 feet
<b>Pollution exclusion exceptions:</b> •Hostile fire •Off-premises operations •Products/completed operations •Leakage of fluids for mobile equipment at job sites •Job site building materials •Building heating equipment	Yes	Yes
Property damage (all-risk) to rented premises	Yes	No, peril of fire only and sublimited
War and insurrection	Yes	No
<b>Limits of Insurance - Supplementary Payments</b>		
Separate advertising/personal injury aggregate limit, not subject to general aggregate limit	Yes	No
Supplementary payments: •Appeal bond amounts up to limit of insurance •Bail bond amounts up to limit of insurance •Loss of earnings	Yes Yes Yes, \$1,000/day	No No, limited to \$250 bond cost Yes, limited to \$250/day
Indemnitee's defense expenses payable in addition to limits	Yes	No, reduce limits unless conditions met

**Miscellaneous Special Provisions (apply to Property & General Liability):** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy.

Named Insured: New Jersey Schools Development Authority

Cancellation Clause: 60 Days Notice of Cancellation; 20 days for non-payment of premium

**AUTOMOBILE**

*Carrier:* Chubb Insurance Company of New Jersey (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

*A.M. Best Rating:* A++ XV as of 9/15/2012

*Policy Period:* December 14, 2012 to December 14, 2013

*Policy Number:* 7352-24-25

*Annual Premium:* \$27,834.00

*Terrorism:* Not Applicable

*NJ PLIGA:* \$ 250.51  
**\$28,084.51**

<i>Coverages</i>	<i>Limits</i>
Bodily Injury and Property Damage (Symbol 1)	\$ 1,000,000 each accident
Personal Injury Protection (Symbol 5)	NJ Standard
Medical Expenses	\$ 250,000 per person
Income Continuation Benefits	\$ 100 per week / \$5,200 max
Essential Services Benefits	\$ 12 per day / \$4,380 max
Death Benefits	Up to \$5,200 (see policy for details)
Funeral Expenses	\$ 1,000
Uninsured Motorists (Symbol 2)	\$ 35,000 each accident
Underinsured Motorists (Symbol 2)	\$ 35,000 each accident
Physical Damage (Symbols 2,8)	
Comprehensive Deductible	\$ 500
Collision Deductible	\$ 500
Rental Reimbursement (Symbol 3)	\$ 50 per day / 30 days
Towing & Labor (Symbol 3)	\$ 50

*New Jersey Schools Development Authority*

2012 Coverage Summary

**Miscellaneous Special Provisions:** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy.

- Named Insured: New Jersey Economic Development Authority
- Endorsements:
  - Employers Non-Ownership
  - Extended Notice of Occurrence and Knowledge of Accident
  - Unintentional Failure to Disclose
  - Fellow Employee Exclusion Deleted
  - Employees as Insureds (CA 99 33)
  - Waiver of Transfer of Rights of Recovery Against Others (where required by contract)
  - Automatic Additional Insured and Loss Payees (where required by contract)
- Cancellation Clause: 60 Days Notice of Cancellation; 10 days for non-payment of premium

**Vehicle Schedule**

<b>Veh. #</b>	<b>Year</b>	<b>Make/Model</b>	<b>VIN</b>	<b>Cost New</b>	<b>Garage Location</b>
1	2003	Ford Taurus	1FAFP53U43G222964	\$19,695	Trenton, NJ
2	2003	Ford Taurus	1FAFP53273A241168	\$19,695	Trenton, NJ
3	2003	Ford Focus Wagon	1FAFP36333W336824	\$17,010	Princeton Junction, NJ
4	2008	Toyota Prius	JTDKB20UX87707904	\$23,155	Trenton, NJ
5	2008	Toyota Prius	JTDKB20U087705417	\$23,155	Trenton, NJ
6	2004	Jeep Grand Cherokee	1J4GW48S74C338343	\$28,550	Cape May Courthouse, NJ
7	2009	Honda Civic	JHMFA36229S001975	\$23,550	Barnegat, NJ
8	2009	Honda Civic	JHMFA36219S005709	\$23,550	Trenton, NJ
9	2003	Ford Taurus	1FAFP53U63A105597	\$19,695	Trenton, NJ
10	2009	Honda Civic	JHMFA36269S002627	\$23,550	Wall, NJ
11	2009	Honda Civic	JHMFA36269S004023	\$23,550	Neptune City, NJ
12	2009	Ford Escape Hybrid	1FMCU59399KB92981	\$30,555	Irvington, NJ
13	2010	Ford Escape	1FMCU0DG4AKA53052	\$25,338	Trenton, NJ
14	2007	Dodge Caravan	2D46P44L37R331888	\$11,996	Trenton, NJ
15	2012	Ford Focus	1FAHP3E29CL357596	\$13,071	Trenton, NJ
16	2012	Ford Focus	1FAHP3E29CL357597	\$13,071	Trenton, NJ
17	2012	Ford Focus	1FAHP3E27CL469492	\$13,071	Trenton, NJ
18	2012	Ford Focus	1FAHP3E28CL470604	\$13,071	Trenton, NJ

*New Jersey Schools Development Authority*

2012 Coverage Summary

**WORKERS' COMPENSATION**

*Carrier:* Pacific Indemnity Company (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

*A.M. Best Rating:* A++ XV as of 9/15/2012

*Policy Period:* December 14, 2012 to December 14, 2013

*Policy Number:* 7170-03-77

*Annual Premium:* \$ 84,598.00

*Terrorism:* \$ 7,920.00

*NJ SIF/UEF:* \$ 11,398.00  
**\$103,916.00**

***Part One - Workers' Compensation Statutory Benefits***

Covering benefits to employees, required by state law, due to bodily injury or death by accident or by disease.

Statutory Benefits - *New Jersey*

***Part Two - Employers Liability***

Covering you against liability imposed by law, not compensable under Part One, for bodily injury to employees for which: you are liable to a third party for damages claimed by one of your employees (contractual, "third party-over" actions); you are assessed damages for care and loss of services; you are liable for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee.

Bodily injury by accident - \$500,000 each accident  
 Bodily injury by disease - \$500,000 policy limit  
 Bodily injury by disease - \$500,000 each employee

***Part Three - Other States Coverage***

For all states, other than those listed in Part One, except the monopolistic state fund states (ND, OH, WA, WY)

***Workers Compensation Exposure***

Code	Classification	Est. Annual Payroll
8810	Clerical Office	\$ 11,900,000
8742	Outside Sales	\$ 3,550,000
5606	Contractor – Executive	\$ 4,100,000
9015	Buildings – NOC (janitorial & maintenance staff)	\$ 250,000

*New Jersey Schools Development Authority*

2012 Coverage Summary

**Miscellaneous Special Provisions:** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy:

Named Insured: New Jersey Schools Development Authority

Endorsements: Voluntary Compensation (WC290101) All employees not subject to workers' compensation law

Sliding Scale Dividend Plan: Should a dividend be declared by Chubb and SDA maintains a loss ratio of 25% or less, a percentage of the annual premium will be returned. Chubb has issued dividends totaling \$71,824 to NJSDA in the past.

Loss Ratio	Dividend %	Estimated Dividend (based on quoted premium)
0%	15.38%	\$12,981
5%	13.19%	\$11,127
10%	10.99%	\$ 9,272
15%	8.79%	\$ 7,418
20%	4.40%	\$ 3,709
25%	1.10%	\$ 927
30%	0.00%	\$ 0

**Important Features of the Dividend Plan:**

- The actual dividend calculation will use audited premiums.
- Incurred losses used in the actual dividend calculation will be valued as of 12 months and 24 months after expiration or cancellation instead of 9 months and 18 months.
- The insured will receive 50% of the estimated dividend due at the first adjustment.
- Upon the second (final adjustment), this amount will be subtracted from the total dividend amount.
- Chubb does not have a recapture clause.
- In most states, no dividend of less than \$25 shall be paid.
- Dividends cannot be guaranteed and are declared at the sole discretion of the Board of Directors of the Pacific Indemnity Company.

Cancellation Clause: 30 Days Notice of Cancellation (per New Jersey state law)

*New Jersey Schools Development Authority*

2012 Coverage Summary

**UMBRELLA LIABILITY****5**

<i>Carrier:</i>	ACE Property & Casualty Insurance Company <i>ACE is a licensed and <b>admitted carrier</b> within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.</i>
<i>A.M. Best Rating:</i>	A+ XV as of 9/15/2012
<i>Policy Period:</i>	December 14, 2012 to December 14, 2013
<i>Policy Number:</i>	TBD
<i>Annual Premium:</i>	\$46,535.00
<i>Terrorism:</i>	\$ 2,327.00
<i>NJ PLIGA:</i>	\$ 439.76
	<b>\$49,301.76</b>

<i>Limit of Liability:</i>	\$15,000,000 Each Occurrence \$15,000,000 Other Aggregate \$15,000,000 Products/Completed Operations Aggregate
----------------------------	--

<i>Self-Insured Retention:</i>	\$10,000
--------------------------------	----------

*Scheduled of Underlying Policies*

Administration General Liability (incl. Employee Benefit Liability) – Great American Ins. Co.  
Policy # 3577-04-04  
Limits: \$1,000,000 each occurrence / \$2,000,000 aggregate

TCU/Real Estate General Liability – Chubb Ins. Co. of NJ  
Policy # 3589-23-99  
Limits: \$1,000,000 each occurrence / \$2,000,000 aggregate

Automobile Liability – Chubb Ins. Co. of NJ  
Policy # 7352-24-25  
Limit: \$1,000,000 Combined Single Limit

Employers Liability – Pacific Indemnity Co.  
Policy # 7170-03-77  
Limit: \$500,000 BI Each Accident / \$500,000 BI by Disease (Policy) / \$500,000 BI by Disease (Each Employee)

***New Jersey Schools Development Authority***

2012 Coverage Summary

5

***Miscellaneous Special Provisions:*** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy:

Named Insured: New Jersey Schools Development Authority

Endorsements: Coverage Territory Limitation  
Employee Benefits Liability Limitation  
Contractors Limitation

Exclusions: Continuous & Progressive  
Fungi or Bacteria  
Silica, Dust and Particulate Matter  
Stucco/EIFS  
Professional Liability  
Asbestos  
Abuse and Molestation  
Athletic Participants  
Construction Loan  
Lead  
Cross Suits  
Foreclosure/Trust  
Construction Operations, except maintenance and renovations  
Real Estate Agents Limitation and Exclusion  
Medical Malpractice & Professional Service Exclusion

Cancellation Clause: 60 Days Notice of Cancellation; 10 days for non-payment of premium

*New Jersey Schools Development Authority*

2012 Coverage Summary

**EXCESS LIABILITY****5**

<i>Carrier:</i>	Navigators Insurance Company <i>Navigators is a licensed and <b>admitted carrier</b> within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.</i>
<i>A.M. Best Rating:</i>	A X as of 9/15/2012
<i>Policy Period:</i>	December 14, 2012 to December 14, 2013
<i>Policy Number:</i>	TBD
<i>Annual Premium:</i>	\$19,300.00
<i>Terrorism:</i>	Included in Premium Above
<i>NJ PLIGA:</i>	<u>\$ 173.70</u> <b>\$19,473.70</b>

*Limit of Liability:* \$15,000,000 Each Occurrence excess of \$15,000,000  
\$15,000,000 Aggregate excess of \$15,000,000

*Self-Insured Retention:* NIL

*Scheduled of Underlying Policies*

Umbrella – ACE Property & Casualty Insurance Co.  
Policy # TBD  
Limit: \$15,000,000 each occurrence / \$15,000,00 Aggregate

Administration General Liability (incl. Employee Benefit Liability) – Great American Ins. Co.  
Policy # 3577-04-04  
Limits: \$1,000,000 each occurrence / \$2,000,000 aggregate

TCU/Real Estate General Liability – Chubb Ins. Co. of NJ  
Policy # 3589-23-99  
Limits: \$1,000,000 each occurrence / \$2,000,000 aggregate

Automobile Liability – Chubb Ins. Co. of NJ  
Policy # 7352-24-25  
Limit: \$1,000,000 Combined Single Limit

Employers Liability – Pacific Indemnity Co.  
Policy # 7170-03-77  
Limit: \$500,000 BI Each Accident / \$500,000 BI by Disease (Policy) / \$500,000 BI by Disease (Each Employee)

*New Jersey Schools Development Authority*

2012 Coverage Summary

**Miscellaneous Special Provisions:** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy:

- Named Insured: New Jersey Schools Development Authority
- Endorsements: 25% Minimum Earned Premium  
Coverage will follow primary form except as noted
- Exclusions: Nuclear Energy Liability
- Cancellation Clause: 30 Days Notice of Cancellation; 10 days for non-payment of premium

**PUBLIC OFFICIALS' & EMPLOYMENT PRACTICES LIABILITY**

**Carrier:** National Union Fire Insurance Company (Chartis)  
*National Union is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A XV as of 9/15/2012

**Policy Period:** December 14, 2012 to December 14, 2013

**Policy Number:** TBD

**Annual Premium:** \$208,000.00

**Terrorism:** Premium Waived by Carrier

**NJ PLIGA:** \$ 1,872.00  
**\$209,872.00**

***Insuring Agreement:***

To pay on behalf of the Insured all sums, in excess of the Deductible amount, which the Insured shall become legally obligated to pay as damages resulting from any Claim first made against the Insured during the Policy Period or the Discovery Period (if applicable) and reported to the Company pursuant to the terms of this policy for any Wrongful Act of the Insured in the performance of duties for the Public Entity.

**Limits of Liability:** \$15,000,000 Each Wrongful Act  
 \$15,000,000 Aggregate  
 (Defense costs, charges and expenses are included within the limit)

**Sub-Limits of Liability:** \$ 7,500,000 Inverse Condemnation/Adverse Possession  
 \$ 250,000 Defense Costs for Claims Seeking Non-Monetary Relief  
 \$ 250,000 Front & Back Wages (EPL)  
 \$ 50,000 Punitive Damages  
 \$ 1,000,000 Network Security & Privacy Liability

**Deductible:** \$ 100,000 Each Wrongful Act – Public Officials (inclusive of *Defense Costs*)  
 \$ 100,000 Each Wrongful Act – EPL (inclusive of *Defense Costs*)  
 \$ 200,000 Network Security & Privacy Liability Class Action Claims (inclusive of *Defense Costs*)

**Optional Discovery Period:** Automatic - 60 days  
 Optional - One year for 50% of annual premium; elected within 30 days

***New Jersey Schools Development Authority***

2012 Coverage Summary

5

**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy:*

- Named Insured: New Jersey Schools Development Authority
  
- Endorsements:
  - Claims Made Coverage
  - Sublimits shown above are part of and not in addition to Limits of Liability
  - Choice of Counsel Endorsement - State of New Jersey, Office of the Attorney General
  - Amended Notice of Claim – Knowledge of claim occurs when received by the Director of Risk Management’s Office
  - Volunteers (including Interns) included in definition of Employee
  - Marital Estate Endorsement – coverage for claims against lawful spouses of Public Officials
  - Employment Practices Liability includes coverage for EEOC Hearings
  
- Exclusions:
  - Fungus & Mold
  - Intellectual Property
  - Bond
  - Breach of Contract
  
- Cancellation Clause: 10 days notice for non-payment; Insurance Company cannot cancel coverage for any other reason.

**EXCESS PUBLIC OFFICIALS' LIABILITY**

**Carrier:** RSUI Indemnity Company  
*RSUI is a NJ licensed carrier, however, they are considered a non-admitted carrier in the State of New Jersey and are subject to limited regulation by the insurance department; in the event of insolvency of the insurer, losses will not be paid by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A XIII as of 9/15/2012

**Policy Period:** December 14, 2012 to December 14, 2013

**Policy Number:** TBD

**Annual Premium:** \$75,505.00

**Terrorism:** Premium Waived by Carrier

**NJ PLIGA:** \$ 679.55  
**\$76,184.55**

***Insuring Agreement:***

To pay on behalf of the Insured all sums, in excess of the Deductible amount, which the Insured shall become legally obligated to pay as damages resulting from any Claim first made against the Insured during the Policy Period or the Discovery Period (if applicable) and reported to the Company pursuant to the terms of this policy for any Wrongful Act of the Insured in the performance of duties for the Public Entity.

**Limits of Liability:** \$10,000,000 Each Wrongful Act excess of \$15,000,000  
 \$10,000,000 Aggregate excess of \$15,000,000  
 (Defense costs, charges and expenses are included within the limit)

***Miscellaneous Special Provisions:*** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy:*

**Named Insured:** New Jersey Schools Development Authority

**Endorsements:** Coverage will follow primary form except as noted

**Exclusions:** Prior & Pending Litigation before 12/14/2003

**Cancellation Clause:** Follows primary form

*New Jersey Schools Development Authority*

2012 Coverage Summary

**REAL ESTATE PROPERTY**

**Carrier:** Aspen Specialty Insurance Company  
*Aspen Specialty Insurance is a NJ licensed carrier, however, they are considered a non-admitted carrier in the State of New Jersey and are subject to limited regulation by the insurance department; in the event of insolvency of the insurer, losses will not be paid by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A XV as of 9/15/2012

**Policy Period:** December 14, 2012 to December 14, 2013

**Policy Number:** TBD

**Annual Premium:** \$ 98,871

**Terrorism:** \$ 9,887

**Taxes/Fees:** \$ 50

**\$108,808**

***Real Property***

Covering the Real Property, including improvements and betterments

**Loss Limit(s):** \$10,000,000  
*A loss limit is the maximum amount of coverage that will be provided in any one loss at any one location. The loss limit allows us to insure the maximum potential loss as opposed to the Total Insured Value, thus achieving greater cost effectiveness.*

**Causes of Loss:** Roebing (Buildings 58 & 62 only) & 1201 Memorial Drive: Basic (Coverage for Fire, Lightning, Explosion, Windstorm/Hail, Smoke, Aircraft/Vehicles, Riot/Civil Commotion, Vandalism, Sprinkler Leakage, Sinkhole Collapse, Volcanic Action only)  
 All Other Locations: Special, subject to policy exclusions

**Valuation:** Occupied Buildings: Replacement Cost  
 Vacant Buildings: Actual Cash Value

**Total Insured Value:** \$ 75,722,263  
*(per schedule of locations provided in RFP and on file with insurance carrier)*

**Coinsurance:** Agreed Amount

**Deductible:** \$10,000 each occurrence  
 \$25,000 each occurrence for Theft & Vandalism at all locations in Camden, NJ  
 Wind/Hail Deductible will be the greater of 1% of property limit or \$10,000 (whichever is greater) for locations within 2 miles of the coast.

***New Jersey Schools Development Authority***

2012 Coverage Summary

***Earthquake***

Blanket earthquake coverage over all locations exclusive of California and New Madrid fault locations.

Limit: \$2,500,000 each occurrence (within 72 hours)  
 \$2,500,000 aggregate

Deductible: \$10,000 each occurrence

***Flood***

Blanket flood coverage over all locations exclusive of properties in Flood Zones A (including all zones beginning with Letter A), B, V (including V1 – V30 & VE), and Shaded X, and any other zone with a greater than .2% chance of flooding as delineated by the National Flood Insurance Program.

Limit: \$2,500,000 each occurrence (within 72 hours)  
 \$2,500,000 aggregate

Deductible: \$10,000 each occurrence

***Miscellaneous Special Provisions:*** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy.

Named Insured: New Jersey Schools Development Authority

- Location(s):
- (1) 135 Glenwood Avenue, East Orange, NJ 07017
  - (2) 1700-1804 W. Front St., Plainfield, NJ 07063
  - (3) 670 S. Clinton Ave., Bldgs. 50, 51, 52, 54, 57, 58 & 62, Trenton, NJ 08611
  - (4) 1201 Memorial Dr., Asbury Park, NJ 07712
  - (5) 707-709 Market St., Camden, NJ 08102
  - (6) 108 N. 7<sup>th</sup> St., Camden, NJ 08102
  - (7) 216 Union Ave., Paterson, NJ 07502 (Don Bosco Technical Building only)

*New Jersey Schools Development Authority*

2012 Coverage Summary

5

Endorsements: Minimum Earned Premium of 25% in the event of cancellation by the Insured. Flat cancellation not permitted once coverage is bound.

Premium is minimum & deposit

Quote subject to favorable inspection of properties by insurance company

Warranty (ies): *Applicable to Vacant Properties only. Failure to comply with these provisions will void all coverage under the policy.*

Locked and Secured – The Insured shall securely lock all doors and windows of the structure to prevent unlawful entry by any unknown person(s). No claim for loss or damage shall be valid unless there shall be visible evidence of forcible entry.

Heat Maintained or Pipes Drained – The heating system required by this clause shall be a gas, oil, coal, electric or similar heating system which is capable of maintaining an ambient temperature of not less than 50 degrees Fahrenheit at all times throughout the insured premises.

Exclusions: Pollution and Contamination  
 Asbestos Material  
 Absolute Mold  
 Certain Computer Related Losses  
 Equipment Breakdown

Cancellation Clause: 60 Days Notice of Cancellation; 10 days for non-payment of premium

*New Jersey Schools Development Authority*

2012 Coverage Summary

5

**REAL ESTATE EXCESS PROPERTY**

*Carrier:* Great American Insurance Company of New York  
*Great American is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

*A.M. Best Rating:* A XIII as of 3/29/2012

*Policy Period:* December 14, 2012 to December 14, 2013

*Policy Number:* TBD

*Annual Premium:* \$28,900.00

*Terrorism:* \$ 1,445.00

*Taxes/Fees:* \$ 273.00  
**\$30,618.00**

***Real Property***

Covering the Real Property, including improvements and betterments

*Loss Limit(s):* \$18,906,297 excess of \$10,000,000 Real Property

*The highest insured value at any one location is \$28,906,297. As a result, this policy covers the balance of the limit between the highest insured value and the \$10,000,000 loss limit provided by the primary property policy.*

*Causes of Loss:* Follows Primary Property Policy

*Valuation:* Follows Primary Property Policy

*TIV:* \$ 75,722,263

*Coinsurance:* Agreed Value

New Jersey Schools Development Authority

2012 Coverage Summary

5

**Miscellaneous Special Provisions:** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy.

Named Insured: New Jersey Schools Development Authority

Location(s): (1) 135 Glenwood Avenue, East Orange, NJ 07017  
(2) 1700-1804 W. Front St., Plainfield, NJ 07063  
(3) 670 S. Clinton Ave., Bldgs. 50, 51, 52, 54, 57, 58 & 62, Trenton, NJ 08611

Endorsements: Minimum Earned Premium of 25% in the event of cancellation by the Insured

Coverage follows primary form unless otherwise specified

Quote is subject to favorable inspection of properties

Warranties: Per Primary Property policy

Exclusions: Asbestos  
Earthquake  
Flood  
Pollution  
Mold  
Contamination  
Equipment Breakdown  
Nuclear, Biological or Chemical  
Virus/Bacteria

Cancellation Clause: 60 Days Notice of Cancellation; 20 days for non-payment of premium

*New Jersey Schools Development Authority*

2012 Coverage Summary

**REAL ESTATE EQUIPMENT BREAKDOWN**

**Carrier:** Federal Insurance Company (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 9/15/2012

**Policy Period:** December 14, 2012 to December 14, 2013

**Policy Number:** 7642-68-93

**Annual Premium:** \$3,756.00

**Insp. Certificates:** \$ 410.00

**Terrorism:** \$ 38.00

**NJ PLIGA Surcharge:** \$ 34.16

**\$4,238.16**

**Loss Limit(s):**

Property Damage	\$30,000,000
Business Income/Extra Expense	Included
Expediting Expense	\$ 100,000
Consequential Damage	\$ 100,000
Utility Interruption	\$ 100,000
Ammonia Contamination	\$ 100,000
Ordinance or Law	\$ 100,000
Water Damage	\$ 100,000
Data & Media	\$ 100,000
Hazardous Substance Clean-up	\$ 100,000
Fungus Clean-Up	\$ 25,000

**TIV:** \$75,722,263

**Deductibles:**

Property Damage	\$5,000
Business Interruption	12 hour Waiting Period
Utility Interruption	8 hour Waiting Period

*New Jersey Schools Development Authority*

2012 Coverage Summary

5

**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy.*

- Named Insured: New Jersey Schools Development Authority
- Location(s): (1) 135 Glenwood Avenue, East Orange, NJ 07017  
(2) 1700-1804 W. Front St., Plainfield, NJ 07063  
(3) 670 S. Clinton Ave., Bldgs. 50, 51, 52, 54, 57, 58 & 62, Trenton, NJ 08611  
(4) 1201 Memorial Dr., Asbury Park, NJ 07712  
(5) 707-709 Market St., Camden, NJ 08102  
(6) 108 N. 7<sup>th</sup> St., Camden, NJ 08102  
(7) 216 Union Ave., Paterson, NJ 07502 (Don Bosco Technical Building only)
- Exclusions: Earth Movement  
Nuclear Hazard  
War & Military Action  
Flood  
Testing
- Cancellation Clause: 60 Days Notice of Cancellation; 20 days for non-payment of premium

*New Jersey Schools Development Authority*

2012 Coverage Summary

**REAL ESTATE PACKAGE****5**

<i>Carrier:</i>	Chubb Insurance Company of New Jersey (Chubb) <i>Chubb is a licensed and <b>admitted carrier</b> within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.</i>
<i>A.M. Best Rating:</i>	A++ XV as of 9/15/012
<i>Policy Period:</i>	December 14, 2012 to December 14, 2013
<i>Policy Number:</i>	3589-23-99
<i>Annual Premium:</i>	\$108,176.00
<i>Terrorism:</i>	\$ 3,251.00
<i>Taxes/Fees:</i>	<u>\$ 1,033.13</u> <b>\$112,460.13</b>

***Real Property***


---

 Covering the Real Property, including improvements and betterments, signs, glass, exterior light fixtures and poles.
 

---

Loss Limit(s):	\$240,000 Real Property <i>(\$40,000/unit for 6 units)</i>
Causes of Loss:	Special, including Machinery Breakdown, subject to policy exclusions
Valuation:	Replacement Cost; including ordinance or law, construction fees and extended warranties
Coinsurance:	Agreed Amount
Deductible:	\$ 5,000 each occurrence

***General Property Exclusions:***

- Business Errors
- Employee Dishonesty
- Government Military Action
- Inherent Vice or Latent Defect
- Insects/Animals
- Nuclear Hazard
- Faulty, Inadequate or Defective Planning, Design, Materials or Maintenance
- War & Military Action
- Wear & Tear
- Earthquake
- Flood

*New Jersey Schools Development Authority*

2012 Coverage Summary

***Chubb Property Coverage Enhancement:***

*A \$500,000 Blanket Limit applies, separately at each location, to any or all of the following coverages (subject to a \$5,000 deductible):*

- Accounts Receivable
- EDP Property
- Fine Arts
- Public Safety Service Charges
- Leasehold Interest - Improvements & Betterments (I&B)
- Outdoor Trees, Shrubs, Plants and Lawns
- Personal Property of Employees
- Property Damage Extortion
- Rental Income
- Valuable Papers

***Additional Property Coverage Enhancements:***

This is **automatic "sleep" insurance** with specific limits (additional limits can be purchased):

Any Other Location	\$ 75,000
Accounts Receivable	
Building Components	
Electronic Data Processing Property	
Fine Arts	
Personal Property	
Valuable Papers	
Debris Removal – 25% of direct damage loss if such limit remains, plus:	
Premises shown in declarations	\$ 500,000
Any Other Location	\$ 50,000
Exhibition, Fair or Trade Show	\$ 50,000
In Transit	\$ 50,000
Extra Expense	\$ 250,000
Exhibition, Fair or Trade Show	\$ 25,000
Electronic Data Processing Property	
Fine Arts	
Personal Property	
Fungus Clean-up or Removal	\$ 25,000

***New Jersey Schools Development Authority***

2012 Coverage Summary

**5**

In Transit	\$ 100,000
Accounts Receivable	
Electronic Data Processing Property	
Fine Arts	
Personal Property	
Valuable Papers	
Loss of Master Key	\$ 25,000
Loss Prevention Expenses	\$ 25,000
Mobile Communication Property	\$ 10,000
Pollutant Clean-up or Removal	\$ 25,000
Preparation of Loss Fees	\$ 25,000
Newly Acquired or Constructed Property (180 Days)	
Building	\$2,000,000
Personal Property	\$1,000,000
Personal Property at Existing Premises	\$ 100,000
Electronic Data	\$ 250,000
Electronic Data Processing Equipment	\$ 500,000
Fine Arts	\$ 25,000
Communication Property	\$ 250,000

***Commercial General Liability***

Coverage for damages the insured becomes legally obligated to pay by reason of liability imposed by law or assumed under an insured contract for Bodily Injury or Property Damage caused by an occurrence; or Advertising Injury or Personal Injury caused by an offense.

**A. Limits of Liability - Bodily Injury & Property Damage**

General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ Included
Personal & Advertising Injury	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Fire Legal Liability	\$ 1,000,000 any one fire
Medical Expense Payments	\$ 10,000 any one person

## B. Coverages:

- Premises Operations
- Products/Completed Operations
- Personal/Advertising Injury
- Independent Contractors
- Blanket Contractual Liability
- Premises Medical Payments
- Host Liquor Law Liability
- All-risk Legal Liability
- Broad Form Property Damage
- Incidental Medical Malpractice
- Non-Owned Watercraft Liability (55 foot limitation)
- Limited World-Wide Liability
- Extended Bodily Injury
- Automatic coverage - newly acquired organizations (90 days)
- Per Location General Aggregate, subject to \$5,000,000 Combined Total Aggregate
- Non-Accumulation of Liability Limits
- Designated Premises/Project Limitation – per schedules provided quarterly
- Automatic Additional Insured(s):
  - Employees, including leased workers but not temporary workers;
  - Volunteers;
  - Real Estate Manager as required by contract;
  - State or Political Subdivisions as required by permit;
  - Members of the Authority;
  - Lessors of premises and equipment as contractually required
- **Mid-Term Reporting Provision – *Due to the high volume of properties added/deleted from this policy, Chubb has agreed per our request to provide blanket coverage for all properties purchased by NJSDA during the term. The policy will be endorsed on a quarterly basis to rate for those properties added/deleted. This is crucial, as it provides coverage for all properties without the administrative burden of amending the policy each time.***

*New Jersey Schools Development Authority*

2012 Coverage Summary

## C. Exclusions:

- Construction Loan
- Information Distribution Laws
- Securities and Trade Practices
- Professional Liability
- Biological Agents
- Athletic Participants
- Lead
- Architect/Engineer Professional Liability
- Sexual Abuse/Molestation
- Medical Professional Liability
- Intellectual Property Laws or Rights
- Construction or Development (except maintenance or renovation or those scheduled by endorsement)

***General Liability Exposure:***

<i>Class Code</i>	<i>Description</i>	<i>Total Exposure</i>	<i>Rating Basis</i>	<i>Rate</i>
49451	Vacant Land/Parking Lots	106	Acre	\$ 50
61212	Occupied Building/School	653,945	Per 1,000 [']	\$ 110
68606	Vacant Building	438,069	Per 1,000 [']	\$ 50
91591	Subcontractors	1,400,000	Per \$1,000 Cost	\$ 1.96
63010	1-4 Family Dwelling (Vacant or Occupied)	13	Per Unit	\$ 175
60010	Occupied Apartment Building	0	Per 1,000 [']	\$157.50
46671	Athletic Fields/Playgrounds	2	Flat Per Field	\$ 850
68606	Temporary Classroom Units	6	Per Unit	\$ 315

*New Jersey Schools Development Authority*

2012 Coverage Summary

**Chubb General Liability Coverage Enhancements:** (coverage enhancements as compared to standard ISO General Liability Form.)

Coverage Features	Customary General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<b>Who Is An Insured</b>		
Vendors automatically included as insureds	Yes	No
<b>Lessors of equipment and premises automatically included as insureds</b>	Yes	No
Existing subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds	Yes	No
<b>New subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds to end of policy period</b>	Yes	No, limited to 90 days and no coverage for unscheduled partnerships, joint ventures or limited liability companies
Employees, including leased workers, and volunteer workers are automatically insureds, including bodily injury to co-employees caused by cardiopulmonary resuscitation and first aid	Yes	No
Directors, managers, members, officers, partners and supervisors are automatically insureds, including bodily injury to employees	Yes	No
<b>Covered Exposures</b>		
<b>Oral and written contractual liability: bodily injury/property damage</b>	Yes	Yes
<b>Written contractual liability: personal/advertising injury</b>	Yes	No
Worldwide coverage territory for all covered suits brought in U.S.A., its possessions or territories, Canada or Puerto Rico	Yes	No
Medical expenses protection reporting period	Yes, three (3) years from date of accident	Yes, but limited to one (1) year from date of accident
<b>Medical expenses, including injury to insured's tenants and persons working on insured's behalf</b>	Yes	No
<b>Definition of bodily injury includes humiliation, mental anguish, mental injury and shock resulting from physical injury</b>	Yes	No

*New Jersey Schools Development Authority*

2012 Coverage Summary

5

Coverage Features (continued)	Customary General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
Definition of personal injury includes discrimination, harassment and segregation (other than employment-related)	Yes	No
Protection for violation of right of publicity	Yes, via Reputation Injury and Communications Liability Insurance	No
Definition of advertising injury includes trademark infringement	Yes, if registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title	No
Definition of advertising injury includes use of another's advertising idea in an advertisement	Yes, if another's advertising idea is a copyrighted advertisement or registered trademark	Yes
Definition of advertising injury includes infringing upon another's trade dress or slogan in an advertisement	Yes, if another's trade dress or slogan is a copyrighted advertisement or registered trademark	Yes
Additional intellectual property infringement protection, whether or not in advertisements	Yes, via Reputation Injury and Communications Liability Insurance	No
Nonowned aircraft - with crew	Yes	No
Nonowned watercraft	Yes, if less than 55 feet	Yes, but limited to less than 26 feet
<b>Pollution exclusion exceptions:</b> <ul style="list-style-type: none"> <li>•Hostile fire</li> <li>•Off-premises operations</li> <li>•Products/completed operations</li> <li>•Leakage of fluids for mobile equipment at job sites</li> <li>•Job site building materials</li> <li>•Building heating equipment</li> </ul>	Yes	Yes
Property damage (all-risk) to rented premises	Yes	No, peril of fire only and sublimited
War and insurrection	Yes	No

*New Jersey Schools Development Authority*

2012 Coverage Summary

5

Coverage Features (continued)	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<i>Limits of Insurance - Supplementary Payments</i>		
<b>Separate advertising/personal injury aggregate limit, not subject to general aggregate limit</b>	Yes	No
Supplementary payments: •Appeal bond amounts up to limit of insurance •Bail bond amounts up to limit of insurance •Loss of earnings	Yes Yes Yes, \$1,000/day	No No, limited to \$250 bond cost Yes, limited to \$250/day
<b>Indemnitee's defense expenses payable in addition to limits</b>	Yes	No, reduce limits unless conditions met

**Miscellaneous Special Provisions (apply to Property & General Liability):** The following special provisions are highlighted for informational purposes and do not represent the entirety of the enhancements or exclusions of the policy.

Named Insured: New Jersey Schools Development Authority

Cancellation Clause: 60 Days Notice of Cancellation; 20 days for non-payment of premium

**Resolution—5a**

Business and Real Estate Property & Casualty Insurance Program  
GP-0173-R01

**Resolution**

Risk Management is requesting Board approval to renew various insurance policies to continue NJSDA's Insurance Program ("Insurance Program"). The renewal policies will be with The Safeguard Group, Inc. ("Safeguard"). In November, 2011, the Board approved the award of broker services to Safeguard, while concurrently approving the purchase of various Business and Real Estate insurance policies for the first of three years.

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that the Members of the Authority approve contract amendments to contracts for Goods and Services exceeding \$100,000; and

**WHEREAS**, in November 2011, the Members of the Authority Board approved a contract award for Business and Real Estate Property and Casualty Insurance broker services to The Safeguard Group, Inc. (Safeguard) for a three-year term; and

**WHEREAS**, as part of their scope of services, Safeguard was directed to purchase on behalf of the Authority various insurance policies included in the SDA's Business and Real Estate Property and Casualty Insurance Program (Insurance Program) which are described in detail in the materials presented to the Board on this date and incorporated herein; and

**WHEREAS**, in preparation for the 2012-2013 Insurance Program renewal, SDA provided Safeguard with key data and other information that was provided to the incumbent insurers to obtain insurance policy quotations; and

**WHEREAS**, as set forth in detail in the memorandum presented to the Board on this date and incorporated herein, Safeguard has presented the Authority with a proposal which outlines the limits, terms and conditions for renewing the Insurance Program, effective December 14, 2012; and

**WHEREAS**, associated staff has determined that the Authority's risk exposures are reasonably quantified and any changes forthcoming will be endorsed onto the policy accordingly; and

**WHEREAS**, the renewal policies, to be purchased pursuant to the second year of the three-year term for broker services, will have a one year term and a proposed cost not to exceed \$828,000; and

**WHEREAS**, executive management and associated staff have reviewed Safeguard's renewal recommendations and considerations determined that they are reasonable, appropriate and in the best interest of the Authority and the state's taxpayers; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve the purchase of various Business and Real Estate insurance policies, for a one year policy term commencing December 14, 2012, at a cost not to exceed \$828,000, consistent with the memorandum presented to the Board on this date and incorporated herein.

**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.

Attached: Memorandum, Business and Real Estate Property & Casualty Insurance Program,  
GP-0173-R01, dated, November 7, 2012

Dated: November 7, 2012

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

**CHAIRMAN'S REPORT**

**OFFICE OF PROGRAM OPERATIONS - CHANGE ORDERS/AMENDMENTS**

**URS CORPORATION**



MEMORANDUM

TO: Members of the Authority

FROM: James D. Adams  
Program Director, Program Operations

DATE: November 7, 2012

SUBJECT: Credit Amendment – URS Corporation

---

COMPANY NAME:	URS Corporation
DISTRICT:	Camden City
CONTRACT NO:	CA-0010-M01
CM:	URS Corporation
SCHOOL NAME:	Morgan Village Middle School
AMENDMENT NO:	6
REASON:	Credit for Unused Professional Services
AMOUNT:	(\$299,436)
CONTRACT STATUS:	79.5 % Paid to Date against the Current Contract Value
OCCUPANCY DATE:	September 1, 2011

INTRODUCTION:

I am writing to recommend approval by the Members of the Authority of a credit amendment to URS Corporation (URS) in the amount of \$299,436 for unused professional services. A credit amendment is the accounting mechanism by which the SDA de-obligates a contract's unused funds. The value of this amendment represents an 11% credit to the total contract value. Execution of this amendment is necessary to de-obligate unused funds for services not received by the SDA. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit amendment which singularly exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000 and 10% of the contract value.

BACKGROUND

URS Corporation was issued the Notice to Proceed (NTP) on July 22, 2008 to provide Construction Management Services at the Morgan Village Middle School in the Camden City School District, services that included management of construction of the new facility and management of demolition of the replaced facility. The New Morgan Village Middle School is a 92,390 square foot facility educating 520 students in grades 7 and the 8 in the Camden City School District. The new facility was issued a Temporary Certificate of Occupancy on August 31, 2011 and was occupied on September 1, 2011.

Members of the Authority  
 Amendment 6 – URS Corporation  
 Camden City School District – Morgan Village MS  
 November 7, 2012  
 Page 2 of 3

REASON FOR CHANGE

Per the Request for Proposal and CM Agreement for the Morgan Village Middle School Project, URS was hired to provide:

- Pre-Construction services (5 month duration) July 22, 2008 through December 22, 2008,
- Construction Management services (20 month duration) December 23, 2008 through August 23, 2010,
- Demolition Phase services (7 months) September 1, 2010 through March 31, 2011 (for the replaced facility).

The project experienced multiple delays, due to significant discrepancies identified in the structural steel design one month into the construction phase, as well as unsuitable urban fill and buried debris discovered on the site and the impact of severe winter weather. The URS CM engagement for this project was terminated for convenience on October 30, 2010 after CEO approval of a recommendation to terminate the engagement and pursue SDA staff management. At the time of termination, URS had provided Pre-Construction services and CM services for the new construction for a duration of 20 months.,

The remaining base contract services at time of termination were for the closeout phase of the new construction, as well as management of the demolition of the replaced facility. This amendment is required to de-obligate unused funds from URS’s contract for these base contract services that were not performed. Final payment of the contract requires funding de-obligation prior to the close out of the contract. Final contract close-out is dependent upon one existing amendment which is currently under review.

SUMMARY OF CHANGE

This amendment is required to de-obligate funds for services not provided.

1) Credit for Close Out Phase*	\$ (92,272.00)
2) Credit for Phase 2 Demolition Oversight*	\$ (207,164.00)
<b>ADDITIONAL COSTS</b>	\$ (299,436.00)

\*The amounts are consistent with the fees represented in the schedule of values.

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

Members of the Authority  
 Amendment 6 – URS Corporation  
 Camden City School District – Morgan Village MS  
 November 7, 2012  
 Page 3 of 3

CALCULATIONS

a.	Original Contract Amount (base contract including allowances)	\$	1,370,588
b.	Amendments to Date (excluding proposed Amendment)	\$	146,966
c.	Proposed Amendment Amount	\$	(299,436)
d.	Total Amendments to Date including this Amendment (Total of Line (b.) and Line (c.))	\$	(152,470)
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		-11%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	1,218,118

RECOMMENDATION

The Members of the Authority are requested to approve this credit amendment, in the amount of \$299,436. In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012 any credit amendment which exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000 and 10% of the contract value.

Recommended by:

/s/ James Adams  
 James D. Adams, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations  
 Prepared and Recommended by: Aaron C. Goss, Deputy Program Director, Program Operations  
 Recommended by: Andrew Oakley, Program Officer, Program Operations

***Resolution—6a1.***

COMPANY NAME: URS Corporation  
 DISTRICT: Camden City  
 CONTRACT NO: CA-0010-M01  
 CM: URS Corporation  
 SCHOOL NAME: Morgan Village Middle School  
 AMENDMENT NO: 6  
 REASON: Credit for Unused Professional Services  
 AMOUNT: (\$299,436)  
 CONTRACT STATUS: 79.5 % Paid to Date against the Current Contract Value  
 OCCUPANCY DATE: September 1, 2011

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (Authority or SDA) provides that any credit amendment which exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority.

**WHEREAS**, a credit amendment is the accounting mechanism whereby the SDA de-obligates a contract’s unused funds.

**WHEREAS**, URS Corporation (URS) was issued a Notice to Proceed (NTP) on July 22, 2008 to provide construction management (CM) services at the Morgan Village Middle School in the Camden City School District, which services included management of construction of the new facility and management of demolition of the replaced facility; and

**WHEREAS**, the New Morgan Village Middle School, a 92,390 square foot facility educating 520 students in grades 7 and the 8 in the Camden City School District, was issued a Temporary Certificate of Occupancy on August 31, 2011 and was occupied on September 1, 2011; and

**WHEREAS**, for the reasons set forth in detail in the memorandum provided to the Board on this date and incorporated herein, SDA’s contract with URS was terminated for convenience in October 2010 following URS’s performance of pre-construction and CM services for the new construction over a 20 month period, with remaining base contract services at time of termination being the closeout phase of the new construction as well as management of the demolition of the replaced facility; and

**WHEREAS**, this credit amendment, in the amount of \$299,436 for unused professional services, is required to de-obligate unused funds from URS’s contract for these base contract services that were not performed; and

**WHEREAS**, the value of this amendment exceeds \$100,000 and represents an 11% credit to the total contract value and thus requires approval by the Members of the Authority; and

**WHEREAS**, all documents supporting this amendment have been reviewed by the associated project team members as well as the Program Director, Deputy Director and the SDA Contract Management Division (CMD) for adherence to current SDA policy and procedure and all reviewing SDA staff members have determined that the amendment is justified and that the amount is reasonable and appropriate.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve this credit amendment for URS Corporation (Contract No. CA-0010-M01) for unused professional services, in the amount of \$299,436 for the Morgan Village Middle School project in the Camden School District.

**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.

Attached: Memorandum, URS Corporation (Contract No. CA-0010-M01), Morgan Village Middle School, Camden School District, November 7, 2012

Dated: November 7, 2012

**TRICON ENTERPRISES, INC.**



MEMORANDUM

**TO:** Members of the Authority

**FROM:** Manuel Da Silva  
Program Director, Program Operations

**DATE:** November 7, 2012

**SUBJECT:** Resolving Change Order – Tricon Enterprises, Inc.

**COMPANY NAME:** Tricon Enterprises, Inc.  
**DISTRICT:** Newark  
**CONTRACT NO:** NE-0003-J01  
**PMF/CM:** NJSDA Self-Managed  
**SCHOOL NAME:** South Street Elementary School  
**CHANGE ORDER NO:** 3, 4, and 5  
**REASON:** Various  
**AMOUNT:** \$ 618,139.90  
 CCD No. 1 \$500,000.00 + Resolving CO No. 3 \$0.00  
 CCD No. 2 \$250,000.00 + Resolving CO No. 4 \$(5,344.08)  
 CO No. 5 \$(126,516.02)

**CONTRACT STATUS:** 85.52 % Paid to Date against Current Contract Value  
**DATE:** January 15, 2010

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of three (3) Change Orders (COs). CO Nos. 3 and 4 will resolve Construction Change Directives (CCDs) No. 1 and No. 2, and CO No. 5 will de-obligate the unused funds remaining from the Original Base Contract. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a change order or credit change order which singularly 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 these three (3) change orders, when aggregated with prior approved change orders, exceeds \$500,000 and is greater than 10% of the contract value.

CCDs are typically only used when the work has been verified to be a change to the base scope and one of the following two conditions are met: either the work is so urgent that it requires a directive for immediate action by the General Contractor (GC) or negotiations for a change order have failed to come to a resolution, thereby placing the work in the critical path requiring immediate direction to avoid construction delays impacting a schedule milestone, e.g. school

Members of the Authority  
Change Order – Tricon Enterprises, Inc.  
Newark South Street Elementary School  
November 7, 2012  
Page 2 of 6

turn-over to the district. A resolving change order is the mechanism by which the final dollar value of the CCD is determined. It is the combined value of the CCD and the resolving CO that determines the required level of approval for the resolving change order. When these CCDs were issued, authorization included a dollar value, which differs from current requirements that CCDs are issued for a zero dollar value. The NJSDA review of submitted time and material information validated that the actual cost to perform the additional scope was equal to or less than the values of the issued CCDs resulting in equal value for CCD No. 1, and a credit for CCD No. 2 of \$5,344.08. Lastly, CO No. 5 is a credit for the de-obligation of funds remaining from the base contract, valued at \$126,516.02.

### BACKGROUND

Tricon Enterprises, Inc. (Tricon) was issued the Notice to Proceed (NTP) on April 8, 2009 to provide demolition services at the site acquired for a new South Street Elementary School in Newark. The work to be performed by Tricon was considered to be the initial phase required to prepare the site for construction of a future school. As the demolition work progressed, extensive buried waste and debris, including petroleum waste, unforeseen buried concrete footings and foundations, and leaking underground tank systems, were uncovered. NJSDA Contract Management Division negotiated unit prices with Tricon to remove the unforeseen concrete footings and foundations and underground tanks and associated contaminated soil to stabilize the site as an interim measure.

To ensure the appropriate advancement of the new South Street Elementary School project, NJSDA staff undertook a review of the demolition and expanded site remediation services now needed. The evaluation confirmed that the complexity of the environmental remediation work that still remains requires additional planning, design, support facilities, testing, permitting and disposal approvals.

Action to address these newly-identified conditions is beyond the scope of work included in the engagement with Tricon. NJSDA staff determined that the most effective approach to address these conditions is through a separate site remediation procurement that will follow a thorough environmental investigation that is presently ongoing. We have therefore determined to close out the contract with Tricon. The contract is prepared for final payment and closeout, as all demolition and remediation work associated with Tricon's contract scope of work is complete, with the following exceptions: stockpiled concrete and debris shall remain in their current form and location, pending testing and evaluation of a cost-effective disposal method to be completed in a future engagement. These remaining tasks will be included in the remediation phase of the project. There also remains a dollar value associated with unused allowances, a value included in the de-obligation value of CO No. 5.

Members of the Authority  
 Change Order – Tricon Enterprises, Inc.  
 Newark South Street Elementary School  
 November 7, 2012  
 Page 3 of 6

REASON FOR CHANGE

Change Order No. 3 \$0.00 – To resolve CCD No.1 approved on August 13, 2009 in the amount of \$500,000.00 to address additional environmental issues including soils remediation and unforeseen underground storage tanks.

- Change Order Background: During the demolition and site remediation phase of work, additional unforeseen subsurface conditions were encountered. The additional work was extensive and required the removal and proper handling of additional concrete footings and foundations and concrete tank cradles, excavation and off-site disposal of excess fill, decontamination, removal and disposal of seven (7) unforeseen underground storage tanks (USTs), and disposal of petroleum-impacted soils and petroleum-impacted water. CCD No. 1 for the amount of \$500,000 was to be invoiced on a time and material cost basis and was approved by the CEO and fully executed on August 13, 2009.
- Reason for Change: Resolving Credit Change Order No. 3 represents the results of direct negotiations between the NJSDA and the GC for labor, material, equipment and removal costs associated with the additional site remediation work. After obtaining all appropriate documentation and conducting negotiations with the GC, all parties recommend a final cost for this work in the amount of \$500,000.00.
- Cost Breakdown:

1) CCD No. 1	\$500,000.00
2) Resolving CO No. 3	\$ 0.00
3) Final Negotiated Cost:	\$500,000.00
i. Labor	\$ 38,443.22
ii. Materials & Equipment	\$ 437,747.25
iii. OH & Profit	\$ 23,809.53
Total:	\$ 500,000.00

Change Order No. 4 (\$5,344.00) – To resolve CCD No.2 which was approved on January 15, 2010 in the amount of \$250,000.00 to remediate unforeseen subsurface conditions encountered during demolition.

- Change Order Background: As demolition and site remediation work proceeded, it was determined that the volume of buried debris, petroleum-impacted soils and petroleum-impacted water was greater than estimated when CCD No. 1 was issued. Hence, CCD No. 2 was issued in the amount of \$250,000.00 to be invoiced on a time and material cost basis and was approved by the CEO and fully executed on January 15, 2010.

Members of the Authority  
 Change Order – Tricon Enterprises, Inc.  
 Newark South Street Elementary School  
 November 7, 2012  
 Page 4 of 6

- Reason for Change: Resolving Credit Change Order No. 4 represents the results of direct negotiations between the NJSDA and the GC for labor, material, equipment and removal costs associated with the remediation work. A complete reconciliation of associated time sheets, material receipts and labor rates was conducted. After obtaining all the appropriate documentation and conducting negotiations with the GC, all parties recommend a final cost for this work in an amount \$244,655.92.
  
- Cost Breakdown:

1) CCD No. 2	\$250,000.00	
2) Resolving CO No. 5	\$ (5,344.08)	
3) Final Negotiated Cost:	\$244,655.92	
i.Labor		\$ 11,417.64
ii.Materials & Equipment		\$ 221,587.99
iii.OH & Profit		<u>\$ 11,650.29</u>
Total:		\$ 244,655.92

Change Order No.5 \$(126,516.02) – The de-obligation of unused funds remaining from the base contract.

- Reason for Change: This change order is necessary to de-obligate the funds associated with scope elements not fully utilized such that closeout of the NJSDA Contract No. NE-0013-J01 with Tricon Enterprises, Inc. can be achieved. Credit Change Order No. 5 represents the results of direct negotiations between the NJSDA and the GC for labor, material, equipment and removal costs associated with the remediation work. A complete reconciliation of associated time sheets, material receipts and labor rates was conducted. After obtaining all the appropriate documentation and conducting negotiations with the GC, all parties recommend a final cost for this work in an amount \$ 444,483.98. As noted above, the remaining scope items include: the stockpiled concrete and debris that remain in their current form and location, pending testing and evaluation of a cost-effective disposal method to be completed in a future engagement.
  
- Cost Breakdown:

1) Base Contract	\$ 571,000.00
2) CO No. 5	\$( 126,516.02)
3) Final Negotiated Cost:	\$ 444,483.98

SUMMARY OF CHANGE

These change orders are required to resolve CCDs No. 1 and No. 2, which were issued to address additional site remediation work. These CCDs were approved by the CEO on a time and material basis. A review of time and material documentation has concluded that the cost to

Members of the Authority  
 Change Order – Tricon Enterprises, Inc.  
 Newark South Street Elementary School  
 November 7, 2012  
 Page 5 of 6

perform the work required was equal to or less than estimated. COs No. 3 and No. 4 will resolve the balance remaining from CCDs No. 1 and No. 2, respectively. CO No. 5 is necessary to de-obligate the funds associated with scope elements not fully utilized and to credit the balance remaining from the Base Contract.

1) Change Order No. 3 Site Remediation	\$	-
2) Change Order No. 4 Site Remediation	\$	(5,344.08)
3) Credit for balance of Base Contract Value	\$	(126,516.02)
ADDITIONAL COSTS	\$	(131,860.10)

In accordance with the Operating Authority, the Division of Chief Counsel was provided with notification of the underlying CCD prior to its issuance. All documents supporting this change order have been reviewed by the associated NJSDA project team members as well as the Program Director, Deputy Program Director, and the Contract Management Division (CMD) for adherence to current NJSDA policy and procedures. All reviewing NJSDA staff members, including CMD, have determined that the change order is justified and that the amount is reasonable and appropriate.

CALCULATIONS

a. Original Contract Amount	\$ 571,000.00
b. Change Orders to Date	\$ 750,000.00
c. Proposed Change Order Amount	\$ (131,860.10)
d. Total Change Orders to Date (Total of line (b.) and (c.))	\$ 618,139.90
e. Percentage of Original Contract Line (Line (d.) represents of Adjusted Contract Amount (Line (a.)))	108%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$ 1,189,139.90

RECOMMENDATION

The Members of the Authority are asked to approve:

- Change Order No. 3 for zero dollars \$0.00 resolving CCD No. 1, resulting in a total value of \$500,000.00, and
- Change Order No. 4 in the credit amount of \$5,344.08 resolving CCD No. 2, resulting in a total value of \$244,655.92, and
- Change Order No. 5 in the credit amount of \$126,516.02, de-obligating the balance remaining from the base contract, resulting in a total value of \$ 444,483.98.

Members of the Authority  
Change Order – Tricon Enterprises, Inc.  
Newark South Street Elementary School  
November 7, 2012  
Page 6 of 6

In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended on March 7, 2012, any change order which singularly exceeds \$500,000 or when aggregated with all prior approved change orders is greater than 10% of the contract value requires approval by the Members of the Authority. The aggregate value of these three (3) change orders, with all prior approved change orders, exceeds \$500,000 and is greater than 10% of the contract value.

Recommended by:

/s/ Manuel Da Silva  
Manuel Da Silva, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations  
Reviewed and Recommended by: Merrie Winston, Deputy Director, Program Operations  
Prepared and Recommended by: Katherine Gallo, Program Officer, Program Operations  
Prepared and Recommended by: Theresa dunn Egan, Program Officer, Program Operations

**Resolution—6a2.**

COMPANY NAME: Tricon Enterprises, Inc.  
 DISTRICT: Newark  
 CONTRACT NO: NE-0003-J01  
 PMF/CM: NJSDA Self-Managed  
 SCHOOL NAME: South Street Elementary School  
 CHANGE ORDER NO: 3, 4, and 5  
 REASON: Various  
 AMOUNT: \$ 618,139.90  
 CCD No.1 \$500,000.00 + Resolving CO No.3 \$0.00  
 CCD No.2 \$250,000.00 + Resolving CO No.4 \$(5,344.08)  
 CO No.5 \$(126,516.02)  
 CONTRACT STATUS: 85.52 % Paid to Date against Current Contract Value  
 DATE: January 15, 2010

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that a change order or credit change order which singularly 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.

**WHEREAS**, in the course of construction, Construction Change Directives (CCDs) are used only when the work has been verified to be a change to the base scope and either is so urgent that it requires a directive for immediate action by the General Contractor (GC) or negotiations for a change order have failed to come to a resolution and the existence of one of these two situations places the work in the critical path requiring immediate direction to avoid construction delays impacting a schedule milestone; and

**WHEREAS**, a resolving change order (RCO) is the mechanism by which the final dollar value of a CCD is determined, with the combined value of the CCD and the RCO determining the required level of approval for the RCO; and

**WHEREAS**, Tricon Enterprises, Inc. (Tricon) was issued the Notice to Proceed (NTP) on April 8, 2009 to provide demolition and site remediation services, in anticipation of construction, at the site acquired for the new South Street Elementary School in Newark (the Project); and

**WHEREAS**, as the demolition and site remediation work progressed, extensive buried debris, petroleum waste, historical fill consisting of buried concrete footings and foundations, and underground tank systems, some still containing product, were uncovered; and

**WHEREAS**, to ensure the appropriate advancement of the Project, NJSDA staff undertook a review of the demolition and expanded site remediation services now needed and a determination was made to issue CCDs No. 1 and 2 to address additional site remediation work; and

**WHEREAS**, RCO No. 3 is necessary to resolve CCD No.1 to address additional environmental issues including soils remediation and unforeseen underground storage tanks; and

**WHEREAS**, RCO No. 4 is necessary to resolve CCD No.2 to remediate unforeseen subsurface conditions encountered during demolition; and

**WHEREAS**, CO No. 5 is necessary to de-obligate the funds associated with scope elements not fully utilized and to credit the balance remaining from the Base Contract; and

**WHEREAS**, the background and basis for the RCOs and CO along with a complete cost break down are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, the value of these three (3) change orders, when aggregated with prior approved change orders, exceeds \$500,000 and is greater than 10% of the contract value; and

**WHEREAS**, all documents supporting the change orders have been reviewed by the associated SDA project team members as well as the Program Director, Deputy Program Director, and the Contract Management Division (CMD) for adherence to current NJSDA policy and procedures and all reviewing SDA staff members have determined they are justified and the amounts are reasonable and appropriate.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve Resolving Change Orders No. 3 and No. 4 resolving Construction Change Directives No. 1 and No. 2 and Change Order No. 5 for Tricon Enterprises, Inc. (Contract No. NE-0003-J01) for the South Street Elementary School in the Newark School District consistent with the materials presented to the Board on this date and incorporated herein.

**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.

Attached: Memorandum, Tricon Enterprises, Inc. (Contract No. NE-0003-J01), South Street Elementary School, Newark School District, dated November 7, 2012

Dated: November 7, 2012

**SKANSKA USA BUILDING INC.**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Corrado Minervini  
Program Director, Program Operations

**DATE:** November 7, 2012

**SUBJECT:** Amendment – Skanska USA Building, Inc. (Formerly Sardoni Skanska Inc.)

**COMPANY NAME:** Skanska USA Building Inc.  
**DISTRICT:** Passaic  
**CONTRACT NO.:** PM-0018-P01  
**SCHOOL NAME:** Henry Street Elementary School  
**AMENDMENT NO.:** 20 and 22  
**REASON:** Additional Services and Credit of Unused Funds  
**AMOUNT:** No.20 - \$140,414.00 (Extended and Additional Services)  
 No.22 - (\$579,856.16) (De-obligation of Unused Funds)  
 (\$439,442.16) (Total Credit Amount)

**CONTRACT STATUS:** 96% Paid to Date against the Current Contract Value  
**OCCUPANCY DATE:** TBD

**INTRODUCTION**

I am writing to recommend approval by the Members of the Authority of two amendments to Skanska USA Building, Inc. formerly Sardoni Skanska, Inc., (Skanska), in the net credit amount of \$439,442.16. A credit amendment is the accounting mechanism by which the NJSDA de-obligates a contract’s unused funds. Execution of these amendments is necessary for the release of final payment and to advance contract close-out. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an amendment which singularly exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority. The value of each amendment exceeds \$100,000.

**BACKGROUND**

Skanska was issued the Notice to Proceed (NTP) on November 26, 2002 to provide Project Management (PMF) Services for multiple projects in the Passaic and Garfield School Districts. The Passaic School District projects included the Henry Street Elementary School (Henry Street) project. Upon delivery, the Henry Street Project will provide a new 115,000 square foot facility intended to educate 688 students in grades Pre-Kindergarten through grade Five.

Members of the Authority  
 Amendment No. 20 and 22 – Skanska USA Building Inc.  
 Contract No. PM-0018-P01  
 Passaic – Henry Street Elementary School  
 November 7, 2012  
 Page 2 of 4

Project History

Prior activity for the Henry Street project included its advancement into construction in 2009. After construction initiated, the project encountered delays impacting the schedule, consisting of the following: the discovery and removal of three (3) additional previously unknown and undocumented underground storage tanks (USTs); the discovery and abatement of additional asbestos in the buildings scheduled to be demolished within the original contract.

The SDA engagements for design, construction and project management were terminated thereafter. The PMF services for the Henry Street project as part of Skanska’s contract were terminated for convenience on August 5, 2011.

A solicitation for Design/Build Services was issued on September 28, 2012, and SDA staff will provide construction management services for the project.

REASON FOR CHANGE

Amendment No. 20: \$140,414.00

This amendment will compensate Skanska for the associated extended and additional services related to delays encountered impacting the schedule consisting of the following: the discovery and removal of 3 additional previously unknown and undocumented USTs; the discovery and abatement of additional asbestos in the buildings scheduled to be demolished within the original contract.

Contrary to the current amendment process and contract language, the work in this amendment was performed by the PMF from January 2010 through December 2010, prior to the termination of the contract for convenience. Although the PMF proceeded at its own risk, the work described in this amendment was necessary.

The times associated with these delays are as follows:

- a. Removal and remediation of USTs: (69 calendar days, compensable)
- b. Abatement of additional asbestos: (107 calendar days, compensable)

Cost Breakdown:

Extended and additional PMF services for additional UST removal:	\$ 55,049.00
Extended and additional PMF services for additional asbestos abatement:	<u>\$ 85,365.00</u>
Total:	\$ 140,414.00

Members of the Authority  
 Amendment No. 20 and 22 – Skanska USA Building Inc.  
 Contract No. PM-0018-P01  
 Passaic – Henry Street Elementary School  
 November 7, 2012  
 Page 3 of 4

Amendment No. 22: (\$579,856.16)

This amendment is for the de-obligation of the remaining unused contract funds for project management services associated with the Henry Street project portion of Skanska’s PMF contract that are no longer required. These services include construction administration, closeout and post occupancy phase for a total credit of (\$579,856.16). This amount is consistent with the fees represented in the schedule of values.

SUMMARY OF CHANGE

Amendments No. 20 and No. 22 are required to compensate Skanska for extended and additional services and de-obligate from the Skanska contract the remaining unused funds for the Henry Street project, respectively.

Amendment No. 20:	\$ 140,414.00
Amendment No. 22:	<u>(\$ 579,856.16)</u>
Total:	(\$ 439,442.16)

All documents supporting these amendments have been reviewed by the associated project team members as well as the Program Director, Deputy Director and the NJSDA Contract Management Division (CMD) for adherence to current NJSDA policy and procedure. All reviewing SDA staff members, including CMD, have determined that the amendments are justified and that the amounts are reasonable and appropriate. With the advice of the Division of Chief Counsel, the amendments are recommended for Board consideration.

This memorandum seeks approval by the Board for Amendments No. 20 and No. 22 for the Henry Street portion of the Skanska PMF contract. Final contract closeout is dependent upon two additional amendments which are currently under review and which will not require Board Approval.

CALCULATIONS\*

a.	Original Contract Amount	\$ 9,966,700.00
b.	Amendments to Date (Inclusive of Proposed Amendments 19 and 21)	\$ 6,265,838.00
c.	Proposed Amendments Amount	(\$ 439,442.16)
d.	Total of Amendments to Date (Total of line (b.) and (c.))	\$ 5,826,395.84
e.	Percentage of Original Contract (Line (d.) represents a percent of Line (a.))	58%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$15,793,095.84

\*Contract calculation values are inclusive of the entire Project Management Firm contract for multiple projects, including the Henry Street Elementary School.

Members of the Authority  
Amendment No. 20 and 22 – Skanska USA Building Inc.  
Contract No. PM-0018-P01  
Passaic – Henry Street Elementary School  
November 7, 2012  
Page 4 of 4

RECOMMENDATION

The Members of the Authority are requested to approve Amendments No. 20 in the amount of \$140,414.00 and No. 22 in the credit amount of \$579,856.16. In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended in March 7, 2012, approval by the Members is required for any credit amendment which singularly exceeds \$100,000 or 10% of the contract value. The value of each amendment exceeds \$100,000.

Recommended by:

/s/ Corrado Minervini  
Corrado Minervini, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations  
Reviewed and Recommended by: Robert Ryan, Deputy Director, Program Operations  
Prepared and Recommended by: Gabriel Salas, Program Officer, Program Operations

***Resolution—6a3***

COMPANY NAME: Skanska USA Building Inc.  
 DISTRICT: Passaic  
 CONTRACT NO.: PM-0018-P01  
 SCHOOL NAME: Henry Street Elementary School  
 AMENDMENT NO.: 20 and 22  
 REASON: Additional Services and Credit of Unused Funds  
 AMOUNT: No.20 - \$140,414.00 (Extended and Additional Services)  
 No.22 - (\$579,856.16) (De-obligation of Unused Funds)  
 (\$439,442.16) (Total Credit Amount)  
 CONTRACT STATUS: 96% Paid to Date against the Current Contract Value  
 OCCUPANCY DATE: TBD

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that an amendment which singularly exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority; and

**WHEREAS**, a credit amendment is the accounting mechanism whereby the SDA de-obligates a contract’s unused funds.

**WHEREAS**, in November 2002, Sardoni Skanska, Inc. (Skanska) was issued a Notice to Proceed (NTP) to provide Project Management (PMF) Services for multiple projects in the Passaic and Garfield School Districts; and

**WHEREAS**, Sardoni Skanska, Inc. is now Skanska USA Building, Inc., hereinafter referred to as “Skanska”; and

**WHEREAS**, the Passaic School District projects included the Henry Street Elementary School (Henry Street) project which, upon delivery, will provide a new 115,000 square foot facility intended to educate 688 students in grades Pre-Kindergarten through grade Five; and

**WHEREAS**, as set forth in detail in the memorandum presented to the Board on this date and incorporated herein, Amendment No. 20 in the amount of \$140, 414 will compensate Skanska for the associated extended and additional services related to delays encountered impacting the Henry Street project schedule; and

**WHEREAS**, as set forth in detail in the memorandum presented to the Board on this date and incorporated herein, Amendment No. 22 in the credit amount of \$579,856.16 is for the de-obligation of the remaining unused contract funds for project management services on the Henry Street portion of the PMF contract that are no longer required; and

**WHEREAS**, the history of the Henry Street project and the basis for the recommendations of executive management and staff herein are set forth in detail in the memorandum presented to the Board on this date; and

**WHEREAS**, the value of each amendment exceeds \$100,000 and thus requires approval by the Members of the Authority; and

**WHEREAS**, all documents supporting Amendments No. 20 and 22 were reviewed by the associated project team members as well as the Program Director, Deputy Director and the SDA Contract Management Division (CMD) for adherence to current NJSDA policy and procedure and all reviewing SDA staff members have determined that the amendments are justified and that the amounts are reasonable and appropriate; and

**WHEREAS**, upon the advice of the Division of Chief Counsel, Amendments No. 20 and 22 are recommended for Board consideration; and

**WHEREAS**, execution of Amendments No. 20 and 22 is necessary for the release of final payment and to advance contract close-out.

**NOW THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve Amendment No. 20 in the amount of \$140,414.00 and Amendment No. 22 in the credit amount of \$579,856.16, for a net credit amount of \$439,442.16, for the Skanska PMF contract in connection with the Henry Street project in the Passaic School District consistent with the memorandum presented to the Board on this date.

**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.

Attached: Memorandum, Skanska USA Building, Inc. (Contract No. PM-0018-P01), Henry Street Elementary School, Passaic School District, November 7, 2012

Dated: November 7, 2012

**OFFICE OF THE CHIEF FINANCIAL OFFICER - APPROVAL OF CONSTRUCTION AWARD/FINAL  
CHARTER**

**EL-0006-C01-ELIZABETH - ACADEMIC HS - NEW CONSTRUCTION**

**MEMORANDUM**

TO: Members of the Authority

FROM: Sean Murphy  
 Procurement Director

Corrado Minervini  
 Program Director, Program Operations

RE: District: Elizabeth  
 School: Academic High School  
 Description: New Construction  
 Package No.: EL-0006-C01  
 CCE: \$53,500,000  
 Award: \$42,977,700  
 CM: Greyhawk North America, LLC  
 Design Consultant: Skidmore, Owings & Merrill LLP

DATE: November 7, 2012

SUBJECT: Construction Award and Approval of Final Project Charter

**INTRODUCTION**

We are writing to recommend the Members of the Authority approve the award of a contract in the amount of \$42,977,700 to Patock Construction Co., Inc.<sup>1</sup> for the construction of the new Academic High School in the Elizabeth School District. Work includes preparing the site for construction, removing of unsuitable fill material, remediating areas of concern and importing certified clean fill to be compacted and graded, providing footings and foundations, and construction of the new facility in accordance with the bid documents. Before construction initiates, the awardee is required to perform a constructability review to identify any potential conflicts and their resulting cost impact.

We are also recommending approval by the Members of the attached Final Project Charter representing the project budget inclusive of dollar values for the award of construction, as well as a construction contingency which is intended to address any potential cost impact which may be identified during the constructability review.

Pursuant to the SDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Board approval is required for the award of construction contracts greater than \$500,000 and for the approval of the Final Project Charter.

**BACKGROUND**

When completed, the Academic High School will be a new 183,822 square foot facility designed to educate 1,091 students from grades nine through twelve in the Elizabeth School District.

At the March 2, 2011 NJSDA Board Meeting, the Members approved the Authority’s 2011 Capital Plan. The 2011 Capital Plan identified the Academic High School project for final validation and advancement

---

<sup>1</sup> Patock listed the following subcontractors for the required trades in its Price Proposal: Frank C. Gibson, Inc. (HVAC), Brooks Mechanical Consultants, Inc. (Plumbing), Scout Electric, Inc. (Electrical), and Arnold Steel Company, Inc. (Structural Steel & Ornamental Iron).

Members of the Authority  
 Approval of Award  
 Package No. EL-0006-C01  
 Elizabeth Academic High School – New Construction  
 November 7, 2012  
 Page 2

into construction. Following Board Approval, NJSDA staff undertook a review and validation of the project. That review identified that project cost and schedule efficiencies would be supported by a two-phase construction process: Early Site Preparation (Phase I) and Construction of Academic High School (Phase II). It was also determined to include the performance of a constructability review by the Phase II contractor prior to initiation of construction.

An award for Early Site Preparation Services (Phase I) was approved by the Members on March 7, 2012. The Early Site Preparation work (Phase I) was completed on July 17, 2012. On July 11, 2012, the Bid Advertisement was issued for the Construction of Academic High School (Phase II).

**PROCUREMENT PROCESS**

This package was advertised as a “Price and Other Factors” solicitation on July 11, 2012 on the SDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. For this procurement, “Price” was weighted as significantly more important than all “Other Factors,” with price equaling 90% of the overall weight, and all non-price factors having a combined weight of 10%.

A mandatory pre-bid conference was held on July 18, 2012.

In accordance with regulations, the SDA employed a two-step process for this procurement. The first step required interested bidders to submit a Project Rating Proposal, which was used by the SDA to determine each bidder’s Project Rating Limit, or maximum amount that a bidder may bid, for the project. Project Rating Proposals were received on July 24, 2012. Bidders were evaluated based on the largest of four projects completed in the past seven years, safety records as well as reference checks. Based on evaluation of the information submitted, eight (8) bidders received a Project Rating Limit.

The Project Rating Limits resulting from the Project Rating Evaluations are listed in Table 1 below:

**TABLE 1**

<b>Contractor</b>	<b>Project Rating Limit</b>
Dobco, Inc.	\$ 74,477,726
Ernest Bock & Sons, Inc.	\$ 107,084,530
Hall Building Corp.	\$ 50,248,578
Hall Construction Co., Inc.	\$ 88,358,280
Patock Construction Co., Inc.	\$ 61,717,772
Prismatic Development Corp.	\$ 110,600,000
Terminal Construction Corp.	\$ 212,681,000
Whiting-Turner Contracting Co.	\$ 276,870,144

Requests for Information (RFI) were received by September 7, 2012. Addenda responses to RFIs were issued to the bidders on August 24, August 29, September 11, September 14, September 17 and September 20, 2012.

The second step of the response required bidders to simultaneously submit a Technical Proposal and a sealed Price Proposal. Technical and Price Proposals were received on October 4, 2012 from six (6) bidders. The Technical Proposal provided information regarding the bidder’s past experience and qualifications as well as the bidder’s overall approach to the project and to the Constructibility Review portion of the project. Members of the Selection Committee, comprised of two (2) SDA Program Operations representatives and one (1) Elizabeth School District representative, were responsible for independently evaluating and scoring the Technical Proposal submittals with respect to the non-price

Members of the Authority  
 Approval of Award  
 Package No. EL-0006-C01  
 Elizabeth Academic High School – New Construction  
 November 7, 2012  
 Page 3

evaluation criteria. The proposals were evaluated by the Selection Committee members based on the following criteria:

- Bidder’s experience on similar projects (20 points)
- Experience of key team members on similar projects (15 points)
- Bidder’s prior affirmative action experience (5 points)
- Bidder’s schedule compliance on similar projects (10 points)
- Bidder’s safety record (5 points)
- Bidder’s history of claims on payment bond (5 points)
- Approach to project (25 points)
- Approach to constructability review (15 points)

The following ratings index was used for the evaluations:

- 9 - 10 points - outstanding response - offers significant advantages.
- 7 - 8 points - superior response - exceeds requirements with no deficiencies.
- 5 - 6 points - sufficient response - meets the requirements with no significant deficiencies.
- 3 - 4 points - minimal response - meets the requirements but contains some significant deficiencies.
- 1 - 2 points - marginal response - comprehends requirements, but contains many significant deficiencies.
- 0 points - unsatisfactory response - requirements not addressed and lack of detail precludes adequate evaluation.

For each Technical Proposal, the individual criteria scores awarded by a particular Selection Committee member were added together to calculate a total non-price score for that Technical Proposal. All of the total non-price scores awarded to a Technical Proposal by the Selection Committee members were added together and averaged to arrive at a final non-price score for each Technical Proposal. The maximum total non-price score is 100.

The results of the Selection Committee’s review of the Technical Proposals are listed in Table 2 below:

**TABLE 2**

<b>Contractor</b>	<b>Raw Non-Price Score</b>	<b>Non-Price Rank</b>
Prismatic Development Corp.	77.333	1
Hall Construction Co., Inc.	76.833	2
Terminal Construction Corp.	73.833	3
Ernest Bock & Sons, Inc.	66.667	4
Patock Construction Co., Inc.	64.667	5
Dobco, Inc.	54.333	6

Once all the Technical Proposals were scored, the Authority opened the sealed Price Proposals and reviewed them for responsiveness. The Price Proposals were publicly opened on October 18, 2012 and the bids were read aloud as required by law.

The lowest responsive Price Proposal was awarded the maximum number of points for the price component, which is 100. All other Price Proposals were awarded points based on the percentage that each proposal exceeded the lowest bid.

Members of the Authority  
 Approval of Award  
 Package No. EL-0006-C01  
 Elizabeth Academic High School – New Construction  
 November 7, 2012  
 Page 4

The results of the SDA’s review of the Price Proposals are listed in Table 3 below:

**TABLE 3**

Contractor	Bid Amount	Raw Price Score	Price Rank
Patock Construction Co., Inc.	\$ 42,977,700.00	100.000	1
Ernest Bock & Sons, Inc.	\$ 43,443,000.00	98.917	2
Dobco, Inc.	\$ 44,678,500.00	96.043	3
Prismatic Development Corp.	\$ 46,172,000.00	92.568	4
Terminal Construction Corp.	\$ 46,290,000.00	92.293	5
Hall Construction Co., Inc.	\$ 48,747,000.00	86.576	6

Before being combined with the non-price scores, the price scores for all bidders were adjusted by a weighting factor of 90%, and the scores for the non-price “Other Factors” criteria were adjusted by a 10% weighting factor.

The combined scores and final rankings are listed in Table 4 below:

**TABLE 4**

Contractor	Raw Non-Price Score	Weighted Non-Price Score	Raw Price Score	Weighted Price Score	Combined Score	Final Rank
Patock Construction Co., Inc.	64.667	6.467	100.000	90.000	96.467	1
Ernest Bock & Sons, Inc.	66.667	6.667	98.917	89.026	95.692	2
Dobco, Inc.	54.333	5.433	96.043	86.438	91.872	3
Prismatic Development Corp.	77.333	7.733	92.568	83.311	91.044	4
Terminal Construction Corp.	73.833	7.383	92.293	83.064	90.447	5
Hall Construction Co., Inc.	76.833	7.683	86.576	77.918	85.602	6

The highest ranked bidder was Patock Construction Co., Inc.

As itemized in Table 3, all six bidders submitted Price Proposals that were below the CCE, ranging from 8.9% to 19.7% lower. Since the bid submitted by the highest ranked bidder was 19.7% below the CCE, a conference was conducted with Procurement, Program Operations, Contract Management Department, the CM and Patock Construction Co., Inc. on October 24, 2012 to review Patock’s bid. Based on that review, it was determined that the major differentials between the CCE and the bid price were due to:

- Compared to SDA’s estimate, Patock received lower pricing from subcontractors for various components of work including Site Work, Specialties, Equipment and Mechanical. Further, Patock’s ability to self-perform in certain trades, including Concrete, Masonry and Carpentry, affords pricing lower than the SDA estimate. The lower pricing and self-performance of work accounts for approximately 8.5% of the variance. One major component of the pricing difference was Patock’s identification of lower soil disposal rates.
- Patock proposed significantly lower costs than the SDA estimates for General Conditions, Overhead and Profit. The lower pricing accounts for approximately 8% of the variance.
- Patock’s Price Proposal is also reflective of current market conditions which are below historical trends that formed the basis for SDA’s estimate.
- The SDA CCE included a 3% overall project contingency to account for site logistics and lack of staging area at the site. Patock’s Price Proposal did not include additional costs for such conditions.

Members of the Authority  
Approval of Award  
Package No. EL-0006-C01  
Elizabeth Academic High School – New Construction  
November 7, 2012  
Page 5

6

At the time of review, Patock Construction Co., Inc. confirmed that its price proposal is inclusive of all scope elements contained in the Contract Documents.

The Program Operations Deputy Director, the Program Operations Director, the Contract Management Deputy Director, the Contract Management Director and Greyhawk (CM) recommend award of the project to Patock Construction Co., Inc.

#### FINAL PROJECT CHARTER

The attached Final Project Charter represents the project budget inclusive of actual dollar values for the award of construction, pre-development expenses, design and project management services, as well as estimated costs for future project scope elements such as FF&E, technology, and appropriate contingencies. The project budget of \$64.1 million included in the Project Charter represents a decrease of approximately \$17.4 million from the funding allocated for the project within the 2011 Capital Plan due to current market conditions and lower construction management fees based upon the actual award for these services.

#### RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the highest ranked bidder, Patock Construction Co., Inc., for Package No. EL-0006-C01 in the amount of \$42,977,700. Such approval is conditioned upon the agreement and related documentation being reviewed and approved by the SDA Division of Chief Counsel.

The Members of the Authority are also requested to approve the attached Final Project Charter representing all expended and projected funds necessary for completion of the project. The Final Project Charter also serves to reestablish contract values for all existing engagements for the purpose of the application of ongoing Operating Authority requirements for those engagements. The reestablished values for this purpose shall be the contract values as of November 7, 2012.

/s/ Sean Murphy  
Sean Murphy, Procurement Director

/s/ Corrado Minervini  
Corrado Minervini, Program Director

## New Jersey Schools Development Authority Project Charter - Summary

<b>Charter Date</b>
11/07/12

<b>Supersedes Charter Dated</b>
12/02/08

**Region:** Northern  
**District:** Elizabeth  
**Project Name:** New Academic High School  
**School Type:** HS  
**DOE # / Project #:** 1320-x07-01-0867  
**Project Type (New/Add/Reno):** New Construction  
**Project Location:** 1056 - 1058 E. Jersey Street, Elizabeth, NJ  
**Number of Students:** 1,091

**Land Acquisition Required?**  Yes  No  
**Temporary Space Required?**  Yes  No

<b>Funding Source</b>
2011 Capital Plan

**Project Budget:** \$ 64,061,687

<b>Funding Allocated</b>
\$77,921,506

**Anticipated Substantial Completion Date:** 03/10/16

**Anticipated School Occupancy Date:** 04/22/16

**Project Team Leader:** Corrado Minervini

<b>District Local Share</b>
\$0.00

**Project Initiation Date:** June-01

**SDA Board - Project Charter Approval Date:** 11/07/12

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning	The Elizabeth Academic High School is a new 183,822 sf 4-story structure that will educate 1,091 students from 9th grade through 12th grade. The Contractor's scope of work includes performance of a constructability review prior to issuance of a NTP for construction
<input type="checkbox"/> Preliminary 12/02/08	
<input checked="" type="checkbox"/> Final 11/07/12	
<b>Purpose for Advancement of Current/Revised Project Charter</b>	
<b>Revision # and Date</b>	Establish Final Project Scope, Schedule and Budget based upon the award for construction.
<input type="checkbox"/> One	
<input type="checkbox"/> Two	<b>District Project Goals</b>
<input type="checkbox"/> Three	
<input type="checkbox"/> Four	
<input type="checkbox"/> Five	
<input type="checkbox"/> Six	Address overcrowding at the High School grade level.

### Recommendation

Program Director - Program Operations \_\_\_\_\_ Date \_\_\_\_\_  
 Corrado Minervini

Managing Director - Capital Planning \_\_\_\_\_ Date \_\_\_\_\_  
 Gregory Voronov

Vice President - Program Operations \_\_\_\_\_ Date \_\_\_\_\_  
 Andrew Yosha

### Approval

Chief Executive Officer \_\_\_\_\_ Date \_\_\_\_\_  
 Marc Larkins

6

## New Jersey Schools Development Authority Project Charter - Milestones & Delivery Method

<b>Charter Date</b>
11/07/12

<b>District / Project Name:</b>	Elizabeth / New Academic High School
<b>DOE # / Project #:</b>	1320-x07-01-0867

<b>Project Milestones</b>	<b>Date</b>
<b>School Occupancy Date</b>	04/22/16

<b>DELIVERY METHOD</b>	<b>Design/Bid/Build</b>
------------------------	-------------------------

<u>Real Estate Services</u>	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Feasibility	07/01/02	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5/12/04	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EO215 Requirements	08/01/03	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Site Acquisition	05/02/03	<input type="checkbox"/>	<input checked="" type="checkbox"/>	08/31/06	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Relocation	04/30/04	<input type="checkbox"/>	<input checked="" type="checkbox"/>	05/10/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Demolition	10/09/07	<input type="checkbox"/>	<input checked="" type="checkbox"/>	*07/16/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Remediation	10/01/07	<input type="checkbox"/>	<input checked="" type="checkbox"/>	** 07/26/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Deed Restriction Required?</b>	No	<b>Date</b>				
<b>District Notified?</b>	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
<b>Classification Exception Area?</b>	No					
<b>District Notified?</b>	N/A	<input type="checkbox"/>	<input type="checkbox"/>			

**Special Considerations**

\* Demo of Jefferson House on SDA purchased lot began on 10/9/07 and completed on 3/3/08. Early Site Package (ESP) began on 5/7/12, It included all below grade demolition/removal of all foundations & footings. ESP completed on 7/16/12. \*\* Two UST's removed. First UST removed during Jefferson House demo. Second UST removed during ESP. DCA C of A issued on 7/9/08 for first UST & C of A for second UST on 7/26/12.

<u>Design:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Design Start (NTP)	09/24/04	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Design Restart (if applicable)	04/09/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Program Concept Phase	09/25/04	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/28/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design Phase	02/01/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/25/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design Development Phase	04/01/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/29/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Construction Documents Phase	07/30/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>	* 05/20/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DCA Review	06/01/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>	** 06/25/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bid and Award	07/11/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/20/12	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Special Considerations**

\* Design was suspended in Construction Documents Phase (CA) - Sept. 2005. Project reinitiated as part of the 2008 Capital Plan. Design restarted April 2009. CA Phase completed on 5/20/12. \*\* First DCA Release issued on 12/1/10. The project reinitiated with the 2011 Capital Plan. DCA re-reviewed drawings and issued one round of comments (Architect responded). DCA issued an Ammended Final Release on 6/25/12.

<u>Construction:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>
Construction Start (NTP)	*12/21/12	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	03/10/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	04/22/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	TBD	<input type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	06/06/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	02/03/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	03/03/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Special Considerations**

\* Construction Start (NTP) represents the anticipated issuance of the NTP to initiate the Constructability Review. An Authorization-to-Proceed with construction to the General Contractor upon completion of the Constructability Review is anticipated for 05/07/13.

<b>New Jersey Schools Development Authority Project Charter - Project Budget</b>		Charter Date
		11/07/12
<b>District / Project Name:</b> Elizabeth / New Academic High School		
<b>DOE # / Project #:</b> 1320-x07-01-0867		
<b>2011 Capital Plan Funding Allocation</b>	<b>\$</b>	<b>77,921,506</b>
<b>Special Considerations:</b>  		
<b>Project Budget:</b>		
<b>Gross Building Area (GSF):</b>		<b>Grossing Factor:</b>
New	183,822	1.51
Addition		
Renovation		
<b>Total Gross Building Area (GSF):</b>	<b>183,822</b>	
<b>Estimated Building Cost / GSF</b>		
New Construction Cost/GSF	\$233.80	
Renovation Cost/GSF		
<b>Construction Costs:</b>		
Building Costs	\$40,987,700	
Site Costs	\$1,990,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 0 months at 5 % per year	\$0	
Design Contingency	\$0	
Construction Contingency	\$4,297,770	
<b>Total Construction Costs</b>	<b>\$47,275,470</b>	
<b>Pre-Development Costs:</b>		
Consultant Services	\$779,939	
Early Site Package (Demolition/Remediation)	\$1,723,184	
Land Acquisition	\$81,038	
Relocation	\$422,363	
Property Maintenance/Carry Costs	\$139,489	
<b>Total Pre-Development Costs</b>	<b>\$3,146,013</b>	
<b>Other Costs:</b>		
Design	\$5,056,360	
Project Management (SDA Staff)	TBD	
PMF/CM	\$2,427,790	
FF&E	\$2,942,500	
Technology	\$2,354,000	
Commissioning	\$0	
Temporary Space	\$0	
Other Costs	\$859,554	
<b>Total Other Costs</b>	<b>\$13,640,204</b>	
<b>Other Funding Sources</b>		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
<b>Total Other Funding Sources</b>	<b>\$0</b>	
<b>Total Project Budget</b>	<b>\$64,061,687</b>	
<b>Funding from Prior Allocation</b>	<b>\$3,517,063</b>	
<b>Funding from 2011 Capital Plan</b>	<b>\$60,544,624</b>	

**New Jersey Schools Development Authority  
Project Charter - Budget Variance**

**Charter Date**

11/07/12

**District / Project Name:** Elizabeth / New Academic High School  
**DOE # / Project #:** 1320-x07-01-0867

**Project Budget:**

	2011 Capital Plan Estimate	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.51	1.51	0.00
Gross Building Area (GSF):	183,822	183,822	0
New Addition			
Renovation			
<b>Total Gross Area (GSF):</b>	<b>183,822</b>	<b>183,822</b>	<b>0</b>
<b>Construction Costs</b>			
Building Costs	\$49,165,913	\$40,987,700	\$8,178,213
Site Costs	\$2,947,680	\$1,990,000	\$957,680
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$2,823,045	\$0	\$2,823,045
Design Contingency	\$1,293,840	\$0	\$1,293,840
Construction Contingency	\$5,489,011	\$4,297,770	\$1,191,241
<b>Total Construction Costs</b>	<b>\$61,719,489</b>	<b>\$47,275,470</b>	<b>\$14,444,019</b>
<b>Pre-Development Costs:</b>			
Consultant Services	\$764,690	\$779,939	(\$15,249)
Early Site Package (Demolition/Remediation)	\$1,854,521	\$1,723,184	\$131,337
Land Acquisition	\$763,716	\$81,038	\$682,678
Relocation	\$422,363	\$422,363	\$0
Property Maintenance/Carry Costs	\$0	\$139,489	(\$139,489)
<b>Total Pre-Development Costs</b>	<b>\$3,805,290</b>	<b>\$3,146,013</b>	<b>\$659,277</b>
<b>Other Costs:</b>			
Design	\$4,097,567	\$5,056,360	(\$958,793)
Project Management (SDA Staff)	TBD	TBD	\$0
PMF/CM	\$4,374,562	\$2,427,790	\$1,946,772
FF&E	\$3,229,111	\$2,942,500	\$286,611
Technology	\$2,583,289	\$2,354,000	\$229,289
Commissioning	\$350,000	\$0	\$350,000
Temporary Space	\$0	\$0	\$0
Other Costs	\$1,279,261	\$859,554	\$419,707
<b>Total Other Costs</b>	<b>\$15,913,790</b>	<b>\$13,640,204</b>	<b>\$2,273,586</b>
<b>Other Funding Sources</b>			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
<b>Total Other Funding Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Project Budget</b>	<b>\$81,438,569</b>	<b>\$64,061,687</b>	<b>\$17,376,882</b>
<b>Funding from Prior Allocation</b>	<b>\$3,517,063</b>	<b>\$3,517,063</b>	<b>\$0</b>
<b>Funding from 2011 Capital Plan</b>	<b>\$77,921,506</b>	<b>\$60,544,624</b>	<b>\$17,376,882</b>

**Budget Variance Analysis:**

Current budget is based upon the award amount for construction which is less than the estimate at the time of establishment of the 2011 capital plan due to current market conditions and is reflective of lower estimated costs for PMF/CM services based upon the award amount for the CM on the project.

**Schedule Variance Analysis:**

**Resolution—6bi**

Construction Award and Approval of Final Project Charter

District: Elizabeth  
 School: Academic High School  
 Description: New Construction  
 Package No.: EL-0006-C01  
 CCE: \$53,500,000  
 Award: \$42,977,700  
 CM: Greyhawk North America, LLC  
 Design Consultant: Skidmore, Owings & Merrill LLP

**Resolution**

**WHEREAS**, the New Jersey Schools Development Authority (SDA) requires that the Members of the Authority approve the award of construction contracts greater than \$500,000; and

**WHEREAS**, the Operating Authority of the SDA requires that the Members of the Authority approve Final Project Charters; and

**WHEREAS**, when completed, the Academic High School (Academic) in the Elizabeth School District will be a new 183,822 square foot facility designed to educate 1,091 students in grades nine through twelve in the Elizabeth School District; and

**WHEREAS**, in March, the Members of the Authority approved the Authority’s 2011 Capital Plan, identifying the Academic project for final validation and advancement into construction; and

**WHEREAS**, a review and validation of the Academic project was subsequently conducted by SDA staff; and

**WHEREAS**, this review determined that project cost and schedule efficiencies would be supported by a two phase construction process, Early Site Preparation (Phase I) and: Construction of Academic High School (Phase II); and

**WHEREAS**, Early Site Preparation Services (Phase I) was approved by the Members on March 7, 2012 and the work was completed on July 17, 2012; and

**WHEREAS**, as set forth in the memorandum presented to the Board on this date and incorporated herein and consistent with all applicable laws and regulations, on July 11, 2012, SDA staff commenced a procurement process by bid advertisement for construction of the new Academic High School; and

**WHEREAS**, as set forth in the memorandum presented to the Board on this date and incorporated herein, following completion of a procurement process consistent with all applicable laws and regulations and on a “Price and Other Factors” basis, SDA staff and executive management recommend Board approval of a contract award in the amount of \$42,977,700 to Patock Construction Co., Inc. for construction of Academic; and

**WHEREAS**, the details of the procurement process, the work to be performed and the procedures to be followed going forward, including the constructability review, are set forth in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, all documents supporting this construction award have been reviewed by the Program Operations Deputy Director, the Program Operations Director, the Contract Management Deputy Director, the Contract Management Director and Greyhawk (CM) and recommend award of the project to Patock Construction Co., Inc.; and

**WHEREAS**, executive management and SDA staff further recommend approval by the Members of the Final Project Charter for Academic as presented, representing the project budget inclusive of dollar values for the award of construction, as well as a construction contingency which is intended to address any potential cost impact which may be identified during the constructability review; and

**WHEREAS**, approval of the agreement and related documentation is conditioned upon review and approval of same by the SDA Office of Chief Counsel.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve the award of a contract to the highest ranked bidder, Patock Construction Co., Inc. for Package No. EL-0006-C01, in the amount of \$42,977,700, with such approval conditioned upon the agreement and related documentation being reviewed and approved by the SDA Division of Chief Counsel.

**BE IT FURTHER RESOLVED**, that the Members of the Authority further authorize and approve the Final Project Charter for the Academic High School in the Elizabeth School District which represents all expended and projected funds necessary for completion of the project, and serves to reestablish contract values as of November 7, 2012 for all existing engagements for the purpose of the application of ongoing Operating Authority requirements for those engagements.

**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.

Attached: Memorandum, Contractors Award, Patock Construction Co., Inc. (Package No. EL-0006-C01) and Final Charter, Elizabeth Academic High School, Elizabeth School District, dated November 7, 2012

Dated: November 7, 2012

**DELEGATED AUTHORITY - EL-006-M02-ELIZABETH - ACADEMIC HS - CONSTRUCTION MANAGEMENT SERVICES**

*(INFORMATIONAL)*



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:** Sean Murphy  
 Director-Procurement

**RE:** District: Elizabeth  
 School: Academic High School  
 Description: Construction Management Services  
 Package No.: EL-0006-M02  
 CCE: \$53,500,000  
 Estimated Fee: \$ 2,184,746  
 Award: \$ 2,138,900  
 Awardee: GREYHAWK North America LLC  
 Design Consultant: Skidmore, Owings & Merrill, Architects, P.A.

**DATE:** November 7, 2012

**FOR INFORMATIONAL PURPOSES**

**INTRODUCTION**

At the September 5, 2012 Board meeting, the Members delegated authority to the CEO and Chair of the SRC for the award of a contract for Construction Management Services at the Academic High School in the Elizabeth School District. The approval required notification to the Members of the results of the procurement process. Funding for this engagement is available within the Project Budget, in accordance with the most recent Project Charter approved by the Members on December 2, 2008.

**SCOPE OF SERVICES**

This engagement is to provide construction management services for the Elizabeth Academic High School, a new 183,822 square foot facility to educate 1091 students from grades nine to twelve. The project is anticipated to be substantially completed in March 2016.

**PROCUREMENT PROCESS**

This package was advertised as a “Price and Other Factors” solicitation beginning on July 23, 2012 on the NJSDA website and on the State of New Jersey Business Opportunities website. In addition, the advertisement was distributed to those firms that are pre-qualified in the area of Construction Management (P029) by both the Department of Treasury, Division of Property Management and Construction and the NJSDA. For this procurement, price was weighted as 40% of the overall weight, and all non-price factors had a combined weight of 60%.

A Selection Committee consisting of three NJSDA staff members was established.

Firms interested in submitting a proposal were required to send an e-mail giving Notice of Intent to Participate (NOI) by July 30, 2012. NOIs were received from fifteen (15) prequalified construction management firms. Responsive proposals were received from nine (9) firms on August 13, 2012.

Members of the Authority  
 Package No. EL-0006-M02  
 Elizabeth - Academic HS Construction Management Services  
 November 7, 2012  
 Page 2

Technical Proposals were evaluated by the Selection Committee. Evaluations were based upon the information provided by the firms in response to the RFQ/RFP for this project. The three committee members evaluated the Technical Proposals for Construction Management Services separately based on the following criteria:

- Firm’s CM Experience on Similar Projects
- Staffing Proposal
- Key Team Members’ Experience on Similar Projects
- Approach to Project

Each Selection Committee member evaluated each Technical Proposal, assigning a raw score for each criterion on a scale of 0 to 10 as follows:

- Outstanding (9-10): depth and quality of response offers significant advantages.
- Superior (7-8): exceeds RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFP but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors were applied to each of the Selection Committee member’s raw scores for each criterion to arrive at a total weighted score as follows:

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Firm’s CM Experience on Similar Projects	1.0	10
Staffing Proposal	3.0	30
Key Team Members’ Experience on Similar Projects	3.0	30
Approach to Project	3.0	30
<b>Total Possible Points</b>		<b>100</b>

For each firm’s Technical Proposal, the individual criteria scores awarded by a particular Selection Committee member were added together to calculate a score for that Technical Proposal. The maximum score for a Technical Proposal is 100. All of the scores awarded by the Selection Committee members to a particular firm’s Technical Proposal were added together and averaged to arrive at a Final Technical Proposal Score for each firm. The responsive firms, their scores and ranks are listed in Table 1 below:

**TABLE 1**

Firm	Final Technical Proposal Score	Technical Rank
GREYHAWK North America LLC	64.000	1
Joseph Jingoli & Son, Inc.	64.000	1
STV Construction, Inc.	58.000	3
Gilbane Building Company	57.000	4
Heery International, Inc.	57.000	4
Pinnacle Consulting & Construction Services, Inc.	45.333	6
Epic Management, Inc.	37.333	7

Members of the Authority  
 Package No. EL-0006-M02  
 Elizabeth - Academic HS Construction Management Services  
 November 7, 2012  
 Page 3

Greenman-Pedersen, Inc.	33.667	8
P. W. Moss & Associates	32.333	9

A shortlist of the six (6) highest-ranked firms was determined based on the Final Technical Proposal Scores. The shortlisted firms participated in interviews with the Selection Committee on September 5, 2012. The interviews allowed the firms to expand and detail their firm and team experience with respect to NJSDA requirements for construction management services. The Selection Committee interviewed each of the shortlisted firms and evaluated each firm on Interview Criteria and Weighting Factors that were the same as those used in the evaluation of the Technical Proposals, as detailed above.

The individual criteria scores awarded by a particular Selection Committee member were added together to calculate an Interview Score for that firm. The maximum Interview Score is 100. All of the Interview Scores awarded to a particular firm by the Selection Committee members were added together and averaged to arrive at a Final Interview Score for each firm. The shortlisted firms, their scores and ranks are listed in Table 2 below:

**TABLE 2**

Firm	Final Interview Score	Interview Rank
Heery International, Inc.	76.667	1
GREYHAWK North America LLC	76.333	2
Joseph Jingoli & Son, Inc.	76.000	3
STV Construction, Inc.	75.000	4
Gilbane Building Company	66.000	5
Pinnacle Consulting & Construction Services, Inc.	62.000	6

The Final Interview Score for each shortlisted firm was added to the Final Technical Proposal Score for such firm, and the two scores were averaged to arrive at a Non-Price Score for each shortlisted firm. The maximum Non-Price Score is 100. The shortlisted firms, their scores and ranks are listed in Table 3 below:

**TABLE 3**

Firm	Non-Price Score	Non-Price Rank
GREYHAWK North America LLC	70.167	1
Joseph Jingoli & Son, Inc.	70.000	2
Heery International, Inc.	66.833	3
STV Construction, Inc.	66.500	4
Gilbane Building Company	61.500	5
Pinnacle Consulting & Construction Services, Inc.	53.667	6

Once all the Non-Price Scores for all shortlisted firms were calculated, the NJSDA opened the sealed Price Proposals and reviewed them for responsiveness.

The lowest responsive Price Proposal was awarded the maximum number of points for the price component, which is 100. All other Price Proposals were awarded points based on the percentage that each proposal exceeded the lowest bid.

The results of the NJSDA’s review of the Price Proposals are listed in Table 4 below:

Members of the Authority  
 Package No. EL-0006-M02  
 Elizabeth - Academic HS Construction Management Services  
 November 7, 2012  
 Page 4

**TABLE 4**

<b>Firm</b>	<b>Bid Price</b>	<b>Price Score</b>	<b>Price Rank</b>
GREYHAWK North America LLC	\$2,138,900	100.000	1
STV Construction, Inc.	\$2,287,483	93.053	2
Pinnacle Consulting & Construction Services, Inc.	\$2,559,000	80.359	3
Heery International, Inc.	\$2,605,720	78.175	4
Joseph Jingoli & Son, Inc.	\$3,226,529	49.150	5
Gilbane Building Company	\$3,253,650	47.882	6

After the Price Scores were determined for all shortlisted firms, the Price Scores were adjusted by a weighting factor of 40%. The Non-Price Scores for “Other Factors” criteria were adjusted by a weighting factor of 60%. The Price Score and Non-Price Score for each shortlisted firm were added together for a Final Combined Score. The maximum Final Combined Score is 100. The Final Combined Scores and Final Rankings are listed in Table 5 below:

**TABLE 5**

<b>Firm</b>	<b>Raw Non-Price Score</b>	<b>Weighted Non-Price Score</b>	<b>Raw Price Score</b>	<b>Weighted Price Score</b>	<b>Final Combined Score</b>	<b>Final Rank</b>
GREYHAWK North America LLC	70.167	42.100	100.000	40.000	82.100	1
STV Construction, Inc.	66.500	39.900	93.053	37.221	77.121	2
Heery International, Inc.	66.833	40.100	78.175	31.270	71.370	3
Pinnacle Consulting & Construction Services, Inc.	53.667	32.200	80.359	32.144	64.344	4
Joseph Jingoli & Son, Inc.	70.000	42.000	49.150	19.660	61.660	5
Gilbane Building Company	61.500	36.900	47.882	19.153	56.053	6

In addition to attaining the highest Final Combined Score, GREYHAWK North America LLC’s total lump sum fee proposal (\$2,138,900) did not exceed 110% of the estimated amount (\$2,184,746). Accordingly, the award of this contract to GREYHAWK North America LLC was authorized and executed under the Members’ delegated approval.

The Notice to Proceed was executed on October 4, 2012. Prior to execution of the contract, the contract and related documentation were reviewed and approved by the NJSDA Division of Chief Counsel.

/s/ Sean Murphy  
 Sean Murphy  
 Director-Procurement

**OFFICE OF CORPORATE GOVERNANCE AND OPERATIONS**

**READOPTED REGULATIONS - N.J.A.C. 19:38B PROCEDURES FOR PRICE & OTHER FACTORS  
PROCUREMENT OF CONSTRUCTION CONTRACTS FOR NEW SCHOOL FACILITIES PROJECTS**



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

**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Jane Kelly, Vice President  
Division of Corporate Governance and Operations

**DATE:** November 7, 2012

**RE:** Proposed Readoption Without Change:  
Procedures for Price and Other Factors Procurement of Construction Contracts  
For New School Facilities Projects, N.J.A.C. 19:38B

---

7

Management of the New Jersey Schools Development Authority (“Authority” or “SDA”) is seeking the approval of the Board for the Readoption of the Authority’s Rules for Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects, N.J.A.C. 19:38B.

The Rules establish requirements, standards and procedures for the Authority’s procurement of construction contracts on a “price and other factors” basis for the Authority’s capital program contracts, and are intended to replace the Authority’s existing procedures for procurement of construction contracts for new school facilities, which are based upon a “low bid” paradigm.

**Prior Regulatory History and Basis for Readoption without Change**

The Rules were originally considered and approved by the Members of the Authority on November 2, 2011, for publication as special adoption rules, effective immediately upon publication for a one-year term and not subject to public comment. The Rules appeared in the New Jersey Register on December 19, 2011 at 43 N.J.R. 3462 (a). The Rules will be subject to public comment in the readoption promulgation process.

The existing Rules have successfully supported two major “price and other factors” construction procurements to date. After internal review of the existing Rules, staff has determined that the Rules as originally drafted remain adequate, efficient and responsive for the purposes for which they were originally adopted. Accordingly, Management proposes that the Rules be approved for readoption without change or amendment.

The original text of the Rules as published is attached for the Members’ convenience.

**Background**

The Rules proposed for readoption provide for a selection process that includes:

1. the public advertisement of a request for proposals (RFP) that describes the school facilities project, outlines the scope of work for the project, outlines the criteria to be used

- for selection and the weight that will be given to each of these criteria in the evaluation process;
2. the submission of Project Rating Proposals and the issuance of a Project Rating by the Authority;
  3. the submission of responses to the RFP which include a sealed price proposal and the technical submittal; and
  4. the review and scoring of technical submittals, the subsequent opening and scoring of price proposals, and the determination of the bidder with the highest combined score.

The Rules provide for the establishment of a selection committee, comprised of representatives of the Authority and a representative of the SDA school district, to provide technical review and evaluation and scoring of the technical submittals submitted in response to an RFP.

The Rules were designed to implement the provisions of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.), as amended, and P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.), and more specifically, N.J.S.A. 52:18A-243, which authorizes the procurement of contractors through the consideration of “price and other factors.” The Rules provide for the Authority to award construction contracts pursuant to N.J.S.A. 52:18A-243, based on the selection of a responsive bidder whose bid proposal is determined to be “most advantageous” to the SDA, based upon a combination of cost and qualitative factors, with consideration given to price at least equal to the consideration given to all other factors combined.

The statutory “other factors” to be considered in addition to price are defined by N.J.S.A. 52:18A-243 as including:

1. the experience of the contractor and its key personnel on projects of similar type and complexity;
2. the performance of the contractor on prior contracts with the Authority, the State or districts;
3. the contractor’s experience with special technologies needed to complete the contract;
4. the contractor’s understanding of the means and methods to complete the project on time and within budget;
5. the timetable to complete the project;
6. the contractor’s plan for quality assurance and control;
7. the contractor’s demonstrated experience with regard to affirmative action; and
8. other factors at the discretion of the SDA.

The Rules provide for the following list of evaluation factors that may be included in the RFP for use in the evaluation process:

- a) The bidder's experience on identified projects of similar size, scope and complexity;
- b) The experience of the bidder's key team members on projects of similar size, scope and complexity;
- c) The bidder's prior performance on projects for the Authority, as evidenced by performance evaluations as specified in the RFP;
- d) The bidder's concurrent commitment of staff and resources to other projects, and the bidder's ability to fulfill the contract as affected by the commitment of staff and resources to another contract with the Authority, or to contracts with any other public or private entity;
- e) The prior affirmative action experience of the prospective bidder;
- f) Consideration of the bidder's aggregate rating from the Department of Treasury, Division of Property Management and Construction, which is affected by prior affirmative action experience;
- g) Consideration of the bidder's staffing capabilities, such as the bidder's plan for staffing the project (distinguishing between self-performed and subcontracted work), including recruitment methods and proposed sources of supply for skilled labor;
- h) The bidder's history and experience with respect to conformance to project schedules on similar projects, including timely completion of punchlist items;
- i) The bidder's project safety record including OSHA violations and/or penalties;
- j) The bidder's history of or experience with assertion of claims or requests for adjustment of compensation on similar projects, and the results of such claims or requests;
- k) The bidder's history of cure notices on projects of similar size or complexity;
- l) The bidder's experience with payment of, or liability for, liquidated damages on projects of similar size and complexity;
- m) The bidder's history with respect to timely payment of subcontractors; and
- n) Any other pertinent information necessary to establish the qualifications of the prospective bidder to undertake the contract.

In the procurement process outlined in the Rules proposed for readoption, the bidders' submittals are reviewed and scored by the members of the selection committee, who shall assign points to each evaluation criterion for each submittal. The selection committee members' scoring will be added and averaged, and a single score will be issued to each submittal for the non-price component. Once scoring for non-price factors is complete, the Authority will open the sealed price proposals, and will assign the maximum points for the price component to the lowest bidder. All other bidders will be scored based on the percentage that their price proposals exceed the lowest bid. The Authority will determine the combined scores for the price and non-price components and make a recommendation of award for the bidder with the highest combined score.

The Rules are intended to apply to the Authority's procurement of school facilities construction

contracts with a construction cost estimated to exceed five million dollars (\$5,000,000) and may be applied to other contracts at the option of the Authority. These Rules are not required to be applied to the Authority’s procurement of construction contracts for “emergent projects.” Such “emergent projects” and addition and renovation contracts may continue to be procured pursuant to the Authority’s procedures described in N.J.A.C. 19:38.

**Requested Board Action**

The Members of the Authority are requested to approve the proposed readoption of the “Price and Other Factors” Rules without change, as well as the issuance of the attached Notice of Readoption, and the filing of the Notice with the Office of Administrative Law.

\_\_\_\_\_  
/s/ Jane F. Kelly  
Jane F. Kelly, Vice President  
Corporate Governance & Compliance

Prepared by Cecelia Haney, Senior Counsel

JFK/ceh

# SPECIAL ADOPTION

## OTHER AGENCIES

### (a)

#### NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

#### Procedures for Price and Other Factors Procurement of Construction Contracts for New School Facilities Projects

#### Special Adopted New Rules: N.J.A.C. 19:38B

Adopted: November 23, 2011 by the New Jersey Schools  
Development Authority, Marc Larkins, Chief Executive Officer.  
Filed: November 23, 2011 as R.2011 d.302.

Authority: P.L. 2007, c. 137, § 4k (N.J.S.A. 52:18A-238k)  
(rulemaking authority); P.L. 2007, c. 137, § 36b (N.J.S.A.  
18A:7G-26b) (special adoption authority); and P.L. 2000, c. 72  
(N.J.S.A. 18A:7G-1 et seq.) and P.L. 2007, c.137 (N.J.S.A.  
52:18A-235 et seq.) (enabling statutes).

Effective Date: November 23, 2011.

Expiration Date: November 23, 2012.

Take notice that, in accordance with P.L. 2007, c. 137, § 36b  
(N.J.S.A. 18A:7G-26b), the New Jersey Schools Development Authority  
adopts new rules at N.J.A.C. 19:38B, effective upon filing with the Office  
of Administrative Law. The rules establish requirements, standards and  
procedures for the Authority's procurement of construction contracts on a  
"price and other factors" basis for the Authority's capital program  
contracts.

#### Federal Standards Statement

The special adopted new rules implement a State statute, specifically  
P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.). There are no Federal  
standards or requirements applicable to these rules. A Federal standards  
analysis, therefore, is not required.

Full text of the special adopted new rules follows:

#### CHAPTER 38B

#### PROCEDURES FOR PRICE AND OTHER FACTORS PROCUREMENT OF CONSTRUCTION CONTRACTS FOR NEW SCHOOL FACILITIES PROJECTS

#### SUBCHAPTER 1. GENERAL PROVISIONS

##### 19:38B-1.1 Purpose and applicability of rules

(a) This chapter is designed to implement the Educational Facilities  
Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et  
seq.), as amended, and P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.)  
(the "Act"), by establishing procedures for the procurement of contractors  
to permit the Authority to carry out its broad statutory mandate to plan,  
design and construct school facilities projects and effectively administer  
the Authority's schools construction program. Specifically, these rules  
are intended to implement the provisions of N.J.S.A. 52:18A-243, which  
authorizes the procurement of contractors through the consideration of  
"price and other factors."

(b) These rules provide for the Authority to award construction  
contracts based on the selection of a bidder whose bid proposal,  
conforming to the invitation to bids, is determined to be "most  
advantageous" to the SDA, based upon a combination of cost and  
qualitative factors, with consideration given to price at least equal to the  
consideration given to all other factors combined, pursuant to the  
Authority's originating statute at N.J.S.A. 52:18A-243. The rules provide  
for a selection process that includes:

1. The public advertisement of a request for proposals (RFP) that  
describes the school facilities project, outlines the scope of work for the  
project, outlines the criteria to be used for selection and the weight that  
will be given to each of these criteria in the evaluation process;

2. The submission of Project Rating Proposals and the issuance of a  
Project Rating by the Authority; and

3. The submission of responses to the RFP which include the price  
proposal and the technical submittal.

(c) These rules further provide for a selection committee, comprised of  
representatives of the Authority and the SDA school district, to provide  
technical review and evaluation services, including the evaluation and  
scoring of technical submittals submitted in response to an RFP.

(d) Notwithstanding any provision of N.J.A.C. 19:38 to the contrary,  
these rules are intended to apply to the Authority's procurement of school  
facilities construction contracts with a construction cost estimated to  
exceed \$5,000,000 and may be applied to other contracts at the option of  
the Authority. These rules are not required to be applied to the  
Authority's procurement of construction contracts for "emergent  
projects." Such "emergent projects" and addition and renovation  
contracts may continue to be procured pursuant to the Authority's  
procedures described in N.J.A.C. 19:38.

#### 19:38B-1.2 Definitions

The following words and terms, when used in this chapter, shall have  
the following meanings unless the context clearly indicates otherwise.

"Act" means the Educational Facilities Construction and Financing  
Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.), as amended, and P.L.  
2007, c. 137, which authorizes the school construction program.

"Aggregate rating" means the limit of the outstanding dollar value of  
all contracts, public and private, which a firm may perform at a given  
time as assigned by the New Jersey Schools Development Authority's  
Notice of Prequalification in effect at the time of the contractor's bid  
which shall be identical to that which is assigned by the New Jersey  
Department of the Treasury, Division of Property Management and  
Construction. Should the Division of Property Management and  
Construction modify a firm's aggregate rating after the Authority has  
issued a Notice of Prequalification, the aggregate rating issued by the  
Authority is considered modified to be identical to that of the Division of  
Property Management and Construction.

"Authority" or "SDA" means the New Jersey Schools Development  
Authority, an entity formed pursuant to P.L. 2007, c. 137, as successor to  
the New Jersey Schools Construction Corporation. The Authority is  
statutorily charged with undertaking and funding school facilities projects  
pursuant to the Act.

"Best value selection" means a selection process in which  
consideration is given to both a price proposal and a technical proposal,  
and the award of the contract is based upon a combination of price and  
qualitative considerations.

"Bid" means the technical proposal and the price proposal.

"Bidder" or "firm" means a contractor that submits a response to a  
request for proposals for a construction procurement under this chapter.

"Board" means the governing body of the Authority, consisting of the  
members of the Authority as outlined in N.J.S.A. 52:18A-237.

"Construction documents" means the plans, specifications and other  
documents which set forth in detail the design for, and other necessary  
requirements relating to, the construction of the school facilities project.

"Construction manager" or "CM" means the person or firm engaged  
by the Authority to act as the Authority's representative for the school  
facilities project and to provide construction management services, in  
connection with construction of the project.

"Contract" means the written, integrated agreement between the  
Authority and the contractor setting forth the obligations of the parties,  
including, but not limited to, the performance of work and the basis of  
payment. The contract includes the construction documents.

## SPECIAL ADOPTION

## OTHER AGENCIES

"Contract milestones" means the dates identified in the contract by which the contractor must complete certain critical activities to advance the project.

"DCA" means the New Jersey Department of Community Affairs.

"Emergent project" means a capital project necessitating expedited review and, if applicable, approval, in order to alleviate a condition that, if not corrected on an expedited basis, would render a building or facility so potentially injurious or hazardous that it causes an imminent peril to the health and safety of students and staff, as defined by N.J.A.C. 6A:26-1.2.

"Key team member" means an individual identified by a bidder in the response to the RFP and made part of the contract as having a responsible role in the successful completion of the school facilities project.

"New Jersey Workers' Compensation Insurance Experience Modification Rate" or "EMR" means the adjustment factor calculated by the New Jersey Compensation Rating and Inspection Bureau (NJCRIB) for each individual employer based upon the record of payrolls expended and losses incurred during a three-year experience period. It provides a method of comparing the injury record of an individual employer with the standard performance of an average employer of the same size and industry type. The EMR is used by insurers for pricing of the employer's workers' compensation insurance and adjusts the premium so as to reward or penalize the employer for the relative success of his efforts to control the frequency and severity of work injuries.

"Notice of Award" means a notice from the Authority to the bidder issued prior to award, setting forth the Authority's intention to enter into a contract with the bidder.

"Notice of Prequalification" means the letter from the Authority notifying a firm that it has secured Authority prequalification for the applicable period.

"Prequalification" means the Authority's approval of a firm to bid on Authority projects, pursuant to N.J.A.C. 19:38A.

"Project Rating" or "Project Rating Limit" means the maximum amount a firm may bid on any individual school facilities package based upon the information contained within a firm's Project Rating Proposal.

"Project Rating Proposal" means that part of the bidder's submittal in response to the RFP that provides the information to allow the Authority to calculate a Project Rating for the bidder.

"Protest" means a challenge to a decision, statement, action or omission of the Authority.

"Ranking" means the process of listing responsive bidders in order of highest to lowest total scores, based upon selection criteria set forth in the RFP.

"Request for proposals" or "RFP" means the document issued by the Authority that describes the procurement process and forms the basis for the technical submittals.

"School facilities project" means the planning, acquisition, demolition, construction, improvement, alteration, modernization, renovation, reconstruction, or capital maintenance of all or any part of a school facility or of any other personal property necessary for, or ancillary to, any school facility, and shall include fixtures, furnishings, and equipment, and shall also include, but is not limited to, site acquisition, site development, the services of design professionals, such as engineers and architects, construction management, legal services, financing costs and administrative costs and expenses incurred in connection with the project.

"SDA school district" means a school district that received education opportunity aid or preschool expansion aid in the 2007-2008 school year, as defined at P.L. 2007, c. 260, § 39 (N.J.S.A. 18A:7G-3).

"Selection committee" means the group(s) responsible for review and evaluation of bidders' submissions in response to an RFP in connection with a procurement of a contractor for a school facilities project.

"Selection coordinator" means the administrator of the operations and procedures of the selection process, whose activities shall include, but are not limited to, scheduling of meetings, preparing agendas, recording scores, verifying submittal information, preparing minutes of selection committee meetings, and other similar administrative duties.

"Small business enterprise" or "SBE" means a firm that is registered as a "small business" with the New Jersey Department of the Treasury, Division of Minority and Women Business Development pursuant to N.J.A.C. 17:14-3.1.

"Specification" means a written description included as part of the construction documents setting forth the detailed technical and functional characteristics of, or the discrete design for, an item of material, equipment or work to be incorporated into the school facilities project, or a requirement of the work to be performed. A specification may include a statement of any of the Authority's requirements and may provide for inspection, testing or the preparation of a construction item before procurement. Specifications shall augment and complement the drawings and plans prepared by the Authority's design consultant.

"Submittal" means the response to a request for proposals, and may include the technical submittal or price proposals, as indicated in the text.

"Substantial completion" means that point in time in the progress of the school facilities project when certain conditions specified by the contract have occurred, including, but not limited to, the issuance of a temporary certificate of occupancy, the creation of a punch list, and the determination that the school facilities project is ready for occupancy in accordance with its intended use.

"Technical submittal" means that portion of a response to a request for proposals which documents the bidder's submission of information to address evaluation factors other than price.

"Weighted criteria process" means a form of best value selection in which a percentage of evaluation weight is pre-established for qualitative factors and for price, and the award of a contract is based upon the highest total points earned by a bidder.

"Work" means the furnishing of all labor, services, materials, equipment, tools, transportation, supplies, and other incidentals to be furnished, provided, or performed by a contractor as required by the contract documents, including all efforts necessary and appropriate to complete the construction, as described in and reasonably inferable from the construction documents and the contract.

## SUBCHAPTER 2. GENERAL REQUIREMENTS

## 19:38B-2.1 Prequalification requirements

(a) Only those firms holding a valid Notice of Prequalification shall be eligible to submit a Project Rating Proposal and response to an RFP under this chapter. In order to be eligible, the firm's prequalification must be valid on the due date for the submission of the Project Rating Proposal, and on the due date for the submission of technical submittals and price proposals.

(b) The Authority may establish appropriate and special prequalification requirements as may be necessary in order to ensure competitive technical submittals and price proposals, or as may be dictated by the unique or specialized nature of the work to be performed under the agreement.

## 19:38B-2.2 Advertising

(a) Advertising shall be performed in accordance with N.J.S.A. 52:18A-243(h). In addition, such advertising may also be placed:

1. In design and construction publications and trade journals covering the construction industry in New Jersey;

2. By written notice to New Jersey trade groups or professional societies; or

3. By use of direct mailings to contractors.

(b) Any advertisement shall be made in the form and in the time required to promote competition and shall describe any specific information that a bidder must submit by the date and time specified in the advertisement. The advertisement shall include or describe the evaluation criteria, other than price, that shall be applied in the selection process for determining the winning bidder.

## 19:38B-2.3 Rejection of submittals; cancellation of procurement or award

(a) Submittals received after the submission date and time prescribed in the advertisement and RFP shall be rejected.

(b) The Authority may reject any submittal for any reason, in accordance with law, when it is otherwise deemed to be in the public interest to do so. The Authority may reject all submittals and cancel a procurement for excessive cost, insufficient competition, insufficient funds, or any other reason, in accordance with law, that it deems to be in the public interest.

## OTHER AGENCIES

## SPECIAL ADOPTION

(c) The Authority may cancel a Notice of Award at any time prior to execution of an agreement by the Authority, if the Authority deems it advisable to do so in the interest of the State or the public interest.

## 19:38B-2.4 Validity and execution of agreement

No agreement is valid or binding on the Authority unless and until it is executed by an appropriately authorized representative of the Authority.

## 19:38B-2.5 Termination

All agreements executed pursuant to this chapter shall provide for, among other things, termination for the convenience of the Authority and for cause.

## 19:38B-2.6 Disclosure and publicity

(a) Any and all submissions made in response to an RFP are subject to the provisions of the Open Public Records Act, P.L. 2001, c. 404, N.J.S.A. 47:1A-1 et seq., and the exceptions from disclosure provided therein.

(b) Contractors shall notify the Authority prior to the issuance of press releases and other public dissemination of information concerning a school facilities project, and such shall acknowledge Authority financing and assistance in the undertaking of the school facilities project.

## 19:38B-2.7 Access and record retention

(a) The contractor shall keep and maintain, and shall require all subcontracted parties to keep and maintain, those records and accounts for school facilities project activities as necessary in order to evidence compliance with the Act and all applicable regulations and contractual requirements. Such records shall be retained by the contractor for 10 years following substantial completion of a school facilities project, and any additional period required for the resolution of litigation, claims or audit findings, and shall thereafter be transferred to the Authority, unless the Authority, in its sole discretion, requests an earlier transfer of such records from the contractor to the Authority or another designated entity. At any time, upon request of the Authority, the contractor shall make records relating to the project available to the Authority, within four business days of the request for documents, and at no cost to the Authority.

(b) In the event that any litigation, claim, audit or request pursuant to the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., relating to the procurement or the performance of work under the agreement is commenced prior to expiration or termination of the agreement, all records relating to the procurement and the contract shall be retained until all litigation, claims, audit findings, document requests, and related appeals, if any, have been resolved with finality.

(c) The contractor shall provide the State Comptroller and the State Auditor all records and accounts pertaining to school facilities projects to aid the State Comptroller and the State Auditor in their investigations, examinations and inspections of the activities related to the financing and construction of school facilities projects. The contractor shall cooperate, upon request, in sharing information with other state or Federal entities.

## 19:38B-2.8 Fraudulent statements

Any firm or individual who makes, or causes to be made, a false, deceptive, or fraudulent statement in its submittal in response to the RFP or in its Project Rating Proposal or in the course of any hearing under this chapter may be disqualified from bidding, suspended and/or debarred and may be subject to prosecution pursuant to applicable law.

## 19:38B-2.9 Deletion or substitution of key team members

(a) No substitutions or deletions of key team members may be made during the selection process or after award of the contract, without prior written approval from the Authority.

(b) Unauthorized changes to a bidder's key team members who were specifically identified in the response to the RFP at any time during the selection process may result in the elimination of the bidder from further consideration.

## SUBCHAPTER 3. INITIATION OF PROCUREMENT AND PROJECT RATING

## 19:38B-3.1 Initiation

A procurement under this chapter shall be initiated by the public advertisement of a request for proposals (RFP). The advertisement shall specify the dates for submission of responses to the RFP, including the submission of a Project Rating Proposal which shall precede the date for submission of technical submittals in response to the RFP.

## 19:38B-3.2 Submission of Project Rating Proposal

(a) A firm must submit a Project Rating Proposal and receive a Project Rating from the Authority in order to submit a technical submittal in response to an RFP under this chapter.

(b) The Project Rating Proposal shall be delivered by the firm to the Authority at the hour, date and place specified in the bid advertisement as may be modified by addendum. Project Rating Proposals will be accepted only from firms currently prequalified with the Authority in accordance with N.J.A.C. 19:38A. A firm may not submit a Project Rating Proposal prior to the effective date of the firm's prequalification.

(c) The Authority shall examine the Project Rating Proposal and all documents required to be submitted with the Project Rating Proposal for completeness and conformity with bidding requirements. If the Authority determines that a Project Rating Proposal received for a school facility package must be rejected as nonresponsive, it shall notify the firm in writing of the rejection of its Project Rating Proposal and the reason for the rejection within 10 business days of the receipt of the Project Rating Proposal unless there are circumstances that require additional time.

## 19:38B-3.3 Prior Project Rating

If, in the prior 24-month period, a firm has been assigned a Project Rating, the firm may so indicate on the signed Project Rating Proposal submitted for each project and may request that the Authority apply the prior Project Rating to the current bid, provided that the firm certifies that there has been no change regarding safety, prevailing wage record, or its Authority Project Evaluation Record since the prior Project Rating was assigned.

## 19:38B-3.4 Calculation of the Project Rating

(a) Firms shall supply the information required for the calculation of a Project Rating in the trade for which the firm is seeking a Project Rating. The Project Rating shall be based on the following factors:

1. A check of references supplied by the firm on projects completed by the firm in the past seven years. This includes information regarding the firm's performance on other school facilities projects;
2. Information regarding the firm's safety record;
3. Information regarding the firm's prevailing wage record; and
4. Other information deemed relevant by the Authority.

## 19:38B-3.5 Determination of Project Rating

(a) A firm's Project Rating for a particular trade shall be determined in accordance with the following formula:

$$A \times (100\% + B + C + D)$$

where:

A = the firm's largest completed project in a specific trade listed in the Project Rating Proposal;

B = the sum of the Reference Adjustment calculated pursuant to this chapter;

C = the Safety Adjustment calculated pursuant to this chapter; and

D = the Prevailing Wage Adjustment calculated pursuant to this chapter.

(b) The Project Rating assigned for procurements under this chapter shall not include consideration of the firm's prior Authority Project Evaluations, or calculation of a Performance Evaluation Multiplier.

(c) A firm's Project Rating for a trade cannot exceed the firm's Aggregate Rating and cannot exceed 170 percent of the firm's largest listed completed project.

## 19:38B-3.6 Reference adjustment calculation

(a) A firm will be required to list in its Project Rating Proposal a minimum of two projects completed within the past seven years. The firm shall also provide project contacts for those projects. The Authority shall

SPECIAL ADOPTION

OTHER AGENCIES

select, at its discretion, two projects to be confirmed and shall contact the owner's contact identified by the firm. If the Authority cannot contact an owner's contact, the Authority will contact the firm so that the firm may identify another owner's contact for that project. If the firm is unable to provide an additional owner's contact, or if the Authority is unable to contact the additional owner's contact provided by the firm, the Authority will not use that project in the determination of the firm's Project Rating.

(b) The Authority will confirm the firm's performance on each project referenced and assign a percentage value to the responses received. Project contacts will be asked if the performance in each of the following seven categories "exceeded expectations," "met expectations," or fell "below expectations" and the Authority will assign to the response the percentage adjustment listed below:

EXPECTATIONS	Exceeded Expectations	Met Expectations	Below Expectations
Safety	+5 percent	+3 percent	-5 percent
Quality of the construction.	+5 percent	+2 percent	-5 percent
Timeliness of the work performed.	+2 percent	+1 percent	-2 percent
Efficiency of the firm's contract administration.	+2 percent	+1 percent	-2 percent
Supervision of subcontractors.	+2 percent	+1 percent	-2 percent
Firm's level of cooperation during construction.	+2 percent	+1 percent	-2 percent
Timeliness and efficiency of punch list work corrections.	+2 percent	+1 percent	-2 percent

1. If an owner's contact rates a firm "below expectations" in either safety or quality of construction, or if the project reference adjustment is -5 or lower, the Authority will not use that project in the determination of the firm's Project Rating.

2. The Authority will total the project reference adjustments together and the sum shall be the reference adjustment. This reference adjustment shall be used as "B" in the calculation of the firm's Project Rating in N.J.A.C. 19:38B-3.5.

19:38B-3.7 Safety adjustment calculation

(a) Bidders shall provide mandatory safety information as follows:

1. The firm will be required to list its most recent New Jersey Workers Compensation Insurance Experience Modification Rate (NJEMR) on its Project Rating Proposal. For any firm that has not performed work in New Jersey prior to the submission of this Project Rating Proposal, or for which the NJEMR has not been calculated, the firm will be required to submit its most recent Experience Modification Rate (EMR) for all other states for which it has performed work. The Authority will then calculate the average of the other states' EMRs. Where appropriate, the firm's NJEMR or its average EMR as calculated by the Authority will be assigned a percentage value as listed below:

EMR is less than or equal to .80	+30 percent
EMR is greater than .80 but less than or equal to .90	+20 percent
EMR is greater than .90 but less than or equal to 1.00	+10 percent
EMR is greater than 1.00 but less than or equal to 1.10	-10 percent
EMR is greater than 1.10 but less than or equal to 1.20	-20 percent
EMR is greater than 1.20	-40 percent

2. The firm shall be required to list safety information in its Project Rating Proposal. The safety information supplied will be assigned a percentage value as listed below:

	Yes	No
Employee of the firm completed an OSHA 500 or OSHA 502 course in last four years.	+2 percent	0 percent
Employee of the firm completed Council on Certification of Health, Environmental and Safety Technologists (CCHST) "Safety Trained Supervisor in Construction" course.	+2 percent	0 percent
Employee of the firm completed Associated General Contractors of America (AGCA) "Safety Management Training Course."	+2 percent	0 percent

The percentage value for the EMR and the percentage value for the safety information shall be added together and this total shall be the safety adjustment. The safety adjustment shall be used as "C" in the calculation of the firm's Project Rating in N.J.A.C. 19:38B-3.5.

19:38B-3.8 Prevailing wage adjustment calculation

(a) The firm will be required to list in its Project Rating Proposal its prevailing wage violations issued by the New Jersey Department of Labor and Workforce Development for the previous five years.

(b) The Authority will calculate a prevailing wage adjustment by applying the following percentage values in accordance with whether the firm has been adjudicated as having committed one or more prevailing wage rate violations during the past five years:

None	0 percent
One	-10 percent
More than one	-20 percent

This percentage value shall be the prevailing wage adjustment. The prevailing wage adjustment shall be used as "D" in the calculation of the firm's Project Rating in N.J.A.C. 19:38B-3.5.

SUBCHAPTER 4. REQUEST FOR PROPOSALS

19:38B-4.1 Request for proposals

(a) The RFP shall include, but shall not be limited to:

1. A general description of the school facilities project;
  2. The scope of work;
  3. The minimum qualification requirements for bidders, including, but not limited to, the appropriate classifications and aggregate rating limits assigned by the New Jersey Department of the Treasury, Division of Property Management and Construction;
  4. The plans and specifications for the project;
  5. Technical submittal and price proposal forms;
  6. The form of contract;
  7. The instructions and requirements for preparing a response to the RFP;
  8. The criteria for evaluation of submittals and price proposals and the relative weight of each criterion;
  9. Budget limits for the project;
  10. Requirements for bid bonds, performance bonds, payment bonds and insurance;
  11. Schedule requirements in the form of major contract milestones to be achieved; and
  12. The documents required to be submitted upon the notice of award, pursuant to (b) below.
- (b) The RFP shall require the initial submission of a Project Rating Proposal, followed by the concurrent submission of a technical submittal and a separate price proposal. The technical submittal and price proposal shall be evaluated separately, in accordance with the evaluation factors and process set forth in the RFP.

(c) The RFP shall specify the date, place, and time for the submission of the Project Rating Proposal, the technical submittal, and price proposal to the Authority.

## OTHER AGENCIES

## SPECIAL ADOPTION

(d) The Authority may provide for a pre-proposal conference at which bidders may ask questions and seek clarification of the information, data or documents contained within the RFP. The RFP will provide the date, time, and location for all conferences, and shall indicate if the conference is mandatory for all bidders.

(e) Site visits and interviews may be scheduled as part of the evaluation process. The RFP shall indicate if a site visit and/or interview is mandatory.

(f) A bidder's submission of a technical submittal and price proposal evidences the bidder's complete review of the RFP and all associated documents and full understanding of, and agreement with, all of the requirements, terms, and conditions set forth therein.

## 19:38B-4.2 RFP evaluation criteria

(a) The RFP phase of the procurement process may include, without limitation, consideration of the following factors, in addition to the consideration of price:

1. The bidder's experience on identified projects of similar size, scope and complexity;
2. The experience of the bidder's key team members on projects of similar size, scope and complexity;
3. The bidder's prior performance on projects for the Authority, as evidenced by performance evaluations as specified in the RFP;
4. The bidder's concurrent commitment of staff and resources to other projects, and the bidder's ability to fulfill the contract as affected by the commitment of staff and resources to another contract with the Authority, or to contracts with any other public or private entity;
5. The prior affirmative action experience of the prospective bidder;
6. Consideration of the bidder's aggregate rating from the Department of the Treasury, Division of Property Management and Construction, which is affected by prior affirmative action experience;
7. Consideration of the bidder's staffing capabilities, such as the bidder's plan for staffing the project (distinguishing between self-performed and subcontracted work), including recruitment methods and proposed sources of supply for skilled labor;
8. The bidder's history and experience with respect to conformance to project schedules on similar projects, including timely completion of punch list items;
9. The bidder's project safety record including Occupational Safety and Health Administration (OSHA) violations and/or penalties;
10. The bidder's history of or experience with assertion of claims or requests for adjustment of compensation on similar projects, and the results of such claims or requests;
11. The bidder's history of cure notices on projects of similar size or complexity;
12. The bidder's experience with payment of, or liability for, liquidated damages on projects of similar size and complexity;
13. The bidder's history with respect to timely payment of subcontractors; and
14. Any other pertinent information necessary to establish the qualifications of the prospective bidder to undertake the contract.

## SUBCHAPTER 5. SELECTION COMMITTEE AND EVALUATION PROCEDURES

## 19:38B-5.1 Selection coordinator

Prior to the advertisement of the RFP, the Authority will select a member of staff to serve as selection coordinator for the procurement, who shall be responsible for scheduling of meetings, preparing agendas, recording scores, verifying submittal information, preparing minutes of selection committee meetings, and other similar administrative duties.

## 19:38B-5.2 Composition and responsibilities of selection committee

(a) Prior to the receipt of responses to the RFP, the Authority shall establish a selection committee to review and evaluate submissions received in response to a procurement under this chapter. Each member of a selection committee shall have the relevant experience as set forth in N.J.S.A. 52:34-10.3(c), necessary to evaluate the submissions.

(b) The members of the selection committee shall consist of a majority of Authority representatives and, if the SDA school district in which the school facilities project is located elects to participate in the selection

process, a representative of the SDA school district, pursuant to N.J.S.A. 52:18A-243g.

(c) Each member of the selection committee shall be responsible for evaluating and scoring the technical submittals in accordance with the weighted criteria process set forth in the RFP.

(d) Once the responses are received and the identity of the bidders is ascertained, the members of the selection committee will be notified of the identity of all firms that submitted a bid. Each member of the selection committee, prior to the evaluation of any submission, shall execute a certification that he or she has no personal interest, financial or familial, in any of the bidders to be evaluated, or the principals, subsidiaries or parent companies thereof. Furthermore, should any of the selection committee members indicate that a conflict or personal interest exists once the identity of the bidders is revealed, that member shall not serve on the selection committee and may be replaced.

(e) The names of the members of the selection committee shall be made public once the contract is awarded, pursuant to N.J.S.A. 52:34-10.3(c).

## 19:38B-5.3 Evaluation of additional materials or additional considerations

(a) In addition to the selection committee's review of written responses to the RFP, the selection evaluation process may include:

1. Evaluation of bidders' participation in interviews; and
2. Evaluation of any other components of the evaluation process determined, in the sole discretion of the Authority, to be appropriate.

(b) The Authority shall examine all submittals for completeness and conformity with the requirements of the RFP. If the Authority determines that a submittal must be rejected as non-responsive, it shall notify the bidder in writing of the rejection of its submittal and the reason for the rejection within 10 business days of receipt of the submittal, unless there are circumstances that require additional time.

(c) The members of the selection committee shall individually and independently evaluate each bidder's technical submittal, and performance and participation in interviews and other specified elements of the technical submission. Each member of the selection committee shall assign scores to the submittals, in accordance with the evaluation criteria and relative weights specified for each criterion, as set forth in the RFP. The members of the selection committee shall then submit their scores for each technical submittal to the selection coordinator.

(d) The selection coordinator shall compile the evaluation scores of the committee members for the technical submittals in accordance with the procedures outlined in the RFP.

## SUBCHAPTER 6. EVALUATION OF PRICE PROPOSALS

## 19:38B-6.1 Submission of price proposal

(a) The price proposal shall be submitted with the technical submittal in a separate sealed envelope and shall document the bidder's price for construction of the school facilities project, in accordance with the requirements of the RFP. The envelope shall indicate clearly that it is the price proposal and shall identify the bidder's name, project number, and any other information required by the RFP. The price proposals shall remain sealed throughout the technical submittal evaluation process until the time for opening of price proposals as indicated in the RFP, and as modified by addendum.

(b) Each price proposal shall be accompanied by an Uncompleted Contracts Form, executed by the bidder, which is a statement of the current value and status of the bidder's backlog of uncompleted construction work as of the price proposal due date, and which includes a certification that, if the bidder is awarded the contract for the construction of the schools facility project that is the subject of the procurement, the award will not cause the bidder to exceed its aggregate rating. The backlog of uncompleted construction work shall be the total contract value of unbilled work, as evidenced by the most recent approved invoice (or other similar documentation) received by the firm before the date of the submission of the price proposal. A bidder shall not submit a price proposal that causes the total outstanding amount of all of its existing contracts, both public and private as described in the Uncompleted Contracts Form, to exceed its aggregate rating. A bidder shall not be awarded a school facilities package which, when added to the backlog of

## SPECIAL ADOPTION

## OTHER AGENCIES

7

uncompleted construction work as defined in and shown on the executed Authority backlog form, would exceed the bidder's aggregate rating. Nor may a bidder submit, or the Authority award a contract based on, a price proposal that names a subcontractor whose aggregate rating would exceed the subcontractor's aggregate rating, if the subcontractor's contract for the school facilities package at issue were added to the subcontractor's existing backlog of uncompleted work. The same bidder may submit multiple bids to the Authority for several procurements, meaning bids for consideration on separate projects being procured concurrently, when the sum of the outstanding bids exceeds the firm's aggregate rating; however, a firm may not enter into any contracts in excess of its aggregate rating as set forth on the Authority's Uncompleted Contracts Form submitted with the price proposal. Upon receipt of multiple bids from a bidder, the Authority, at its sole discretion, shall determine which contract or contracts are to be awarded to such firm within the firm's aggregate rating. If a firm successfully bids for two or more school facilities packages, which, either in combination with each other or in combination with the bidder's backlog of uncompleted construction work on other currently held contracts, would exceed the bidder's aggregate rating, the firm shall be awarded only those school facilities packages which in combination fall within the firm's aggregate rating as set forth in 19:38-3.9.

(c) Each price proposal shall be accompanied by a bid bond in the form and amount specified in the RFP. Bid bonds shall comply with the requirements of this chapter and with relevant State statutes.

1. Each bid bond shall reference the procurement package to which it applies.

2. Bid bonds covering Authority procurement packages shall be issued only in accordance with N.J.S.A. 2A:44-143 through 147.

3. Bid bonds shall be issued to the contractor, and shall indicate aggregate bonding limits.

4. Bid bonds shall be issued by companies listed in the current United States Treasury Department Circular 570, which Circular will establish the underwriting limitation for any one risk.

5. Bid bonds shall be issued only by companies authorized to transact business in the State of New Jersey.

## 19:38B-6.2 Evaluation of price proposal and selection of awardee

(a) Prior to the advertisement of the RFP, the Authority shall establish the maximum point score for the lowest responsive price proposal. All other price proposals greater than the lowest responsive price proposal will be assigned scores based upon the percentage that the proposal exceeds the lowest responsive price proposal.

(b) The price proposals shall be opened and examined for completeness and conformity with the requirements of the RFP. The bidder shall show all bid amounts in both words and figures. In the event of a discrepancy between the words and figures, the amount shown in words shall govern. A price proposal deemed non-responsive will be rejected and the bidder will be notified in writing of the rejection within five business days of the opening of price proposals, unless there are circumstances that require additional time.

1. Where unit prices are requested, in the event of a discrepancy between the unit price bid for any scheduled bid item and the extension shown for that item under the column of the Price Proposal Form designated "Bid Amount," the unit price is to govern. Where a unit price is bid, but no extension is provided, the SDA will provide the extension based on the unit price bid and the estimated quantity for the bid item.

2. Where an extension is provided in the "Bid Amount" column, but no unit price appears in the "Unit Price" column of the Price Proposal Form, the SDA will provide the unit price by dividing their "Bid Amount" figure provided by the bidder by the estimated quantity.

(c) The selection coordinator shall assign the maximum price points to the lowest responsive total dollar proposal. All other responsive proposals shall be scored based upon the percentage that each proposal exceeds the lowest proposal.

(d) The selection coordinator shall determine the combined scores for each bidder based on their technical and price proposals, with consideration of price at least equal to the consideration given to all other factors. The bidder with the highest overall score shall be recommended to the Board of the Authority for an award. All recommendations for

award are subject to the approval of the Board. Following Board approval, the Authority will issue a written notice of award to the successful bidder.

## 19:38B-6.3 Withdrawal of price proposal

A bidder may withdraw a price proposal or substitute a price proposal with another by submitting a letter to the Authority prior to the deadline for submission of price proposals. The withdrawal or substitution shall include the bidder's name, the date and time of the submission of the original price proposal, the name of a principal of the firm responsible for the withdrawal or substitution, and the requested action to be taken.

## SUBCHAPTER 7. CONTRACTS

## 19:38B-7.1 Contract approval and execution

(a) Upon approval of a recommendation for award by the Board, the Authority shall issue a Notice of Award letter to the bidder. The Notice of Award is not binding on the Authority until the Authority has executed the contract, and the Notice of Award does not authorize the commencement of work under the contract. No person shall perform any work in furtherance of the contract unless and until the Authority executes the contract and issues a Notice to Proceed.

(b) The Notice of Award letter shall contain a list of the additional documents required to be submitted by the bidder with the executed contract, including the requirements for payment and performance bonds. The Notice of Award will specify the time within which the bidder must submit to the Authority the executed contract and other documents required by the Notice of Award. Within the time period specified in the Notice of Award, the bidder shall properly and duly execute the contract and deliver to the Authority the executed contract, as well as performance and payment bonds and all other documents required by the RFP or the Notice of Award letter.

(c) Each payment and each performance bond must be in an amount at least equal to the total contract price.

1. All bonds shall comply with the requirements of this chapter and relevant State statutes. All bonds submitted by the bidder shall be issued only to the bidder, and shall conform to the provisions of N.J.S.A. 2A:44-143 through 147 and shall indicate aggregate bonding limits.

2. Bonds shall be issued only by companies authorized to transact business in the State of New Jersey.

(d) If the bidder fails to return the required documents within the time specified by the Authority, the Authority may take whatever action is appropriate and authorized by law including, but not limited to, withdrawing or cancelling the notice of award to the delinquent bidder and awarding the contract to the next-highest ranked bidder, cancelling the procurement or proceeding to recover under the bid bond submitted.

(e) Upon the successful contractor's submission of any required documentation or materials as specified in the notice of award, and the Authority's acceptance of such documents, the Authority will execute the agreement and provide the successful contractor with a fully-executed agreement.

## SUBCHAPTER 8. PERFORMANCE EVALUATIONS

## 19:38B-8.1 Applicability and effect

(a) Notwithstanding any provisions of N.J.A.C. 19:38 to the contrary, the following provisions will apply to the process and consideration of performance evaluations for contracts procured under this chapter.

1. Every contractor awarded a construction contract procured pursuant to this chapter will be subject to evaluation in accordance with N.J.S.A. 18A:7G-36. The performance evaluation will consider the contractor's performance in the following categories: quality of work; scheduling; management; cost control and change orders; safety and industrial hygiene; small business goals; and close-out.

2. The contractor's performance will be evaluated periodically during the progress of the project. The evaluation will be performed by a reviewer with direct involvement in the management or supervision for the project.

3. The contractor's performance evaluations will be used by the Authority in evaluating and scoring bidders as to their prior experience on

## OTHER AGENCIES

## SPECIAL ADOPTION

Authority projects, in accordance with the provisions of this chapter or N.J.A.C. 19:38.

## 19:38B-8.2 Evaluation rating values

(a) Notwithstanding any provisions of N.J.A.C. 19:38 to the contrary, contractors shall be evaluated with respect to the various evaluation categories using the following evaluation ratings:

1. Outstanding (O) or 100 percent—far exceeds the contract requirements by consistently exhibiting excellent performance. Always meets, and almost always exceeds the contract requirements;
2. Very Good (VG) or 90 percent—often exceeds the contract requirements and frequently provides a high level of performance. Typically meets and often exceeds the contract requirements;
3. Satisfactory (S) or 80 percent—provides an acceptable level of performance consistently meeting the contract requirements;
4. Marginal (M) or 70 percent—performs slightly below the requirements of the contract, meeting the contract requirements on an intermittent basis; and
5. Unsatisfactory (U) or 60 percent—fails to meet important contract requirements, resulting in a negative impact on the entire project.

(b) The numerical scores in (a) above may be subject to special adjustment factors for certain categories deemed by the Authority to be particularly critical to contractor performance. The numerical ratings for each category shall be tabulated to arrive at an overall numerical evaluation score for each performance evaluation.

## 19:38B-8.3 Consideration of performance evaluations

(a) For contracts procured pursuant to the provisions of N.J.A.C. 19:38, performance evaluations shall be considered in accordance with that chapter.

(b) For contracts procured pursuant to this chapter, the process for evaluating a contractor's prior performance on Authority projects in a selection process shall be specified in the RFP. Such process may consist of:

1. A mathematical tabulation and averaging of the scores of all prior performance evaluations within a relevant time period;
2. Consideration of particularly favorable or unfavorable evaluations individually and with reference to other evaluations;
3. Consideration of multiple evaluations over the course of a given project, to show consistency of performance, deterioration of performance or efforts at improvement and recovery; or
4. A combination of the methodologies in (b)1 through 3 above.

## SUBCHAPTER 9. PROTESTS

## 19:38B-9.1 Scope and purpose

(a) This subchapter sets forth the procedures that govern protests of the Authority's decisions with respect to procurements under this chapter, including challenges to the form of the RFP, the evaluation and scoring of bidders' technical proposals, and the award of contracts.

(b) For purposes of this subchapter, protests of the type described in (a) above are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.

## 19:38B-9.2 Protests, hearing procedures, and time limitations

(a) A challenge to the following actions of the Authority shall be made as follows:

1. Project Rating limit: A bidder that has submitted or that intends to submit a Project Rating Proposal, and that objects to the Project Rating process or documents, must submit a written protest to the Authority, setting forth in detail the grounds for such protest, within five business days of receipt of notification of the Authority's assignment of a Project Rating or notification of rejection of the bidder's Project Rating Proposal. The protest must contain all factual and legal arguments, materials or other documents that support the protestor's position, and must indicate whether the protestor requests an informal hearing. The Authority may deny any protest that is filed more than five business days after notification of assignment of the Project Rating or notification of rejection of the Project Rating Proposal, or that fails to provide the specific reasons for and arguments supporting the protest.

2. RFP process or documents: A bidder that has submitted or that intends to submit proposals in response to the RFP, and that objects to the

RFP process or documents, must submit a written protest to the Authority at least three business days prior to the opening of the technical proposals, setting forth in detail the grounds for such protest. The protest must contain all factual and legal arguments, materials or other documents that support the protestor's position, and must indicate whether the protestor requests an informal hearing. The Authority may deny any protest that is filed less than three business days prior to the scheduled opening of technical proposals, or that fails to provide the specific reasons for and arguments supporting the protest.

3. Technical and price proposal scoring: A bidder protesting the scoring of its technical and/or price proposals, or those of another bidder, must submit a written protest to the Authority setting forth the specific grounds for challenging such scorings. The protest must contain all factual and legal arguments, materials or other documents that support the protestor's position and must indicate whether the protestor requests an informal hearing. The protest must be submitted in writing, within five business days of the public advertisement of the bidders' scores. The Authority may deny any such protest that is filed more than five business days after the public advertisement of the bidder's scores, or that fails to provide the specific reasons for and arguments supporting the protest.

4. Performance evaluation: A contractor that is dissatisfied with its performance evaluation on an Authority project may request an informal hearing before the Authority by submitting to the Authority a written protest setting forth the specific grounds for such protest, within 15 calendar days after the date of receipt of written notification of the performance evaluation. The protest must contain all factual and legal arguments, materials or other documents that support the protestor's position and must indicate whether the protestor requests an informal hearing. The Authority may deny any protest that is filed more than 15 calendar days after the contractor's receipt of written notification of the performance evaluation, or any protest that fails to provide the specific reasons for and arguments supporting the protest.

## 19:38B-9.3 Hearing procedures

(a) Hearing procedures shall be as follows:

1. The Authority, in its sole discretion, shall determine whether to grant the opportunity for an informal hearing regarding a protest. Informal hearings are for fact-finding purposes for the benefit of the Authority and the Authority shall have the sole discretion whether to hold an informal hearing. Alternatively, the Authority may determine that sufficient information already exists in the record so that a decision may be made without a hearing, and the Authority may waive the hearing and issue a final agency decision accordingly. In the event that the Authority determines that a hearing is not necessary, a written decision will be issued by the Authority within five business days of receipt of all documents related to the protest.

2. Informal hearings will be held, where feasible, within 14 business days of the receipt of the request. Hearings will be heard, where practicable, by a hearing officer designated by the Chief Executive Officer. The hearing officer shall issue a final written decision within 30 calendar days of the conclusion of the hearing unless, due to the circumstances of the hearing, a greater time period is required. For all protests of the RFP processes and documents, the written decision will issue prior to the opening of statements of qualification or proposals, respectively. If a decision based upon a protest results in a modification of the aforesaid process or documents, such decision shall be conveyed to all eligible bidders by addendum.

3. In an informal hearing, the Authority may, in instances where public exigency exists or where there is potential for substantial savings to the State, modify or amend the time frames or any other requirements provided in this section. In these instances, the Authority shall document, for the record, the rationale for such amendment and give adequate notice to the parties involved.

4. For matters of dispute that may occur relative to the activities of the Authority, if formal hearings are warranted, such hearings will be held by the Chief Executive Officer or his or her designee, or by an Administrative Law Judge pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, as applicable.

SPECIAL ADOPTION

OTHER AGENCIES

5. The Board of the Authority, or the Chief Executive Officer, as its designee, shall determine whether a matter constitutes a contested case and shall retain or refer any such matter for hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq. Upon filing of the initial pleading in a contested case, the Board of the Authority may by resolution either retain the matter for hearing directly or transmit the matter for hearing before the Office of

Administrative Law. Such hearings shall be governed by the provisions of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

**OTHER AGENCIES**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY**

**Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects**

**Proposed Readoption: N.J.A.C. 19:38B**

Authorized By: New Jersey Schools Development Authority, Marc Larkins, Chief Executive Officer.

Authority: P.L. 2007, c.137, § 4k (N.J.S.A. 52:18A-238k) (rulemaking authority); P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c.137, (NJ.S.A. 52:18A-235 et seq.) (enabling statutes).

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2012-

Submit written comments by \_\_, 2013 to:

Cecelia Haney, Administrative Practice Officer

New Jersey Schools Development Authority

PO Box 991

Trenton, NJ 08625-0991

The agency proposal follows:

### Summary

Pursuant to N.J.S.A. 52:14B-5.1 and N.J.A.C. 1:30-6.4, the New Jersey Schools Development Authority's current rules at N.J.A.C. 19:38B, "Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects" expire on November 23, 2012. The New Jersey Schools Development Authority ("Authority" or "SDA") proposes to readopt N.J.A.C. 19:38B (the "Rules") without change.

Chapter 38B was originally adopted by the New Jersey Schools Development Authority as special new rules, published as R. 2011 d. 302, effective November 23, 2011. The Rules establish requirements, standards and procedures for the Authority's procurement of construction contracts on a "price and other factors" basis for the Authority's capital program contracts. Specifically, the Rules proposed for readoption are intended to implement the provisions of the Authority's originating statute at N.J.S.A. 52: 18A-243, which authorizes the procurement of contractors through the consideration of "price and other factors." These rules provide for the Authority to award construction contracts based on the selection of a bidder whose bid proposal, conforming to the invitation to bids, is determined to be "most advantageous" to the SDA, based upon a combination of cost and qualitative factors, with consideration given to price at least equal to the consideration given to all other factors combined, pursuant to the Authority's originating statute at N.J.S.A. 52: 18A-243.

An administrative review has been conducted by the Authority, and a determination made that all subchapters of the Rules should be continued because the Rules proposed for readoption have successfully supported several “price and other factors” construction procurements to date, and are deemed necessary, reasonable, adequate, efficient and responsive for the purposes for which they were promulgated.

A subchapter summary of the rules contained in 19:38B follows:

N.J.A.C. 19:38B-1, General Provisions, includes the purpose, scope and definitions of terms for the Rules proposed for readoption.

N.J.A.C. 19:38B-2, General Requirements, includes requirements for: contractor prequalification; advertisement of procurements; rejection of submittals or cancellation of procurements or awards; execution and termination of Agreements procured pursuant to the Rules proposed for readoption; disclosure and publicity regarding projects procured under the Rules; contractor's maintenance and retention of records, and provision of access to same; provisions regarding the consequences of fraudulent statements made in the context of procurements under the Rules proposed for readoption; and provisions prohibiting the deletion or substitution of persons named as key team members in contractors' proposals under the proposed Rules.

N.J.A.C. 19:38B-3, Initiation of Procurement and Project Rating, includes procedures for: initiation of procurements by advertisement and issuance of a Request for Proposals (“RFP”); contractor's submission of Project Rating Proposals; and calculation and determination of a

contractor's Project Rating, including consideration of adjustments for contractor's references, safety violation history and prevailing wage compliance history.

N.J.A.C. 19:38B-4, Request for Proposals, includes provisions governing the content of RFP's and the evaluation criteria to be specified in RFP's and used in the evaluation of bidders' technical proposals under the Rules proposed for readoption.

N.J.A.C 19:38B-5, Selection Committee and Evaluation Procedures, includes provisions describing: the procedures for identification of a selection coordinator to oversee the evaluation and selection process; the responsibilities of the selection committee; and the procedures for the selection committee's evaluation of technical proposals.

N.J.A.C 19:38B-6, Evaluation of Price Proposals, includes provisions describing the procedures for: submission of price proposals; evaluation and scoring of price proposals; and withdrawal of price proposals.

N.J.A.C. 19:38B-7, Contracts, includes provisions describing the procedures for: Authority Board approval of procurement awards; issuance of a Notice of Award upon Board approval; the winning contractor's submission of payment and performance bonds; and the execution of the Agreement upon the contractor's submission of all required documentation.

N.J.A.C. 19:38B-8, Performance Evaluations, includes provisions describing: application of performance evaluation requirements; the various performance evaluation rating categories; and the consideration of performance evaluations in subsequent procurements.

N.J.A.C. 19:38B-9, Protests, includes procedures for protests of the Authority's decisions regarding procurements under the Rules proposed for readoption, including challenges to: the content of RFP's; the evaluation and scoring of technical proposals; and the award of contracts procured under the proposed Rules. The subchapter also describes the hearing procedures and requirements for such challenges.

### **Social Impact**

The Rules proposed for readoption establish the standards and procedures for the Authority's "price and other factors" procurement of contracts for the construction of school facilities projects. The Rules should establish public confidence in the Authority's ability to ensure that the public's interest in the Authority's selection of construction contractors for school construction projects is adequately protected and that the Authority fairly obtains the services of the bidder whose proposal is most advantageous to the Authority, price and other factors considered. Upon readoption, the Rules will continue to affect those construction companies that would bid on contracts for the construction of new school facilities projects, in that the Rules proposed for readoption specify the requirements of advertisement of requests for proposals, selection procedures, submittal evaluation, and contract approval and execution, and strengthen the Authority's statutory mandate to procure construction contracts on the basis of a "price and other factors" selection process. There is no change in the social impact in that social conditions affected by the Rules have not changed since the original promulgation of the specially adopted Rules.

### **Economic Impact**

The economic impact of the Rules proposed for re adoption has not changed since original promulgation of the Rules. The Authority has no current way of estimating the costs of the Rules proposed for re adoption, though the economic impact of the Rules is expected to be limited to those firms that choose to participate in the Authority's future school facility construction procurements, as the Rules outline the process that will be used by the Authority in the selection of bidders for such procurements. At a maximum, these Rules would affect a potential pool of approximately 800 construction entities that are prequalified to bid on Authority construction projects with construction costs valued at \$5 million or more. If the Rules were not re adopted, the Authority would be unable to procure construction contracts on a "price and other factors" basis, and may have to revert to traditional low-bid procurement of construction contracts. The Rules establish a bidding process which entails certain incidental costs associated with the preparation and submission of technical and price proposals. Such costs may include professional staff time associated with preliminary planning, as well as the costs associated with the production and reproduction of technical submittals and price proposals. The construction activities to be procured are to be funded with the State share of the eligible costs of a school facilities project, which may be funded with State contract bonds issued by the New Jersey Economic Development Authority pursuant to section 25 of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.), as amended, the payment of which is conditioned on appropriations being made by the Legislature. Additional activity in the construction, planning, architecture and engineering professions may directly result from these Rules, providing State-wide economic benefits in the short term. In addition, the Rules require the winning contractor to promptly produce records relating to the school

facilities project, within four business days of the request from the Authority. This requirement for prompt production of documents may entail a staffing and administrative cost to the winning bidder, but the regulations do no more than codify the document production responsibilities inherent in the Authority's form contract with the successful contractor. This economic information should be beneficial to all private firms wishing to provide services to the Authority in the construction of new school facilities.

The Authority will incur direct and indirect costs for advertisement of Requests for Proposals, and will incur staff and administrative expense arising from the preparation of such Requests, the evaluation of the submittals received, and the award of contracts and agreements.

#### **Federal Standards Statement**

The proposed Rules implement a State statute, specifically P.L. 2007, c.137 (NJ.S.A. 52:18A-235 et seq.). There are no Federal standards or requirements applicable to these Rules. A Federal standards analysis, therefore, is not required.

#### **Jobs Impact**

The Rules proposed for readoption establish the Authority's process for procurement of construction services on a “price and other factors” basis, consistent with the Authority's enabling statute. Thus to the extent the Rules have an effect on jobs, it will be to create jobs in New Jersey, primarily in the construction, consulting and service sectors, rather than eliminate positions.

**Agriculture Industry Impact**

The Rules will have no direct impact on the agriculture industry. However, implementation of the Rules with respect to the Authority's activities in selection and acquisition of proposed school facility sites will be coordinated with the Farmland Preservation Program.

**Regulatory Flexibility Analysis**

The new Rules impose some compliance requirements on small businesses as the term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but only for those small businesses that choose to seek to do business with the Authority, The new Rules outline the criteria and procedures the Authority will consider for the selection of proposals for construction services, The Rules proposed for readoption, at N.J.A.C. 19:38B-4.2, specify that bidders of construction services be prequalified by the Authority, a requirement that is imposed by public contracting provisions set forth in N.J.S.A. 52:18A-235 et seq., As implemented by the Authority, all firms seeking prequalification will be required to submit audited financial statements, a cost which these firms might not otherwise need to incur, In the interests of financial probity, however, no exemption for small businesses would be warranted.

**Housing Affordability Impact**

The Rules address the requirements and the process for the procurement of construction contracts for school facilities projects and, therefore, will not have an impact on affordable housing or evoke a change in the average costs of housing in the State of New Jersey.

### **Smart Growth Development Impact**

The Rules govern the process by which the Authority procures construction contracts, and thus the proposed adoption will have no impact on Smart Growth Development because the scope of the regulation is minimal, and because it is extremely unlikely that the adoption of the rules would evoke a change in the average price or availability of housing in the State of New Jersey, and unlikely that the proposed adoption would in any way affect new construction in Planning Areas 1 or 2, or within designated centers under the State Development and Redevelopment Plan.

Full text of the proposed readoption may be found in the New Jersey Administrative Code at N.J.A.C. 19:38B.

**Resolution—6d**

Proposed Re-adoption Without Change:  
Procedures for Price and Other Factors Procurement of Construction Contracts  
For New School Facilities Projects, N.J.A.C. 19:38B

**Resolution**

**WHEREAS**, on November 2, 2011, the Members of the Authority approved special rules, Rules for Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects, N.J.A.C. 19:38B, establishing requirements, standards and procedures for the Schools Development Authority’s (“SDA” or “the Authority”) procurement of construction contracts on a “price and other factors” basis for the Authority’s capital program contracts; and

**WHEREAS**, such special rules were intended to replace the Authority’s existing procedures for procurement of construction contracts for new school facilities based upon a “low bid” paradigm; and

**WHEREAS**, pursuant to relevant laws and regulations, these special rules appeared in the New Jersey Register on December 19, 2011 at 43 N.J.R. 3462 (a) and were effective immediately upon publication without a public comment period for a one year term; and

**WHEREAS**, SDA management is recommending that the Members of the Authority now approve the re-adoption of the Authority’s Rules for Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects, N.J.A.C. 19:38B; and

**WHEREAS**, the rules, upon re-adoption, will be subject to public comment requirements in the promulgation process; and

**WHEREAS**, as special rules, the Rules for Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects, N.J.A.C. 19:38B have successfully supported two major “price and other factors” construction procurements to date; and

**WHEREAS**, after internal review of the provisions of the special rules, executive management and associated program staff have determined that they, as originally drafted, remain adequate, efficient and responsive for the purposes for which they were originally adopted; and

**WHEREAS**, management thus proposes that the rules be approved by the Board for re-adoption without change or amendment; and

**WHEREAS**, the memorandum presented to the Board on this date and incorporated herein sets forth the text of the rules as previously published in the form of special rules and as proposed for re-adoption; and

**WHEREAS**, the rules are intended to apply to the Authority’s procurement of school facilities construction contracts with a construction cost estimated to exceed five million dollars (\$5,000,000) and may be applied to other contracts at the option of the Authority; and

**WHEREAS**, the rules are not required to be applied to the Authority’s procurement of construction contracts for “emergent projects” which may continue to be procured pursuant to the Authority’s procedures described in N.J.A.C. 19:38.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve the proposed re-adoption of the Rules for Procedures for Price and Other Factors Procurement of Construction Contracts for School Facilities Projects, N.J.A.C. 19:38B without change consistent with the memorandum and materials presented to the Board on this date and incorporated herein; and

**BE IT FURTHER RESOLVED**, that the Members of the Authority authorize the issuance of the attached Notice of Re-adoption of the rules, and the filing of the Notice with the New Jersey State Office of Administrative Law; and

**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.

Attached: Memorandum, Proposed Rules Re-adoption Without Change: Procedures for Price and Other Factors Procurement of Construction Contracts For New School Facilities Projects, N.J.A.C. 19:38B dated November 7, 2012.

Dated: November 7, 2012

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

**ACTIVE PROJECTS STATUS REPORT**



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

---

**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: November 7, 2012

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

---

The 1<sup>st</sup> section of the report includes an Activities Summary of projects identified for advancement in the 2011 & 2012 Capital Plans.

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

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



**2011 & 2012 Portfolio Projects Activities Summary**

as of 10/03/12

2011 Portfolio Projects - sorted by District		1					
District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	\$11.9	Kit of Parts Candidate/ Design-Build	Preliminary Charter approved Aug. Board. Design Development.	2 QTR 13
Bridgeton	Quarter Mile Lane ES	PK-8	731	\$34.9	Kit of Parts Candidate/ Design-Build	Preliminary Charter approved Aug. Board. Design Development.	2 QTR 13
Elizabeth	Academic HS	9-12	1,091	\$81.5	Existing Design	Phase 1 Construction completed July 2012. Phase 2 Construction Procurement.	12/8/2011 7/11/12
Jersey City	ES 3	PK-5	814	\$67.3	Kit of Parts Candidate/ Design-Build	Award for Phase 1 Construction approved at Sep. Board (Tricon). Design Development.	06/25/12
Jersey City	PS 20	K-5	628	\$54.6	Existing Design	Award for Phase 1 Construction approved at Jun. Board (Silverlands Services). Design Development.	04/17/12
Long Branch	Catrambone ES	PK-5	817	\$40.0	Existing Design	Construction Contract Approved April Board (Terminal Construction). Groundbreaking 9/24.	12/20/11
New Brunswick	Redshaw ES	K-5	670	\$49.3	Kit of Parts/ Design-Build	Award for D-B approved at Sep. Board (Hall Construction).	05/29/12
Newark	Oliver St. ES	PK-8	868	\$77.4	Kit of Parts Candidate/ Design-Build	Phase 1 Construction award sent 8/20/12. (Silverlands Services). Design Development. This projects overall schedule may be adjusted to stagger advertisement with Elliot Street.	06/27/12
Paterson	Marshall St. ES	K-8	650	\$42.5	Existing Design	Phase 1 Construction NTP August 2012 (Earle Asphalt). Design Development (revisions).	06/13/12
Paterson	PS 16	PK-8	651	\$61.7	Kit of Parts Candidate/ Design-Build	Site Investigations ongoing. Land acquisition and related activities ongoing. Design Development. Award for Phase 1 Construction approved at May Board (Tricon).	03/27/12
West New York	Harry L. Bain PS 6	PK-6	736	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District). Award for Demolition of existing structure on SDA owned site approved at June Board. NTP 7/20/12 (Tricon).	02/27/12

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.  
 NOTE #1 - Total Estimated Costs, Grade Alignment and Capacity are based upon cost and programmatic assumptions utilized in the 2010 reassessment, which do not include benefits of standardization. Application of principles of standardization and recommendations of DOE/SDA/District Working Groups will impact this information in the future.

**8**



2011 & 2012 Portfolio Projects Activities Summary

as of 10/03/12

2012 Portfolio Projects - sorted by District

		1					
District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Middle School	4-8	811	\$75.7	Kit of Parts Candidate/ Design-Build	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Keansburg	Caruso ES	K-4	736	\$46.7	Kit of Parts Candidate/ Design-Build	Planning Charter approved October Board. Phase 1 Construction ongoing.	10/20/11
Keansburg	Port Monmouth Road School	PK	318	\$15.1	New Design Procurement	Planning Charter approved October Board. Site Investigation at Port Monmouth Road School ongoing.	3 QTR 15
New Brunswick	Robeson ES	1-5	599	\$29.9	Kit of Parts Candidate/ Design-Build	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Newark	Elliot Street ES	PK-8	640	\$47.7	Kit of Parts Candidate/ Design-Build	Site Investigations ongoing. Design Development. This projects overall schedule may be adjusted to stagger advertisement with Oliver Street.	4 QTR 12
Newark	South Street ES	PK-8	640	\$57.1	Kit of Parts Candidate/ Design-Build	Scoping Conversations with Working Group (DOE/SDA/District).	2 QTR 13
Passaic	Dayton Ave. Campus	PK-8	2,134	\$181.6	Kit of Parts Candidate/ Design-Build	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Phillipsburg	High School	9-12	1,846	\$142.4	Existing Design	Design (Value Management Design revisions) complete. Construction Advertisement 9/27/12.	9/27/2012
West New York	Memorial HS	9-12	1,859	\$61.1	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS on-going. Scoping Conversations with Working Group regarding renovation scope. (DOE/SDA/District).	TBD

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.  
 NOTE #1 - Total Estimated Costs, Grade Alignment and Capacity are based upon cost and programmatic assumptions utilized in the 2010 reassessment, which do not include benefits of standardization. Application of principles of standardization and recommendations of DOE/SDA/District Working Groups will impact this information in the future.

8



**2011 & 2012 Portfolio Projects Activities Summary**

as of 10/03/12

**2012 Portfolio Projects (Educational Priority that require further conversations with District) - sorted by District**

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Elizabeth	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Garfield	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Harrison	MS Grade Level	MS	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Millville	HS Grade level	HS	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Paterson	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Perth Amboy	All Grade levels	All	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Union City	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.

**2012 Portfolio Projects (Facilities Deficiencies) - sorted by District**

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Hoboken	Connors ES	PK-4	351	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-8	492	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	High School	9-12	1,048	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Trenton	Central HS	9-12	1,843	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.



**Active Project Status Report**

Report Date: 10/3/12

**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	Elizabeth	Victor Mravlag ES	New Construction	Construction	Apr-13	On-target	Sep-13	On-target	\$ 45,464,204
2	Passaic City	New Henry Street ES	New Construction	Construction	Oct-14	On-target	Jan-15	On-target	\$ 40,250,458
3	Union City	New Columbus ES	New Construction	Complete	Aug-12	Achieved	Sep-12	Achieved	\$ 46,203,896
4	West New York	Public School #3	New Construction	Complete	Apr-12	Achieved	May-12	Achieved	\$ 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	East Camden M.S.	HVAC	Construction	Apr-13	On-Target	May-13	On-Target	\$ 3,379,097
2	Newark	Wilson Avenue School	Building Envelope	Construction	Mar-13	On-Target	May-13	On-Target	\$ 3,187,743
3	Paterson	PS #6	Windows	Construction	Apr-13	On-Target	May-13	On-Target	\$ 1,992,309
4	Trenton	Trenton Central HS	Roofing	Complete	Aug-12	Achieved	Oct-12	On-Target	\$ 431,857

**PROJECT CLOSEOUT STATUS REPORT**



STATE OF NEW JERSEY

**SCHOOLS DEVELOPMENT AUTHORITY**

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

To: Members of the Authority  
 From: /s/ Jason E. Ballard, Chief of Staff  
 Date: November 7, 2012  
 Subject: Project Close Out Status Report

The attached report provides a listing of projects managed by the SDA, all of which have achieved school occupancy. The listing is further defined by District and year of occupancy, and details those projects that are fully closed out and those which achieved building and/or land transfer to the district.

We continue to advance projects and contracts through the close out process.

The following property was transferred to the District:

District	School	Insurance Reduction
West New York	Public School #3	\$3,580
<b>Total</b>		<b>\$3,580</b>

Additionally, two (2) Health and Safety Design Contracts were closed. To date, the close out initiative for these contracts has released \$527,292 in obligated funds back to the Authority for use on other school construction projects.

Prepared by: Ayisha Cooper  
 Reviewed by: Carol Petrosino  
 Bridget Capasso

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
<b>Asbury Park</b>					
Legacy	Bradley Primary	Closed		04/29/09	
2008	T. Marshall Primary	Closed		04/29/09	
<b>Barnegat</b>					
Legacy	Barnegat HS	Land and/or School Transferred	10/13/09		Open contract(s)
2007	Brackman MS	Land and/or School Transferred	09/23/09		Open contract(s)
2008	HS Addition	Land and/or School Transferred	10/13/09		Open contract(s)
2008	New Donahue, ES (aka Ronald Reagan)	Land and/or School Transferred	10/13/09		Open contract(s)
2008	Barnegat - Collins, ES	Land and/or School Transferred	07/12/10		Open contract(s)
2009	Barnegat - Dunfee, ES	Land and/or School Transferred	07/12/10		Open contract(s)
<b>Bridgeton</b>					
Legacy	Buckshutem Road ES	Closed		05/12/09	
2009	Bridgeton HS Media Center	Closed		02/23/12	
<b>Buena</b>					
Legacy	Cleary MS	Closed		06/02/09	
2010	Buena MS	Closed		02/23/12	
<b>Burlington City</b>					
Legacy	Burlington City - Samuel Smith ES	Closed		11/24/09	
2007	Wilbur Watt Intermediate School & Stadium Maintenance Bldg. (MB)	Land and/or School Transferred	07/01/11		Open contract(s)
2007	New HS	Land and/or School Transferred	12/29/11		Open contract(s)
<b>Camden</b>					
2009	Camden ECDC	Land and/or School Transferred	11/04/09		Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2009	HB Wilson ES	Land and/or School Transferred	04/14/10		Open contract(s)
2009	Dudley ES	Land and/or School Transferred	02/06/12		Open contract(s)
2011	Morgan Village	Deed transferred to District 08/22/12			
<b>Clark</b>					
2007	Frank Hehny ES	Land and/or School Transferred	06/03/10		Open contract(s)
2007	Carl Kumpf MS	Land and/or School Transferred	06/03/10		Open contract(s)
2007	Arthur Johnson HS	Land and/or School Transferred	06/03/10		Open contract(s)
2007	Valley Road ES	Land and/or School Transferred	06/03/10		Open contract(s)
<b>Cumberland</b>					
2009	Cumberland Regional HS	Land and/or School Transferred	06/25/10		Open contract(s)
<b>East Orange</b>					
Legacy	Wahlstrom ECC	Closed		06/30/12	
Legacy	New - Langston Hughes Replacement	Land and/or School Transferred	08/03/09		Open contract(s)
Legacy	East Orange HS				
2008	Campus #9 CJ Scott HS				
2008	Mildred Barry Garvin				
2010	Benjamin Banneker (New ES #5)	Land and/or School Transferred	07/23/12		Open contract(s)
<b>Egg Harbor</b>					
2007	Slaybaugh ES	Letter sent to District - No Response			

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2007	Davenport ES	Letter sent to District - No Response			
2008	Oakcrest Regional, HS (Auditorium upgrade)	Land and/or School Transferred	06/02/09		All contracts at \$0, documentation in final review
2009	Spragg ES	Closed		02/10/12	
2010	New MS	Land and/or School Transferred	01/01/12		Open contract(s)
<b>Egg Harbor Township</b>					
2011	Egg Harbor Twp HS - Phase 1 (add/reno)				
2011	Egg Harbor Twp HS - Phase 2 (add/reno)				
<b>Elizabeth</b>					
Legacy	Albert Einstein #29	Closed		09/16/09	
Legacy	#44 aka #51	Closed		09/16/09	
Legacy	Dr. MLK Jr. # 52 aka ECC # 45*	Closed		6/13/2012*	
Legacy	#31 Monsignor Joao Antao School	Land and/or School Transferred	07/09/12		Open contract(s)
Legacy	#30 Ronald Reagan Academy	Land and/or School Transferred	07/09/12		Open contract(s)
Legacy	New ES	Land and/or School Transferred	09/23/09		Open contract(s)
2008	Pre K-8 #27 Dr. Antonia Pontoja School	Closed		10/29/09	
2009	Elizabeth New PreK-8 #28	Land and/or School Transferred	08/26/10		Open contract(s)
<b>Garfield</b>					
Legacy	Garfield ECC	Land and/or School Transferred	04/23/09		Open Contract(s) DEP Action Required
2007	Garfield MS	Land and/or School Transferred	06/25/09		Open contract(s)
<b>Gloucester City</b>					

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
Legacy	Cold Springs ES	Land and/or School Transferred	06/05/09		Open contract(s)
Legacy	JR SR HS	Letter sent to District - No Response			
<b>Greater Egg Harbor Township</b>					
2010	Greater Egg Harbor HS (Cedar Creek HS)	Land and/or School Transferred	01/01/12		Open contract(s)
<b>Harrison</b>					
2007	New Harrison HS	Letter sent to District - No Response			
<b>Hoboken</b>					
2007	Calabro ES # 4	Closed		07/09/12	
<b>Irvington</b>					
2007	Augusta ES	Closed		03/13/09	
2007	Irvington - New Mt. Vernon, ES	Closed		03/13/09	
2007	University Six School	Closed		03/13/09	
<b>Jersey City</b>					
Legacy	ECC #9 - School Site only	Closed		05/24/10	
Legacy	ECC #9 - Parking lot only	Closed		05/24/10	
Legacy	Freshman Academy - Lincoln HS				
Legacy	New ES #3 (Frank R. Conwell ES #3)				
Legacy	Jersey City MS # 4 (Frank R. Conwell MS # 4)				
2007	Heights MS # 7				
2008	ES # 34				
<b>Long Branch</b>					
Legacy	New MS - Building	Closed		07/25/09	
Legacy	New Anastasia ES	Closed		10/23/09	

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2007	Gregory ES	Land and/or School Transferred	05/25/12		Open Contract(s)
2008	Long Branch - Athletic Fields & High School	Deed transferred to District	02/03/12		
<b>Manchester</b>					
Legacy	Manchester - Manchester Township MS	Land and/or School Transferred	07/16/09		Open contract(s)
Legacy	Whiting ES	Land and/or School Transferred	07/16/09		Open contract(s)
Legacy	Manchester Township HS				
<b>Millville</b>					
Legacy	Millville ECC	Closed		06/19/09	
Legacy	Lakeside MS	Closed		07/08/09	
<b>Neptune</b>					
Legacy	Neptune ECC	Closed		10/31/06	
Legacy	Gables ES	Closed		04/30/09	
Legacy	Neptune MS	Closed		04/30/09	
Legacy	Summerfield ES	Closed		04/30/09	
Legacy	Shark River Hills ES	Closed		07/13/09	
Legacy	Neptune Township - Green Grove ES	Closed		11/27/09	
Legacy	HS Swing Space	Closed		10/21/11	
2008	Midtown Community ES & Parking	Closed		11/16/11	
2010	Neptune HS Aux. Gym	Closed		10/21/11	
<b>New Brunswick</b>					
2007	McKinley K Center #3	Land and/or School Transferred	07/09/12		Open contract(s)
<b>Newark</b>					
2009	Park ES (aka North Ward Park ES)	Land and/or School Transferred	02/24/10		Open contract(s)
2007	1st Avenue ES	Land and/or School Transferred	09/28/11		Open contract(s)
2008	Central HS	Land and/or School Transferred	03/28/12		Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
Legacy	Science Park	Deed transferred to District 02/03/12			
2010	Speedway ES				
<b>Orange</b>					
Legacy	New Main St. ES	Closed		06/22/09	
2009	Park Ave ES	Deed transferred to District 09/04/12			
2010	Lincoln Ave ES	Land and/or School Transferred	09/07/12		Open contract(s)
<b>Passaic</b>					
Legacy	# 7, Grant, ES	Letter sent to District - Documents needed			
2010	Daniel F Ryan #19 ES aka New ES Main Ave				
<b>Paterson</b>					
Legacy	Panther Academy	Closed		08/15/11	
2010	Roberto Clemente ES K-1 Center (Madison Avenue K Center) parking Lot	Land and/or School Transferred	11/09/11		Open contract(s)
Legacy	Roberto Clemente, ES	Letter sent to District - No Response			
2008	International HS				
2008	#24 ES				
<b>Pemberton</b>					
2011	ECC	Deed transferred to District 03/19/12			
<b>Perth Amboy</b>					
Legacy	ECC I - Ignacio Cruz	Land and/or School Transferred	06/17/10		Open contract(s)
Legacy	#10 ES - Dr. N. H. Ritchardson School	Letter sent to District - No Response			
2009	ECC #2 - Edmund Hmielseki ECC				
<b>Phillipsburg</b>					
Legacy	ECC	Closed		04/27/12	

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
<b>Plainfield</b>					
Legacy	Clinton ES - Site only	Land and/or School Transferred	05/06/10		Open contract(s)
Legacy	Hubbard MS				
2008	Emerson ES School Site only				
2009	Clinton ES - Parking/Playground only				
2009	Emerson ES - Parking/Playground only				
<b>Trenton</b>					
Legacy	Mott ES	Closed		05/07/09	
Legacy	P. J. Hill ES	Closed		05/07/09	
Legacy	Gregory ES	Closed		06/30/09	
Legacy	Joyce Kilmer	Closed		12/29/11	
Legacy	Columbus ES	Closed		02/02/12	
2007	Parker ES	Closed		03/13/09	
2010	MLK-Jefferson	Land and/or School Transferred	12/01/11		Open contract(s)
<b>Union City</b>					
Legacy	Jose Marti MS Jose Marti MS Athletic Field	Closed		08/25/11	
2007	ECC @ JFK - Phase I (School only)	Letter sent to District - Documents needed; Deed transferred to District 03/20/12			
2007	ECC @ JFK - Phase II (Schlemm) Parking/Playgrounds	Letter sent to District - Documents needed; Deed transferred to District 03/20/12			
2012	Columbus Elementary School				
<b>Vineland</b>					
Legacy	Petway - ES #1	Closed		03/12/09	
Legacy	MS #1 Thomas Wallace	Closed		03/12/09	
Legacy	Johnstone ES	Closed		05/20/09	
2007	Vets Memorial	Closed		03/13/09	

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
<b>West New York</b>					
Legacy	West New York MS	Letter sent to District - Documents needed			
2007	#4	Letter sent to District - Received All Documents			
2009	ES #2				
2012	West New York #3	Deed transferred to District 09/11/12			
<b>Woodlynne</b>					
Legacy	Woodlynne ES	Closed		06/10/09	
<b>Capital Projects Totals</b>					
<b>Total Capital Projects</b>		<b>126</b>			
<b>Closed Capital Projects</b>		<b>47</b>			
<b>Capital Projects Not Closed</b>		<b>79</b>			
	<b>Capital Projects Not Closed, Land &amp; School Transferred</b>	<b>40</b>			
*Dr. MLK Jr. Center for ECC School # 52 aka ECC # 45 (Legacy) has been closed although an NFA is still needed. The District fulfilled its obligations with the DEP 06/08/2011. The SDA has fulfilled all of its obligations regarding this project.					
<b>Emergent Projects</b>					
<b>Camden</b>					
	Broadway Elementary School	Closed		08/12/11	
	Lanning Square at Fetters Elementary School	Closed		11/02/11	
	Sharp Elementary School	Project Transferred	03/20/12		Open contract(s)
	Washington Elementary School	Project Transferred	03/20/12		Open contract(s)
	East Camden Middle School				
	Camden High School				
	Molina Elementary School				
<b>East Orange</b>					
	Hart Middle School	Closed		12/02/11	
	Jackson Academy	Closed		12/14/11	

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
	Houston Elementary School	Project Transferred	05/07/12		Open contract(s)
	Warwick Elementary School	Project Transferred	05/07/12		Open contract(s)
	Cochran Academy	Project Transferred	05/07/12		Open contract(s)
	Louverture				
<b>Irvington</b>					
	Irvington High School - Roof, HVAC, Bathroom				
	Irvington High School - Physical Ed. Field				
	Union Avenue Middle School				
<b>Newark</b>					
	Branch Brook ES	Closed		11/09/11	
	Franklin ES	Closed		11/09/11	
	Sussex Avenue ES	Closed		11/09/11	
	Barringer High School	Closed		12/01/11	
	McKinley	Closed		12/02/11	
	Weequahic High School	Closed		04/02/12	
	South Street	Closed		04/30/12	
	Avon Avenue - Playground	Project Transferred	10/20/11		Open contract(s)
	Maple Avenue	Project Transferred	10/20/11		Open contract(s)
	13th Avenue - Boiler	Project Transferred	11/09/11		Open contract(s)
	Lafayette Street School	Project Transferred	11/09/11		Open contract(s)
	Avon Avenue - Roof				
	Bragaw				
	Horton				
	R. Clemente				
	Speedway				
	American History High School				
	East Side High School				
	Shabazz				
<b>Passaic</b>					
	School #1 T. Jefferson ES	Closed		10/07/11	
	School #6 MLK Jr.				
	School #11 Memorial				

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECT DIVISION  
PROJECT STATUS REPORT - As of October 1, 2012**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
<b>Paterson</b>					
	Sage Adult School & Alternative MS/HS	Project Transferred	04/30/12		Open contract(s)
	Public School #3	Project Transferred	04/30/12		Open contract(s)
	Public School #10	Project Transferred	04/30/12		Open contract(s)
	Public School #16	Project Transferred	04/30/12		Open contract(s)
	Public School #6				
	Early Learning Center at 14th (aka Rutland Center)				
<b>Trenton</b>					
	Trenton Central HS	Closed		05/21/12	
	TCHS (Main Campus) - Original portion of building				
<b>Emergent Project Totals</b>					
<b>Total Emergent Projects</b>		<b>46</b>			
<b>Emergent Closed Out</b>		<b>13</b>			
<b>Emergent Not Closed</b>		<b>33</b>			
	<b>Emergent Projects Not Closed but Transferred</b>	<b>13</b>			
<b>Health and Safety Contract Totals</b>					
<b># of Contracts Closed</b>		<b>385</b>			
<b># of Contracts Open</b>		<b>14</b>			
<b>Total Contracts</b>		<b>399</b>			



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

To: Members of the Authority  
From: /s/ Jason E. Ballard, Chief of Staff  
Date: November 7, 2012  
Subject: Demonstration Projects - Close Out Status

---

We continue to work to advance the close out of the Demonstration Projects; however, there is no significant activity to report this month.

Prepared by: Bruce Lieblich  
Reviewed by: Carol Petrosino  
Bridget Capasso

PROJECT STATUS REPORT



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director – Program Operations

DATE: November 7, 2012

SUBJECT: Executive Summary – Monthly Project Status Reports

---

**MONTHLY PROJECT STATUS REPORT**

**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.

**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 September 21, 2012

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
----------	----------------------	--	--------------------------------	------------------------------------	-------------------------------------	----------------------	----------	----------------

**In Construction**

Elizabeth	Number 21, Victor Mravlag E.S.	\$8,240,000	\$6,623,224	\$1,616,777	80.4%	65%	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 2013.
-----------	--------------------------------	-------------	-------------	-------------	-------	-----	--	---

**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	\$17,785,094	\$45,896	99.7%	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	\$3,189,804	\$25,196	99.2%	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	\$1,355,778	\$73,854	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	\$1,006,608	\$52,299	95.1%	99%	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.
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	\$4,926,196	\$688,804	87.7%	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.



**Projects that have Expended 75% or More of Board Approved Contingency**  
 Reporting Period: Jan. 1, 2008 to September 21, 2012

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
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	\$4,269,125	\$769,875	84.7%	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	\$4,535,861	\$80,259	98.3%	99%	1. Unforeseen soil remediation and clean fill.	Certificate of Occupancy issued. Project close-out in process.
Perth Amboy	ECC II	\$2,604,619	\$2,033,074	\$571,545	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.
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, amendment



**Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy**

Reporting Period:September 2012

#	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
---	------------	----------	---------	---	-------------------------------	----------------------------------	---------------------------	----------	----------------

No New Data to Report



### Revisions to Project Charters

Reporting Period: September 2012

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
---	----------	---------	------------------------------	---------------------------	---	--	-------------------------

No New Data to Report

**CONTRACTS EXECUTED REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: November 7, 2012

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

---

**Contracts Executed Report**

This report contains the activity of contracts executed during the period September 1 through September 30, 2012.

**Noteworthy Items during the reporting period:**

- Execution of 3 contracts for construction:
  - Construction Contract for the Paterson Number 6 ES Emergent Window Replacement project to Catcord Construction for \$1,483,000
  - Construction Contract for the Greater Egg Harbor Regional Cedar Creek HS basin project to Silverland Services, Inc. for \$394,444
  - Early Site Preparation Contract for the Newark Oliver Street ES project to Silverland Services for \$1,844,444.

**Amendments & Change Orders Report**

This report contains the activity of Amendments and Change Orders executed during the period September 1 through September 30, 2012.

**Noteworthy Items during the reporting period:**

- Execution of 5 Design Amendments totaling \$8k. Of the 5 executed amendments two required board approval totaling \$119k.
- Execution of 1 Construction Services Change Order totaling a credit of \$178k which required board approval.

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

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, 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 Contracts Executed Report

Report Period 9/1/12 through 9/30/12

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
<b>Part 2. Construction Services</b>										
<b>Contractor</b>										
Paterson	Number 6 E.S.	Reno	Construction	EP-0029-C01	Catcord Construction Co., Inc.	S	\$1,483,300	9/7/12	1,566,875	\$1,566,875
Greater Egg Harbor Regional High School District	Cedar Creek High School	New	Construction	ET-0089-C02	Silverlands Services, Inc.	M	\$394,444	9/20/12	464,000	\$464,000
Newark	Oliver Street E.S.	New	Demolition-PM	NE-0013-N01	Silverlands Services, Inc.	M	\$1,844,444	9/13/12	-	\$2,362,831
<b>Contractor</b>										
<b>Part 2. Construction Services</b>							<b>\$3,722,188</b>			<b>\$4,393,706</b>

8

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

Report Period 9/1/12 through 9/30/12

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE	
<b>Part 3. Land Acquisition Services</b>											
<b>Relocation</b>											
Paterson	New PS# 16	New	Relocation	PA-0024-L90	Miguel Orejas		\$15,750	9/5/12	-		
Paterson	New PS# 16	New	Relocation	PA-0024-L91	Emiliano Lozada		\$33,180	9/14/12	-		
<b>Relocation</b>											
<b>Part 3. Land Acquisition Services</b>							<b>\$48,930</b>				

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

Report Period 9/1/12 through 9/30/12

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE	
<b>Part 4. Other Contracts &amp; Services</b>											
<b>Furniture, Fixtures &amp; Equipment</b>											
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	New	FFE	HU-0012-Q24	Krueger International, Inc.		\$26,622	9/12/12	-		
<b>Furniture, Fixtures &amp; Equipment</b>											
<b>Part 4. Other Contracts &amp; Services</b>							<b>\$26,622</b>				

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

Report Period 9/1/12 through 9/30/12

	<b>Total Contract Award</b>	<b>Total Contracts Awarded</b>
<b>Grand Totals - Professional and Construction Services Combined</b>	<b>\$3,797,740</b>	<b>6</b>

\*\* Contracts less than \$10,000 are not displayed

**Project Types Legend**

HS	Health & Safety
New	New Construction
Add	Addition
RenoAdd	Addition & Renovation
Reno	Renovation

**Contract Types Legend**

Acquisition	Property Acquisition Related Costs
Appraisal	Appraisal, Appraisal Review, NRE
Construction	Construction
Design	Design or Site Investigation
DB	Design-Build
E-Rate	E-Rate
FFE	Furniture, Fixtures, and Equipment
General	General Program Cost
Legal	Legal
Material	Material Supply
ProjectMgmt	Project Management Firm
PreDevelopment	Predevelopment or Demolition
Relocation	Relocation Services
SiteInvstgtn	Site Investigation
Testing	Testing

**MWSBE Certifications**

M = Minority Business Enterprise  
W = Women Business Enterprise  
S = Small Business Enterprise

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



New Jersey Schools Development Authority  
Amendments & Change Orders Report

Reporting Period 9/1/12 through 9/30/12

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>																
East Orange	Ecole T.Louverture E.S.	EP-0047-A01	12/21/09	1	EI Associates, Architects & Engineers, PA	9/28/12	\$55,240	\$0		\$12,000	Yes	9/5/12	\$67,240	21.72%	\$55,240	21.72%
Jersey City	William L. Dickinson H.S.	HS-0073-A01	3/4/02	7	Sowinski Sullivan Architects, PC	9/27/12	\$432,958	\$519,058	1/28/04	\$-54,319			\$897,697	107.34%	\$952,016	-5.70%
Jersey City	Number 20 E.S.	JE-0010-A01	10/3/03	11	SSP, Architects	9/12/12	\$1,665,000	\$1,602,623	2/1/12	\$117,633	Yes	7/5/12	\$3,385,256	103.31%	\$1,665,000	7.06%
Paterson	Number 6 E.S.	EP-0029-A01	9/4/09	1	DMR Architects, PC	9/18/12	\$130,000	\$0		\$-27,950			\$102,050	-21.50%	\$130,000	-21.50%
Paterson	Number 18 E.S.	HS-0048-A01	1/31/02	9	STV Architects, Inc.	9/27/12	\$325,550	\$322,559	7/26/06	\$-39,489			\$608,620	86.95%	\$325,550	-7.60%
<b>Design Consultant</b>																
<b>Site Acquisition</b>																
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L08	4/15/05	44	Verizon of New Jersey, Inc.	9/28/12	\$1,399	\$3,168		\$63			\$4,629	230.96%	\$1,399	230.96%
Newark	South Street E.S.	NE-0003-L26	7/14/09	2	Treasurer, State of NJ	9/13/12	\$1,400	\$150		\$2,300			\$3,850	175.00%	\$1,400	175.00%
<b>Site Acquisition</b>																
<b>Site Investigation</b>																
Newark	Oliver Street E.S.	GP-0084-L06	1/18/08	53	Louis Berger Group (The)	9/27/12	\$0	\$2,947,044		\$159,979			\$3,107,022	0.00%	\$0	NA
Newark	South Street E.S.	GP-0171-L03	12/1/11	5	Whitman	9/10/12	\$0	\$274,506		\$25,770			\$300,276	0.00%	\$0	NA
Newark	Hawkins Street E.S.	GP-0171-L07	12/1/11	2	Brinkerhoff Environmental Services, Inc.	9/5/12	\$0	\$7,480		\$32,110			\$39,590	0.00%	\$0	NA
Passaic City	New ES at Henry St. (-x01)	GP-0171-L10	12/1/11	4	Lan Associates, Engineering, Planning, A	9/12/12	\$0	\$49,387		\$199,950			\$249,337	0.00%	\$0	NA
West New York	Number 5 E.S.	GP-0171-L12	12/1/11	2	Yu & Associates, Inc.	9/14/12	\$0	\$11,703		\$21,700			\$33,403	0.00%	\$0	NA
West New York	Number 1 E.S.	GP-0171-L15	12/1/11	4	French & Parrello Associates, P.A.	9/14/12	\$0	\$433,210		\$14,838			\$448,048	0.00%	\$0	NA

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

Reporting Period 9/1/12 through 9/30/12

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>Site Investigation</b>																
Trenton	Trenton Central West	GP-0171-L16	12/1/11	2	E2 Project Management, LLC	9/14/12	\$0	\$14,610		\$49,606			\$64,216	0.00%	\$0	NA
Newark	New Science Park HS	NE-0001-L61	5/23/12	1	Treasurer, State of NJ	9/14/12	\$550	\$0		\$50			\$600	9.09%	\$550	9.09%
West New York	Number 4 E.S.	HU-0007-L01	12/9/02	7	Louis Berger Group (The)	9/18/12	\$289,435	\$412,232		\$-10,569			\$691,098	138.77%	\$496,891	21.42%
<b>Site Investigation</b>																
<b>Relocation</b>																
Multi-District, Project, or Statewide	New PS# 16 A. Chester Redshaw E.S. Cooper's Poynt E.S. Creative and Performing Arts H.S. Dayton Avenue Middle School ECC 03 Elliott Street E.S. Harriet Tubman E.S. Harry L. Bain E.S. Lanning Square Lorraine Place ES (formerly New Beachway ES) Magnet K-8 Marshall Street Elementary School New Early Childhood Center (-x02) New ECC PK-2 (Caruso) New ES at Henry St. (-x01) New Franklin Elementary School Replacement New Middle School Number 1, Thomas Jefferson E.S. Number 20 E.S. Number 21, Victor Mravlag E.S. Ridge Street (Replacement) Roebbling School South Street E.S. University H.S. West Side H.S.	GP-0175-R03	2/11/12	11	Bluegrass Hydroseeding, LLC	9/6/12	\$27,996	\$249,184		\$26,027			\$303,208	983.03%	\$27,996	983.03%

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

Reporting Period 9/1/12 through 9/30/12

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, Project, or Statewide	A. Chester Redshaw E.S. Dayton Avenue Middle School East Side High School (Replacement) ECC Leonard Place & Madison St Gladys Hillman-Jones M.S. Harriet Tubman E.S. Harry L. Bain E.S. James Madison School #10 (Most Holy Name) New Early Childhood Center New ES at Henry St. (-x01) New Middle School New North East ES (-x06) Number 1, Thomas Jefferson E.S. Number 10, Roosevelt E.S. Number 21, Victor Mravlag E.S. Oliver Street E.S. Roebing School University H.S. West Side H.S.	GP-0175-R03	2/11/12	12	Bluegrass Hydroseeding, LLC	9/14/12	\$27,996	\$275,212			\$20,494			\$323,701	1,056.23%	\$27,996	1056.23%
Paterson	New PS# 16	PA-0024-L90	9/5/12	1	uel Orejas	9/26/12	\$15,750	\$0		\$500			\$16,250	3.17%	\$15,750	3.17%	
<b>Relocation</b>																	
<b>Furniture, Fixtures &amp; Equipment</b>																	
Camden City	Morgan Village M.S.	CA-0010-M05	1/5/11	3	Comcast Cable	9/5/12	\$401	\$3,299		\$864			\$4,565	1,036.96%	\$401	1036.96%	
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-F05	7/23/12	2	Business Relocation Services, Inc.	9/18/12	\$8,514	\$3,896		\$-1,934			\$10,477	23.05%	\$8,514	23.05%	
<b>Furniture, Fixtures &amp; Equipment</b>																	
<b>Others</b>																	
Alpine	Alpine Public E.S.	G5-3327-D01	5/27/10	2	District - Alpine	9/28/12	\$188,720	\$-4,540		\$173			\$184,353	-2.31%	\$188,720	-2.31%	
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L06	4/15/05	64	JCP&L	9/10/12	\$8,060	\$9,961		\$275			\$18,297	126.99%	\$8,060	126.99%	
Asbury Park	New Early Childhood Center (-x02)		4/15/05	65	JCP&L	9/10/12	\$8,060	\$10,236		\$70			\$18,367	127.87%	\$8,060	127.87%	
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L16	8/2/11	13	New Jersey American Water	9/18/12	\$410	\$1,902		\$171			\$2,483	506.05%	\$410	506.05%	
East Windsor Regional	Perry L. Drew E.S.	G5-1309-D01	12/22/04	1	District - East Windsor Regional	9/13/12	\$23,203	\$0		\$-23,203			\$0	-100.00%	\$23,203	-100.00%	

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

Reporting Period 9/1/12 through 9/30/12

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>																
East Windsor Regional	Hightstown H.S.	G5-2237-D01	7/20/05	1	District - East Windsor Regional	9/13/12	\$141,768	\$0		\$-14,886			\$126,882	-10.50%	\$141,768	-10.50%
East Windsor Regional	Hightstown H.S.		7/20/05	2	District - East Windsor Regional	9/13/12	\$141,768	\$-14,886		\$-126,882			\$0	-100.00%	\$141,768	-100.00%
Ewing Township	Ewing H.S.	G5-3795-D01	12/29/10	1	District - Ewing Township	9/13/12	\$16,080	\$0		\$-6,378			\$9,702	-39.66%	\$16,080	-39.66%
Ewing Township	Gilmore J. Fisher M.S.	G5-3796-D01	12/29/10	1	District - Ewing Township	9/13/12	\$16,080	\$0		\$-6,378			\$9,702	-39.66%	\$16,080	-39.66%
Ewing Township	Francis Lore E.S.	G5-3797-D01	12/29/10	1	District - Ewing Township	9/13/12	\$16,080	\$0		\$-6,378			\$9,702	-39.66%	\$16,080	-39.66%
Ewing Township	William L. Antheil E.S.	G5-3798-D01	12/29/10	1	District - Ewing Township	9/13/12	\$16,080	\$0		\$-6,378			\$9,702	-39.66%	\$16,080	-39.66%
Garfield	James Madison School #10 (Most Holy Name)	NT-0014-L18	1/16/08	35	Public Service Electric and Gas Company	9/28/12	\$188	\$680		\$21			\$889	372.07%	\$188	372.07%
Garfield	James Madison School #10 (Most Holy Name)		1/16/08	36	Public Service Electric and Gas Company	9/28/12	\$188	\$701		\$7			\$896	375.66%	\$188	375.66%
Green Township	Green Hills E.S.	G5-4207-D01	11/10/10	2	District - Green Township	9/21/12	\$98,000	\$-51,595		\$34,406			\$80,811	-17.54%	\$98,000	-17.54%
Hunterdon Central Regional	Hunterdon Central H.S.	G5-4042-D01	6/2/10	1	District - Hunterdon Central Regional	9/13/12	\$296,568	\$0		\$-41,351			\$255,217	-13.94%	\$296,568	-13.94%
Hunterdon Central Regional	Hunterdon Central H.S.	G5-4289-D01	4/14/11	1	District - Hunterdon Central Regional	9/13/12	\$256,880	\$0		\$-73,489			\$183,391	-28.60%	\$256,880	-28.60%
Middle Township	Middle Township #2 E.S.	G5-3553-D01	6/11/10	2	District - Middle Township	9/6/12	\$161,909	\$-47,387		\$-10			\$114,512	-29.27%	\$161,909	-29.27%
Montville Township	Cedar Hill E.S.	G5-1520-D01	4/15/05	1	District - Montville Township	9/20/12	\$110,414	\$0		\$-5,317			\$105,097	-4.81%	\$110,414	-4.81%
Multi-District, Project, or Statewide	Adverts As Contracts	GP-0004-R01	4/12/01	35	Star Ledger Newspaper	9/26/12	\$130,907	\$14,005		\$77			\$144,989	10.75%	\$130,907	10.75%
Multi-District, Project, or Statewide	Adverts As Contracts	GP-0004-R02	4/12/01	32	Times Newspaper (The)---(Adverts)	9/26/12	\$62,132	\$632		\$6			\$62,771	1.02%	\$62,132	1.02%
Multi-District, Project, or Statewide	New Academic HS New Science Park HS	GP-0005-R10	7/3/02	15	Napco Copy Graphics Center Corp.	9/7/12	\$251,397	\$43,633		\$12,878			\$307,908	22.47%	\$251,397	22.47%
Keansburg	Joseph C. Caruso E.S.	GP-0017-L01	1/18/02	9	New Jersey Dept. of Environmental Protection	9/12/12	\$1,083,092	\$456,053		\$4,706			\$1,543,851	42.54%	\$1,083,092	42.54%
Paterson	Number 24 E.S.	GP-0113-R03	2/4/09	3	Secretariat International, Inc.	9/14/12	\$97,284	\$285,000		\$85,000			\$467,284	380.32%	\$97,284	380.32%

**8**

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

Reporting Period 9/1/12 through 9/30/12

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>																
West New York	Memorial H.S. Annex (St. Joe's)	GP-0162-R10	10/20/11	2	Brown & Connery, LLP	9/14/12	\$0	\$7,827		\$1,300			\$9,127	0.00%	\$0	NA
Multi-District, Project, or Statewide	10 Region PMF Selection	PM-0016-P01	11/26/02	36	Epic Management, Inc.	9/25/12	\$18,597,709	\$3,590,868	9/9/10	\$14,616			\$22,203,193	19.38%	\$18,597,709	0.27%
New Brunswick	Temporary School	ET-0071-G01	9/7/12	1	30 Van Dyke Avenue, Urban Renewal	9/7/12	\$0	\$0		\$-174,638			\$-174,638	0.00%	\$0	NA
New Brunswick	Temporary School	ET-0071-L03	10/18/11	12	Public Service Electric and Gas Company	9/13/12	\$759	\$86,649		\$-100			\$87,309	11,406.91	\$759	11406.91%
New Brunswick	Temporary School	ET-0071-L04	1/17/12	6	Verizon of New Jersey, Inc.	9/6/12	\$100	\$504		\$103			\$707	607.24%	\$100	607.24%
Newark	West Side H.S.	NE-0008-L56	7/1/04	30	City of Newark	9/5/12	\$2,512	\$5,026		\$50			\$7,589	202.06%	\$2,512	202.06%
Newark	West Side H.S.	NE-0070-L22	4/8/10	87	Public Service Electric and Gas Company	9/6/12	\$22	\$6,797		\$142			\$6,961	32,184.78	\$22	32184.78%
Newark	West Side H.S.		4/8/10	88	Public Service Electric and Gas Company	9/6/12	\$22	\$6,939		\$16			\$6,977	32,259.36	\$22	32259.36%
Newark	West Side H.S.		4/8/10	89	Public Service Electric and Gas Company	9/11/12	\$22	\$6,955		\$107			\$7,083	32,753.75	\$22	32753.75%
Newark	West Side H.S.		4/8/10	90	Public Service Electric and Gas Company	9/28/12	\$22	\$7,062		\$143			\$7,226	33,414.98	\$22	33414.98%
Newark	West Side H.S.		4/8/10	91	Public Service Electric and Gas Company	9/28/12	\$22	\$7,204		\$17			\$7,243	33,493.50	\$22	33493.50%
Somers Point	Jordan Road E.S.	G5-4512-D01	4/7/11	1	District - Somers Point	9/25/12	\$34,314	\$0		\$-15,854			\$18,460	-46.20%	\$34,314	-46.20%
Somers Point	New York Ave. ES	G5-4524-D01	4/7/11	1	District - Somers Point	9/21/12	\$112,085	\$0		\$-53,290			\$58,795	-47.54%	\$112,085	-47.54%
South Orange-Maplewood	Columbia Senior H.S.	G5-2320-D01	4/25/05	1	District - South Orange-Maplewood	9/21/12	\$1,188,297	\$0		\$1,540			\$1,189,837	0.12%	\$1,188,297	0.12%
South Orange-Maplewood	South Mountain E.S./Annex	G5-2432-D01	4/25/05	1	District - South Orange-Maplewood	9/20/12	\$290,934	\$0		\$-111,621			\$179,313	-38.36%	\$290,934	-38.36%
Trenton	Martin Luther King/Jefferson School	GP-0105-R01	5/20/08	2	First Environment, Inc.	9/14/12	\$113,566	\$8,249		\$3,169			\$124,983	10.05%	\$113,566	10.05%
Trenton	Roebbling School	WT-0008-L06	2/3/04	128	Public Service Electric and Gas Company	9/18/12	\$30,574	\$16,672		\$47			\$47,293	54.68%	\$30,574	54.68%
Trenton	Martin Luther King/Jefferson School	WT-0011-R05	12/1/06	2	Gibbons P.C.	9/14/12	\$359,274	\$3,270		\$30,015			\$392,559	9.26%	\$359,274	9.26%
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-R01	1/19/06	1	North Hudson Sewerage Authority	9/19/12	\$120,752	\$0		\$1,885			\$122,637	1.56%	\$120,752	1.56%
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-R04	6/1/12	2	Public Service Electric and Gas Company	9/4/12	\$24,697	\$-24,697		\$0			\$0	-100.00%	\$24,697	-100.00%

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

Reporting Period 9/1/12 through 9/30/12

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>																
West Essex Regional	West Essex H.S.	G5-3176-D01	11/5/09	2	District - West Essex Regional	9/21/12	\$540,000	\$-72,186		\$15,143			\$482,957	-10.56%	\$540,000	-10.56%
West Essex Regional	West Essex J.H.S.	G5-3178-D01	11/5/09	2	District - West Essex Regional	9/21/12	\$526,000	\$-152,016		\$10,080			\$384,064	-26.98%	\$526,000	-26.98%
West New York	Harry L. Bain E.S.	HU-0005-L06	11/16/06	54	Public Service Electric and Gas Company	9/6/12	\$7,568	\$8,184		\$109			\$15,861	109.58%	\$7,568	38.31%
<b>Others</b>																
<b>Professional Services &amp; Grants</b>										<b>\$109,742</b>						

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

Reporting Period 9/1/12 through 9/30/12

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>																
East Orange	Ecole T.Louverture E.S.	EP-0047-C01	7/6/11	1	Silverlands Services, Inc.	9/17/12	\$187,777	\$0		\$-177,653	Yes	8/1/12	\$10,124	-94.60%	\$187,777	-94.60%
<b>Contractor</b>																
<b>Construction Services</b>										<b>\$-177,653</b>						

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

Reporting Period 9/1/12 through 9/30/12

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>Furniture, Fixtures &amp; Equipment</b>																
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-Q01	10/31/11	1	Wenger Corporation	9/27/12	\$24,873	\$0		\$-752			\$24,122	-3.02%	\$24,873	-3.02%
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-Q03	5/15/12	1	Jonti-Craft, Inc.	9/19/12	\$19,952	\$0		\$-1,995			\$17,957	-9.99%	\$19,952	-9.99%
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-Q13	6/15/12	1	Keyboard Consultants	9/5/12	\$36,944	\$0		\$-36,944			\$0	-100.00%	\$36,944	-100.00%
Union City (Hudson Co.)	Columbus Elementary School (aka New ES)	HU-0012-Q21	8/22/12	1	Krueger International, Inc.	9/19/12	\$5,738	\$0		\$927			\$6,666	16.16%	\$5,738	16.16%
<b>Furniture, Fixtures &amp; Equipment</b>																
<b>Other Contracts &amp; Services</b>																
										<b>\$-38,762</b>						

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

Reporting Period 9/1/12 through 9/30/12

Total Change Order Summary

Total Change Orders

**Grand Totals**

\$-106,674

72

**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.

**8**

**CONTRACT TERMINATIONS REPORT**

<b>NJSDA Terminated Contracts</b>						
January 1, 2012 through September 30, 2012						
<b>Contract #</b>	<b>School Name</b>	<b>Vendor Type</b>	<b>Vendor</b>	<b>Type of Termination</b>	<b>Scope of Termination</b>	<b>Termination Date</b>
EL-0006-M01	Elizabeth - New Academic High School	CM	Bovis Lend Lease	Convenience	Entire Contract	7/11/2012
NT-0019-Z01	Passaic - New Elementary School at Henry Street	Design	RMJM Architects and Planners (formerly Hillier Group)	Cause	Entire Contract	9/28/2012

**SETTLEMENT CLAIMS**

**Settled Claims Log**

<b>Contract #</b>	<b>School Name</b>	<b>Claimant</b>	<b>Type of Claim</b>	<b>Settlement Date</b>	<b>Claim Amount (Per SDA Form 505)</b>	<b>Settlement</b>
ET-0008-C01	Perth Amboy #10 ES	Bergen Engineering	Extended General Conditions	3/13/2012	\$500,575	\$278,775
ET-0008-C01	Perth Amboy #10 ES	Bergen Engineering	Acceleration for Phase 1 Occupancy	3/13/2012	\$122,052	\$58,266
ET-0065-C01	Collins, Dunfee, Horbelt	Hessert Corp.	Extended Gen. Conditions - Dunfee	6/13/2012	\$518,959	\$131,589
ET-0065-C01	Collins, Dunfee, Horbelt	Hessert Corp.	Window Fix - Horbelt ES	6/13/2012	\$123,843	\$53,162
NE-0001-C01	Science Park HS	Hunt Construction	Delay Claim	6/13/2012	\$20,218,213	\$4,400,000
NE-0001-C01	Science Park HS	Hunt Construction	Intercom Wiring Claim	6/13/2012	\$2,576,439	\$300,000
			<b>TOTAL FOR OCTOBER, 2012</b>		<b>\$24,060,081</b>	<b>\$5,221,792</b>

**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: November 7, 2012

SUBJECT: Contractor and Workforce Compliance Monthly Update for August, 2012

---

**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 August 31, 2012 was \$41,543,075.83.**

- The total contract dollars awarded to all SBE contractors (January 1 through August 31, 2012), was \$16,927,426.20 (including minorities and women). This represents 40.75% of all SDA contracts.

Members of the Authority  
 Contractor and Workforce Compliance Monthly Update  
 November 7, 2012  
 Page 2 of 3

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$10,738,455.20	25.85%
Small/ Minority Business Enterprises	\$2,523,489.00	6.07%
Small/Women Business Enterprises	\$3,665,482.00	8.82%
Small/Minority/Women Business Enterprises	\$-0-	0.00%
<b>TOTAL SBE CONTRACTS</b>	<b>\$16,927,426.20</b>	<b>40.75%</b>

**Ethnic Breakdown**

The total SBE contracts awarded with minority participation were \$2,523,489.00 equaling 6.07% (includes S/MBEs and S/M/WBEs as shown below).

Ethnicity	Contract Amount	Percentage
Native American	\$-0-	0.00%
Asian	\$2,490,1703.00	5.99%
Black	\$-0-	0.00%
Hispanic	\$33,316.00	0.08%
<b>Total</b>	<b>\$2,523,489.00</b>	<b>6.07%</b>

**WORKFORCE COMPLIANCE MONITORING**

For the month of August, 2012 there was a contractor workforce of 132 on SDA projects. This represents a total of 8,564 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	9	288	3.36%
Hispanic	36	3,036	35.45%
American Indian	0	0	0.00%
Asian	0	0	0.00%
<b>Total Minority Participation</b>	<b>45</b>	<b>3,324</b>	<b>38.81%</b>
Total Non-Minority Participation	87	5,240	61.18%

Members of the Authority  
 Contractor and Workforce Compliance Monthly Update  
 November 7, 2012  
 Page 3 of 3

There was a contractor workforce of 83,948 total workforce hours and 1,790 total female workforce hours on SDA projects for the period of January 1, 2012 through August 31, 2012. The following table highlights the Local County contractor workforce participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	85,738	100.00%
<b>*Total Local County Workforce Hours</b>	<b>7,581</b>	<b>8.84%</b>
<b>Total Local County Non-Minority Workforce Hours</b>	<b>2,715</b>	<b>3.17%</b>
<b>Total Local County Female Workforce Hours</b>	<b>264</b>	<b>0.30%</b>
<b>Total Local County Minority Workforce Hours</b>	<b>4,602</b>	<b>5.36%</b>
<b>**Local County Workforce Hours by Ethnicity:</b>		
Black	298	0.35%
Hispanic	4,304	5.01%
America Indian	0	0.00%
Asian	0	0.00%

\*Total workforce and total local county workforce represent all laborers including females

\*\*Minority breakdown represents Black, Hispanic, American Indian, and Asian laborers. Minority female laborers are captured as female laborers only and are not included in the minority breakdown.

The following table represents contractor and female workforce for all SDA active capital projects and all active and completed emergent projects for the period of January 1, 2012 through August 31, 2012.

SDA Managed Project	Total Workforce Hours	Local County Workforce Hours & Percentage	
Elizabeth, Victor Mravlag E.S.	27,705	2,720	9.82%
Union City, Columbus E.S.	38,672	358	0.93%
West New York, Number 3 E.S.	3,390	312	9.20%
West New York, Harry L. Bain P.S. 6	5	0	0.00%
Elizabeth, Academic H.S.	1,252	0	0.00%
Jersey City, P.S. 20	339	0	0.00%
Paterson, Marshall Street E.S.	0	0	0.00%
All Emergent Projects (YTD)	2,003	301	15.03%
<b>Totals</b>	<b>73,366</b>	<b>3,691</b>	<b>5.03%</b>

Prepared by: Lorena Young, Contractor Compliance Analyst  
 Nicholas Torrens, Vendor Analyst

**REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: November 7, 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 September 2012. Also included is a detailed list of grants executed and grants offered during the reporting period.

**Monthly Update:**

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- 25 grants impacting 11 districts were closed out during the reporting period representing \$11.9M in total project costs and state share of \$4.6M.
- Since inception, over \$2.2B 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 9/30/2012

ROD Grant Summary Since Program Inception				
	Offered <sup>1</sup>	Executed	Closed-Out	Active
Districts Impacted	152	505	466	256
Number of Grant Projects	527	3,934	2,856	1,078
Total Project Cost Estimate	\$ 691,643,634	\$ 8,065,988,388	\$ 5,902,624,592	\$ 2,163,363,796
Grant Amount	\$ 238,570,470	\$ 2,612,981,312	\$ 1,903,070,495	\$ 709,910,817
Amount Disbursed	N/A	\$ 2,277,365,626	\$ 1,903,070,495	\$ 374,295,131

Total Funding Offered to School Districts via Grant Program	\$ 2,851,551,781
---	------------------

Total ROD Grant Funding remaining for new Grant Projects	\$ 349,342,628
--	----------------

1. Includes grants that have been offered to District's but have not yet been executed.

ROD Grant Summary - September 2012		
	Executed	Closed-Out
Districts Impacted	-	11
Number of Grant Projects	-	25
Total Project Cost Estimate	\$ -	\$ 11,951,837
Grant Amount	\$ -	\$ 4,604,174
Amount Disbursed	NA	\$ 4,604,174

\* 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.

8

**NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$250,000**

*(NO ACTIVITY)*

**COMMUNICATIONS MONTHLY REPORT**

**MEMORANDUM**

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: November 7, 2012

SUBJECT: New Jersey Schools Development Authority  
Monthly Communications Report

**Christie Administration Demolition of Caruso Elementary School in Keansburg**



SDA CEO Marc Larkins was joined by Keansburg School District and local officials to announce the demolition of the Caruso Elementary School to make room for a future new facility. The Caruso Elementary School Project was selected for advancement as part of the Schools Development Authority's (SDA) 2012 Capital Portfolio announced by the Governor in March 2012.

The original 58,000 square-foot Joseph C. Caruso Elementary School is being demolished to provide a 3.15 acre site for a new facility. An additional property located near the school, commonly referred to as the VFW site, was also acquired by the SDA to provide for play space and parking. A vacant and deteriorated 9,000 square foot building that stood on the VFW site was also demolished as part of this project.

Members of the Authority  
 Communications Report  
 November 7, 2012  
 Page 2 of 2

Tricon Enterprises, Inc. of Keyport was awarded a \$870,000 general construction contract to perform demolition, removal of known underground structures, removal of sub-surface foundations, and infill of the site following completion of the demolition. The demolition of the VFW building was completed in July 2012. All demolition and associated site work is expected to be completed by the end of 2012.

**SDA Highlights Recent Project Activity**

The SDA issued press releases throughout the month of October to highlight recent project advancement. A press release was issued for the demolition of the Caruso Elementary School in Keansburg. Press releases were also issued for the advancement of emergent repair projects in Millville, Asbury Park and Burlington City.

**Authority Distributes ROD Grant Press Release**

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.

The chart below lists the district for which a ROD grant press release was distributed during October:

<b>County Name</b>	<b>District Name</b>	<b>State Share</b>
Salem	Penns Grove-Carneys Point Regional	\$160,949

Report Prepared by: Edye Maier

**MONTHLY FINANCIAL REPORT**



1 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 – September 2012

DATE: November 7, 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 September 2012 year to date period, Authority operating expenses total \$26.4 million which is **\$4 Million lower** than budget for the corresponding period. The variation of actual expenses versus budget is mainly due to:

- Personnel Expense has a **\$2.9M** positive variance because the Authority is currently 20 FTEs under budget;
- Contract and Professional Outside Services, **\$180K**, Spending has yet to occur as anticipated for DAG legal fees, and Project Services consulting fees;
- Management Information System, **\$838K**, anticipated expenditures for the DOE Long Range Facility Project, through September 2012, is \$900K, while actual spending is only \$223K. Project activity is expected to increase during the 4<sup>th</sup> quarter.

Members of the Authority  
November 7, 2012  
Page 2

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

For the September 2012 year to date period, Authority operating expenses (\$26.4 million) have **decreased \$2.4M** as compared to the corresponding prior year. The decrease in expenses year-over-year is due to:

- Personnel Expense has a **\$2.8M** positive variance due to; 18 fewer FTEs. Partially offsetting the positive variance is an increase in MIS spending \$223K for the DOE Long Range Facility Project.

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

For the September 2012 year to date period, project expenditures total \$134 million which is **\$6 million higher** than the spending for the corresponding prior year. The variance is associated with a \$25M increase in grant activity, partially offset by decreases in construction work \$5.9M and related project costs \$13.1M.

### **Other**

Since program inception, 65.8% of the funds authorized for the SDA Districts have been disbursed. Additionally, since inception, 96% of all SDA disbursements relate to school facilities projects and 4% relate to program administrative and general expenses.

Included within current year operating expense (\$26.4 million) is an estimated \$11.8 million of employee costs that can be attributable to SDA's management of school facilities projects. If the \$11.8 million of employee costs is reclassified to project costs, (to achieve a more accurate depiction of current year expenditures), then 92% of disbursements relate to school facilities projects and 8% relate to program administrative and general expenses.

The estimated *value* of current school facilities project activity is approximately \$2.2 billion.



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

**September 2012**

**(Unaudited)**

---



New Jersey Schools Development Authority  
 Financial Summary  
 September 30, 2012

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, September 30, 2012.

**Selected Financial Information:**

► Overall **Cash and Cash Equivalents** has decreased by \$158 million to \$204 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	98,358
■ Miscellaneous revenue	191,678
■ Project costs	(133,942,773)
■ SDA operating expenses	(24,444,821)
■ SDA capital expenditures	(26,142)
■ Deposits (primarily district local shares)	(340,335)
Net Change in Cash	<u>\$ (158,464,035)</u>

► **Prepaid Expenses** total \$402,311 as follows:

- Prepaid insurance of \$147,431.
- Prepaid rents of \$170,677 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$53,270.
- Prepaid security deposits of \$10,937 for the Authority's leased swing space.
- Other prepaids of \$19,996.

► **Capital Assets** total \$.8 million (net of accumulated depreciation of \$13 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 \$668,303.

► **Accrued Liabilities** total \$125.1 million, as follows:

- Accrued project costs of \$21.8 million consisting of unpaid invoices (\$11.8 million); retainage (\$10 million).
- Pollution remediation obligations (PRO) under GASB 49 net to \$36.1 million (PRO liability \$37.9 million, offset by expected cost recoveries of \$1.8 million).
- Estimated liability for loss contingencies totaling \$54.6 million (contractor claims \$54.6 million).
- Payroll related liabilities of \$1.4 million.
- Post-employment benefits obligation of \$11 million.
- Other accrued liabilities of \$.2 million.

► **Deposits** total \$10.8 million, as follows:

- \$10.7 million is held for local share agreements (pass-through item).
- \$0.1 million is for other deposits (pass-through item).

(Continued on Next Page)



New Jersey Schools Development Authority  
Financial Summary  
September 30, 2012

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 \$10.3 million and \$133.9 million, respectively, as follows:

<u>Category</u>	<u>Month</u>	<u>Year-To-Date</u>	<u>From Inception</u>
■ Construction Contracts	\$ 2,130,344	\$ 29,490,686	\$ 3,704,122,064
■ Grant Agreements	5,221,307	93,157,816	2,363,027,913
■ Site Acquisition Contracts	1,123,624	4,221,550	571,317,783
■ Demonstration Projects	150,663	(408,124)	629,142,771
■ Project Management & Construction Management Firms	28,195	3,067,807	424,510,841
■ Design/Architect Contracts	183,386	2,493,073	394,907,535
■ Project Insurance	-	(3,240,641)	93,258,571
■ School Furniture & Technology Purchases	1,322,600	3,412,276	110,537,897
■ Interagency Agreements	4,706	296,921	44,987,087
■ Temporary Classroom Units (SDA owned)	-	-	34,157,261
■ Funding Agreements	-	90,918	29,566,868
■ Outside Legal & Claims Consulting Services	49,758	1,255,463	2,294,664
■ Other Project Costs	33,149	439,012	56,257,582
■ Project Credits	-	(796)	(40,147,370)
Total Project Disbursements	10,247,732	134,275,961	8,417,941,467
■ Less: Local Share Disbursements	26,828	(333,188)	(173,162,971)
Total Project Disbursements - State Share	\$ 10,274,560	\$ 133,942,773	\$ 8,244,778,496
■ Invoice Accruals at Month End (not included above)	\$ 11,836,466	\$ 11,836,466	

▶ **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	\$ 9,006,616,793	\$ 5,930,438,963	65.8%
■ Regular Operating Districts	3,450,000,000	3,492,702,537	2,575,061,598	73.7%
■ Vocational Schools	150,000,000	151,706,245	97,459,556	64.2%
Totals - State Share	\$ 12,500,000,000	\$ 12,651,025,575	\$ 8,602,960,117	68.0%

▶ **Procurement Activity** (Current Year)

- 14 construction contracts have been awarded with an aggregate contract value of \$43,865,312.
- 1 design contract was awarded with an aggregate contract value of \$200,000 (CCE \$1,320,200).
- 150 Section 15 Grant Agreements have been executed with an aggregate contract value of \$58,601,191 (State Share - Non-SDA Districts).
- 70 purchase orders have been issued for school furniture & technology (i.e., computers & related equipment) purchases with an aggregate contract value of \$3,004,551.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$358,181,621.



New Jersey Schools Development Authority  
Flash Operating Report  
September 30, 2012

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Prior Yr	Variance - Favorable/(Unfavorable)		Annual Budget
				Actual vs. YTD Budget	Actual vs. Prior Yr	
<b>Authority Operating Expenses:</b>						
Salaries	\$ 13,840,486	\$ 14,773,487	\$ 15,055,565	\$ 933,001	\$ 1,215,079	\$ 19,681,320
Employee Benefits	8,374,858	10,182,370	9,931,454	1,807,512	1,556,596	12,658,486
Total Salaries & Benefits	22,215,344	24,955,857	24,987,019	2,740,513	2,771,675	32,339,806
Temporary Employees	-	74,997	-	74,997	-	100,000
Interagency Agreements	101,363	244,872	219,605	143,509	118,242	326,500
Other Contract & Professional Outside Services	250,267	286,374	69,844	36,107	(180,423)	410,400
Employee Expense Reimbursements	11,362	12,420	5,946	1,058	(5,416)	16,625
Training & Professional Development	17,265	60,353	17,668	43,088	403	79,730
Parking	37,596	38,250	41,640	654	4,044	51,000
Automobiles	47,492	54,747	44,346	7,255	(3,146)	73,000
Communications & Outreach	-	756	232	756	232	1,000
Management Information Systems	919,163	1,757,359	696,131	838,196	(223,032)	2,299,000
General Office & Facilities	2,758,869	2,846,691	2,680,060	87,822	(78,809)	3,795,916
Other General	8,563	10,578	8,636	2,015	73	14,100
<b>Total Authority Operating Expenses</b>	<b>26,367,284</b>	<b>30,343,254</b>	<b>28,771,127</b>	<b>3,975,970</b>	<b>2,403,843</b>	<b>39,507,077</b>
<b>Reserve for Unforeseen Events &amp; New Initiatives</b>	<b>-</b>	<b>56,250</b>	<b>-</b>	<b>56,250</b>	<b>-</b>	<b>75,000</b>
<b>SDA Capital Expenditures (Internal)</b>	<b>26,142</b>	<b>27,000</b>	<b>-</b>	<b>858</b>	<b>(26,142)</b>	<b>54,000</b>
<b>Total Authority Operations</b>	<b>\$ 26,393,426</b>	<b>\$ 30,426,504</b>	<b>\$ 28,771,127</b>	<b>\$ 4,033,078</b>	<b>\$ 2,377,701</b>	<b>\$ 39,636,077</b>

(Continued on Next Page)



New Jersey Schools Development Authority  
Flash Operating Report  
September 30, 2012

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	8	7	(1)
COS, Special Projects	9	12	3
Program Operations, Program Operations Management	6	6	-
Program Operations, Capital Planning & Grants Admin.	23	28	5
Program Operations, Safety	10	10	-
Program Operations, Project Teams	73	80	7
Corp Governance & Operations, Management	3	3	-
Corporate Governance & Operations, Human Resources	8	10	2
Corporate Governance & Operations, Chief Counsel	13	12	(1)
Corporate Governance & Operations, MIS/Project Services	14	15	1
Corporate Governance & Operations, Facilities	5	6	1
Corporate Governance & Operations, Communications	10	10	-
Financial Operations, CFO Management	4	4	-
Financial Operations, Controller	12	12	-
Financial Operations, Contract Management	12	14	2
Financial Operations, Real Estate Services	6	7	1
Financial Operations, Procurement & Contract Services	9	9	-
Financial Operations, Risk Management & Vendor Services	12	12	-
<b>Total Full-Time Employees</b>	<b>240</b>	<b>260</b>	<b>20</b>
<b>EOM Budget</b>	<b>260</b>		



**New Jersey Schools Development Authority**  
**Statement of Net Position and General Fund Balance Sheet**  
**September 30, 2012**

	General Fund		Statement of Net Position	
	<u>Total</u>	<u>Adjustments</u>	<u>Current Yr</u>	<u>Prior Yr End</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 204,007,647		\$ 204,007,647	\$ 362,471,682
Receivables	165,540	\$ 558,297	723,837	2,417,841
Prepaid Expenses	402,311		402,311	965,346
Capital Assets (Net of Accumulated Depreciation of \$13,014,940)		827,342	827,342	1,469,503
<b>Total Assets</b>	<b>\$ 204,575,498</b>	<b>\$ 1,385,639</b>	<b>\$ 205,961,137</b>	<b>\$ 367,324,372</b>
<b>LIABILITIES</b>				
Accrued Project Costs	\$ 21,806,658	\$ 90,710,671	\$ 112,517,329	\$ 166,084,100
Accrued Other Post-Employment Benefits Obligation		10,950,131	10,950,131	9,545,523
Other Accrued Liabilities	586,153	1,012,091	1,598,244	1,634,528
Deposits	10,813,189		10,813,189	11,153,524
<b>Total Liabilities</b>	<b>33,206,000</b>	<b>102,672,893</b>	<b>135,878,893</b>	<b>188,417,675</b>
<b>FUND BALANCE/NET POSITION</b>				
Invested in Capital Assets		827,342	827,342	1,469,503
Nonspendable:				
Prepaid Expenses	402,311	(402,311)		
Restricted:				
Schools Construction Build America Bond Program	159,924,836		159,924,836	258,299,957
Schools Construction Special Revenue Fund	11,042,351	(101,712,285)	(90,669,934)	(80,862,763)
<b>Total Fund Balance/Net Position (Deficit)</b>	<b>171,369,498</b>	<b>(101,287,254)</b>	<b>70,082,244</b>	<b>178,906,697</b>
<b>Total Liabilities and Fund Balance/Net Position</b>	<b>\$ 204,575,498</b>	<b>\$ 1,385,639</b>	<b>\$ 205,961,137</b>	<b>\$ 367,324,372</b>



**New Jersey Schools Development Authority**  
**Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balances**  
**September 30, 2012 Year-To-Date**

	General Fund <u>Total</u>	<u>Adjustments</u>	Statement of Activities	
			<u>Current Yr</u>	<u>Prior Yr</u>
<b>Revenues</b>				
Program Revenues:				
Bond and Note Proceeds (Issued by EDA)	\$ -		\$ -	\$ -
Bidding Fees-Plans & Specs	27,825		27,825	2,879
General Revenues:				
Investment Earnings	98,358		98,358	511,662
Rental Income	149,799		149,799	247,422
Other Revenue-OPRA	14,054		14,054	2,598
Total Revenues	<u>290,036</u>	<u>-</u>	<u>290,036</u>	<u>764,561</u>
<b>Expenditures/Expenses</b>				
Employee Salaries & Benefits	20,810,736	\$ 1,404,608	22,215,344	24,987,019
Administrative & General Expenses	4,151,940		4,151,940	3,784,108
Capital Expenditures	26,142	(26,142)	-	-
Capital Depreciation		668,303	668,303	776,291
School Facilities Project Costs	90,957,786	(8,878,884)	82,078,902	82,688,887
Total Expenditures/Expenses	<u>115,946,604</u>	<u>(6,832,115)</u>	<u>109,114,489</u>	<u>112,236,305</u>
Excess of Revenues Over Expenditures	(115,656,568)	6,832,115		
Change in Net Position			(108,824,453)	(111,471,744)
<b>Fund Balance/Net Position (Deficit)</b>				
Beginning of Year	<u>287,026,066</u>	<u>(108,119,369)</u>	<u>178,906,697</u>	<u>369,703,884</u>
End of Period	\$ <u>171,369,498</u>	\$ <u>(101,287,254)</u>	\$ <u>70,082,244</u>	\$ <u>258,232,140</u>



New Jersey Schools Development Authority  
Summary of Cash Receipts & Disbursements  
From Inception through September 30, 2012

Cash Receipts - State Share

Cash Disbursements - State Share

Year	Principal Amount <sup>1</sup>		Investment Earnings	Miscellaneous <sup>3</sup>		Operating Expenses	Gross Capital <sup>4</sup> Expenditures	Deposits <sup>5</sup>	Totals
	Bond Proceeds	Appropriations <sup>2</sup> from State		Revenue	Project Costs				
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	-	-	546,039	316,761	173,991,754	34,509,603	26,142	(1,490,714)	(209,155,413)
2012	-	-	98,358	191,678	133,942,773	24,444,821	26,142	(340,335)	(158,464,035)
Totals	8,645,129,000	5,136,963	141,600,114	4,288,498	8,244,778,496	344,116,053	14,065,568	10,813,189	
<b>Cash &amp; Cash Equivalents</b>									<b>\$204,007,647</b>

1 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.  
 2 Represents funds received prior to the first bond issuance by the EDA in 2001.  
 3 Consists of rental income and cash receipts for bidding fees and OPRA requests.  
 4 Consists of leasehold improvements (SDA offices), capitalized software, furniture, fixtures & equipment for SDA operations.  
 5 Consists of deposits held for Section 13(B) Local Share Agreements (\$10,683,465); and other deposits (\$129,724)  
 6 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  
September 30, 2012

<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, 2011</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.	\$ -	\$ 19,093,688	\$ 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.	224,873	5,038,478	5,263,351
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.	48,024	4,116,295	4,164,319
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.	-	477,326	477,326
Department of Environmental Protection	Provide expedited environmental remediation review and support services.	24,024	1,611,081	1,635,105
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>296,921</u>	<u>44,690,166</u>	<u>44,987,087</u>

(Continued on Next Page)



New Jersey Schools Development Authority  
 Interagency Agreements  
 September 30, 2012

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, 2011</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.	140,316	9,484,870	9,625,186
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.	-	858,872	858,872
Rutgers University, Center for Organizational Development and Leadership (RUT009) (terminated)	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>140,316</u>	<u>10,810,901</u>	<u>10,951,217</u>
<b>Total Interagency Payments</b>		<u>\$ 437,237</u>	<u>\$ 55,501,067</u>	<u>\$ 55,938,304</u>

**PUBLIC COMMENT STATEMENT**

We will now begin the Public Comment Portion of the Meeting consistent with the New Jersey Open Public Meetings Act.

We would ask that any member of the public who wishes to address the Board limit their comments to 3 minutes. If there are multiple individuals from the same organization or district who wish to address the Board on the same matter, we would ask that you come up together to offer your remarks.

Please keep in mind that public comment is to afford citizens the opportunity to comment on matters pertinent to the Authority's business. Should you seek answers to questions on any topic, please contact the Authority at 609-943-4585 at your convenience.