

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, MAY 4, 2016 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

1. NOTICE OF PUBLIC MEETING

2. ROLL CALL

3. APPROVAL OF MEETING MINUTES

- a. Board Open Session Meeting Minutes of April 6, 2016
- b. Board Executive Session Meeting Minutes of April 6, 2016

4. AUTHORITY MATTERS

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

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

- a. COMPANY NAME: Manders Merighi Portadin Farrell Architects, LLC
DISTRICT: Vineland Public School District
CONTRACT NO: EP-0085-A01
PMF/CM: NJSDA Self-Managed
SCHOOL NAME: Vineland High School South
AMENDMENT NO: 1
REASON: Increase the Allowance for Additional Investigation of Building Hazardous Materials and Abatement Oversight
AMOUNT: \$125,000
CONTRACT STATUS: 79.37 % Paid to Date against the Current Contract Value
ANTICIPATED DELIVERY
DATE EMERGENT PROJECT: November 14, 2016
- b. COMPANY NAME: Falasca Mechanical, Inc.
DISTRICT: Vineland Public School District
CONTRACT NO: EP-0085-C01
PMF/CM: NJSDA Self-Managed
SCHOOL NAME: Vineland High School South
CHANGE ORDER NO.: 1
REASON: Increase the Allowance for Unforeseen Conditions for Asbestos Containing Material Abatement and Related Activities
AMOUNT: \$350,000
CONTRACT STATUS: 35.32 % Paid to Date against the Current Contract Value
ANTICIPATED DELIVERY
DATE EMERGENT PROJECT: November 14, 2016

- c. COMPANY NAME: Epic Management
DISTRICT: Phillipsburg
CONTRACT NO: NT-0003-C02 RB1
CM: Heery International
SCHOOL NAME: Phillipsburg High School
REVOLVING CO NO.: 51
REASON: Update IT Systems
AMOUNT: \$1,168,595.00
(Change Order No. 51: \$1,168,595.00 + CCD No. 1: \$0.00)
CONTRACT STATUS: 64% Paid to Date against Current Contract Value
- d. Approval of Construction Contract Award – Paterson School District – International High School – Design and Corrective Work – PA-0008-C04
- e. Approval of Construction Contract Award – Paterson School District – Temporary Space for New Middle School at Union Avenue – Preparation for District Occupancy – PA-0011-C01
- f. Approval of Construction Manager Award – Vineland School District – Vineland New Middle School No. 2 – ST-0017-M02
- g. Final Readoption Without Change: Title 19, Section 34 Preconstruction Rules
- h. Final Readoption Without Change Title 19, Chapter 34A: Section 13(a) Delegation Agreement Rules
- i. VENDOR NAME: Promedia Technology Services, Inc.
CONTRACT NO.: PA-0025-E01
DISTRICT: Paterson Public School District
SCHOOL NAME(S): New International High School Academy; Marshall Street Elementary School; Number 13 Elementary School
CHANGE ORDER NO: 2
REASON: De-Obligation of Unused Contract Balances
AMOUNT: (\$872,531.00)
CONTRACT STATUS: 2.6% Paid to Date Against Current Contract Value

6. 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 (*no activity*)
 - vi. Settlement Activities Report (*no activity*)
 - 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
 - xii. Design Contract De-Obligations Report (*no activity*)

7. PUBLIC COMMENTS

8. EXECUTIVE SESSION

- a. Request for Authorization to Transfer Newark West Ward Property to the City of Newark in Exchange for Delivery of a School Facilities Project or, Alternatively, as Surplus Property, for Determination of Property Value, and for Rescission and Supersedence of February 3, 2016 Board Action

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

9. ADJOURNMENT

APPROVAL OF MEETING MINUTES

APRIL 6, 2016 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 6, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, April 6, 2016 at 10:30A.M. at the A. Chester Redshaw Elementary School at 216 Livingston Avenue, New Brunswick, New Jersey.

Participating were:

Robert Nixon, Acting Chairman

Maureen Hassett (NJEDA)

Kevin Luckie (NJDCA)

Bernie Piaia (NJDOE)

Michael Capelli

Kevin Egan

Michael Maloney

Joseph McNamara

Mario Vargas

being a quorum of the Board. Mr. Capelli and Mr. McNamara participated in the meeting by teleconference.

In the absence of the Chairman, Mr. Nixon served as Acting Chairman.

At Mr. Nixon's request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Christopher Howard of the Governor's Authorities Unit also participated in the meeting.

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

Ms. Kelly then advised the public that, in an Executive Session held prior to the meeting, the Board had discussed a matter pertaining to the potential divestiture of certain SDA owned property.

Approval of Meeting Minutes

Mr. Nixon presented for consideration and approval the minutes of the Board's March 2, 2016 Open and Executive Session meeting minutes. A copy of both meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the Open and Executive Session minutes of the March 2, 2016 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a/3b***.

Authority Matters

CEO Report

Mr. Nixon asked Mr. McKenna to provide the report of the Chief Executive Officer. Mr. McKenna began by thanking the New Brunswick School District (District) for hosting the SDA's April Board Meeting. He said that SDA has enjoyed a great relationship with the District and has built great schools here including the Redshaw ES where the meeting is taking place. He commended the District on the fine job that it does in maintaining its schools.

Mr. McKenna then offered an update on the Trenton Central HS (TCHS) project. He reported that foundation crushing and backfill operations are anticipated to end this month. He

said that management issued a Notice of Award (NOA) to Terminal Construction for design-build services last month and anticipates issuing the Notice to Proceed (NTP) for design within the next few weeks. Mr. McKenna advised the Members that management advertised for construction management (CM) services on March 18, with proposals due on April 15. He said that, following review and ranking of the technical proposals, price proposals will be opened on May 13 and management anticipates presenting a recommendation to award at the June Board meeting.

Turning to projects in the Bridgeton School District, Mr. McKenna advised the Members that the Buckshutem Road ES and Quarter Mile Lanes ES projects are moving along very well. In regard to the Buckshutem ES project, he said that the district has moved into the renovation portion of the renovation/addition. He added that renovation work is getting underway on the Quarter Mile Lane ES.

In regard to the Camden HS project, Mr. McKenna said that Design Ideas Group is working on pre-design phase services. He said that a meeting is scheduled soon between SDA and the Camden Mayor and district officials.

Turning to projects in the Elizabeth School District, Mr. McKenna said that all major trades continue to work well and interior finishes are ongoing for the Academic HS project. He said that the project team has begun the FFT&E process and the school is on target for September occupancy. He added that the school is going to have an interesting architectural design. Regarding the Elizabeth New ES project, Mr. McKenna reported that construction activities are progressing well. He said that management expects that the final design package will be re-submitted to the Department of Community Affairs this month.

In continuing, Mr. McKenna reported that negotiations for a constructability change order are nearing completion for the Garfield James Madison ES No. 10 project. He said that construction work continues to progress well on the Gloucester ES/MS project.

In regard to the Harrison New ES project, Mr. McKenna advised the Members that Ambient was issued a Notice to Proceed (NTP) for early site work. He said that a kick-off meeting was held with Ambient last month and the work is expected to start on April 15. He added that demolition activities are anticipated to begin within the next few weeks

Mr. McKenna reported that, for the Irvington Madison Avenue ES project, an award recommendation for early site work was approved at the March Board meeting and a NOA was issued last month. He said that, as he mentioned at the March Board meeting, one of the bidders commenced litigation challenging SDA's rejection of its bid protest. He said that the Essex County Law Division rejected the proposed Order to Show Cause and dismissed the matter with prejudice for lack of jurisdiction. He informed the Members that SDA denied a request by the protesting firm to stay issuance of the NTP and the protesting firm subsequently filed an appeal with the Appellate Division, along with an application for emergent relief. Mr. McKenna added that the Appellate Division rejected the application for emergent relief on the same day. He said that, while the appeal remains pending, there is presently no stay, or even a request for a stay, that precludes the SDA from moving forward at this time. He advised the Members that, upon the advice of outside counsel, an NTP was issued to D&K Construction Company on April 4, 2016. He noted that the Design Studio is advancing the design of the new school.

Turning to projects in the Keansburg School District, Mr. McKenna reported that interior finish work, HVAC, electrical and plumbing work is continuing on the Caruso ES project. He said that the project is on schedule for substantial completion in July and a September opening is

targeted. In regard to the Port Monmouth Road ES project, Mr. McKenna reported that design consultant LAN Associates is working on pre-design phase services.

In continuing, Mr. McKenna gave an update on projects in the Jersey City School District. He reported that the Jersey City PS 20 project is nearing completion and is on target for September occupancy. In regard to the Jersey City ES No. 3 project, he said that all major trades continue to progress well there and interior and exterior masonry work is going forward.

With respect to the Millville HS addition/renovation project, Mr. McKenna reported that bridging design consultant RSC has finalized the schematic design submission which has been submitted to the Department of Education (DOE) for approval. He said that management issued a NTP to RSC to proceed with bridging design services.

In regard to the New Brunswick Paul Robeson ES addition/renovation project, Mr. McKenna said that design-builder Hall Construction is actively working on the preliminary design phase. He added that management advertised for construction management (CM) services last month. He said that management expects the beginning of the addition work will start this summer.

Turning to projects in the Newark School District, Mr. McKenna reported that the district is now fully occupying the Elliott Street ES—a semester ahead of original expectations. In regard to the Oliver Street ES project, he said that management anticipates substantial completion early this month and move-in by the district later this month. He said that the Temporary Certificate of Occupancy (TCO) was received and it is up to the district as to when it will move in to the school. Mr. McKenna advised the Members that Ernest Bock & Sons, Inc. (EBS, Inc.), the design-builder, is actively working on the preliminary design for the Newark

South Street ES project. He added that SDA advertised for CM services for the project last month.

With respect to projects in the Orange School District, Mr. McKenna reported that pre-design services are ongoing for the Orange HS project. In regard to the Cleveland ES project, he said pre-design services are ongoing and there is one last piece of property to acquire.

Mr. McKenna said Dobco, Inc., the design-builder, has begun design work and is anticipating start of construction this summer for the Passaic Leonard Place ES project. He said that the Authority advertised for CM services last month.

In continuing, Mr. McKenna gave an update on projects in the Paterson School District. With respect to the Marshall Street ES project, he said that, with the exception of the fire inspection, all code disciplines have completed inspections supporting recommendations for TCO issuance. He reported that there is a feeder pipe into the building that needs to be changed by the Passaic Valley Water Commission (PVWC). He said that PVWC anticipates completion of the work in April. He added that PVSC will front end the work and once the water line is replaced, the required tests can be conducted so that the fire inspection can be completed. He added that management anticipates receipt of the TCO within a few weeks following the water line installation. In regard to the Paterson PS 16 project, Mr. McKenna said that interior finish work is ongoing, including drywall installation and painting. He noted that management anticipates a September school opening there. Mr. McKenna then discussed the various projects the Authority has pursued in Paterson in recent years.

Next, Mr. McKenna advised the Members that the final draft pre-design report has been received and an internal review is underway for the Pemberton Denbo Crichton ES project. He

said that, on the Phillipsburg HS project, all interior mechanical, electrical and HVAC work is underway and interior building finish work has commenced.

With respect to the Vineland New MS project, Mr. McKenna said that EBS, Inc. continues with the design services phase. He reported that management advertised for CM services in February. He said that proposals were received on March 15 and, following review and ranking of the technical proposals, price proposals will be opened on April 8. He added that management anticipates presenting a recommendation to award at the May Board meeting.

In continuing, Mr. McKenna said that management advertised for design-build services in February for the Perth Amboy Seaman Avenue ES project. He added that technical and price proposals are due on April 19. In regard to the West New York Harry L. Bain PS No. 6 project, Mr. McKenna said that a recommendation to award is on today's agenda for discussion.

In regard to the Trenton Hedgepeth Williams ES project, Mr. McKenna said that the water piping will be replaced throughout the building and the water infiltration on the roof already has been addressed. In continuing, he discussed the status of the lead contamination issue in Newark. He said that in the schools that have tested positive for lead, the children are drinking bottled water to ensure that they are safe. He said that testing is expected to continue and expert opinion will be sought as to how best to move forward.

Turning to the Authority's ongoing procurement activity, Mr. McKenna said that, in addition to the construction services awards for the West New York Harry L. Bain PS No. 6 and the Trenton Hedgepeth Williams MS projects, other activity currently underway includes procurements for design-build services for the Perth Amboy Seaman Avenue ES project; and CM services for the Vineland MS No. 2, TCHS, New Brunswick Paul Robeson ES, Newark South Street ES and Passaic Leonard Place ES projects.

Reporting on events, outreach and other activities, Mr. McKenna informed the Members that SDA met with members of the Harrison community to discuss upcoming early site work that will be happening there. He said that this is part of SDA's effort to ensure open communication with the communities affected by its school facilities projects.

In concluding, Mr. McKenna reported that Communications staff plans to schedule a community meeting and ground breaking ceremony in Garfield later this month.

Audit Committee Report

Mr. Nixon then provided the report of the Audit Committee. He advised the Board that the Audit Committee met on March 21, 2016. He said that management had provided the Committee with the February 2016 New Funding Allocation and Capital Plan Update, He said that there was a change in only one of the SDA District reserve balances—specifically, a \$1.1 million decrease in the Planning Reserve balance for the reporting period due to an increase in commitments associated with Board approval of the revised preliminary project charter for the Harrison New Elementary School project. He noted that the revised charter incorporated the award value and contingency for necessary early site preparation construction which was anticipated at the time of the preliminary project charter approval but unquantified at that time. He added that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$3.8 million due to a reduction in state share for grant projects nearing completion.

Approval of Memorandum of Understanding (MOU) Between the New Jersey Motor Vehicle Commission and the New Jersey Schools Development Authority

Mr. Nixon then informed the Members that the Audit Committee is recommending execution of a Memorandum of Understanding (MOU) between the SDA and the New Jersey Motor Vehicle Commission (MVC). Referencing materials that had been previously provided

for review, he noted that the MVC maintains a database of driver licenses, vehicle records of licensed individuals and vehicles and vessels registered in New Jersey. He said that the SDA periodically requires access to the MVC database to validate the license status of SDA employees who are authorized to utilize Authority vehicles. He advised that the previous agreement was executed in 2011 and was effective for 5 years. Mr. Nixon then recommended Board approval of the proposed MOU between the SDA and the MVC to ensure SDA's continued access to the data base for a period of one year at a cost of \$150.

A resolution pertaining to the proposed MOU between the SDA and the NJMVC for access to the latter's data base had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie and seconded by Mr. Vargas, the MOU between the SDA and the MVC was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 5a***.

Mr. Nixon then reported that the Internal Auditing Unit (IAU) staff had outlined for the Committee the process followed to determine the audits proposed for 2016. He added that IAU staff also presented the results of one statutorily required audit. He noted that response actions had been forwarded to the Special Projects Cost Recovery Unit (CRU) as deemed appropriate.

In continuing, Mr. Nixon then reported that Ernst & Young (EY or the Auditors) had presented a brief overview of the Authority's 2015 Financial Statements (Financial Statements). He said that the Auditors advised that the final audited Financial Statements will be presented following receipt of the Governmental Accounting Standards Board (GASB) Statement No. 68 pension allocation amounts from the Department of the Treasury's Division of Pension & Benefits. He noted that EY did report that the Financial Statements, to date, present fairly, in all material respects, the financial position and changes in the financial position of the Authority,

consistent with Generally Accepted Accounting Principles. He reported that EY outlined the areas of emphasis and thought processes utilized in the development of the audit. He said that the Financial Statements contained no corrected misstatements or material uncorrected misstatements. He reported that EY did not find any matters that would rise to the level of either a material weakness or significant deficiency. He advised that EY noted the outstanding cooperation and professionalism that SDA staff provided throughout the audit process.

In continuing, Mr. Nixon informed the Members that, in compliance with Executive Order 122, following the regular March Audit Committee meeting, the Committee met with EY without management present.

Next, Mr. Nixon said that the Committee was also provided with the February 2016 Monthly Financial Report. He said that management reported that year-to-date Authority operating expenses (actual vs. budget), are down \$375,000 as compared to the operating budget for the corresponding period. He said that the variance is largely attributable to lower salary and benefit costs. He said that year-to-date school facilities project expenditures (actual vs. forecast), are \$11 million lower as compared to the capital spending forecast for the corresponding period. He reported that operating expenses (actual vs. prior year actual) have increased by \$8.1 million as compared to the corresponding prior year. He explained that this variance is due to increased spending of \$6.5 million in construction related activity and \$2.3 million for school furniture, equipment and technology.

Mr. Nixon then advised the Members that, as required by the Operating Authority, management had notified the Committee, and the Committee is notifying the Board, of an amendment to the Authority's network hardware and software maintenance services agreement. He explained that the present agreement is due to expire in mid-April necessitating an

amendment to ensure that the services remain available during the interim period until the new procurement is completed within the next 3 to 4 months. He advised that the services will continue to be available at the same rates at which they are currently provided.

Mr. Nixon then welcomed Mr. Aubrey Johnson, Superintendent of New Brunswick Public Schools, to the meeting.

A brief discussion ensued regarding — GASB Statement No. 68. Mr. Nixon noted that the Audit Committee had engaged in a lengthy discussion on the matter. Mr. Guarriello provided additional details regarding the pension allocation amount that the Authority is awaiting from the Department of the Treasury. In response to an inquiry, he assured the Committee that the delayed filing of the Authority's Financial Statements is due to no fault of the Authority's and will not result in a penalty. He noted that other state entities are in the same situation.

School Review Committee

Award of Contract, Approval of Final Charter and Release of Funds from Program Reserve – Trenton Public Schools District – Hedgepeth Williams Schools – Emergent Project – Domestic Water Line Replacement; Construction Award and Approval of Final Project Charter – West New York School District – Harry L. Bain Elementary School – HU-0026-C01;

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie noted that there are 2 items on the agenda. Referencing material previously presented for Board review, he said that the first item is a contract award, final charter and release of funds from the program reserve in connection with the Hedgepeth Williams School emergent project (the Project). Mr. Luckie reported that the Hedgepeth Williams School, a 170,000 square foot school built in 1939, currently serves as two separate educational facilities: the Robeson ES, educating approximately 584 students in grades Pre-K through 5 and the Hedgepeth Williams MS, educating approximately 500 students in grades 6 through 8. He advised the Members that

SDA is addressing two distinct emergent conditions: one involving replacement of the facility's domestic water supply to remedy extensive leaking and the other involving roof repairs to eliminate water infiltration. He said the two distinct conditions are being addressed through two separate contracts, while remaining consolidated with one DOE project number. Mr. Luckie informed the Members that, on April 8, 2014, The Design Collaborative was issued a NTP for pre-design services to fully develop the appropriate project scope and identify alternative solutions to address the extent of the deterioration of the domestic water supply components. He said that the services were inclusive of an analysis and remediation costs associated with the domestic water supply replacement to insure the delivery of quality potable water throughout the school. He reported that the separate condition related to the need for roof repair work was determined during a SDA site visit in June 2014 when the SDA identified a potential emergent condition concerning water infiltration throughout various roof areas. In continuing, Mr. Luckie said that, on July 31, 2014, the DOE approved inclusion of the roof system repair work within the existing emergent project to address water infiltration, with construction activities related to the roof system repairs achieving substantial completion in February 2016. He added that SDA is advancing construction related activities to replace the domestic water line and thoroughly address the remaining emergent condition at the school. He advised the Members that funding for the project is available through the emergent project funding allocation approved by the Board in March 2011. He said that SDA staff will provide construction management for the entirety of the Project. He added that Project construction is anticipated to begin June 2016 and substantial completion is anticipated to be reached in September 2016. Mr. Maloney asked that, going forward, the names of a contractor's prime sub-contractors be included in the Board materials. Mr. McKenna indicated that staff will make this change.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Vargas and seconded by Mr. Piaia, the contract award, final charter and release of funds from the program reserve for the emergent project at the Trenton Hedgepeth Williams School were approved with the Board's unanimous vote in favor of ***Resolution 6a.***

In continuing, Mr. Luckie discussed management's recommendation for approval of a construction award and final project charter for the Harry L. Bain ES project (Bain Project) in the West New York School District. He said that the currently unoccupied Harry L. Bain ES is a 102,335 square foot, three story facility educating 736 students in grades Pre-K through 6. He informed the Members that, in March 2011, the SDA Board approved the Bain Project for advancement as part of the Authority's 2011 Capital Plan. He said that the Bain Project involves improvements to the school building's exterior and interior systems. Mr. Luckie reported that a package for construction services was advertised on December 29, 2015 as a competitive procurement process. He said that, upon completion of the procurement process, management recommends award of a contract in the amount of \$10,978,000 to Paul Otto Building Co., Inc. (Paul Otto) for the Bain Project. He advised the Members that Paul Otto has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He added that, prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

A resolution pertaining to the contract award to Paul Otto Building Co., Inc. in the amount of \$10,978,000 along with the final project charter for the West New York Harry L. Bain ES project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Ms. Hassett, the recommended contract award and revised

preliminary project charter were approved with the Board's unanimous vote in favor of *Resolution 6b*.

Public Comments

Mr. Nixon then opened the Public Comments portion of the meeting. He asked if any member of the public wished to address the Board. No member of the public stepped forward.

Adjournment

There being no further business to come before the Board, Mr. Nixon then asked for a motion to adjourn the meeting. Upon motion by the Acting Chairman 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 April 6, 2016 meeting.

/s/ Jane F. Kelly
Assistant Secretary

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

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

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the April 6, 2016 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were forwarded to the Governor on April 7, 2016.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's April 6, 2016 Open and Executive Session meetings are hereby approved.

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

Dated: May 4, 2016

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

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

AMENDMENT: MANDERS MERIGHI PROTADIN FARRELL ARCHITECTS, LLC



MEMORANDUM

TO: Members of the Authority

FROM: C. Aidita Milsted
Program Director, Program Operations

DATE: May 4, 2016

SUBJECT: Amendment No. 1 – Manders Merighi Portadin Farrell Architects, LLC

COMPANY NAME:	Manders Merighi Portadin Farrell Architects, LLC
DISTRICT:	Vineland Public School District
CONTRACT NO:	EP-0085-A01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	Vineland High School South
AMENDMENT NO:	1
REASON:	Increase the Allowance for Hazardous Materials Investigation and Abatement Oversight
AMOUNT:	\$125,000
CONTRACT STATUS:	79.37 % Paid to Date against the Current Contract Value
ANTICIPATED DELIVERY	
DATE EMERGENT PROJECT:	November 14, 2016

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of a contract amendment to Manders Merighi Portadin Farrell Architects, LLC (MMPF) in the amount of \$125,000 to increase the allowance established for hazardous materials investigation and abatement oversight for the emergent HVAC System Replacement Project at the Vineland High School South in the Vineland Public School District.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an amendment valued in excess of \$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. Funding for the amendment is available within the Project Charter Budget, in accordance with the most recent Project Charter, dated July 7, 2015.

Members of the Authority
Amendment – EP-0085-A01 - Manders Merighi Portadin Farrell Architects, LLC
Vineland High School South
May 4, 2016
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BACKGROUND

The Vineland High School South, built in 1963, with an addition completed in 1970, is a 231,000 square foot facility educating 1,300 students in grades 9 through 12.

Utilizing the Design Consultant Services Task Order Contract for Emergent Projects, Capital Improvement Projects and Other School Facilities Projects, a Limited Notice to Proceed (NTP) was issued on September 20, 2013 to Manders Merighi Portadin Farrell Architects, LLC (MMPF) for Pre-Design activities, authorizing MMPF to conduct detailed investigations, enabling complete definition of the scope and budget required to address the emergent condition.

The design contract for the Project included an allowance of \$71,500 established for Hazardous Materials Sampling and Inspection Services. The allowance funds were established for sampling and testing during the design phase of the project, and to provide Asbestos Containing Material (ACM) Abatement Oversight. The allowance value established at the time of engagement of MMPF was informed by the results of earlier investigative work that had been performed by others.

MMPF and their subconsultant Pennoni Associates, Inc. (Pennoni) performed Hazardous Materials Abatement Sampling of the building in identified areas in which construction activities were to be performed, and in areas where such materials had the potential to be disturbed. Upon completion of Pre-Design activities, MMPF was authorized to proceed with Design Services and is currently performing Construction Administration Services for the project.

Falasca Mechanical, Inc. was issued a Notice-To-Proceed on June 19, 2015 for construction services to address the emergent conditions, providing a new HVAC equipment and distribution system to replace existing boilers and low pressure steam distribution system.

During ongoing construction activities, ACM pipe insulation was uncovered in the pipe chases of several classrooms totaling thirty one (31) locations within the Vineland High School South. The ACM in the pipe chases had not been previously identified and was not included in the abatement work within the plans and specification for the Project.

As a result of the discovery of the previously unidentified ACM, the NJSDA directed MMPF and Pennoni to review the testing protocols used during the pre-design phase of the project and to reevaluate the potential for encountering further previously unidentified ACM. This review resulted in additional limited testing and the identification of a number of areas with ACM or with the potential of containing ACM. The Hazardous Materials Investigation and Abatement Oversight allowance sum that had been established in the contract with MMPF has been utilized in full.

Members of the Authority
 Amendment – EP-0085-A01 - Manders Merighi Portadin Farrell Architects, LLC
 Vineland High School South
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 Page 3

REASON FOR CHANGE

This amendment is to increase the Hazardous Materials Investigation and Abatement Oversight allowance in order to provide for additional investigation of building hazardous materials and abatement oversight. The increase to the allowance is necessary to address any potential additional ACM abatement, inclusive of providing technical specifications, drawings, abatement oversight, and related activities, as Falasca completes the work.

MMPF anticipates up to four (4) weeks of potential additional ACM abatement and related activities. NJSDA staff, MMPF, and Falasca have initiated review of the project schedule for the resequencing of activities to run concurrently to allow for startup of boilers prior to heating season, and in order to maintain the forecasted completion date of November 14, 2016.

Utilization of the allowance shall be on a time and material not-to-exceed basis for the actual additional investigation of building hazardous materials and abatement oversight. The values were established based on the testing protocol and proposals submitted by MMPF and review by NJSDA staff. The NJSDA will review investigation documentation, including laboratory reports, in validating allowance utilization.

SUMMARY OF CHANGE

This amendment is required to increase the allowance for hazardous materials investigation and abatement oversight.

1) Original Allowance	\$	71,500.00
2) Amendment to increase the allowance for Hazardous Materials Investigation and Abatement Oversight.	\$	<u>125,000.00</u>
Revised Allowance Value	\$	196,500.00

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 NJSDA staff members, including CMD, have determined that the amendment is justified and that the amount is reasonable and appropriate. With the advice of the Division of Chief Counsel, the amendment is recommended for Board consideration.

Members of the Authority
 Amendment – EP-0085-A01 - Manders Merighi Portadin Farrell Architects, LLC
 Vineland High School South
 May 4, 2016
 Page 4

CALCULATIONS

a.	Original Contract Amount (base contract including allowances)	\$	784,355
b.	Amendments to Date (excluding proposed Amendment)	\$	-
c.	Proposed Amendment Amount	\$	125,000
d.	Total Amendments to Date including this Amendment (Total of Line (b.) and Line (c.))	\$	125,000
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		16%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	909,355

RECOMMENDATION

The Members of the Authority are requested to approve the amendment in the amount of \$125,000. In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012 any 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 for Approval:

/s/ Aidita Milsted

C. Aidita Misted, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning

Reviewed and Recommended by: Raymond A. Arcario, Vice President, Construction Operations

Reviewed and Recommended by: Vincent Lechmanick, Deputy Director, Program Operations

Reviewed and Recommended by: John Forgione, Program Officer, Program Operations

Prepared and Recommended by: Katherine Gallo, Sr. Program Officer, Program Operations

Resolution—5a.

Amendment – Manders Merighi Protadin Farrell Architects, LLC
 Vinland HS South, Vinland School District
 EP-0085-A01

COMPANY NAME:	Manders Merighi Portadin Farrell Architects, LLC
DISTRICT:	Vinland Public School District
CONTRACT NO:	EP-0085-A01
CM:	XXXXX
SCHOOL NAME:	Vinland High School South
AMENDMENT NO:	1
REASON:	Increase the Allowance Hazardous Materials Investigation and Abatement Oversight
AMOUNT:	\$125,000
CONTRACT STATUS:	79.37% Paid to Date

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority authorize and approve contract amendments in an amount exceeding \$100,000 or 10% of the contract value; and

WHEREAS, the Vinland High School South (VHS), built in 1963, with an addition completed in 1970, is a 231,000 square foot facility educating 1,300 students in grades 9 through 12; and

WHEREAS, utilizing the design consultant services task order contract, a Limited Notice to Proceed was issued on September 20, 2013 to Manders Merighi Portadin Farrell Architects, LLC (MMPF) for pre-design activities, authorizing MMPF to conduct detailed investigations, enabling complete definition of the scope and budget required to address an HVAC emergent condition at VHS; and

WHEREAS, this amendment is needed to increase the hazardous materials investigation and abatement oversight allowance in order to provide for additional investigation of building hazardous materials and abatement oversight for the emergent project as set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, the background of the emergent project, the reason for the proposed change and a summary of the proposed change are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, this amendment exceeds \$100,000 and 10% of the contract value necessitating Board approval; and

WHEREAS, funding for this amendment is available within the most recent project charter for the project dated July 7, 2015; and

WHEREAS, all documents supporting this amendment have been reviewed by the associated program team members, as well as the Program Director and Deputy Director, and SDA Contract Management Division and all reviewing SDA staff members have determined that the amendment is justified and the amount is reasonable and appropriate; and

WHEREAS, with the advice of the Division of Chief Counsel, this amendment is recommended for Board consideration and approval.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Amendment No. 1 in the amount of \$125,000 to Manders Merighi Portadin Farrell Architects, LLC. (Contract No. EP-0085-A01) for the Vineland High School South emergent project in the Vineland Public School District 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, Contract Amendment No. 1, Manders Merighi Portadin Farrell Architects, LLC (Contract No. EP-0085-A01), Vineland Public School District, increase the allowance for additional investigation of building hazardous materials and Abatement oversight, dated May 4, 2016

Dated: May 4, 2016

CHANGE ORDER - FALASCA MECHANICAL, INC.



MEMORANDUM

5

TO: Members of the Authority

FROM: C. Aidita Milsted
Program Director, Program Operations

DATE: May 4, 2016

SUBJECT: Change Order No. 1 – Falasca Mechanical, Inc.

COMPANY NAME:	Falasca Mechanical, Inc.
DISTRICT:	Vineland Public School District
CONTRACT NO:	EP-0085-C01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	Vineland High School South
CHANGE ORDER No.:	1
REASON:	Increase the Allowance for Asbestos Containing Material Abatement and Related Activities
AMOUNT:	\$350,000
CONTRACT STATUS:	35.32 % Paid to Date against the Current Contract Value
ANTICIPATED DELIVERY	
DATE EMERGENT PROJECT:	November 14, 2016

INTRODUCTION

I am writing to recommend approval by the Members of the Authority for Change Order (CO) No. 1 in the amount of \$350,000 to increase the allowance established to address unforeseen conditions inclusive of Asbestos Containing Material (ACM) Abatement and related activities, for the emergent HVAC System Replacement Project at the Vineland High School South in the Vineland Public School District.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, approval by the Members of the Authority is required for a change order for an NJSDA-managed Emergent Project, which singularly exceeds \$250,000 or 10% of the contract value. This change order singularly exceeds \$250,000.

BACKGROUND

The Vineland High School South, built in 1963, with an addition completed in 1970, is a 231,000 square foot facility educating 1,300 students in grades 9 through 12.

Members of the Authority
Change Order No. 1, EP-0085-C01– Falasca
Vineland – Vineland High School South
May 6, 2015
Page 2 of 4

Utilizing the Design Consultant Services Task Order Contract for Emergent Projects, Capital Improvement Projects and Other School Facilities Projects, a Limited Notice to Proceed (NTP) was issued on September 20, 2013 to Manders Merighi Portadin Farrell Architects, LLC (MMPF) for Pre-Design activities, authorizing MMPF to conduct detailed investigations, enabling complete definition of the scope and budget required to address the emergent condition.

MMPF and their subconsultant Pennoni Associates, Inc. (Pennoni) performed Hazardous Materials Abatement Sampling of the building in identified areas in which construction activities were to be performed, and in areas where such materials had the potential to be disturbed. Upon completion of Pre-Design activities, MMPF was authorized to proceed with Design Services and is currently performing Construction Administration services for the project.

Falasca Mechanical, Inc. was issued a Notice-To-Proceed on June 19, 2015 for construction services to address the emergent condition, providing a new HVAC equipment and distribution system to replace existing boilers and low pressure steam distribution system. The contract for the Project included an Allowance for Asbestos Containing Material Abatement and Related Activities of \$50,000 established for unforeseen conditions to address potential ACM Abatement and related activities.

During ongoing construction activities, ACM pipe insulation was uncovered in the pipe chases of several classrooms totaling thirty one (31) locations within the Vineland High School South. The ACM in the pipe chases had not been previously identified and was not included in the abatement work within the plans and specification for the Project.

As a result of the discovery of the previously unidentified ACM, the NJSDA directed MMPF and Pennoni to review the testing protocols used during the pre-design phase of the project and to reevaluate the potential for encountering further previously unidentified ACM. This review resulted in additional limited testing and the identification of a number of areas with ACM or with the potential of containing ACM. The \$50,000 Allowance for Asbestos Containing Material Abatement and Related Activities, established in the contract with Falasca, has been utilized in full.

REASON FOR CHANGE

This Change Order will increase the Allowance for Asbestos Containing Material Abatement and Related Activities, established to address unforeseen conditions inclusive of ACM Abatement and related activities, in the amount of \$350,000. The value for the allowance increase was established based on the potential for the most extensive ACM abatement pending final testing

Members of the Authority
 Change Order No. 1, EP-0085-C01– Falasca
 Vineland – Vineland High School South
 May 6, 2015
 Page 3 of 4

results, proposals received from Falasca, and review of historical data from similar abatement work. The increase to the allowance is necessary to address any potential additional ACM abatement and related activities that may be necessary as Falasca completes the work.

MMPF anticipates up to four (4) weeks of potential additional ACM abatement and related activities. NJSDA staff, MMPF, and Falasca have initiated review of the project schedule for the resequencing of activities to run concurrently to allow for startup of boilers prior to heating season, and in order to maintain the forecasted completion date of November 14, 2016.

The NJSDA shall establish unit pricing for utilization of the allowance which will be applied to actual ACM abatement and related activities.

As a matter of routine process, this Change Order will be forwarded to the NJSDA Special Projects Division for determination of potential cost recovery.

SUMMARY OF CHANGE

This change order is required to increase the allowance for hazardous materials abatement.

1) Original Allowance	\$	50,000.00
2) Change Order to increase the allowance for Asbestos Containing Material abatement and Related Activities.	\$	<u>350,000.00</u>
Revised Allowance Value	\$	400,000.00

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.

Members of the Authority
 Change Order No. 1, EP-0085-C01– Falasca
 Vineland – Vineland High School South
 May 6, 2015
 Page 4 of 4

CALCULATIONS

a.	Original Contract Amount (base contract including allowances)	\$	8,600,000
b.	Change Orders/Amendments to Date	\$	-
c.	Proposed Change Order/Amendment Amount	\$	350,000
d.	Total Change Orders/Amendments to Date including this Change Order/Amendment (Total of Line (b.) and Line (c.))	\$	350,000
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		4%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	8,950,000

RECOMMENDATION

The Members of the Authority are requested to approve Change Order (CO) No. 1 in the amount of \$350,000. In accordance with NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, approval by the Members of the Authority is required for a change order for an NJSDA-managed Emergent Project, which singularly exceeds \$250,000 or 10% of the contract value. This change order singularly exceeds \$250,000.

Recommended for Approval:

/s/ Aidita Milsted

C. Aidita Misted, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning

Reviewed and Recommended by: Raymond A. Arcario, Vice President, Construction Operations

Reviewed and Recommended by: Vincent Lechmanick, Deputy Director, Program Operations

Reviewed and Recommended by: John Forgione, Program Officer, Program Operations

Prepared and Recommended by: Katherine Gallo, Sr. Program Officer, Program Operations

Resolution—5b.

Approval of Change Order No. 1, Falasca Mechanical, Inc.

COMPANY NAME:	Falasca Mechanical, Inc.
DISTRICT:	Vineland Public School District
CONTRACT NO:	EP-0085-C01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	Vineland High School South
CHANGE ORDER NO.:	1
REASON:	Increased Allowance for Asbestos Containing Material Abatement and Related Activities
AMOUNT:	\$350,000
TIME EXTENSION:	N/A
CONTRACT STATUS:	35.32% Paid to Date against the Current Contract Value
ANTICIPATED DELIVERY DATE EMERGENT PROJECT:	November 14, 2016

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve a change order for an SDA-managed emergent project which singularly exceeds \$250,000 or 10% of the contract value; and

WHEREAS, Vineland High School South (VHS or the Project), completed in 1970 is a 231,000 square foot facility educating 1,300 students in grades 9 through 12; and

WHEREAS, through utilization of the SDA design consultant services task order contract (GC Task Order), a Limited Notice to Proceed (LNTP) was issued on September 20, 2013 to Manders Merighi Portadin Farrell Architects, LLC (MMPF) for pre-design activities, authorizing MMPF to conduct detailed investigations, enabling complete definition of the scope and budget required to address an emergent condition at VHS; and

WHEREAS, upon completion of pre-design activities, MMPF was authorized to proceed with design services and is currently performing construction administration services for the project; and

WHEREAS, Falasca Mechanical, Inc. was issued a NTP on June 19, 2015 for construction services to address the emergent condition, providing a new HVAC equipment and distribution system to replace existing boilers and low pressure steam distribution system; and

WHEREAS, the contract for the Project included an allowance for asbestos containing material abatement and related activities of \$50,000; and

WHEREAS, the Project background, a description of the reason for the change and a summary of the change are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, this change order will increase the allowance established to address unforeseen conditions inclusive of asbestos containing material abatement and related activities, in the amount of \$350,000; and

WHEREAS, this change order exceeds \$250,000 necessitating Board approval; and

WHEREAS, this change order will be forwarded to the SDA Special Projects Division for determination of potential cost recovery; and

WHEREAS, all documents supporting this change order have been reviewed by the associated SDA project team members as well as the Program Director, Deputy Program Director of Program Operations and the Contract Management Division for adherence to current SDA policy and procedures and all reviewing staff members have determined that the change order 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 Change Order No. 1 in the amount of \$350,000 for Vineland High School South Emergent Project in the Vineland Public School District 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, Approval of Change Order No. 1, Vineland Public School District, increased allowance asbestos containing material abatement and related activities, Vineland High School South Emergent Project, dated May 4, 2016

Dated: May 4, 2016

CHANGE ORDER - EPIC MANAGEMENT



MEMORANDUM

TO: Members of the Authority

FROM: Thomas B. Schrum
Program Director, Program Operations

DATE: May 4, 2016

SUBJECT: Resolving Change Order No. 51 – Epic Management

COMPANY NAME:	Epic Management
DISTRICT:	Phillipsburg
CONTRACT NO:	NT-0003-C02 RB1
CM:	Heery International
SCHOOL NAME:	Phillipsburg High School
RESOLVING CO NO.:	51
REASON:	Update IT Systems
AMOUNT:	\$1,168,595.00 (Change Order No. 51: \$1,168,595.00 + CCD No. 1: \$0.00)
CONTRACT STATUS:	64% Paid to Date against Current Contract Value

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of a Construction Change Order (CO) to resolve Construction Change Directive (CCD) No. 1, which was issued for \$0.00 on February 4, 2016. The resolving change order is \$1,168,595 resulting in a total value for this change of \$1,168,595. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a construction 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. This change order exceeds \$500,000.

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 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.

Members of the Authority
Change Order No.51 – Epic Management
Phillipsburg – Phillipsburg High School
May 4, 2016
Page 2 of 4

The facts and circumstances related to the issuance of the CCD, detailed herein, as well as the anticipated value of the resolving change order at the time the CCD was issued, were discussed with the Members of the Authority at the Board Meeting held on February 3, 2016.

BACKGROUND

Epic Management (Epic) was issued the Notice to Proceed (NTP) on June 6, 2013 to provide construction services for the Phillipsburg High School (Phillipsburg HS) in the Phillipsburg School District. When complete, the Phillipsburg HS will be a 330,021 square foot facility designed to educate 1,846 students in grades 9 through 12 in the Phillipsburg School District.

The IT design for the school was originally prepared in 2004, and was then updated in 2009. At the time of bidding for Construction Services in 2013, NJSDA was developing new IT standards. It was determined by the team at that time that further updating of the IT design would await the completion of the new IT standards and ensuing review with the District regarding its current IT needs.

Since that time, the standards for IT have been re-established and a new standard for all schools has been developed. These new IT standards were issued to the team for utilization on this project in early 2015. In April, 2015, the Design consultant was issued an amendment to revise and update the school's IT design. The Design consultant has since completed the revised IT design drawings, which incorporate NJSDA's and the District's latest IT Plans.

REASON FOR CHANGE

As was discussed with the Members of the Authority at the Board Meeting held on February 3, 2016, this construction change order is for labor, equipment and materials to update the IT infrastructure systems for the school to meet the latest NJSDA standards and District needs.

Issuance of CCD No. 1 on February 4, 2016 for the updated IT infrastructure was necessary because the IT work is on the critical path for completion of the school and required immediate direction to avoid construction delays impacting schedule milestones and, ultimately, school opening. This change is necessary for the project. This Resolving Change Order provides for the procurement and installation of IT infrastructure as identified in the updated drawings and reflects the agreement with Epic as to the dollar value for the IT infrastructure work.

SUMMARY OF CHANGE

Consistent with the Operating Authority, a \$0.00 CCD was issued with the required co-approvals of the Vice President of Construction Operations, the Executive Vice President of Program Operations and Strategic Planning and the Chief Executive Officer, after the required review and

Members of the Authority
 Change Order No.51 – Epic Management
 Phillipsburg – Phillipsburg High School
 May 4, 2016
 Page 3 of 4

release by CMD and the required notification to the Division of Chief Counsel.

This Resolving Change Order, resulting in a final negotiated value of \$1,168,595, is being recommended for approval to resolve the CCD issued to the contractor by the NJSDA for labor, equipment and materials to update the IT infrastructure systems for the school to meet the latest NJSDA standards and District needs. Originally, Epic submitted a proposal with a cost of \$1,566,716 for the proposed scope of work. Through successful negotiations, the final value, agreed to by all parties, is \$1,168,595.

Completion of the updated IT design was scheduled to sufficiently coincide with the delivery of the project in order to incorporate the latest equipment and standards for the school's IT systems. In addition, NJSDA was developing the IT standards when the bidding and subsequent Constructability Review for the Phillipsburg HS project were underway.

All documents supporting this construction change order have been reviewed by the associated NJSDA project team members, as well as the Program Director, Deputy Program Director and NJSDA Contract Management Division (CMD), for adherence to current NJSDA policy and procedures. All reviewing NJSDA staff members, including CMD, have determined that the resolving construction change order is justified and necessary, that the upgrades conform with NJSDA and NJDOE requirements and that the amount is reasonable and appropriate.

CALCULATIONS

a. Original Contract Amount	\$ 80,490,000.00
b. Change Orders to Date (excluding proposed change order)	\$ 1,396,630.00
c. Proposed Change Order Amount	\$ 1,168,595.00
d. Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$ 2,565,225.00
e. Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	3.2%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$ 83,055,225.00

Members of the Authority
Change Order No.51 – Epic Management
Phillipsburg – Phillipsburg High School
May 4, 2016
Page 4 of 4

RECOMMENDATION

The Members of the Authority are requested to approve Construction Change Order No. 51 in the amount of \$1,168,595 to resolve CCD No. 1. In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, any change order which singularly exceeds \$500,000 or singularly or when aggregated is greater than 10% of the contract value requires approval by the Members of the Authority. This change order exceeds \$500,000.

/s/ Thomas Schrum

Thomas B. Schrum, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning

Reviewed and Recommended by: Raymond Arcario, Vice President, Construction Operations

Reviewed and Recommended by: Joseph Lucarelli, Deputy Program Director, Program Operations

Reviewed and Recommended by: Aruna Reddy, Program Officer, Program Operations

Prepared and Recommended by: Jeannette Thannikary, Program Officer, Program Operations

Resolution—5c.

COMPANY NAME:	Epic Management
DISTRICT:	Phillipsburg
CONTRACT NO:	NT-0003-C02 RB1
PMF/CM:	Heery International
SCHOOL NAME:	Phillipsburg High School
CHANGE ORDER NOS:	51
REASON:	Update IT Systems
AMOUNT:	\$1,168,595.00 (Change Order No. 51:\$1,168,595.00 + CCD No.1: \$0.00)
CONTRACT STATUS:	64% Paid to Date against the Current Contract Value

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) 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; and

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 1) is so urgent that it requires a directive for immediate action by the General Contractor (GC) or 2) 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 resolving change order; and

WHEREAS, when complete, the Phillipsburg HS (the Project) will be a 330,021 square foot facility in the Phillipsburg School District (District) designed to educate 1,846 students in grades 9 through 12; and

WHEREAS, in June 2013, Epic Management (Epic) was issued the Notice to Proceed to provide construction services for the Project; and

WHEREAS, CCD No. 1 was issued in February 2016 for the updated IT infrastructure as the IT work is on the critical path for completion of the school consistent with the Project completion schedule; and

WHEREAS, this RCO No. 51 is for labor, equipment and materials to update the IT infrastructure systems in order for the school to meet the latest SDA standards and District needs; and

WHEREAS, this RCO No. 51 provides for the procurement and installation of IT infrastructure as identified in updated drawings and reflects the agreement with Epic as to the dollar value for the IT infrastructure work; and

WHEREAS, this RCO No. 51 exceeds \$500,000, thus requiring Board approval; and

WHEREAS, the Project background, reason for change, summary of change and relevant financial calculations are comprehensively set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, all documents supporting this RCO have been reviewed by the associated SDA project team members as well as the Program Director, Deputy Program Directors, and the Contract Management Division for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that this RCO justified, that the upgrades conform with SDA and State Department of Education requirements and that the amount is reasonable and appropriate.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the memorandum presented to the Board on this date, the Members of the Authority hereby authorize and approve Resolving Change Order No.51 in the amount of \$1,168,595.00 for Epic Management to resolve Construction Change Directive No. 1 in connection with the Phillipsburg High School Project in the Phillipsburg 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, Resolving Change Orders # 51, Epic Management, Contract No.
NT-0003-C02 RB1, Phillipsburg High School Project, Phillipsburg School District,
dated May 4, 2016

Dated: May 4, 2016

**APPROVAL OF CONSTRUCTION CONTRACT AWARD - PATERSON SCHOOL DISTRICT -
INTERNATIONAL HIGH SCHOOL - DESIGN AND CORRECTIVE WORK - PA-0008-C04**



MEMORANDUM

5

TO: Members of the Authority

FROM: Sean Murphy
Procurement Director

RE: District: Paterson Public Schools
School: Paterson International High School
Description: Design and Corrective Work
Package No.: PA-0008-C04
CCE: \$1,061,000.00
Award: \$1,256,875.62
CM: NJSDA Self-Managed

DATE: May 4, 2016

SUBJECT: Award of Construction Contract
Paterson Public Schools - Paterson International High School
Design and Corrective Work

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of the award of a construction contract to Molba Construction (Molba) for a Not-To-Exceed (N.T.E.) value in the amount of \$1,256,875.62 to perform required corrective work to address conditions related to building envelope, concrete, exterior lighting and other repairs at the Paterson International High School in the Paterson Public School District.

Pursuant to the NJSDA Operating Authority adopted by the Members of the Authority on December 1, 2010, as amended on March 7, 2012, Board approval is required for the award of construction contracts greater than \$500,000.00. The construction award amount exceeds \$500,000.00.

Funding for the contract is available within the Project Charter Budget, in accordance with the most recent Revised Final Project Charter, dated June 22, 2009.

In accordance with the provisions outlined in the Operating Authority, the reasons for the needed scope of work have been forwarded to the NJSDA Special Projects Group for determination of potential recovery.

Members of the Authority
Award of Contract
Paterson Public Schools - Paterson International High School
May 4, 2016
Page 2 of 4

BACKGROUND

International High School in Paterson, a technology magnet high school, currently educates 596 students in grades nine through twelve. The 113,500 square foot facility was designed by L+C Design Consultants PA (L+C) and constructed by Terminal Construction. This school facility delivered to the District in 2008, was initially occupied pursuant to a Temporary Certificate of Occupancy, and was issued the Certificate of Occupancy in June 2015 upon modification of the Smoke Evacuation System. The corrective work now required is necessary to maintain the building longevity and systems' life-cycles as originally intended.

PROCUREMENT PROCESS

This package will be awarded pursuant to the NJSDA's existing General Construction Services Task Order (GCTO) Contract.

At the September 4, 2013 Board Meeting, the Members of the Authority approved the use of the GCTO Contract. The GCTO Contract has been structured so that the Authority has a pool of contractors to perform certain work. Overall, no individual task order can exceed \$3 million and no individual firm can receive more than \$5 million of work per region during the duration of the pool. Bidders were required to select a region (North, South, or both) for task order assignments and accept the defined cost multiplier of 1.10, as decided by the Authority, for use in establishing compensation for those task order assignments to be performed, at least for the initial phases, on a time and materials basis. GCTO work may also be assigned on a lump sum basis after competitive bidding among Task Order Contractors.

This package will be awarded on a time and materials basis pursuant to the GCTO Contract. NJSDA determined to advance the project by way of a rotational assignment. Procurement staff contacted Molba on December 7, 2015, and confirmed its interest in the project.

SCOPE OF WORK

Beginning December 11, 2015 through February 2, 2016 site visits were held with Molba to review the building envelope and other conditions, and discuss appropriate options to perform the corrective work. NJSDA staff instructed Molba to engage a design consultant necessary for developing a proposal, cost estimate and schedule that recognizes an approach to first defining and then implementing appropriate action(s) to address the non-compliant conditions, as follows:

- Review the existing facility conditions and plans to evaluate potential appropriate solutions for corrective work;

Members of the Authority

Award of Contract

Paterson Public Schools - Paterson International High School

May 4, 2016

Page 3 of 4

- Develop up to three (3) alternate solutions for SDA review and consideration to remedy the conditions and corresponding cost and schedule estimates;
- Deliver to NJSDA a Final Report, providing recommended corrective action and a construction cost proposal inclusive of the following services and deliverables:
 - Installation of 2,400 linear feet of missing relieving angle flashing and replacement of up to 2,400 linear feet of cavity wall vapor barrier membrane;
 - Repair or replace hardscape site concrete and repair of concrete stairs;
 - Replace fire rated gymnasium corridor doors and other interior repairs; and
 - Repair or replace exterior lighting.
- Provide plans, inclusive of modifications to the existing structure. Prepare documents to secure construction permits and prepare record set drawings/plans at the completion of the project.

On April 14, 2016, Molba provided the NJSDA with a cost estimate to complete the entirety of the scope of work, inclusive of the assessment, report submission, and required corrective work to address conditions related to building envelope, concrete, exterior lighting and other repairs. The above-mentioned assessment inclusive of destructive testing will enable NJSDA staff to evaluate and select the most appropriate scope of work to address this project timely and efficiently.

The recommended award in the N.T.E. amount of \$1,256,875.62 represents Molba's cost proposal for the most extensive solution: for the required corrective work to address conditions related to building envelope, concrete, exterior lighting and other repairs, inclusive of replacement of 2,400 linear feet of cavity wall vapor barrier membrane to ensure a water tight building envelope. After completion of the conditions assessment report and proposed design solutions, the NJSDA shall review and select the appropriate corrective actions and validate the projected cost and time schedule. This review shall result in a determination to either advance the project on a time and material basis, or to establish a fixed cost for the scope of work defined in the construction documents.

Contract Management Division (CMD) and Program Operations reviewed Molba's cost proposal for the most extensive solution and determined it was reasonable for the elements included in the Scope of Work. The Program Operations Deputy Director, Program Operations Director, and CMD recommend that Procurement proceed with the issuance of a GC Task Order to Molba for the evaluation, design and corrective work.

Members of the Authority
Award of Contract
Paterson Public Schools - Paterson International High School
May 4, 2016
Page 4 of 4

RECOMMENDATION

The Members of the Authority are requested to approve the award of the construction contract to Molba Construction for a N.T.E. value in the amount of \$1,256,875.62.

After selection of the appropriate solution to address the corrective work, the NJSDA Program Operations Division will inform the Board of that selection, as well as provide the Board with updated project cost information within the approved N.T.E. value.

/s/ Sean Murphy
Sean Murphy, Procurement Director

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning
Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer
Reviewed and Recommended by: Raymond A. Arcario, Vice President, Construction Operations
Reviewed and Recommended by: Gregory Voronov, Managing Director, Program Operations
Reviewed and Recommended by: C. Aidita Milsted, Program Director, Program Operations
Reviewed and Recommended by: Michael Anselmo, Deputy Director, Program Operations
Reviewed and Recommended by: Ronald Dworkis, Program Officer, Program Operations
Prepared and Recommended by: Katherine Gallo, Sr. Program Officer, Program Operations

Resolution—5d.

Award of Construction Contract
Paterson International High School

District:	Paterson Public School District
School:	International High School
Description:	Design and Corrective Work
Package No.:	PA-0008-C04
CCE:	\$1,061,000
Award:	\$1,256,875.62
CM:	SDA Self-Managed

Resolution

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

WHEREAS, the International High School (IHS), a technology magnet high school in the Paterson Public School District, is a 113,500 square foot facility currently educating 596 students in grades 9 through 12; and

WHEREAS, IHS, which was delivered to the District in 2008 and initially occupied pursuant to a Temporary Certificate of Occupancy, was issued a Certificate of Occupancy in June 2015; and

WHEREAS, certain design and corrective work (the Project) is necessary to maintain the building longevity and systems' life-cycles as originally intended and as more fully described in the memorandum presented to the Board on this date, and

WHEREAS, the construction contract award recommended for this project results from utilization of the SDA General Contractor Task Order Contract list (GC list), the particulars of which are set forth in the memorandum presented to the Board on this date; and

WHEREAS, Molba Construction (Molba), the next firm on the SDA GC list, has confirmed its interest in the Project and provided SDA with a cost proposal in the amount of \$1,256,875.62 to complete the entirety of the scope of work representing the most extensive solution for the Project; and

WHEREAS, the Members of the Authority are requested to approve the award of the construction contract to Molba Construction for a Not-to-Exceed value in the amount of \$1,256,875.62; and

WHEREAS, the SDA Contract Management Division (CMD) and Program Operations staff have reviewed Molba's cost proposal for the most extensive solution and determined it was reasonable for the elements included in the Scope of Work; and

WHEREAS, the Program Operations Deputy Director, Program Operations Director and CMD recommend that Procurement proceed with the issuance of a GC Task Order Construction Contract to Molba for the evaluation, design and corrective work and recommend approval of same by the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of a construction contract to Molba Construction in the not-to-exceed amount of \$1,256,875.62 for design and corrective work at the International High School in the Paterson Public 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, Construction Award (Package No. PA-0008-C04), International High School, Paterson School District, dated May 4, 2016

Dated: May 4, 2016

**APPROVAL OF CONSTRUCTION CONTRACT AWARD - PATERSON SCHOOL DISTRICT - TEMPORARY
SPACE FOR NEW MIDDLE SCHOOL AT UNION AVENUE - PREPARATION FOR DISTRICT OCCUPANCY -
PA-0011-C01**



MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
Procurement Director

Thomas Schrum
Program Director, Program Operations

RE: District: Paterson
School: Temporary Space for New Middle School at Union Ave.
Description: Preparation of Temporary Space for District Occupancy
Package No.: PA-0011-C01
Award: \$570,000 (Not-To-Exceed)
CM: NJSDA Self-Managed

DATE: May 4, 2016

SUBJECT: Approval of Construction Contract Award

INTRODUCTION

We are writing to recommend approval by the Members of the Authority of the award of a General Construction Services Task Order Contract (GC Task Order Contract) to prepare Temporary Space acquired by the NJSDA (the former Paterson Catholic High School facility) for utilization as a school for the Paterson School District during NJSDA advancement and delivery of the New Middle School at Union Avenue (Union Ave. Middle School).

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended on March 7, 2012, Board approval is required for the award of construction contracts greater than \$500,000. The value of the recommended construction contract is the not-to-exceed (NTE) amount of \$570,000, an amount that exceeds \$500,000.

Funding for the acquisition of the property and preparation of the Temporary Space was established and is available within the Board Approved Preliminary Charter budget for the Paterson Union Ave. Middle School project. The budget and required funding includes design and construction services costs to prepare the Temporary facility for District use, and includes related NJSDA staff costs. NJSDA staff shall provide Construction Management for the entirety of the Temporary Space preparation portion of the project.

Members of the Authority
Approval of Construction Contract Award
Paterson School District
Temporary Space for New Middle School at Union Ave.
May 4, 2016
Page 2 of 3

BACKGROUND

When completed, the Union Ave. Middle School will be a 161,000 SF school facility designed to educate 996 students in grades 6 through 8. On April 1, 2015, the Members approved this project for advancement and approved the project's Preliminary Charter which details the project advancement recommendations. This project will utilize a standard SDA Kit of Parts programmatic model and design, and is projected for design-build delivery. The project will also include demolition of all existing structures on the NJSDA-owned Union Avenue site. One of the structures on the site, referred to as the Don Bosco Academy, currently serves as a school facility for Paterson students.

Therefore, construction of a new middle school on the Union Avenue site requires that the District vacate the site prior to advancement of the project. The NJSDA acquired the former Paterson Catholic High School facility in order to provide Temporary Space for the students currently being educated in the Don Bosco Academy during advancement and delivery of the new Union Ave. Middle School. After its service as Temporary Space, the facility will serve as a permanent facility to address further overcrowding in the District. The NJSDA now needs to engage a contractor to perform work to prepare the building for utilization as Temporary Space by the District.

The scope of work, detailed below, is estimated to take two (2) months to complete. The work must be undertaken during the summer months prior to District use beginning in September, 2016.

PROCUREMENT PROCESS

The construction contract award recommended for this project results from utilization of the NJSDA GC Task Order Contract.

This package will be awarded on a time and material basis utilizing an NTE value for the work, pursuant to the NJSDA's existing GC Task Order Contract. While the scope of work has been defined, the extent of the work will require additional assessment and survey by the engaged contractor in order to fully quantify the amount of work to be performed for each item. With NJSDA oversight of the contractor's assessment, this approach will achieve the most effective solution within efficient cost and schedule demands.

On March 17, 2016, NJSDA Procurement staff contacted Intercontinental Construction Contractor, Inc. (ICCI), the next firm on the contractor rotational list, and confirmed its interest in the project.

SCOPE OF WORK

On April 1, 2016, a site visit was held with ICCI to review the scope of work to allow for utilization of the former Paterson Catholic High School facility as a Temporary Space. NJSDA staff instructed ICCI to develop a cost proposal and schedule that implements the proposed action. ICCI is to survey and identify necessary repairs of the following areas: Roof, Windows, Ceilings, Doors, Lighting, Intercom System, Security System, Fire Alarm System, MEP Systems, and other miscellaneous repairs.

Members of the Authority
 Approval of Construction Contract Award
 Paterson School District
 Temporary Space for New Middle School at Union Ave.
 May 4, 2016
 Page 3 of 3

On April 26, 2016, ICCI provided the NJSDA with a preliminary cost proposal and schedule to complete the entirety of the work. We continue to negotiate with ICCI to finalize a contract amount acceptable to both the NJSDA and ICCI in an amount of \$570,000 NTE.

If we are unable to successfully negotiate with ICCI within the NTE value, we will proceed to utilize the GC Task Order Contract rotational order until successful negotiations can be concluded with a firm within the NTE value. Because the work must be undertaken during the summer months, we are seeking approval by the Members of the Authority to utilize the GC Task Order Contract toward award of a contract to another firm in an amount of \$570,000 NTE, should negotiations with ICCI fail to result in an agreement.

Prior to award to ICCI or another firm, the Contract Management Division and Program Operations will review the firm's cost proposal for the required solution, to determine that it is reasonable for the elements included in the Scope of Work, and such that the Program Operations Director and Contract Management Division may recommend that Procurement proceed with the issuance of a Task Order Construction Contract to the firm.

RECOMMENDATION

We recommend the Members of the Authority approve the award of a Task Order Construction Contract to ICCI in the NTE amount of \$570,000 contingent upon completion of negotiations and determination of a contract amount acceptable to both the NJSDA and ICCI.

Should negotiations with ICCI fail to result in an agreement, we recommend the Members of the Authority approve utilization of the GC Task Order Contract and award of a contract to another firm in an amount of \$570,000 NTE.

/s/ Sean Murphy

Sean Murphy, Procurement Director

/s/ Thomas Schrum

Thomas Schrum, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning
 Reviewed and Recommended by: Donald Guarriello, Vice President & Chief Financial Officer
 Reviewed and Recommended by: Raymond Arcario, Vice President, Construction Operations
 Reviewed and Recommended by: Gregory Voronov, Managing Director, Program Operations
 Reviewed and Recommended by: Joseph Lucarelli, Deputy Program Director, Program Operations
 Reviewed and Recommended by: Felipe Marrero, Senior Program Officer, Program Operations
 Prepared and Recommended by: Jeannette Thannikary, Program Officer, Program Operations

Resolution—5e.

Construction Contract Award

District:	Paterson
School:	Temporary Space for New Middle School at Union Avenue
Description:	Preparation for Temporary Space for District Occupancy
Package No.:	PA-0011-C01
Award:	\$570,000 (Not-to-Exceed)
CM:	NJSDA Self-Managed

Resolution

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

WHEREAS, when completed, the Union Avenue Middle School (the MS) in the Paterson School District (District), approved by the Board for advancement, will be a 161,000 square foot facility designed to educate 996 students in grades 6 through 8; and

WHEREAS, construction of the new MS on the Union Avenue site requires that, prior to advancement, the District vacate and relocate the students currently occupying the facility on that site; and

WHEREAS, the SDA acquired the former Paterson Catholic High School (PCHS) facility in order to provide temporary space for the students during advancement and delivery of the new MS; and

WHEREAS, the SDA must engage a contractor to perform work to prepare the PCHS building for utilization as temporary space by the District (the Project); and

WHEREAS, the construction contract award recommended for this project results from utilization of the SDA General Contractor Task Order Contract list (the GC list); and

WHEREAS, Intercontinental Construction Contractor, Inc. (ICCI), the next firm on the GC list has confirmed its interest in the Project and management is requesting an award to ICCI in an amount Not-to-Exceed \$570,000; and

WHEREAS, should negotiations with ICCI fail to result in an agreement, management shall award the contract to another firm on the GC list in the same amount; and

WHEREAS, the Project's background, scope and a description of the process followed in procuring the GC list are fully described in the memorandum presented to the Board on this date; and

WHEREAS, Board approval is required in connection with this contract award.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of a GC Task Order Construction Contract to ICCI in an amount Not-to-Exceed \$570,000 for the preparation of temporary space for students of the Paterson New Middle School at Union Avenue in the Paterson School district, contingent upon completion of negotiations and determination of a contract amount acceptable to both the SDA and ICCI.

BE IT FURTHER RESOLVED, that, should negotiations with ICCI fail to result in an agreement, the Members of the Authority authorize and approve management's utilization of the GC Task Order Contract list and award of a contract to another firm on that list in an amount Not-to-Exceed \$570,000.

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, Construction Award (Package No. PA-0011-C01), Preparation of Temporary Space for District Occupancy, New Middle School at Union Avenue, Paterson School District, dated May 4, 2016

Dated: May 4, 2016

**APPROVAL OF CONSTRUCTION MANAGER AWARD - VINELAND SCHOOL DISTRICT - VINELAND
MIDDLE SCHOOL NO. 2 - ST-0017-M02**



32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955

5

MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

RE: District: Vineland
School: Vineland New Middle School No. 2
Description: Construction Management Services
Package No.: ST-0017-M02
Estimated Fee: \$1,350,000
Award: \$1,326,500
Contractor: Ernest Bock & Sons, Inc.

DATE: May 4, 2016

SUBJECT: Construction Manager Award

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of the award of a contract for Construction Management (CM) Services. This contract is for services to manage the design-build construction of the Vineland New Middle School No. 2 in the Vineland School District.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Board approval is required for the award of consultant contracts greater than \$100,000. Funding for this engagement is available within the Project Budget, in accordance with the Final Project Charter approved by the Members on January 6, 2016.

BACKGROUND

The Vineland New Middle School No. 2 will be a 98,750 square-foot facility to educate 620 students in grades sixth through eighth in the Vineland School District.

On January 6, 2016, the Members of the Authority approved the Final Project Charter and the award of a Design-Build Construction contract to Ernest Bock & Sons, Inc. in the amount of \$36,885,000.

On February 16, 2016, the notice to proceed with design phase services was issued to Ernest Bock & Sons, Inc.

PROCUREMENT PROCESS

This package for CM Services was advertised as a "Price and Other Factors" solicitation beginning on February 10, 2016 on the NJSDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. 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

Members of the Authority
 Package No. ST-0017-M02
 Vineland – Vineland New Middle School No. 2 - Construction Management Services
 May 4, 2016
 Page 2

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 four 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 February 26, 2016. NOIs were received from eleven (11) prequalified construction management firms. Responsive proposals were received from seven (7) firms by March 15, 2016. Qualifications and 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 committee members evaluated the Qualifications and Technical Proposals for Construction Management Services separately based on the following criteria:

- Firm's CM Experience on Similarly Sophisticated Projects
- Staffing Proposal
- Key Team Members' Experience on Similarly Sophisticated Projects
- Approach to Project

Each Selection Committee member evaluated each Qualifications and 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 RFQ/RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFQ/RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFQ/RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFQ/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 indicated in Table 1 below:

TABLE 1

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Firm's CM Experience on Similarly Sophisticated Projects	2.0	20
Staffing Proposal	3.0	30
Key Team Members' Experience on Similarly Sophisticated Projects	3.0	30
Approach to Project	2.0	20
Total Possible Points		100

For each firm's Qualifications and Technical Proposal, the individual criteria scores awarded by a particular Selection Committee member were added together to calculate a score for that Qualifications and Technical Proposal. The maximum score for a Qualifications and Technical Proposal is 100. All of the scores awarded by the Selection Committee members to a particular firm's Qualifications and Technical Proposal were added together and averaged to arrive at a Final Qualifications and Technical Proposal Score for each firm. The responsive firms, their scores and ranks are listed in Table 2 below:

Members of the Authority
 Package No. ST-0017-M02
 Vineland – Vineland New Middle School No. 2 - Construction Management Services
 May 4, 2016
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TABLE 2

Firm	Final Qualifications and Technical Proposal Score	Qualifications and Technical Proposal Rank
STV Construction, Inc.	67.000	1
Hill International, Inc.	64.250	2
Heery International, Inc.	62.750	3
Joseph Jingoli & Son, Inc.	62.250	4
GREYHAWK North America LLC	53.750	5
HAKS Engineers, Architects and Land Surveyors, PC	49.000	6
Pinnacle Consulting & Construction Services, Inc.	35.500	7

The RFQ/RFP stipulated that a shortlist of the six (6) highest-ranked firms would be determined based on the Final Qualifications and Technical Proposal Scores. The shortlisted firms participated in interviews with the Selection Committee on April 6, 2016. 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 Qualifications and 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 3 below:

TABLE 3

Firm	Final Interview Score	Interview Rank
Joseph Jingoli & Son, Inc.	71.250	1
Heery International, Inc.	69.500	2
Hill International, Inc.	62.250	3
STV Construction, Inc.	60.500	4
GREYHAWK North America LLC	60.250	5
HAKS Engineers, Architects and Land Surveyors, PC	52.000	6

The Final Interview Score for each shortlisted firm was added to the Final Qualifications and 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 4 below:

Members of the Authority
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 Vineland – Vineland New Middle School No. 2 - Construction Management Services
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TABLE 4

Firm	Non-Price Score	Non-Price Rank
Joseph Jingoli & Son, Inc.	66.750	1
Heery International, Inc.	66.125	2
STV Construction, Inc.	63.750	3
Hill International, Inc.	63.250	4
GREYHAWK North America LLC	57.000	5
HAKS Engineers, Architects and Land Surveyors, PC	50.500	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 Price Proposals were publicly opened on April 8, 2016 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.

The results of the NJSDA’s review of the Price Proposals are listed in Table 5 below:

TABLE 5

Firm	Bid Price	Price Score	Price Rank
HAKS Engineers, Architects and Land Surveyors, PC	\$1,214,415.00	100.000	1
STV Construction, Inc.	\$1,290,087.02	93.769	2
Joseph Jingoli & Son, Inc.	\$1,326,500.00	90.770	3
Heery International, Inc.	\$1,366,480.00	87.478	4
GREYHAWK North America LLC	\$1,367,750.00	87.374	5
Hill International, Inc.	\$1,391,700.00	85.402	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 6 below:

TABLE 6

Firm	Raw Non-Price Score	Raw Price Score	Weighted Non-Price Score (60%)	Weighted Price Score (40%)	Final Combined Score	Final Rank
Joseph Jingoli & Son, Inc.	66.750	90.770	40.050	36.308	76.358	1
STV Construction, Inc.	63.750	93.769	38.250	37.508	75.758	2
Heery International, Inc.	66.125	87.478	39.675	34.991	74.666	3
Hill International, Inc.	63.250	85.402	37.950	34.161	72.111	4
HAKS Engineers, Architects and Land Surveyors, PC	50.500	100.000	30.300	40.000	70.300	5
GREYHAWK North America LLC	57.000	87.374	34.200	34.950	69.150	6

Members of the Authority
Package No. ST-0017-M02
Vineland – Vineland New Middle School No. 2 - Construction Management Services
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The highest ranked firm was Joseph Jingoli & Son, Inc. (Jingoli).

The bid submitted by Jingoli was less than the NJSDA estimate. In order to ensure the firm's Price Proposal was inclusive of all scope elements, a conference was conducted on April 14, 2016 with Procurement, Program Operations, Contract Management Division, and Jingoli to review the bid. At the time of the review, Jingoli confirmed that its Price Proposal is inclusive of all scope elements contained in the Contract Documents.

The Program Operations Director and the Contract Management Division recommend award of the project to Joseph Jingoli & Son, Inc.

RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the firm with the highest Final Combined Score, Joseph Jingoli & Son, Inc., in the amount of \$1,326,500 for Construction Management Services for the Vineland New Middle School No. 2 project located in the Vineland School District.

Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

/s/ Sean Murphy
Sean Murphy
Director, Procurement

Resolution—5f.

Construction Manager Award

District:	Vineland School District
School:	Vineland New Middle School No. 2
Description:	Construction Management Services
Package No.:	ST-0017-M02
Estimated Fee:	\$1,350,000
Award:	\$1,326,500
Contractor:	Ernest Bock & Sons, Inc.

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve the award of consultant contracts greater than \$100,000; and

WHEREAS, the Vineland New Middle School No. 2 project (the Project), in the Vineland School District, will be a 98,750 square foot facility educating 620 students in grades 6 through 8; and

WHEREAS, on January 6, 2016, the Members of the Authority approved the final project charter and the award of a design-build construction contract for the Project to Ernest Bock & Sons, Inc. (EBS) in the amount of \$36,885,000; and

WHEREAS, on February 16, 2016, the Notice to Proceed (NTP) with design phase services was issued to EBS; and

WHEREAS, management now is seeking Board approval regarding a contract for construction management (CM) services; and

WHEREAS, a package for CM services was advertised as a “price (40%) and other factors (60%)” solicitation beginning February 10, 2016; and

WHEREAS, the details of the procurement process conducted are comprehensively set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, upon completion of the procurement process, the program operations director and contract management division recommend the award of a contract in the amount of \$1,326,500 for construction management services for the Project to the highest ranked firm, Joseph Jingoli and Sons, Inc. (JJS); and

WHEREAS, upon review, JJS confirmed that its price proposal is inclusive of all scope elements contained in the contract documents; and

WHEREAS, funding for this engagement is available within the Project Budget, in accordance with the final project charter approved by the Members of the Authority on January 6, 2016; and

WHEREAS, prior to execution, the contract and related documentation will be reviewed and approved by the SDA Division 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 firm with the highest final combined score to Joseph Jingoli & Sons, Inc. in the amount of \$1,326,500 for Construction Management Services for the Vineland New Middle School No.2 design-build project in the Vineland School District.

BE IT FURTHER RESOLVED, that, prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

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, Construction Manager Award, (Package No.: ST-0017-M02), Vineland
New Middle School No. 2, Vineland School District, dated May 4, 2016

Dated: May 4, 2016

**FINAL READOPTION WITHOUT CHANGE: TITLE 19, CHAPTER 34
PRECONSTRUCTION ACTIVITIES RULES**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5395

5

MEMORANDUM

TO: Members of the Authority

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

DATE: May 4, 2016

RE: Final Readoption Without Change: Title 19, Chapter 34 Preconstruction Activities Rules

On December 2, 2015, the Members of the New Jersey Schools Development Authority (“Authority” or “SDA”) approved for proposal and publication the readoption with amendments of SDA’s Preconstruction Rules at Title 19, Chapter 34. Management of the Authority now seeks the Members’ approval to formally adopt the Rules previously presented at the December 2, 2015 meeting of the Board, as revised in response to OAL comments and subsequently published in the New Jersey Register. The proposed Notice of Readoption for the Rules is attached hereto, along with a copy of the proposed Rules as published in the New Jersey Register.

Prior Regulatory History

Chapter 34 was originally adopted on December 8, 2008 and was scheduled to expire on December 8, 2015. Upon submission of the readoption proposal to the Office of Administrative Law, the expiration period was extended by 180 days, until June 5, 2016.

The proposed Rules appeared in the New Jersey Register on February 1, 2016 at 48 N.J.R. 192(a), and were subject to a sixty (60) day public comment period. The official comment period ended April 5, 2016. A single comment was received, which largely criticized the mandate and the mission of the Educational Facilities Construction and Financing Act (EFCFA) (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, in the determination of Management, warranted no modification of the proposed rules as previously promulgated. Accordingly, the form of the Rules has not changed from the original proposal as published in the Register.

Description of Rules and Substantive Amendments

The Rules proposed for readoption with amendments provide guidance for school districts on the Authority’s undertaking and funding of preconstruction activities, including but not limited to, site identification, investigation and acquisition, feasibility studies, land-related design work, site remediation and the like. The Rules implement statutory provisions at N.J.S.A. 18A:7G-5 (regarding the funding and management of preconstruction activities in advance of a school facilities project).

Significant Amendments

The Rules were proposed for re adoption with amendments to reflect the abolition of the New Jersey Schools Construction Corporation (“Corporation” or “NJSCC”) and the creation of the New Jersey Schools Development Authority (“Authority”) pursuant to P.L. 2007, c. 137, section 13 (N.J.S.A. 52:18A-247). Further amendments are intended to conform the regulations to other legislative changes effected by P.L. 2007, c. 137 and P.L. 2007, c. 260, and to provide efficiency and clarification to the practices of the NJSDA with respect to management and funding of preconstruction activities authorized by N.J.S.A. 18A:7G-5.

Specifically, amendments were proposed to update the definition of “Boundary survey” and the referenced standard “Minimum standard detail requirements for American Land Title Association/American Congress on Surveying and Mapping (ALTA/ACSM) Land Title Surveys” to reflect reference to the “most recent version” of such standard. Other amendments were proposed to delete references to the Section 13(a) delegation limit abolished by P.L. 2007, c. 137, and to delete references to “other districts required to use the Corporation,” as such requirements were also abolished by P.L. 2007, c. 137.

An amendment was proposed to clarify the district’s obligation to provide inventories of district-owned and municipal-owned properties for property acquisition in support of a school facilities project, in order to clarify that in the event property is sought to augment or expand an already-selected or existing project site, the district’s inventory obligation would be confined to properties that are adjacent, adjoining or in functional proximity to the existing or already-selected site.

An amendment was proposed to change the category of “industrial or commercial land” to specify consideration of “light industrial or commercial land” in order to avoid remediation costs that may be required for acquisition of properties environmentally affected by heavy industry, and to confine the property selection criterion to properties with a history of light industrial or commercial uses.

Amendments were proposed to retitle the “project team” assembled to review properties proposed for acquisition as a “working group” and to specify which participants are required members (SDA and DOE staff, District representative) and optional members (representative of community advisory group and consultants engaged by SDA) of such a working group.

An amendment was proposed to clarify that the Authority’s planning board submission for review and recommendation in connection with a property acquisition in support of a design-build project pursuant to N.J.A.C. 19:36-1.1 et seq. is limited to a conceptual design, in recognition that property acquisition for such a project will likely occur prior to award of a design-build contract, at a very early point in development of the project concept, and more refined architectural pre-design documents will not yet be available for submission to the planning board.

Finally, amendments were proposed to Sections 3.1 and 3.8 to clarify that in the case of district-owned property, the Authority is not obligated to perform site remediation of the property to prepare the land for construction of a school facilities project. Unless SDA determines that it is necessary to undertake remediation of the parcel, site remediation of district-owned land remains the responsibility of the district.

Description of Public Comment

A single public comment was received via email, from an anonymous sender identified as jeanpublic1@gmail.com. The comment was not directed toward the proposed readoption of the N.J.A.C. 19:34 rules, or the particular language of the rules, but rather appeared to constitute a criticism of EFCFA and the mission of the Schools Development Authority generally, with respect to the funding and construction of school facilities projects in SDA Districts. Accordingly, Management deemed this comment as not warranting a response in the context of this Readoption proposal, and no changes are recommended in the proposed rule language in response to this comment.

Requested Board Action

The Members of the Authority are requested to approve the proposed readoption of the Authority's Preconstruction Rules, 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 & Operations

Prepared by Cecelia Haney, Senior Counsel
JFK/ceh

OTHER AGENCIES**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY****Preconstruction Activities Rules****Proposed Readoption with Amendments: N.J.A.C. 19:34**

Proposed: February 1, 2016 at 48 N.J.R. 192(a)

Adopted: DATE by the New Jersey Schools Development Authority,

Charles B. McKenna, Chief Executive Officer

Filed: [DATE] as R. 2016 d.____, **without change**.

Authority: P.L. 2007, c.137, § 4k (N.J.S.A. 52:18A-238k; 52:18A-240) (rulemaking authority);

P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c.137, (N.J.S.A. 52:18A-235 et seq.);

N.J.S.A. 52:34-9.3 (enabling statutes)

Effective date: [PUBLICATION DATE], 2016;

Expiration date: [PUBLICATION DATE], 2023.

Summary of Public Comment and Agency Response:

COMMENT: A single public comment was received by email from an anonymous sender identified as jeanpublic1@gmail.com. The comment was not directed toward the proposed readoption of the N.J.A.C. 19:34 rules, or the particular language of the rule proposal, but rather appeared to constitute a criticism of the mission and statutory mandate of the Schools Development Authority under the Educational Facilities Construction and Financing Act (EFCFA) (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.]). As the commenter's criticism relates to the underlying statutory

authority of the NJSDA, and is therefore beyond the scope of this rule adoption, no modifications of the proposed rules as previously promulgated are warranted in response to this comment.

Federal Standards Statement

The proposed Rules implement State statutes, namely 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.), and specifically N.J.S.A. 18A:7G-5. There are no Federal standards or requirements governing the subject matter of these Rules in as much as the rules proposed for readoption with amendments and repeals apply only to SDA school districts that seek to have the Authority fund and perform preconstruction activities in anticipation of construction of a school facilities project pursuant to N.J.S.A. 18A:7G-5 . There are no Federal standards or requirements applicable to these Rules. A Federal standards analysis, therefore, is not required.

Full text of the readoption follows:

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Cecelia Haney, Administrative Practice Officer
 New Jersey Schools Development Authority
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The agency proposal follows:

Summary

The New Jersey Schools Development Authority (SDA) proposes to readopt with amendments N.J.A.C. 19:34, Preconstruction Activities.

Chapter 34, which implements Section 5 of the Educational Facilities Construction and Financing Act (EFCFA), 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"), governs the SDA's funding and undertaking of preconstruction activities including land acquisition, was previously readopted by the SDA with amendments and repeals on December 8, 2008, and is scheduled to expire on June 5, 2016, pursuant to N.J.S.A. 52:14B-5.1.c(2).

The Chapter 34 rules proposed for readoption with amendments outline the standards and procedures for the Authority's undertaking and funding of preconstruction activities on behalf of SDA school districts. Pursuant to N.J.S.A. 18A:7G-5, preconstruction activities are those activities required to prepare an application for commissioner approval of a school facilities project and include, site identification, investigation and acquisition, feasibility studies, land-related design work, design work, site remediation, demolition, and acquisition of temporary facilities. This chapter details the roles and responsibilities of SDA school districts and the Development Authority and standards and procedures with respect to site identification, feasibility analysis, investigation, and acquisition. Also provided for are standards governing the relocation of residential and commercial parties displaced by SDA site acquisitions, as well as the procedures for the Authority's procurement of temporary facilities to support a school facilities project.

The SDA has reviewed Chapter 34 and has determined that, with the addition of the proposed amendments described herein, this chapter remains adequate, reasonable, and necessary for the purposes for which it was originally promulgated: to provide standards and procedures for the Authority's undertaking and funding of preconstruction activities on behalf of SDA school districts.

As the SDA has provided a 60-day comment period on this notice of proposal, this notice is exempted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

A summary of the proposed substantive amendments follows.

Chapter 34. Preconstruction Activities

N.J.A.C. 19:34-1.1 Purpose and applicability of rules

This section is proposed for readoption with an amendment to delete the superfluous term "Development Authority" used with reference to SDA. This section states that the purpose of the rules is to provide guidance on the undertaking of preconstruction activities by the Authority for and on behalf of SDA school districts, and, further, sets forth a non-exclusive list of the types of preconstruction activities that are expressly provided for in N.J.S.A. 18A:7G-5. Another stated purpose of the rules is to provide opportunities for input from SDA school district officials, members of the public, and stakeholders during the preconstruction phase of school facilities projects, in accordance with N.J.S.A. 52:18A-235h.

This section specifies that the rules shall apply only to SDA school districts, which are those districts required to use the Authority to construct their school facilities projects. This section further specifies that Department of Education's determination of the educational priority ranking of the projects in that school district and the Authority's determination of the sequencing of the subject facilities project, pursuant to a Statewide strategic plan, are both preconditions for the Authority's undertaking of preconstruction activities on behalf of an SDA school district.

N.J.A.C. 19:34-1.2 Definitions

This section sets forth the meaning of the words and terms used throughout this chapter. Amendments to the section include changes to

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(a)

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Preconstruction Activities

Proposed Readoption with Amendments: N.J.A.C. 19:34

Authorized By: New Jersey Schools Development Authority, Charles B. McKenna, Chief Executive Officer.

Authority: P.L. 2007, c. 137, § 4k (N.J.S.A. 52:18A-238.k; 52:18A-240) (rulemaking authority), 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).

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

Proposal Number: PRN 2016-021.

Submit written comments via mail, e-mail, or facsimile by April 1, 2016, to:

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previously defined terms and the deletion of terms and definitions rendered obsolete by statutory changes reflected in the proposed amendments, as set forth below.

The following term definitions are proposed for modification:

"Authority," which refers to the Schools Development Authority, is proposed for modification to refer to the SDA's origination statute as codified. The definition is further amended to include a brief description of the mission of the SDA as an entity "statutorily charged with undertaking and funding schools facilities projects, pursuant to the Act."

"Boundary survey" is proposed for modification to update to the 2011 version the reference therein to the "Minimum Standard Detail Requirements for American Land Title Association/American Congress on Surveying and Mapping (ALTA/ACSM) Land Title Surveys," and to replace address information for the ALTA and ACSM entities referenced therein with a web address.

"New Jersey Department of Environmental Protection" is proposed for modification to delete unnecessary reference to that Executive agency's functions and mission.

"Preliminary project report" is proposed for modification to correct a citation to the Department of Education regulations governing the preliminary project report.

"SDA school district," meaning 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, is proposed for modification to include "SDA district" as an alternate term.

"Section 13(a) delegation agreement" meaning the grant agreement between the Authority and an SDA school district by which the Authority funds the State share in connection with a proposed capital maintenance project delegated by the Authority to be undertaken by an SDA school district, pursuant to section 13(a) of the Act and N.J.A.C. 19:34A, is proposed for modification to delete a reference to the formulation of a Section 13(a) delegation agreement prior to August 6, 2007, which was permissible between the Authority and a non-SDA district under certain circumstances no longer recognized pursuant to P.L. 2007, c. 137.

The following term definitions are proposed for deletion:

"Abbott district" is proposed for deletion as obsolete, as that term has been replaced by "SDA school district" in accordance with P.L. 2007, c. 260.

"Corporation," which referred to the SDA's predecessor entity, the Schools Construction Corporation, is proposed for deletion as obsolete.

"Estimated school facilities project costs," which refers to an estimate of the cost of a school facilities project done for purposes of determining the former delegation threshold pursuant to section 13(a) of the Act, is proposed for deletion because the delegation threshold was eliminated by statutory amendment pursuant to P.L. 2007, c. 137.

"Other district required to use the Corporation" which refers to a district other than an SDA school district required to use the Authority's predecessor, the Schools Construction Corporation, for the construction of school facilities projects, as follows: a district whose district aid percentage is equal to or greater than 55 percent or a district directed by the Commissioner to enter level II monitoring pursuant to the provisions of section 14 of P.L. 1975, c. 212 (N.J.S.A. 18A:7A-14). The term is proposed for deletion because due to the action of P.L. 2007, c. 137, as of August 6, 2007, such districts are no longer required to use the Authority to undertake their preconstruction projects.

"Section 13(a) delegation limit," meaning the former eligible cost limit, established by section 13(a) of P.L. 2000, c. 72, for a school facilities project to be eligible for delegation by the Corporation to the district, which applied to section 13(a) grant agreements executed prior to August 6, 2007, is proposed for deletion as the delegation cost limit was abolished by P.L. 2007, c. 137.

N.J.A.C. 19:34-1.3 Disclosure and publicity

This section is proposed for re adoption without amendment. This section provides that the records and accounts pertaining to preconstruction activities which are government records as defined in the Open Public Records Act, P.L. 2001, c. 404, shall be made available to persons who request their release as provided by State law. This section also provides that public dissemination of information by the district

concerning preconstruction activities shall acknowledge the Authority's financial support.

N.J.A.C. 19:34-1.4 Access and record retention

This section is proposed for re adoption without amendment. This section provides that the governmental entities with oversight responsibilities concerning the programming and operations of the SDA, specifically the Office of the State Comptroller and the State Auditor, shall have broad access to records pertaining to preconstruction activities retained by the Authority and SDA school districts. This section further provides that the 10-year retention period runs from the date of substantial completion, instead of completion of the project, thereby aligning the retention period with the Authority's record retention schedule approved by the State Records Committee.

N.J.A.C. 19:34-1.5 Waiver

This section is proposed for re adoption without amendment. This section provides that the provisions set forth in N.J.A.C. 19:34A-1.8 shall apply to an SDA school district requesting a waiver or release from the express provisions of any rules in this chapter.

N.J.A.C. 19:34-1.6 Appeals

This section is proposed for re adoption without amendment. This section provides that the provisions set forth in N.J.A.C. 19:34A-1.9 shall apply to the appeals by SDA school districts of Authority determinations made pursuant to this chapter.

N.J.A.C. 19:34-1.7 (Reserved)

This section codification, which was listed as "Reserved" after the relevant rule text of the section was repealed in the 2008 re adoption of the rules, is proposed for deletion as superfluous.

N.J.A.C. 19:34-1.8 (Reserved)

This section codification, which was listed as "Reserved" after the relevant rule text of the section was repealed in the 2008 re adoption of the rules, is proposed for deletion as superfluous.

Subchapter 2. General Guidelines for Undertaking and Funding Preconstruction Activities

N.J.A.C. 19:34-2.1 General guidelines

This section is proposed for re adoption without amendment. This section outlines the initial steps that must be taken before the Development Authority will undertake and fund preconstruction activities on behalf of an SDA school district. This section provides that the Authority will undertake preconstruction activities only for SDA school districts. Subsection (b) sets forth that a precondition for the Authority's undertaking and funding of preconstruction activities is the Department's educational priority ranking of the underlying school facilities project and the Authority's sequencing of the facilities project derived from the Statewide strategic plan developed by the Authority, as set forth above in the summary of N.J.A.C. 19:34-1.1 above. Subsection (c) expressly provides for the Authority's undertaking of preconstruction activities, but provides for an exception with respect to the delegation of capital maintenance projects and associated preconstruction activities, pursuant to Chapter 34A.

N.J.A.C. 19:34-2.2 (Reserved)

This section codification, which was listed as "Reserved" after the relevant rule text of the section was repealed in the 2008 re adoption of the rules, is proposed for deletion as superfluous.

N.J.A.C. 19:34-2.3 (Reserved)

This section codification, which was listed as "Reserved" after the relevant rule text of the section was repealed in the 2008 re adoption of the rules, is proposed for deletion as superfluous.

Subchapter 3. SDA School Districts Site Preconstruction Activities

N.J.A.C. 19:34-3.1 General criteria and procedures

This section is proposed for re adoption with an amendment to clarify the optional nature of the Authority's funding and performance of remediation activities on a district-owned site. This section addresses the preconstruction activities to be undertaken for SDA school districts both

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in situations when a site needs to be acquired for a facilities project and when the project will be undertaken on land already acquired by the school district. An amendment is proposed to conform the language of this section to that of N.J.A.C. 19:34-3.8, to recognize the optional nature of the Authority's funding and undertaking of remediation of district-owned land. Unless the SDA determines that it is necessary to undertake remediation of the parcel, remediation of district-owned land remains the responsibility of the district.

N.J.A.C. 19:34-3.2 Site identification

This section is proposed for re adoption with amendments. This section provides that, if a school facilities project includes site acquisition, SDA school districts shall be responsible for identifying from one to three sites for the facilities project. It further provides the criteria for the district to use in identifying such sites and outlines the information and documentation to be provided by the district to the Authority upon the Department's transmittal to the Authority of its approval of site acquisition preconstruction activities. Subsection (a) provides that as a precondition for the Authority's undertaking of preconstruction activities, the SDA school district, together with the municipality in which the district is situated, shall jointly submit to the commissioner and the Authority a complete inventory of all district- and municipal-owned land, and any privately-owned land under consideration by the school district, with a written analysis of the suitability of such sites for facilities projects based on criteria outlined in subsection (b).

Subsection (a) is proposed for amendment to add language clarifying that "[i]f the contemplated school facility project necessitates a property acquisition to augment an already-selected project site, the inventories of district-owned and municipal-owned land, and the inventory of privately-owned land, shall be confined to parcels adjoining, adjacent or in functional proximity to the already selected project site to be expanded or augmented."

The subsection (b) criteria fall within the following broad categories: cost and schedule impacts; significant site location, size and improvement considerations; known significant infrastructure considerations; and known environmental considerations. Subsection (b) is proposed for amendment to delete a reference to the "Development Authority" in favor of a reference to the "Authority."

Subsection (c) provides for the involvement of the community in the site selection process through the school district's implementation of a community advisory committee comprised of various interested parties to receive reports and information concerning proposed school sites and provide input on the suitability of such sites for school facilities projects. This section also provides that the application of the school district to the Department for approval of preconstruction activities shall be accompanied by an endorsement of the sites selected by an authorized member of the community advisory committee, as applicable, if such committee has held a public meeting to solicit public input on the prospective school sites, and a statement signed by school district officials that a special meeting of its school board has been held to inform community residents of the sites that have been prioritized by the district.

Subsection (d) provides that the Authority reviews such submissions and determines, in consultation with the Commissioner, whether any of the publicly-owned land identified, or privately-owned land identified by the school district, would be suitable or clearly unsuitable for inclusion in an application to the Department for approval of preconstruction services. As part of its preliminary planning, this section provides that the Authority may utilize commercial databases to analyze environmental and historical land use information in order to eliminate consideration of any of the sites that have insurmountable environmental or other issues.

Subsection (e) requires the district, after receiving the Authority's written determination of the suitability of the publicly-owned and privately-owned land identified pursuant to subsection (d), to identify one to three sites in its application to the DOE for site acquisition preconstruction approval. A proposed amendment to this section would alter the hierarchy of priority for acceptable types of property to convert "privately developed industrial or commercial land" to "privately developed light industrial or commercial land," thereby serving to clarify that heavy industrial uses are disfavored, for reasons of avoidance of

remediation costs for potential environmental impacts to property typically caused by such heavy industry.

Subsection (f) is proposed for re adoption without amendment. That subsection provides that, once the SDA receives a copy of a district's application to the Department for approval of preconstruction activities, the SDA may seek information from a variety of sources, including commercial database reports of environmental and historical land use information, regarding potential school sites. The subsection also provides that, upon SDA's receipt of Department approval of site acquisition activities, the district shall provide to the SDA and any community advisory committee information describing the condition of and potential development impacts for all parcels under consideration by the district for acquisition as proposed school sites.

Subsection (g) currently provides that upon approval of the Department of preconstruction activities, the Authority shall convene a "project team" to undertake, among other tasks, the review of information concerning prospective school sites and determinations regarding the suitability of such sites for school facilities projects. Proposed modifications to this section would rename the "project team" as a "working group," and clarify that the "working group" shall be comprised of required participants from the Authority and DOE, as well as an SDA school district representative, in addition to other optional participants at the Authority's discretion, including consultants, as necessary, and an authorized member of the community advisory committee, if applicable.

Subsection (h) concludes by providing that if none of the sites initially approved by the Department is determined by the Authority to be suitable, the district shall undertake the task of identifying additional site(s).

N.J.A.C. 19:34-3.3 Feasibility studies and land-related design work

This section is proposed for re adoption with an amendment to change the reference from "project team" to "working group" in accordance with changes to N.J.A.C. 19:34-3.2(g), described above. This section details the process by which the Authority shall undertake increasingly complex feasibility studies with respect to a proposed school site depending on the specific characteristics of that site, until the site is acquired or is deemed by the Authority to be unsuitable for a school facilities project. This section also provides for the early involvement of the community in the site selection process through a public meeting of the board of education of the school district to review comments of the NJDEP concerning an environmental screening report for a prospective school site.

N.J.A.C. 19:34-3.4 Site investigation

This section is proposed for re adoption without amendment. The section outlines the scope of investigatory tasks that will be undertaken by the Authority during the site investigation of a prospective school site, in accordance with the rules of the NJDEP in its Technical Requirements for Site Remediation, N.J.A.C. 7:26E, as amended. This section provides for the communication of the findings from a site investigation to a school district's chief school administrator, and provides for the termination of a site investigation when the Authority determines that a site is not suitable or available for school use.

N.J.A.C. 19:34-3.5 Site acquisition approvals

This section is proposed for re adoption with amendment. This section defines the criteria for the Authority's decision-making with respect to site acquisitions. This section provides for local planning board submission relating to the site, and an amendment is proposed to specify that, for design-build projects under N.J.A.C. 19:36, the Authority's submission to a local planning board for review and recommendation under N.J.S.A. 40:55D-31 will consist of a conceptual design. This proposed modification is in acknowledgment that property acquisition for a design-build project will generally occur well in advance of the design-build contract award and, thus, developed construction documents, detailed site plans, and other predesign documents for the eventual project will not be available at the time site acquisition is contemplated. This section also addresses submissions to the Department for purposes of site acquisition approval under N.J.A.C. 6A:26-7.1 and further addresses other site acquisition tasks that the Authority shall undertake (for example, Executive Order No. 215 submissions to the New Jersey Department of Environmental Protection).

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N.J.A.C. 19:34-3.6 Ownership of land

This section is proposed for readoption without amendment. This section addresses the Authority's taking or conveying of title, the conveyance of ownership to the SDA school district with a reverter, and conditions under which ownership would revert back to the Authority. This section also provides that school districts shall have certain associated responsibilities when the NJDEP approves site engineering controls and/or requires the recording of a deed notice.

N.J.A.C. 19:34-3.7 Relocation Assistance

This section is proposed for readoption without amendment. This section provides that the Authority shall undertake relocation assistance in connection with the acquisition of a site by purchase or eminent domain in accordance with applicable law.

N.J.A.C. 19:34-3.8 Remediation and site development

This section is proposed for readoption with an amendment. Subsection (a) provides that upon acquisition of a site by the Authority, the Authority shall perform any necessary remediation and/or site development work to prepare the site for construction. Subsection (b) provides that for land already owned by an SDA school district on which the district is proposing to locate a school facilities project, the Authority "may undertake" necessary remediation to prepare the land for construction, and an amendment is proposed to clarify that while the Authority "may" undertake such remediation of SDA school district-owned land, the Authority is "not obligated" to do so.

Subchapter 4. Abbott Districts: Other Predevelopment Activities**N.J.A.C. 19:34-4.1 (Reserved)**

The reservation of this section codification is continued to preserve the codification of the rules in this subchapter.

N.J.A.C. 19:34-4.2 Temporary facilities

This section is proposed for readoption without amendment. This section provides for the procurement and funding of temporary facilities to be used in educating students on a temporary basis while awaiting the completion of a school facilities project that will permanently house such students.

Social Impact

The rules proposed for readoption with amendments will apply to SDA school districts that seek to have the Authority fund and administer preconstruction activities under N.J.S.A. 18A:7G-5. The SDA believes that the rules proposed for readoption with amendments will have a positive social impact and that no negative impact will result. The readoption of these rules can be expected to positively impact the students, teachers, and parents served by SDA school districts because they provide guidance on the districts' and the Authority's roles and responsibilities for undertaking and funding those activities which precede the submission of a school facilities project application to the Department. The opportunities created by these rules for community input in the identification and selection of prospective school sites by the school districts integrates greater transparency, accountability, and environmental equity into the development of school facilities projects. These rules are also intended to incorporate the most up-to-date scientific knowledge and expertise in the site development process, coordinating complete and effective due diligence of prospective school sites with the efficient use of the Authority's limited resources.

Economic Impact

The rules proposed for readoption with amendments address the preconstruction activities undertaken by the Authority on behalf of SDA school districts. The preconstruction activities undertaken by the Authority are to be funded with the State share of the eligible costs of a school facilities project. The State share for preconstruction activities is funded with State contract bonds issued by the New Jersey Economic Development Authority pursuant to section 25 of the Act, the payment of which is conditioned on appropriations being made by the Legislature. The rules proposed for readoption with amendments will have a positive economic impact on the long-term economic growth of the State of New Jersey because significant activity in the planning, construction,

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architecture, and engineering professions will directly result from these rules, providing obvious Statewide economic benefits in the short term. The emphasis on use of publicly-owned land and the more efficient use of State resources in identifying and investigating the feasibility of prospective school sites will maximize the available funding for the Authority's schools construction program.

Federal Standards Statement

The rules proposed for readoption with amendments implement State statutes, namely 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.), and specifically N.J.S.A. 18A:7G-5. There are no Federal standards or requirements governing the subject matter of these rules in as much as the rules proposed for readoption with amendments apply only to SDA school districts that seek to have the Authority fund and perform preconstruction activities in anticipation of construction of a school facilities project pursuant to N.J.S.A. 18A:7G-5. 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 with amendments will support the creation of a number of new jobs in New Jersey as a result of facilitating the performance of preconstruction activities pursuant to N.J.S.A. 18A:7G-5 in support of school facilities projects in SDA school districts. Jobs will primarily be created in the construction, professional consulting and design sectors.

Agriculture Industry Impact

The rules proposed for readoption with amendments will have no direct impact on the agriculture industry. However, implementation of the rules will be coordinated with the Farmland Preservation Program for the acquisition of sites for new schools.

Regulatory Flexibility Analysis

The rules proposed for readoption with amendments primarily impact New Jersey SDA school districts, but through implication, impose compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., that may be engaged by districts to assist or support site selection activities for site acquisition, or that may be ultimately engaged by the Authority to perform preconstruction activities for a school facilities project. The types of small businesses that may be affected by the rules include consultants (for example, design consultants such as architects and engineers), contractors, and their subconsultants and subcontractors providing materials or services to the Authority in connection with preconstruction activities, or to a school district in connection with site selection activities in support of a school facilities project. Because of the scale of preconstruction activities to be undertaken by the Authority, it is anticipated that the number of small businesses to which the rules will apply will be substantial. These rules, specifically N.J.A.C. 19:34-1.4, impose records access and retention of records obligations that may affect contractors and consultants that are small businesses.

The majority of the aforementioned requirements are imposed by other laws and rules, in that the rules impose virtually no change to the way school districts procure goods and services. One exception is the record access and retention provisions (access to additional governmental entities, retention period of 10 years to correlate with the statute of limitations for architectural services claims). The costs entailed in the records provisions are not anticipated to be substantially more than the costs otherwise incurred for record retention. It is unlikely that a small business would have to employ professional services to comply with this requirement. The rules are designed to minimize any adverse economic impact on small businesses by making few changes in the ways school districts procure goods and services.

Housing Affordability Impact Analysis

The rules proposed for readoption with amendments will impact the availability and affordability of residential housing in the State of New Jersey, either directly or indirectly, when the Authority must acquire residential real estate for school construction in any of the 31 SDA school districts. The precise number and type of such residential units that will

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be so affected is dependent on the future school sites that have yet to be identified by school districts and acquired under the school construction program. The New Jersey Department of Community Affairs has jurisdiction over issues of displacement and relocation in the State. These rules incorporate numerous provisions to lessen the impact of school construction on affordable housing through (1) prioritization of school district and municipally-owned land for prospective school sites, N.J.A.C. 19:34-3.2(a); (2) an analysis of community impacts, and specifically relocation and displacement impacts on a community, in the early stages of identification of prospective school sites, N.J.A.C. 19:34-3.2(b)2; (3) site identification criteria which require school districts to prioritize the use of all other types of property prior to consideration of privately owned residential land, N.J.A.C. 19:34-3.2(e)2; (4) a requirement that school districts hold a public meeting to inform their public of the sites that the school district has selected to submit to the Department of Education for preconstruction approval, N.J.A.C. 19:34-3.2(e)3ii; (5) the Authority's initial assessment of a prospective school site's feasibility based, in part, on the need for residential relocations, N.J.A.C. 19:34-3.3(d)2; and (6) the Authority's final decision whether to acquire a site based on criteria concerning relocation and displacement impacts to a community, N.J.A.C. 19:34-3.5(a). Conversely, the development of schools within the SDA school districts will have a positive impact on housing values because of the availability of new neighborhood public school facilities within close proximity to residential housing.

Smart Growth Development Impact Analysis

With respect to a description of the types and an estimate of the number of housing units to which the rules proposed for readoption with amendments will apply, and a description of the estimated increase or decrease in the availability of affordable housing which will be affected by the rules proposed for readoption with amendments, as well as the likelihood that the readoption of the rules will effect a change in the average price or availability of housing in the State of New Jersey, please see the Housing Affordability Impact Analysis above. It is unlikely that the rules proposed for readoption with amendments will cause a change in new housing production or new construction in Planning Areas 1 or 2, or within designated centers under the State Development and Redevelopment Plan, because the communities in which the SDA is building schools are generally already significantly built out. The development of a new school, however, will make that school site unavailable for housing developers.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 19:34.

Full text of the proposed amendments follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS

19:34-1.1 Purpose and applicability of rules

(a) These rules are promulgated by the New Jersey Schools Development Authority (the [Development Authority,] Authority[,] or SDA), to provide guidance for school districts on the Authority's undertaking and funding of preconstruction activities. Section 5 of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, N.J.S.A. 18A:7G-1 et seq., as amended by P.L. 2007, c. 137, §20 (the "Act") identifies "preconstruction" activities as including, but not limited to, site identification, investigation and acquisition, feasibility studies, land-related design work, design work, site remediation, demolition, and acquisition of temporary facilities. With Commissioner authorization, the SDA may undertake preconstruction activities required to prepare an application for commissioner approval of a school facilities project.

(b)-(e) (No change.)

19:34-1.2 Definitions

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

["Abbott district" means a school district as defined in section 3 of P.L. 1996, c. 138 (N.J.S.A. 18A:7F-3). P.L. 2007, c. 260 deleted the term "Abbott district" from the Act, and replaced it with "SDA district."]

...
 "Authority" [or "Development Authority"] or "SDA" means the New Jersey Schools Development Authority, [an entity which undertakes and funds school facilities projects under the Act and which is the entity formed pursuant to] established pursuant to Section 3 of P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.), [as] the successor entity to the New Jersey Schools Construction Corporation. The Authority is statutorily charged with undertaking and funding school facilities projects, pursuant to the Act.

"Boundary survey" means the research of deeds, easement, utility records, title reports, fieldwork, including precision survey measurements, and preparation of maps and plans which accurately measure the boundaries of a parcel of land proposed for a school facilities project, in accordance with the "Minimum Standard Detail Requirements for American Land Title Association/American Congress on Surveying and Mapping (ALTA/ACSM) Land Title Surveys," [1999, as jointly adopted by the ALTA, 1828 L Street, N.W., Suite 705, Washington, D.C. 20036, the ACSM, 5410 Grosvenor Lane, Bethesda, MD 20814, and the National Society of Professional Surveyors, Inc. 5410 Grosvenor Lane, Bethesda, MD 20814] (2011), available at www.alta.org/forms/download.cfm?formID=338&type=word, which requirements are incorporated herein by reference, as amended and supplemented.

...
 ["Corporation" or "SCC" means the New Jersey Schools Construction Corporation, the predecessor to the Authority, abolished by P.L. 2007, c. 137, which was the entity formed by the New Jersey Economic Development Authority pursuant to N.J.S.A. 34:1B-159 to carry out the New Jersey Economic Development Authority's responsibilities under the Act, except the power to incur indebtedness.]

...
 ["Estimated school facilities project costs" means an estimate prepared by the Corporation of the cost of a school facilities project done prior to the submission of a school facilities project application for purposes of determining the delegation threshold pursuant to section 13(a) of the Act, prior to August 6, 2007, when P.L. 2007, c. 137 eliminated the threshold.]

...
 ["New Jersey Department of Environmental Protection" or "NJDEP" means the New Jersey Department of Environmental Protection, [department established within the Executive Branch of State government charged with the following responsibilities, among others, for the public good:

1. To formulate comprehensive policies for the conservation of the natural resources of the State;
2. To promote environmental protection;
3. To apply its regulatory authority in a manner that is consistent with the intent and findings of all applicable statutes; and
4. To prevent adverse impacts to natural, cultural, historical and scenic resources of the State.]

...
 ["Other district required to use the Corporation" means a district other than an SDA school district required to use the Corporation for the construction of school facilities projects, as follows: a district whose district aid percentage is equal to or greater than 55 percent or a district directed by the Commissioner to enter level II monitoring pursuant to the provisions of section 14 of P.L. 1975, c. 212 (N.J.S.A. 18A:7A-14). As of August 6, 2007, such districts are no longer required to use the Authority to undertake their school facilities projects.]

...
 "Preliminary project report" means the report that the Department prepares for the Authority after approving a school facilities project application containing the preliminary eligible costs and other project information, pursuant to N.J.A.C. 6A:26-3.5(c)(b).

...
 "SDA school district" or "SDA 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.

"Section 13(a) delegation agreement" means the grant agreement between the Authority and an SDA school district by which the Authority funds the State share in connection with a proposed capital maintenance project delegated by the Authority to be undertaken by an SDA school

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district, pursuant to section 13(a) of the Act and N.J.A.C. 19:34A. [Prior to August 6, 2007, "section 13(a) delegation agreement" means the grant agreement between the Corporation (or its successor) and an Abbott district, or other district required to use the Corporation, by which the Corporation funds the State share of school facilities project delegated to be undertaken by the school district with estimated costs under the section 13(a) delegation limit.

"Section 13(a) delegation limit" means the eligible cost limit, established by section 13(a) of P.L. 2000, c. 72, for a school facilities project to be eligible for delegation by the Corporation to the district, which applied to section 13(a) grant agreements executed prior to August 6, 2007, and which delegation cost limit was abolished by P.L. 2007, c. i37.]

(b) (No change.)

[19:34-1.7 (Reserved)]

[19:34-1.8 (Reserved)]

[19:34-2.2 (Reserved)]

[19:34-2.3 (Reserved)]

SUBCHAPTER 3. SDA SCHOOL DISTRICTS SITE PRECONSTRUCTION ACTIVITIES

19:34-3.1 General criteria and procedures

If an SDA school district wishes to acquire a site in connection with a school facilities project in its approved long-range facilities plan, the Authority shall fund and undertake the following approved preconstruction activities: site identification, investigation, and acquisition, feasibility studies, land related design work, design work, site remediation, demolition, and acquisition of temporary facilities. If an SDA school district has already acquired land on which it proposes to construct a school facilities project, the Authority shall fund and undertake the aforementioned approved preconstruction activities with the exception of the activities associated with site acquisition and, at the Authority's option, activities associated with remediation of district-owned land.

19:34-3.2 Site identification

(a) If the preconstruction activities to be undertaken by the SDA include site acquisition, prior to the submission by an SDA school district of an application to the Department for approval of preconstruction activities, the board of education of the district and the governing body of the municipality in which the district is situated shall jointly submit to the Commissioner and the Authority a complete inventory of all [district-and] district- and municipal-owned land located in the municipality. The school district shall separately identify and provide to the Authority an inventory of any privately-owned sites that it is considering as potential school sites. The inventory shall include a map of the district showing the location of each of the identified parcels of land. If the contemplated school facilities project necessitates a property acquisition to augment an already-selected project site, the inventories of district-owned and municipal-owned land, and the inventory of privately-owned land shall be confined to parcels adjoining, adjacent, or in functional proximity to the already-selected project site to be expanded or augmented.

(b) The board of education and the governing body of the municipality shall together provide a written analysis to the [Development] Authority concerning each district- or municipal-owned site, or privately-owned site, identified pursuant to (a) above explaining whether it is suitable for a school facilities project identified in the district's long range facilities plan. The written analysis of the publicly- and privately-owned sites identified shall include the information in (b)l through 4 below, if applicable, as follows:

1.-4. (No change.)

(c)-(d) (No change.)

(e) After the SDA school district's receipt of the Authority's written determination concerning the suitability of publicly-owned and privately-owned land identified pursuant to (d) above, the district shall be

responsible for identifying from one to three sites in its application to the Department for site acquisition preconstruction approval.

1. (No change.)

2. Districts shall identify prospective school sites within the attendance area of a school facilities project from the following types of properties, in order of priority, as follows:

i.-iv. (No change.)

v. Privately developed light industrial or commercial land; and

vi. (No change.)

3. (No change.)

(f) (No change.)

(g) After the Authority receives a copy of the Department approval of site acquisition preconstruction activities for a school facilities project, the Authority shall convene a [project team] working group to undertake, among other tasks, preliminary evaluation of the suitability of a proposed site(s) based on the information provided by the SDA school district, pursuant to (b) and (f) above, any additional information, including commercial database searches undertaken with respect to the approved sites, and an initial site review undertaken pursuant to N.J.A.C. 19:34-3.3(c). The [project team] working group shall consist of [project management, program management and real estate] appropriate staff of the SDA and DOE and an SDA school district official, and may include an SDA environmental consultant, [an SDA school district official,] an authorized member of the SDA school district's community advisory committee, if applicable, and other experts and/or specialists, as determined by the Authority.

(h) (No change.)

19:34-3.3 Feasibility studies and land-related design work

(a)-(c) (No change.)

(d) Based on the information provided by the SDA school district, pursuant to N.J.A.C. 19:34-3.2(b) and (f), the initial site review undertaken pursuant to (c) above, and any other relevant information, the Authority, in consultation with the members of the [project team] working group, shall determine whether to continue site feasibility services with respect to a proposed site and, if so, the scope of such feasibility services.

1.-3. (No change.)

(e)-(g) (No change.)

19:34-3.5 Site acquisition approvals

(a) (No change.)

(b) If the Authority determines to acquire the site, the Authority shall submit the architectural pre-design and programming, or, in the case of a contemplated design-build school facilities project pursuant to N.J.A.C. 19:36, a conceptual design, to the local planning board, pursuant to N.J.S.A. 40:55D-31, and obtain the approvals, reports and statements required by the Department prior to the submission of an application for approval of the acquisition of the site to the Department.

(c)-(d) (No change.)

19:34-3.8 Remediation and site development

(a) (No change.)

(b) For land already owned by the SDA school district on which the district is proposing to locate a school facilities project, the Authority may, but is not obligated to, perform any necessary remediation and/or site development to prepare the land for construction, pursuant to the district's provision of access to the land by way of ground lease or other form of right of entry.

Resolution—5g.Proposed Final Re-adoption Without Change: Title 19, Chapter 34
Preconstruction Activities Rules**Resolution**

WHEREAS, P.L. 2007, 137 (N.J.S.A. 52:18A-238(k)) requires that the Members of the New Jersey Schools Development Authority (SDA or the Authority) adopt, amend and repeal rules and regulations to carry out the provisions of P.L. 2000, c. 72 (C. 18A:7G-1 et seq.) and P.L. 2007, c. 137 (C. 52:18A-235 et seq.); and

WHEREAS, the Chapter 34 Rules proposed for re-adoption with amendments implement statutory provisions at N.J.S.A.18A:7G-5, providing guidance to school districts on the SDA's undertaking and funding of preconstruction activities as described in the memorandum presented to the Board on this date; and

WHEREAS, the Chapter 34 Rules were last readopted effective December 8, 2008 and were due to expire on December 8, 2015; and

WHEREAS, upon submission of the Chapter 34 Rules re-adoption proposal (the Rules) to the Office of Administrative Law, this expiration period was extended by 180 days, until June 5, 2016; and

WHEREAS, the memorandum and/or rule proposal presented to the Board on this date set forth the Rules' prior regulatory history, and describe the Rules and all substantive proposed amendments to the Rules along with the single public comment received in connection therewith; and

WHEREAS, SDA management recommends that the Members approve the final adoption of the Authority's proposed Preconstruction Activities Rules as presented.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the memorandum presented to the Board on this date, the Members of the Authority hereby authorize and approve the readoption of the Authority's Preconstruction Activities Rules as proposed and presented on this date as well as the issuance of the attached Notice of Re-adoption, and the filing of the Notice with the Office of Administrative Law.

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, Final Re-adoption Preconstruction Activities Rules, N.J.A.C. 19:34,
dated May 4, 2016

Dated: May 4, 2016

FINAL READOPTION WITHOUT CHANGE: TITLE 19, CHAPTER 34A: SECTION 13(A) DELEGATION AGREEMENT RULES



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5395**5****MEMORANDUM**

TO: Members of the Authority

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

DATE: May 4, 2016

RE: Final Readoption Without Change: Title 19, Chapter 34A: Section 13(a) Delegation Agreement Rules

On December 2, 2015, the Members of the New Jersey Schools Development Authority (“Authority” or “SDA”) approved for proposal and publication the readoption with amendments of SDA’s Section 13(a) Delegation Agreement Rules at Title 19, Chapter 34A. Management of the Authority now seeks the Members’ approval to formally adopt the Rules previously presented at the December 2, 2015 meeting of the Board, as revised in response to OAL comments and subsequently published in the New Jersey Register. The proposed Notice of Readoption for the Rules is attached hereto, along with a copy of the proposed Rules as published in the New Jersey Register.

Prior Regulatory History

Chapter 34A was originally adopted on December 8, 2008 and was scheduled to expire on December 8, 2015. Upon submission of the readoption proposal to the Office of Administrative Law, the expiration period was extended by 180 days, until June 5, 2016.

The proposed Rules appeared in the New Jersey Register on February 1, 2016 at 48 N.J.R. 198(a), and were subject to a sixty (60) day public comment period. The official comment period ended April 5, 2016. A single comment was received, which largely criticized the mandate and the mission of the Educational Facilities Construction and Financing Act (EFCFA) (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, in the determination of Management, warranted no modification of the proposed rules as previously promulgated. Accordingly, the form of the Rules has not changed from the original proposal as published in the Register.

Description of Rules and Substantive Amendments

The Rules proposed for readoption with amendments implement statutory provisions at N.J.S.A. 18A:7G-13(a), regarding authority for the SDA’s delegation of capital maintenance projects to SDA school districts. The rules describe a process by which the Authority may, in its discretion, delegate school facilities projects to SDA school districts for management and performance of capital maintenance projects funded by the Authority through a grant agreement. The rules provide SDA’s criteria for making the delegation decision, and guidelines to ensure that the grant funds are used properly for the delegated projects by the grantee districts.

Significant Amendments

The proposed amendments and repeals to the current Rules are primarily technical in nature, intended to conform the rules to statutory changes effected by P.L. 2007, c. 137, and to conform the rules to the practices of the NJSDA with respect to the administration of the delegation program and the disbursement of grant funds.

The Rules were proposed for re-adoption with amendments to eliminate obsolete provisions applicable to delegation agreements entered before August 6, 2007, and to delete references to the Section 13(a) delegation limit abolished by P.L. 2007, c. 137.

Other amendments were proposed to eliminate references to district local share obligations, as these references were applicable to non-SDA districts which are no longer eligible for Section 13(a) grants.

An amendment was proposed to Section 2.6(e) to clarify that the grantee SDA school district is the entity responsible for submitting change orders affecting the number, configuration, size and/or use of educational spaces to DOE for approval, and for submitting change orders in excess of 5% of the grant to the Authority for approval.

Finally, an amendment was proposed to repeal section 4.5 regarding the creation of a performance evaluation process for contractors engaged by districts, as such performance evaluations are not required by statute, and such performance evaluations have not historically been required by NJSDA.

Description of Public Comment

A single public comment was received via email, from an anonymous sender identified as jeanpublic1@gmail.com. The comment was not directed toward the proposed re-adoption of the N.J.A.C. 19:34 rules, or the particular language of the rules, but rather appeared to constitute a criticism of EFCFA and the mission of the Schools Development Authority generally, with respect to the funding and construction of school facilities projects in SDA Districts. Accordingly, Management deemed this comment as not warranting a response in the context of this Re-adoption proposal, and no changes are recommended in the proposed rule language in response to this comment.

Requested Board Action

The Members of the Authority are requested to approve the proposed re-adoption of the Authority's Section 13(a) Delegation Agreement Rules, as well as the issuance of the attached Notice of Re-adoption, and the filing of the Notice with the Office of Administrative Law.

/s/ Jane F. Kelly

Jane F. Kelly, Vice President
Corporate Governance & Operations

Prepared by Cecelia Haney, Senior Counsel
JFK/ceh

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Section 13(a) Delegation Agreement Rules

Proposed Readoption with Amendments: N.J.A.C. 19:34A

Proposed: February 1, 2016 at 48 N.J.R. 198(a)

Adopted: DATE by the New Jersey Schools Development Authority,

Charles B. McKenna, Chief Executive Officer

Filed: [DATE] as R. 2016 d.____, **without change**.

Authority: P.L. 2007, c.137, § 4k (N.J.S.A. 52:18A-238k; 52:18A-240) (rulemaking authority);

P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c.137, (N.J.S.A. 52:18A-235 et seq.);

N.J.S.A. 52:34-9.3 (enabling statutes)

Effective date: [PUBLICATION DATE], 2016;

Expiration date: [PUBLICATION DATE], 2023.

Summary of Public Comment and Agency Response:

COMMENT: A single public comment was received by email from an anonymous sender identified as jeanpublic1@gmail.com. The comment was not directed toward the proposed re-adoption of the N.J.A.C. 19:34 rules, or the particular language of the rule proposal, but rather appeared to constitute a criticism of the mission and statutory mandate of the Schools Development Authority under the Educational Facilities Construction and Financing Act (EFCFA) (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.]). As the commenter's criticism relates to the underlying statutory authority of the NJSDA, and is therefore beyond the scope of this rule adoption, no modifications of the proposed rules as previously promulgated are warranted in response to this comment.

Federal Standards Statement

The proposed Rules implement State statutes, namely 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.), and specifically N.J.S.A. 18A:7G-13(a). There are no Federal standards or requirements governing the subject matter of these Rules in as much as the rules proposed for readoption with amendments apply only to SDA school districts that are authorized by SDA to manage and perform capital maintenance projects to be performed at school facilities within the State of New Jersey. A Federal standards analysis, therefore, is not required.

Full text of the readoption follows:

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(a)

**NEW JERSEY SCHOOLS DEVELOPMENT
AUTHORITY****Section 13(a) Delegation Agreement****Proposed Readoption with Amendments: N.J.A.C.****19:34A****Proposed Repeals: N.J.A.C. 19:34A-1.6 and 4.5**

Authorized By: New Jersey Schools Development Authority, Charles B. McKenna, Chief Executive Officer.

Authority: P.L. 2007, c. 137, § 4k (N.J.S.A. 52:18A-238.k; 52:18A-240) (rulemaking authority), 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).

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

Proposal Number: PRN 2016-022.

Submit written comments via mail, e-mail, or facsimile by April 1, 2016, to:

Cecelia Haney, Administrative Practice Officer
New Jersey Schools Development Authority
PO Box 991
Trenton, NJ 08625-0991
Phone: 609-858-2968
Fax: 609-656-5076
chaney@njsda.gov

The agency proposal follows:

Summary

The New Jersey Schools Development Authority (SDA) proposes to readopt with amendments and repeals N.J.A.C. 19:34A, Section 13(a) Delegation Agreement.

Chapter 34A, which implements Section 13(a) of the Educational Facilities Construction and Financing Act (EFCFA), 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"), governs the SDA's discretionary delegation of capital maintenance projects to school districts pursuant to a Section 13(a) delegation agreement. Chapter 34A was previously readopted by the SDA with amendments and repeals on December 8, 2008, and is scheduled to expire on June 5, 2016, pursuant to N.J.S.A. 52:14B-5.1.c(2).

Chapter 34A provides the conditions, eligibility criteria, and process for capital maintenance projects to be delegated to an SDA school district by the Authority, pursuant to N.J.S.A. 18A:7G-13(a). This chapter sets forth the requirements for grant disbursements to fund such delegated capital maintenance projects, and addresses grant oversight. The process spans the initiation of delegation to the final completion and closeout of a capital maintenance project and is intended to balance the goal of expediting the funding and construction of capital maintenance projects with prudent oversight of the State share expended.

The SDA has reviewed Chapter 34A and has determined that, with the addition of the proposed amendments and repeals described herein, this chapter remains adequate, reasonable, and necessary for the purposes for which it was originally promulgated: to provide a mechanism by which the SDA can, in its discretion, delegate to SDA school districts the ability to perform capital maintenance projects funded by an SDA grant pursuant to a Section 13(a) delegation agreement.

As the SDA has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

A summary of the proposed substantive amendments follows.

Subchapter 1. General Provisions**N.J.A.C. 19:34A-1.1 Purpose and applicability of rules**

This section, regarding the purpose and applicability of this chapter, has been proposed for readoption with amendments. This section sets forth that the rules are promulgated to implement N.J.S.A. 18A:17G-13.a, which provides that the Authority may, in its discretion, authorize an

SDA school district to undertake a capital maintenance project funded through a grant agreement with the district for the payment of the State share. Proposed amendments include deletion of references to the former statutory limit on the costs for delegated capital maintenance projects, which limit was abolished by P.L. 2007, c. 137, and an amendment to delete reference to "districts other than SDA school districts required to use the predecessor to the Authority, pursuant to P.L. 2000, c. 72" to perform school facilities projects, as P.L. 2007, c. 137 also restricted the applicability of the delegation of capital maintenance projects to SDA school districts.

N.J.A.C. 19:34A-1.2 Definitions

This section sets forth the meaning of the words and terms used throughout this chapter. Amendments to the section include changes to previously defined terms and the deletion of terms and definitions rendered obsolete by statutory changes reflected in the proposed amendments, as set forth below.

The following term definitions are proposed for modification:

"Authority," which refers to the Schools Development Authority, is proposed for modification to refer to the SDA's origination statute as codified. The definition is further amended to include a brief description of the mission of the SDA as an entity "statutorily charged with undertaking and funding schools facilities projects, pursuant to the Act."

"Section 13(a) delegation agreement" is proposed for modification to delete references to the former Section 13(a) delegation limit on the costs for delegated capital maintenance projects, which limit was eliminated by statutory amendments pursuant to P.L. 2007, c. 137.

"Termination" is proposed for modification to delete a reference to termination due to a district's failure to secure the local share within a year of determination of final eligible costs, as this consideration is not applicable to SDA school districts which have no local share obligation.

The following term definitions are proposed for deletion:

"Local share" is proposed for deletion, as obsolete with reference to these rules, because the effect of legislative changes in P.L. 2007, c. 137 was to limitation the applicability of the delegation agreement rules to SDA school districts. Because the State share for school facilities projects in SDA school districts is 100 percent of the final eligible costs of such projects, SDA school districts do not have a local share obligation for school facilities projects under the Act, and the definition of local share and concerns for fulfillment of local share obligations for delegated capital maintenance projects are obsolete.

"Section 13(a) delegation limit" is proposed for deletion as obsolete, due to the elimination of the delegation limit by statutory amendments pursuant to P.L. 2007, c. 137.

N.J.A.C. 19:34A-1.3 Administration and performance of grant agreements

This section is proposed for readoption without amendment. This section provides that the SDA school district, not the Development Authority, is responsible for the administration and success of the capital maintenance project.

N.J.A.C. 19:34A-1.4 Noncompliance

This section is proposed for readoption without amendment. This section describes the events constituting an event of default, providing a cure process for some of these events, and further provides for broadly framed other non-compliance in addition to the events of default.

N.J.A.C. 19:34A-1.5 Remedies for events of default and noncompliance

This section is proposed for readoption without amendment. This section provides that in addition to any other remedies as may be provided by law or by the section 13(a) delegation agreement, in the event of noncompliance, the SDA, after notice to the district, may take any of the actions or combinations of actions contained in this section: withholding of grant disbursements, suspension of the section 13(a) delegation agreement, termination, and any other remedies available under State law warranted. The section further provides that at the option of the SDA, the SDA may take an assignment of any of the contracts in order to complete the capital maintenance project, and the SDA school district shall on demand pay to the Authority reasonable fees and

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expenses incurred by the Authority in the collection of the repayment of the grant.

N.J.A.C. 19:34A-1.6 Automatic termination

This section is proposed for repeal. This section provides for automatic termination of a section 13(a) delegation agreement in the event the costs of a delegated capital maintenance project exceeded or were estimated to exceed the former section 13(a) delegation limit abolished by P.L. 2007, c. 137, or in the event a district could not timely secure approval of its local share contribution. Statutory changes in P.L. 2007, c. 137 limited capital maintenance delegation agreements and grants to SDA school districts, eliminating application to other non-SDA school districts that were previously required to utilize the Authority's predecessor entity the Schools Construction Corporation. Because the State share for school facilities projects in SDA school districts is 100 percent of the final eligible costs of such projects, SDA school districts do not have a local share obligation for school facilities projects under the Act, and this section's previous provisions terminating delegation agreements for costs in excess of the delegation limit and failure to timely fulfill local share obligations by delegated districts are obsolete.

N.J.A.C. 19:34A-1.7 Termination by mutual agreement

This section is proposed for readoption without amendment. This section provides that the Authority and the school district may terminate the section 13(a) delegation agreement when both parties agree that the continuation of the capital maintenance project would not produce beneficial results commensurate with the further expenditure of funds.

N.J.A.C. 19:34A-1.8 Waiver

This section is proposed for readoption without amendment. This section provides that any school district desiring a waiver or release from the express provisions of any of the rules in this chapter may submit a written request to the Authority, which may grant the waiver only when the Authority determines that such waiver would not contravene the provisions of the Act and would instead promote the statutory purposes of the Act.

N.J.A.C. 19:34A-1.9 Appeals

This section is proposed for readoption without amendment. This section provides for an appeals process that anticipates a request to SDA for a discretionary informal hearing on the papers, and subsequent appeal procedures in the instance of a contested case, involving a subsequent hearing before the Office of Administrative Law.

Subchapter 2. Delegation to the District of the Design and Construction or Acquisition and Installation of the Capital Maintenance Project**N.J.A.C. 19:34A-2.1 Applicability**

This section is proposed for readoption without amendment. This section provides that this subchapter establishes the Authority's procedures and requirements governing the eligibility determination of a section 13(a) delegation agreement as well as the circumstances ending the delegation.

N.J.A.C. 19:34A-2.2 Eligible criteria for delegation

This section is proposed for readoption with amendments to delete reference to the now-abolished statutory limit on delegated capital maintenance projects. This section sets forth the eligibility criteria for delegation in three different circumstances: at the design phase after preconstruction approval, at the design phase after project approval, and prior to the construction phase for capital maintenance projects without a design phase.

N.J.A.C. 19:34A-2.3 Execution and other conditions for delegation

This section is proposed for readoption without amendment. This section provides the terms and conditions for Authority execution of the section 13(a) delegation agreement, such as receipt by the Authority of a certified copy of a resolution and proof of the district board's delegation to the school business administrator or other authorized officer for supervision of the capital maintenance project, as well as the provision of

a sign for indicating financing for the facilities project was made available to the district through the Authority.

N.J.A.C. 19:34A-2.4 Initial delegation and engagement of the design consultant

This section is proposed for readoption without amendment. This section addresses the initial delegation in three different circumstances: at the design phase after preconstruction approval, at the design phase after project approval, and prior to the construction phase for capital maintenance projects without a design phase. It also addresses the requirements for district engagement of a design consultant for capital maintenance projects in the first and second of the aforementioned delegation phases.

N.J.A.C. 19:34A-2.5 Design of the capital maintenance project

This section is proposed for readoption with amendments to eliminate references to the "local share" which is obsolete in light of the limitation of the rules to SDA school districts, which are entitled to 100 percent State share funding of school facilities projects. An amendment is proposed to delete the reference to "as part of the local share" in subparagraph (b)2iii, regarding the district's option to redesign to eliminate excess project costs, or to pay "as part of the local share" additional project costs caused by factors within the control of the district. Further amendments are proposed to delete language in subsection (c), and subsections (d) through (g) in their entirety, regarding capital maintenance projects with a local share obligation, in light of the fact that the application of this Chapter has been limited to capital maintenance delegations for SDA school districts only, and such school facilities projects do not have a local share obligation.

This section addresses the stages in the delegation from the time the Department issues a preliminary project report, to the submission of detailed plans and specifications and final eligible costs recommendations to the Department, to the district's approval of local share of the final eligible costs (if applicable), to the authorization-to-proceed to the construction phase.

N.J.A.C. 19:34A-2.6 Construction or acquisition and installation of the capital maintenance project

This section is proposed for readoption with amendments. This section sets forth the Authority requirements for the district to proceed with the construction of the capital maintenance project, including the submission for review and approval by the Authority of a construction phase checklist, a contractor certification, acceptable documentation of insurance coverage, and an adjustment of the CWE. Proposed amendments include deletion of the subparagraph (e)4i reference to a local share obligation, in light of the fact that statutory amendments pursuant to P.L. 2007, c. 137 limited the application of this chapter to capital maintenance delegations for SDA school districts, which are entitled to 100 percent State share funding for eligible costs of school facilities projects under the Act, including delegated capital maintenance projects, and thus do not have a local share obligation for such projects. Additional amendments clarify that the SDA school district is responsible for submitting change orders affecting educational spaces to DOE for approval, and for submitting change orders exceeding five percent of the grant to the Authority for approval.

Subchapter 3. Grant Amount and Disbursement of the Grant**N.J.A.C. 19:34A-3.1 Grant amount**

This section is proposed for readoption without amendment. This section addresses the 100 percent funding of design work prior to a determination of final eligible costs, the application of such amounts towards the State share, the requirements of approved and reasonable costs, adjustments to the grant amount and the funding of change orders.

N.J.A.C. 19:34A-3.2 Disbursement schedule

This section is proposed for readoption without amendment. This section addresses the schedule and the conditions upon which the Authority is obligated to disburse.

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N.J.A.C. 19:34A-3.3 Disbursement documentation and procedures

This section is proposed for readoption without amendment. This section addresses the documentation required for disbursement (invoice, voucher, insurance coverage, certification, and/or checklists), the requirements for disbursement upon final completion, and the conditions upon which the Authority is obligated to disburse funds.

N.J.A.C. 19:34A-3.4 Closeout procedures

This section, which addresses the process of achieving close out of a delegated capital maintenance project, is proposed for readoption with an amendment to delete reference to unexpended bond funds raised in support of a local share, due to the inapplicability of local share obligations for SDA school districts, which are now the only type of school districts subject to delegation of capital maintenance projects. As previously noted, upon limitation of the delegation agreement regulations to SDA school districts, which are entitled to 100 percent State share funding of school facilities projects, the references in the regulations to local share obligations have become obsolete. This section provides that closeout shall occur when all applicable administrative actions and all required work have been completed by the district.

Subchapter 4. Contract Award and Compliance**N.J.A.C. 19:34A-4.1 General provisions**

This section is proposed for readoption without amendment. This section requires a school district to design and construct a capital maintenance project pursuant to the plans and specifications and as approved by the Department. This section also addresses changes in the capital maintenance project impacting educational adequacy and the approval needed for change orders and consultant amendments.

N.J.A.C. 19:34A-4.2 Contract award and compliance

This section is proposed for readoption without amendment. This section addresses the district's broad range of responsibilities in awarding contracts for the capital maintenance project, supervising design and construction, monitoring performance to ensure efficient and effective completion, exhausting remedies in the event of default, and taking action involving the contracted party deemed by the district to be reasonably necessary. This section requires the district to obtain and maintain licenses and certifications required by governmental authorities, to award contracts in accordance with the Public School Contracts Law, and to have construction contracts include provisions regarding compliance with the New Jersey Prevailing Wage Act, the New Jersey Law Against Discrimination, and the Law establishing the Office of the State Comptroller. This section incorporates the School Ethics Law by reference, and also contains other conflict of interest provisions requiring reporting by the district. This section further addresses the maintenance plan of a capital maintenance project, proof of insurance, district responsibilities regarding the tax-exempt status of bonds issued by the NJEDA, a variety of required district certifications, bid guarantees, performance bonds, and general language providing that the Authority may impose such other conditions as may be necessary and appropriate to implement the laws of the State and effectuate the purposes and intent of the Act.

This section conforms with the Authority's contractor and consultant prequalification rules, Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Corporation, found at N.J.A.C. 19:38A. This section further requires that the district comply with the requirements of N.J.S.A. 52:15C-10 concerning the notices to the State Comptroller and the timing of the procurement process relative to the award of contracts.

N.J.A.C. 19:34A-4.3 Fraud and other unlawful and corrupt practices

This section is proposed for readoption without amendment. This section addresses the district's responsibilities in administering moneys pursuant to this chapter, the section 13(a) delegation agreement and any contracts entered into in connection with the capital maintenance project free from bribery, graft, and corrupt practices. This section also provides that the district must take appropriate remedial actions with respect to any allegations or evidence of such illegality or corrupt practices.

N.J.A.C. 19:34A-4.4 Debarment

This section is proposed for readoption with an amendment in subsection (a) to change an existing reference to a "preconstruction project" into a reference to a "capital maintenance project". This section provides that the district and its consultants or contractors shall not enter into a contract for work on a preconstruction activity or capital maintenance project with any person or firm that has been debarred, suspended or disqualified from State, NJEDA, Authority or Federal government contracting. This section also sets forth requirements for statements in contracts and bid specifications relating to debarment, suspension or disqualification from contracting. Addressed as well is the district's affirmative obligation to notify the Authority in writing whenever it has knowledge that any contracted party, subconsultants or subcontractor is on the debarment or suspension list maintained by the Authority, the Department of the Treasury, NJEDA, or the Federal government.

N.J.A.C. 19:34A-4.5 Performance evaluation policy and procedure

This section is proposed for repeal, as the Authority is not required by N.J.S.A. 18A:7G-36 (the statute mandating performance evaluations of contractors on school facilities projects undertaken by the Authority) to perform performance evaluations for projects undertaken by districts pursuant to an Authority grant.

N.J.A.C. 19:34A-4.6 Disclosure and publicity

This section is proposed for readoption without amendment. This section provides that submissions received by the Authority shall constitute government records and that public dissemination of information by the district concerning the capital maintenance project shall acknowledge the Authority's financial support.

N.J.A.C. 19:34A-4.7 Access and record retention

This section is proposed for readoption without amendment. This section provides that the governmental entities with oversight responsibilities concerning the schools construction program shall have broad access to records pertaining to capital maintenance activities retained by the districts. This section also provides that the district must also include in all contracts a provision requiring contracted parties to permit the Authority and other governmental units to investigate, audit, examine, and inspect these records. This section additionally addresses record retention requirements for records relating capital maintenance projects that are funded through a 13(a) delegation agreement.

Social Impact

The rules proposed for readoption with amendments and repeals will apply to SDA school districts that seek to manage and administer the performance of capital maintenance projects funded by an SDA grant and delegation of authority pursuant to a Section 13(a) delegation agreement.

The SDA believes that the rules proposed for readoption with amendments and repeals will have a positive social impact and that no negative impact will result. The readoption of these rules can be expected to positively impact the students, teachers, and parents served by SDA school districts because they provide guidance on the roles and responsibilities of the Authority and SDA school districts with respect to State funding and delegation of capital maintenance projects pursuant to a section 13(a) delegation agreement. The rules provide flexibility sought by both SDA school districts and the Authority for delegating capital maintenance projects pursuant to section 13(a) delegation agreements. This will enable SDA school districts to better meet health and safety facilities standards, and by successfully undertaking capital maintenance projects, allow SDA school districts to build the capacity that will enable them to undertake other, more complex school facilities projects.

Economic Impact

The rules proposed for readoption with amendments and repeals address the Authority's discretionary delegation to SDA school districts of capital maintenance projects, pursuant to section 13(a) of the Act. The State share for section 13(a) delegated projects is funded with State contract bonds issued by the NJEDA pursuant to section 25 of the Act, the payment of which is conditioned on appropriations being made by the Legislature. The rules proposed for readoption with amendments and

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repeals will have a positive economic impact on the long-term economic growth of the State of New Jersey because significant activity in the planning, construction, architecture, and engineering professions will directly result from these rules, providing obvious Statewide economic benefits in the short term.

Federal Standards Statement

The rules proposed for re-adoption with amendments and repeals implement State statutes, namely 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.), and specifically N.J.S.A. 18A:7G-13.a. There are no Federal standards or requirements governing the subject matter of these rules in as much as the rules proposed for re-adoption with amendments and repeals apply only to SDA school districts that are authorized by SDA to manage and perform capital maintenance projects to be performed at school facilities within the State of New Jersey. A Federal standards analysis, therefore, is not required.

Jobs Impact

The rules proposed for re-adoption with amendments and repeals will support the creation of a number of new jobs in New Jersey as a result of facilitating the delegation of capital maintenance projects to SDA school districts pursuant to N.J.S.A. 18A:7G-13.a. Jobs will primarily be created in the construction and design sectors.

Agriculture Industry Impact

The rules proposed for re-adoption with amendments and repeals will have no impact on the agriculture industry.

Regulatory Flexibility Analysis

The rules proposed for re-adoption with amendments and repeals primarily impact New Jersey SDA school districts, but through implication, impose compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., that may be engaged by districts to support or perform delegated capital maintenance projects. The types of small businesses that may be affected by the rules include consultants (for example, design consultants such as architects and engineers), contractors, and their subconsultants and subcontractors providing materials or services to the school district in connection with a school facilities project. Because of the scale of capital maintenance projects delegated to SDA school districts by the Authority, it is anticipated that the number of small businesses to which the rules will apply will be substantial. These rules, specifically N.J.A.C. 19:34A-4.7, impose records access and retention of records obligations that may affect contractors and consultants that are small businesses; the requirement that consultant and contractors be prequalified by the Authority as a condition of Authority funding of a section 13(a) grant, and the contract award and compliance requirements set forth in N.J.A.C. 19:34A-4.2.

The majority of the aforementioned requirements are imposed by other laws and rules, in that the rules impose virtually no change to the way school districts procure goods and services. One exception is the record access and retention provisions (access to additional governmental entities, retention period of 10 years to correlate with the statute of limitations for architectural services claims). The costs entailed in the records provisions are not anticipated to be substantially more than the costs otherwise incurred for record retention. It is unlikely that a small business would have to employ professional services to comply with this requirement. The rules are designed to minimize any adverse economic impact on small businesses by making few changes in the ways school districts procure goods and services.

Housing Affordability Impact Analysis

The rules proposed for re-adoption with amendments and repeals address the discretionary delegation of authority to SDA school districts for capital maintenance projects and administration of a grant program for funding the State share of such capital maintenance 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 Analysis

The rules proposed for re-adoption with amendments and repeals will have an insignificant impact on smart growth development because it is

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extremely unlikely that the adoption of the rules would evoke a change in housing production in the State of New Jersey Planning Areas 1 or 2, or within designated centers under the State Development and Redevelopment Plan.

Full text of the rules proposed for re-adoption may be found in the New Jersey Administrative Code at N.J.A.C. 19:34A.

Full text of the proposed amendments and repeals follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS

19:34A-1.1 Purpose and applicability of rules

(a) These rules are promulgated by the New Jersey Schools Development Authority (the "Authority"), to implement section 13(a) of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-13(a), as amended, and P.L. 2007, c. 137 (the "Act"). The Act provides for, among other things, the Authority to undertake all of the school facilities projects in the SDA school districts and to undertake and fund certain preconstruction activities, pursuant to N.J.A.C. 6A:26-3.9 and 19:34. Section 13(a) of the Act provides that in the case of a capital maintenance project, the Authority may, in its discretion, authorize a district to undertake the project and shall enter into a grant agreement with the district for the payment of the State share. [Prior to August 6, 2007, such grants were made pursuant to a 13(a) grant agreement executed between the Corporation and an Abbott district, or other district required to use the Corporation, by which the Corporation funds the State share including the costs of pre-development activities in connection with a proposed school facilities project with estimated costs under the section 13(a) delegation limit delegated by the Corporation to be undertaken by the district pursuant to section 13(a) of the Act and this section.]

(b) The rules in this chapter implementing section 13(a) of the Act shall apply to SDA school districts [and districts other than SDA school districts required to the use the predecessor to the Authority, pursuant to P.L. 2000, c. 72].

19:34A-1.2 Definitions

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

...

"Authority" [or "Development Authority"] or "SDA" means the New Jersey Schools Development Authority, an entity which undertakes and funds school facilities projects under the Act and which is an entity formed pursuant to section 3 of P.L. 2007, c. 137, N.J.S.A. 52:18A-235 et seq., as successor to the New Jersey Schools Construction Corporation. **The SDA is statutorily charged with undertaking and funding schools facilities projects pursuant to the Act.**

...

["Local share" means the amount of funding to be provided by the district.]

...

"Section 13(a) delegation agreement" means the grant agreement between the Authority and an SDA school district by which the Authority funds the State share, including the costs of preconstruction activities in connection with a proposed capital maintenance project delegated by the Authority to be undertaken by an SDA school district, pursuant to section 13(a) of the Act and this chapter. [For grant agreements executed prior to August 6, 2007, "section 13(a) delegation agreement" means the grant agreement between the Corporation and an Abbott district, or other district required to use the Corporation, by which the Corporation funds the State share including the costs of pre-development activities in connection with a proposed school facilities project with estimated costs under the section 13(a) delegation limit delegated by the Corporation to be undertaken by the district pursuant to section 13(a) of the Act and this chapter.

"Section 13(a) delegation limit" means the eligible costs limit, as set forth in section 13(a) of P.L. 2000, c. 72, for a school facilities project to be eligible for delegation by the Corporation to the district. The \$500,000

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final eligible cost limit applies to section 13(a) grant agreements executed prior to August 6, 2007, when P.L. 2007, c. 137 abolished the cost limit.]

"Termination" means the cancellation of the section 13(a) delegation agreement by the Authority as a result of an event of default or other noncompliance; in the event the district fails to obtain the local share (if applicable) within one year of the Department determination of final eligible costs; or by mutual consent of the parties.

(b) (No change.)

19:34A-1.6 [Automatic termination] (Reserved)

[(a) A section 13(a) delegation agreement, which was executed prior to August 6, 2007, shall automatically terminate if:

1. The CWE at any time up to and including the determination of final eligible costs exceeds the section 13(a) delegation limit;

2. The preliminary eligible costs of the school facilities project, as determined by the Department, exceed the section 13(a) delegation limit;

3. The final eligible costs of the school facilities project, as determined by the Department, exceed section 13(a) delegation limit; or

4. The district fails to obtain approval of the local share, if applicable, within one year of the determination of final eligible costs of the school facilities project.]

SUBCHAPTER 2. DELEGATION TO THE DISTRICT OF THE DESIGN AND CONSTRUCTION OR ACQUISITION AND INSTALLATION OF THE CAPITAL MAINTENANCE PROJECT

19:34A-2.2 Eligibility criteria for delegation

(a) The following criteria shall apply regarding eligibility for delegation when determined upon issuance by the Department of a preconstruction approval of the preconstruction design work:

1.-2. (No change.)

3. The Department has approved the undertaking of preconstruction design work pursuant to N.J.A.C. 6A:26-3.9; and

[4. The initial CWE is not greater than the section 13(a) delegation limit, if the 13(a) delegation agreement was executed prior to August 6, 2007; and]

[5.] 4. (No change in text.)

(b) If eligibility is determined upon issuance by the Department of a preliminary project report (that is, later in the design phase of the capital maintenance project or prior to the construction phase for capital maintenance projects without a design phase), the criteria shall be the following:

1. (No change.)

2. The Department has approved the capital maintenance project and issued a preliminary project report to the Authority pursuant to N.J.S.A. 18A:7G-5 and N.J.A.C. 6A:26-3.3; and

[3. The Department has determined that the preliminary eligible costs of the school facilities project do not exceed the section 13(a) delegation limit, if the 13(a) delegation agreement was executed prior to August 6, 2007; and]

[4.] 3. (No change in text.)

19:34A-2.5 Design of the capital maintenance project

(a) (No change.)

(b) When the detailed plans and specifications are completed, the district shall submit them to the Authority with an updated CWE, to review for consistency with the initial scope of work provided pursuant to N.J.A.C. 19:34A-2.3(a), if applicable, and for the Authority to make a final eligible cost recommendation for the capital maintenance project to the Department, pursuant to N.J.A.C. 6A:26-3.5. At the same time, or before or after the determination by the Department of final eligible costs, pursuant to N.J.A.C. 6A:26-3.5, the district shall submit the detailed plans and specifications to the Department for approval of final educational adequacy, if applicable, pursuant to N.J.A.C. 6A:26-5.4.

1. (No change.)

2. If the updated CWE is greater than the preliminary eligible costs:

i.-ii. (No change.)

iii. If the Authority determines that the additional costs are the result of factors that are within the control of the district or are the result of design factors that are not required to meet the facilities efficiency standards, the district shall either make the appropriate changes to reduce costs or agree to pay such additional costs [as part of the local share].

(c) [For capital maintenance projects without a local share, after] After the Authority receives a final project report evidencing final eligible costs, the Authority shall issue an authorization-to-proceed with the construction phase, whereupon the district shall proceed with the procurement of contractors for the construction or the acquisition and installation of the capital maintenance project.

[(d) For capital maintenance projects with a local share, prior to the Authority issuing an authorization-to-proceed with the construction phase, the district shall provide the following evidence that the local share has been approved in accordance with the provisions for the approval of capital projects pursuant to N.J.S.A. 18A:22-1 et seq., 18A:24-1, 18A:7A-46.1 et seq., as applicable to the district pursuant to N.J.S.A. 18A:7G-11 and N.J.A.C. 6A:26-3.7:

1. If the local share is funded all or in part through the issuance of school bonds, a certified copy of the referendum that the district submitted to the voters for approval of the local share evidencing proof of voter approval of the local share; or

2. If the local share is funded through sources other than school bonds, such as the capital reserve account or lease purchase agreement of not in excess of five years duration, the district shall obtain approval of local share in accordance with N.J.A.C. 6A:26-3.7 and any statutory and regulatory authorities specifically governing that source of local share, such as N.J.S.A. 18A:20-4.2(f), 18A:7G-31, and N.J.A.C. 6A:26-8.1 and 10.

(e) Upon receipt by the Authority of evidence of approval of local share as required in (d) above, the Authority shall issue an authorization to proceed with the construction phase, whereupon the district shall proceed with the procurement of contractors for the construction or the acquisition and installation of the capital maintenance project.

(f) If the district fails to submit evidence that the local share has been approved, the Authority shall not issue an authorization-to-proceed. The agreement shall terminate automatically if a district fails to obtain approval of the local share within one year of the determination by the Department of final eligible costs of the capital maintenance project.

(g) In the event a district fails to obtain approval of the local share and the agreement terminates automatically, and, further, in the event that the district fails to evidence diligent and good faith efforts to obtain the local share, the district shall be obligated to refund to the Authority any moneys disbursed to the district under the agreement.]

19:34A-2.6 Construction or acquisition and installation of the capital maintenance project

(a)-(d) (No change.)

(e) If, during the design and construction of the capital maintenance project, a district determines that an amendment or a change in the work of the design consultant, any other consultant and/or the contractor(s) is required, as applicable, the following shall apply:

1. Any change order, or amendment regardless of the amount, which affects the number, configuration, size, location, or use of the educational spaces, shall be submitted by the district to the Department for approval;

2. Any change order or amendment which exceeds five percent of the grant amount, in the singular or aggregate, shall be submitted by the district to the Authority for approval;

3. (No change.)

4. After receipt by the Authority of the final project report, the district shall be responsible for:

i. The local share, if applicable; and

ii. The costs associated with changes to the scope of the capital maintenance project, unless the district provides evidence satisfactory to the Authority that the change order is necessitated by either an emergency consistent with N.J.S.A. 18A:18A-7 or unforeseeable physical conditions.

(f) (No change.)

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SUBCHAPTER 3. GRANT AMOUNT AND DISBURSEMENT OF THE GRANT

19:34A-3.4 Closeout procedures

(a) Closeout shall occur when all applicable administrative actions and all required work have been completed by the district. This process shall include the steps enumerated below:

1. (No change.)

2. [Any proceeds of school bonds issued by the district for the purposes of funding the local share of the capital maintenance project which remain unspent upon completion of the capital maintenance project shall be used by the district to reduce the outstanding principal amount of the school bonds either through redeeming bonds at the earliest call date or applying such proceeds to payment of principal as principal becomes due. In no event shall such proceeds be utilized to pay the interest expense on the school bonds issued for any capital maintenance project.]

(Reserved)

3.-5. (No change.)

SUBCHAPTER 4. CONTRACT AWARD AND COMPLIANCE

19:34A-4.4 Debarment

(a) The district and its consultants or contractors shall not enter into a contract for work or an approved preconstruction activity or [preconstruction] capital maintenance project with any person or firm that has been debarred, suspended, or disqualified from State, NJEDA, Authority or Federal government contracting.

(b)-(c) (No change.)

19:34A-4.5 [Performance evaluation policy and procedure] (Reserved)

[The Authority may establish and maintain a consultant and contractor performance evaluation policy and procedure. The performance of any consultants and contractors engaged by the district for the preconstruction activities and capital maintenance project shall be evaluated by the district at the times and in the manner specified by the Authority. This evaluation shall consider, among other things, the consultant's and contractor's ability to deliver and complete the capital maintenance project within the specified time frame established by the district, within the final eligible costs and local share, if any, as determined by the Department, and consistent with the requirements of the contracts.]

Resolution—5h.Final Re-adoption Without Change: Title 19, Chapter 34A
Section 13(a) Delegation Agreement Rules**Resolution**

WHEREAS, P.L. 2007, 137 (N.J.S.A. 52:18A-238(k)) requires that the Members of the New Jersey Schools Development Authority (SDA or the Authority) adopt, amend and repeal rules and regulations to carry out the provisions of P.L. 2000, c. 72 (C. 18A:7G-1 et seq.) and P.L. 2007, c. 137 (C. 52:18A-235 et seq.); and

WHEREAS, Chapter 34A serves to govern the delegation of capital maintenance school facilities projects to SDA school districts pursuant to a delegation and grant agreement under Section 13(a) of the Educational Facilities Construction and Financing Act (“EFCFA”), P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); and

WHEREAS, Chapter 34A was originally adopted on December 8, 2008 and was scheduled to expire on December 8, 2015; and

WHEREAS, on December 2, 2015, the Board approved for proposal and publication the re-adoption with amendments of SDA’s Section 13(a) Delegation Agreement Rules at Title 19, Chapter 34A (the Rules); and

WHEREAS, Upon submission of the re-adoption proposal to the Office of Administrative Law, the expiration period was extended by 180 days, until June 5, 2016; and

WHEREAS, the memorandum and/or rule proposal presented to the Board on this date set forth the Rules’ prior regulatory history, and describes the Rules, all substantive proposed amendments to the Rules and the single public comment received in connection therewith; and

WHEREAS, SDA management recommends that the Members approve the final adoption of the Authority’s proposed Delegation Agreement Rules as proposed and presented, as well as the issuance of the Notice of Re-adoption and the filing of the Notice with the Office of Administrative Law.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the memorandum presented to the Board on this date, the Members of the Authority hereby authorize and approve the proposed re-adoption of the Authority’s Section 13(a) Delegation Agreement Rules with amendments and repeals, as well as the issuance of the attached Notice of Re-adoption and the filing of the Notice with the Office of Administrative Law.

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, Final Re-adoption with Amendments: Section 13(a) Delegation
Agreement Rules, N.J.A.C. 19:34A, dated May 4, 2016

Dated: May 4, 2016

CREDIT CHANGE ORDER: PROMEDIA TECHNOLOGY SERVICES, INC.



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY32 E. FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5325**5****MEMORANDUM**

TO: Members of the Authority

FROM: John Barbato, Director Contract Accounting & Disbursements

RE: De-Obligation of Unused Contract Balances – Credit Change Order
Promedia Technology Services, Inc.

DATE: May 4, 2016

VENDOR NAME: Promedia Technology Services, Inc.

CONTRACT NO.: PA-0025-E01

DISTRICT: Paterson Public School District

SCHOOL NAME(S): New International High School Academy; Marshall Street
Elementary School; Number 13 Elementary School

CHANGE ORDER NO: 2

REASON: De-Obligation of Unused Contract Balances

AMOUNT: (\$872,531.00)

CONTRACT STATUS: 2.6% Paid to Date Against Current Contract Value

INTRODUCTION

The purpose of this memorandum is to seek approval by the Members of the Authority to de-obligate the unused contract balances (\$872,531.00) associated with an E-Rate contract with Promedia Technology Services, Inc. (Promedia). The Contract (PA-0025-E01) was previously terminated for convenience by the Authority on December 20, 2007. Execution of a credit change order is the method in which contract funds are de-obligated. The de-obligation of the unused contract funds will also serve to close out the contract with Promedia. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order that singularly exceeds \$500,000 or 10% of the contract value requires approval by the Members of the Authority. This credit change order exceeds both the \$500,000.00 threshold and 10% of the contract value.

Members of the Authority

PA-0025-E01 Change Order #2 – Promedia Technology Services, Inc.

De-Obligation of Unused Contract Balances

May 4, 2016

Page 2

BACKGROUND

The scope of work for this contract included providing and installing cabling, telephone system, network electronics and servers in four (4) new school facilities to be built in the Paterson Public School District. Additionally, the contract work was to be eligible for participation in the School & Libraries Division E-Rate program.

The construction contract for E-Rate eligible work was initially advertised on December 10, 2004, and through a competitive bid process was subsequently awarded to Promedia on April 27, 2005 for a lump sum price of \$985,243.00. No work was directed to be performed under the contract based on decisions at the time that E-Rate rebate funds would not be pursued or because an included project was not then advancing.

On December 20, 2007, the Authority issued a written Order of Termination for Convenience to Promedia in accordance with Section 10.3 of the Agreement, and Promedia has been compensated for certain bond costs. Funds associated with one (1) of the four (4) school facilities included in the engagement have been deobligated.

REASON FOR CHANGE

This contract was terminated by the Authority prior to completion of contract work leaving line item balances associated with three (3) school facilities projects. This Change Order is the accounting mechanism by which the NJSDA de-obligates the funds associated with work no longer to be performed as presented in the original contract.

SUMMARY OF CHANGE

1) Total Original Contract Value:

Number 24 Elementary School	\$100,673.00
New International High School Academy	122,090.00
Marshall Street Elementary School	438,918.00
Number 13 Elementary School	<u>323,562.00</u>
Total Original Contract Value	<u>\$985,243.00</u>

2) Change Orders to Date:

Number 24 Elementary School	<u>(\$89,346.70)</u>
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*Members of the Authority**PA-0025-E01 Change Order #2 – Promedia Technology Services, Inc.**De-Obligation of Unused Contract Balances**May 4, 2016**Page 3*

3) Payments to Date:

Number 24 Elementary School	\$11,326.30
New International High School Academy	1,367.00
Marshall Street Elementary School	6,341.00
Number 13 Elementary School	<u>4,331.00</u>
Total Payments	<u>\$23,365.30</u>

4) Remaining Unspent Contract Funds to be De-Obligated through Proposed Credit Change Order:

Number 24 Elementary School	\$ 0.00
New International High School Academy	120,723.00
Marshall Street Elementary School	432,577.00
Number 13 Elementary School	<u>319,231.00</u>
Total Proposed Credit Change Order Amount	<u>\$872,531.00</u>

5) Percentage Change to Original Contract -88.6%**RECOMMENDATION**

The Members of the Authority are requested to approve the execution of a credit change order in the amount of \$872,531.00. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order that singularly exceeds \$500,000 or 10% of the contract value requires approval by the Members of the Authority. This credit change order exceeds both the \$500,000.00 threshold and 10% of the contract value.

Recommended by:

/s/ John Barbato

 John Barbato, Director
 Contract Accounting & Disbursements

Reviewed and Recommended by: Donald Guarriello, Vice President and CFO

Resolution—5i.De-Obligation of Unused Contract Balances – Credit Change Order,
Promedia Technology Services, Inc.

VENDOR NAME: Promedia Technology Services, Inc.
 CONTRACT NO: PA-0025-E01
 DISTRICT: Paterson Public School District
 SCHOOL NAME: New International High School Academy; Marshall Street
 Elementary School; Number 13 Elementary School
 CHANGE ORDER NO.: 2
 REASON: De-obligation of Unused Contract Balances
 AMOUNT: (\$872,531.00)
 CONTRACT STATUS: 2.6% Paid to Date

Resolution

WHEREAS, the Operating Authority of the Schools Development Authority (SDA or the Authority) requires that a credit change order that singularly exceeds \$500,000, or 10% of the contract value requires approval by the Members of the Authority; and

WHEREAS, a credit change order is the accounting mechanism by which the New Jersey Schools Development Authority (SDA) de-obligates a contract's unused funds such as where unused professional services result in same; and

WHEREAS, a construction contract for E-Rate eligible work was advertised in December 2004 through a competitive bid process and was subsequently awarded to Promedia Technology Services Inc. (Promedia) in April 2005 for a lump sum price of \$985,243.00; and

WHEREAS, the scope of work for this construction contract is set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, no work was directed to be performed under the construction contract on the then basis that either E-Rate rebate funds would not be pursued or because an included project was not then advancing; and

WHEREAS, in December 2007 SDA issued a written order of termination for convenience to Promedia in accordance with the Agreement; and

WHEREAS, Promedia has been compensated for certain bond costs and funds associated with one (1) of the four (4) school facilities included in the Promedia engagement have been deobligated; and

WHEREAS, with this credit change order, the SDA shall de-obligate the funds for line item balances in the amount of (\$872,531) and associated with three (3) school facilities projects in connection with which work, as presented in the original contract, will no longer be performed; and

WHEREAS, this credit change order exceeds both the \$500,000.00 threshold and equals 10% of the contract value and, therefore, requires approval by the Members of the Authority, and;

WHEREAS, the background, reason for the change and a summary of the change are set forth in detail in the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the credit change order in the amount of (\$872,531) for Promedia Technology Services, Inc. for line item balances under Construction Contract No. PA-0025-E01 associated with three (3) school facilities projects in connection with which work will no longer be performed as presented in the original contract.

BE IT FURTHER RESOLVED, 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, Credit Change Order #2, Credit change order to de-obligate unused contract funds (Contract No PA-0025-E01), New International High School Academy; Marshall Street Elementary School; Number 13 Elementary School, in the Paterson Public School District, dated May 4, 2016

Dated: May 4, 2016

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: May 4, 2016

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

The 1st section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.



2011 & 2012 Portfolio Projects Activities Summary

as of 4/15/16

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	\$23.3	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	\$39.0	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Elizabeth	Academic HS	9-12	1,091	\$64.1	Existing Design	Phase 2 Award approved Nov. 2012 Board (Patock Construction)	12/8/11 7/11/12
Jersey City	ES 3 (Patricia M. Noonan)	PK-5	778	\$54.0	Kit of Parts/ Design-Build	Award for D-B approved May 2013 Board (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	PS 20	K-5	628	\$48.2	Existing Design	Phase 2 Construction approved Aug. 2013 Board (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	\$40.0	Existing Design	Construction Contract Approved Apr. 2012 Board (Terminal Construction).	12/20/11
New Brunswick	Redshaw ES	PK-5	906	\$51.2	Kit of Parts/ Design-Build	Award for D-B approved at Sep. 2012 Board (Hall Construction).	5/29/12
Newark	Oliver St. ES	PK-8	848	\$73.6	Kit of Parts/ Design-Build	Award for D-B approved Mar. 2013 Board. (Epic Management)	6/27/12 11/29/12
Paterson	Marshall St. ES	K-8	650	\$55.2	Existing Design	Construction Contract approved at May 2013 Board (Bock).	6/13/12 2/12/13
Paterson	PS 16	PK-8	705	\$62.4	Kit of Parts/ Design-Build	Award for D-B approved at Dec. 2013 Board (Hall Construction).	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	\$20.4	Design-Bid-Build	Construction Contract approved at Apr. 2016 Board (Paul Otto).	2/27/12 12/29/15

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



2011 & 2012 Portfolio Projects Activities Summary

as of 4/15/16

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	Elementary/Middle School	4-8	687	\$63.9	Kit of Parts/ Design-Build	Award for D-B approved Jul. 2014 Board (Terminal Construction).	3/4/14
Keansburg	Caruso ES	K-4	736	\$50.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2013 Board (Hall Construction).	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	\$17.5	Design-Bid-Build	Award for Design services approved Feb. 2016 Board.	TBD
New Brunswick	Robeson ES	PK-5	823	\$47.1	Kit of Parts/ Design-Build	Award for D-B approved Sep. 2015 Board (Hall Construction).	4/22/15
Newark	Elliot Street ES	PK-8	848	\$46.7	Kit of Parts/ Design-Build	Award for D-B approved Apr. 2013 Board (Hall Construction).	12/27/12
Newark	South Street ES	PK-8	597	\$69.9	Kit of Parts/ Design-Build	Award for D-B approved Oct. 2015 Board (Bock).	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,741	\$209.5	Kit of Parts/ Design-Build	Project now sequenced with the advancement of the Leonard Place Project.	TBD
Phillipsburg	High School	9-12	1,846	\$127.5	Existing Design	Construction Contract Approved Apr. 2013 Board (Epic Management).	9/27/12
West New York	Memorial HS	9-12	1,859	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work will be completed via District Grant.	n/a

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



2011 & 2012 Portfolio Projects Activities Summary

as of 4/15/16

2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended Projects) - sorted by District

District	Project	1			Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	Capacity	Total Estimated Cost (millions)			
East Orange	George Washington Carver ES	PK-5	463	\$42.0	Kit of Parts/ Design-Build	Preliminary Charter approved May 2015 Board.	Apr-16 2 QTR 17
Elizabeth	New ES @ Halloran PS #22 ES Site	ES	860	\$55.3	Kit of Parts/ Design-Build	Award for D-B approved at Nov. 2014 Board (Torcon).	6/9/14
Garfield	James Madison ES	K-5	275	\$29.7	Existing Design	Award for GC approved Oct. 2015 Board (Brockwell & Carrington).	2/19/14 6/30/15
Harrison	New ES	PK-1	392	\$33.5	Kit of Parts/ Design-Build	Preliminary Charter Approved Jan. 2015 Board. ESP Advertised 11/10/15.	11/10/15 3 QTR 16
Irvington	Madison Avenue ES	PK-5	463	\$35.4	Kit of Parts/ Design-Build	Revised Preliminary Charter and ESP ROA approved Mar. 2016 Board.	11/19/15 3 QTR 16
Millville	Senior HS Addition/Renovation	HS	2,026	\$110.0	Design-Build	Revised Preliminary Charter approved Jan. 2015 Board.	2 QTR 16
Passaic	New ES @ Leonard Place	K-5	628	\$55.9	Kit of Parts/ Design-Build	Award for D-B approved Dec. 2015 Board (Dobco, Inc.).	8/13/15
Paterson	New MS @ Union Ave.	6-8	996	\$112.9	Design-Build	Preliminary Charter approved Apr. 2015 Board.	TBD
Pemberton	Denbo ES	ES	TBD	TBD	TBD	ROA for Pre-Design Services approved May 2015 Board.	TBD
Perth Amboy	All Grade levels	All	TBD	TBD	TBD	SDA and District continue to work to identify an appropriate site to address needs at the high school and middle school grade levels.	TBD
	Seaman Avenue ES	K-5	700	\$56.8	Kit of Parts/ Design-Build	DB Advertisement 2/3/16.	2/3/16
Plainfield	Woodland/Cook ES	ES	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
Vineland	New MS	6-8	620	\$49.8	Kit of Parts/ Design-Build	Award for D-B approved at Jan. 2016 Board (Bock).	9/24/15

*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



2011 & 2012 Portfolio Projects Activities Summary

as of 4/15/16

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

District	Project	1			Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	Capacity	Total Estimated Cost (millions)			
Camden	High School	9-12	1,244	TBD	TBD	ROA for Pre-Design Services approved Aug. 2015 Board.	TBD
Hoboken	Connors ES	PK-4	351	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-8	300	\$23.3	TBD	ROA for Pre-Design Services approved Aug. 2015 Board.	TBD
Orange	High School	9-12	1,048	TBD	TBD	ROA for Pre-Design Services approved Apr. 2015 Board.	TBD
Trenton	Central HS	9-12	1,850	\$138.8	Design-Build	Award for D-B approved at Mar. 2016 Board (Terminal Construction).	12/19/14 9/29/15

*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



Active Project Status Report Status as of 4/1/2016

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Bridgeton	Buckshutem Road ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 23,253,232
2	Bridgeton	Quarter Mile Lane ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 39,043,619
3	Elizabeth	New Academic HS	New Construction	Construction	2Q 2016	On-target	Sep-16	On-target	\$ 64,061,687
4	Elizabeth	New ES	New Construction	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 55,312,580
5	Garfield	New James Madison ES	New Construction	Constructability Review	2Q 2018	On-target	Sep-18	On-target	\$ 29,650,092
6	Gloucester City	New ES/MS	New Construction	Construction	1Q 2017	On-target	Sep-17	On-target	\$ 63,829,937
7	Jersey City	New ES #3	New Construction	Construction	1Q 2017	On-target	Sep-17	On-target	\$ 54,004,014
8	Jersey City	New PS #20	New Construction	Construction	2Q 2016	On-target	Sep-16	On-target	\$ 48,202,265
9	Keansburg	New Caruso ES	New Construction	Construction	3Q 2016	On-target	Sep-16	On-target	\$ 47,271,503
10	New Brunswick	Paul Robeson Community ES	Addition/Renovation	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 47,012,849
11	Newark	Elliott Street ES	New Construction	Substantial Completion	Dec-16	Achieved	Feb-16	Achieved	\$ 46,678,296
12	Newark	Oliver Street ES	New Construction	Construction	1Q 2016	On-target	Apr-16	On-target	\$ 73,548,257
13	Newark	South Street ES	New Construction	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 69,876,694
14	Passaic City	New ES at Leonard Place	New Construction	Design-Build Design Phase	3Q 2018	On-target	Sep-18	On-target	\$ 55,884,039
15	Paterson	New Marshall Street ES	New Construction	Construction	1Q 2016	On-target	Sep-16	On-target	\$ 55,150,306
16	Paterson	New PS #16	New Construction	Construction	3Q 2016	On-target	Sep-16	On-target	\$ 62,347,275
17	Phillipsburg	New HS	New Construction	Construction	2Q 2016	On-target	Sep-16	On-target	\$ 127,508,125
18	Vineland	New Middle School	New Construction	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 49,787,025



**Active Project Status Report
Status as of 4/1/2016**

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Bridgeton	Broad Street ES	Exterior Masonry	Construction	Dec-15	Achieved	Mar-16	Achieved	\$ 2,631,413
2	Irvington	Irvington HS	HVAC & Roofing	Construction	2Q 2016	On-Target	3Q 2016	On-Target	\$ 6,526,284
3	Trenton	Hedgepeth-Williams School	Roof Repairs	GC TO w/ Design	Feb-16	Achieved	Apr-16	On-Target	\$ 270,706
4	Vineland	High School South	HVAC	Construction	4Q 2016	On-Target	4Q 2016	On-Target	\$ 11,402,573

PROJECT CLOSEOUT STATUS REPORT



32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5395

To: Members of the Authority
From: /s/ Jason E. Ballard, Chief of Staff
Date: May 4, 2016
Subject: Project Close-Out Status Report

The attached report, provided by the Special Projects Division, shows a listing of all SDA managed Capital and Emergent projects which have achieved school occupancy but have not yet been contractually and administratively closed. The listing further details projects which have achieved building and/or land transfer to the district, but also have outstanding open contracts. Finally, to emphasize the accomplishments of project close-out, we have included a running total of all school facilities projects, health and safety contracts, and suspended design contracts which have been closed.

For the current reporting period we do not have any activity to report, however, we continue to advance projects and contracts through the close out process.

Prepared by: Ayisha Cooper
Reviewed by: Bridget Capasso

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of April 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Burlington City					
2007	0600-020-01-0957	New HS	Land and/or School Transferred	12/29/11	Open contract(s)
Camden					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Land and/or School Transferred	01/09/12	Open contract(s)
2009	0680-350-01-0938	HB Wilson ES	Land and/or School Transferred	04/14/10	Open contract(s)
2009	0680-190-01-0927	Dudley ES	Land and/or School Transferred	02/06/12	Open contract(s)
2011	0680-245-01-0930	Morgan Village	Land and/or School Transferred	02/25/13	Open contract(s)
Cumberland					
2009	0997-030-02-0926	Cumberland Regional HS	Land and/or School Transferred	06/25/10	Open contract(s)
East Orange					
2008	1210-100-02-0613	Mildred Barry Garvin	Land and/or School Transferred	03/29/13	Open contract(s)
2009	1210-150-01-1178	Cicely Tyson School of Performing and Fine Arts - Demonstration Project	Land and/or School Transferred	12/01/09	Open contract(s)
2010	1210-X05-01-0808	Benjamin Banneker (New ES #5)	Land and/or School Transferred	07/23/12	Open contract(s)
Egg Harbor City					
2010	1300-X01-04-0ADY	New MS	Land and/or School Transferred	01/01/12	Open contract(s)
Egg Harbor Township					
2011	1310-005-04-0AEB	Egg Harbor Township High School			
Elizabeth					
Legacy	1320-X06-01-0866	#30 Ronald Reagan Academy	Land and/or School Transferred	07/09/12	Open contract(s)
2013	1320-240-03-0339	Victor Mravlag ES # 21			
Garfield					
2007	1700-N01-02-0114	Garfield MS	Land and/or School Transferred	06/25/09	Open contract(s)
Gloucester City					
Legacy	1770-160-01-0245	Cold Springs ES	Land and/or School Transferred	06/05/09	Open contract(s)
Harrison					
2007	2060-X01-01-0832	New Harrison HS	Land and/or School Transferred	10/23/12	Open contract(s)
Jersey City					
Legacy	2390-N01-99-0227	New ES #3 (Frank R. Conwell ES #3)	Land and/or School Transferred	12/19/15	Open contract(s)
Legacy	2390-N02-99-0228	Jersey City MS # 4 (Frank R. Conwell MS # 4)	Land and/or School Transferred	12/19/15	Open contract(s)
2007	2390-N03-99-0147	Heights MS # 7			
Long Branch					
2008	2770-X03-01-0635	Long Branch High School & Athletic Fields	Land and/or School Transferred	12/07/12	Open contract(s)
2014	2770-080-03-1043	George L. Catrambone ES			
New Brunswick					
2007	3530-N03-03-0278	McKinley K Center #3	Land and/or School Transferred	07/09/12	Open contract(s)
2010	3530-N05-03-0791	New Brunswick High School - Demonstration Project	Land and/or School Transferred	08/19/11	Open contract(s)
2014	3530-060-03-1032	A. Chester Redshaw Elementary School	Land and/or School Transferred	01/15/16	Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of April 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Newark					
Legacy	3570-x01-01-0617	Science Park	Land and/or School Transferred	05/03/13	Open contract(s)
2007	3570-X02-01-0618	1st Avenue ES	Land and/or School Transferred	09/28/11	Open contract(s)
2008	3570-X03-01-0665	Central HS	Land and/or School Transferred	03/28/12	Open contract(s)
2010	3570-X07-01-0693	Speedway ES	Land and/or School Transferred	10/21/15	Open contract(s)
2016	3570-390-04-00BJ	Elliott Street ES			
Orange					
2009	3880-120-01-0967	Park Ave ES	Land and/or School Transferred	07/19/12	Open contract(s)
2010	3880-100-01-0968	Lincoln Ave ES	Land and/or School Transferred	09/07/12	Open contract(s)
Passaic					
2015	3970-X01-01-X760	New Henry Street ES			
Paterson					
Legacy	4010-N02-02-0393	Roberto Clemente ES	Land and/or School Transferred	04/12/13	Unable to close due to upcoming repairs.
2008	4010-S01-02-0101	International HS			
2008	4010-270-02-0608	#24 ES			
Pemberton					
2011	4050-E01-02-0082	ECC	Land and/or School Transferred	02/01/13	Open contract(s)
Trenton					
2008	5210-N02-01-0912	Daylight/Twilight Alternative School - Demonstration Project	Land and/or School Transferred	12/01/08	Open contract(s)
2010	5210-N03-01-0909	MLK-Jefferson	Land and/or School Transferred	12/01/11	Open contract(s)
Union City					
2009	5240-x07-01-0571	Union City High School and Athletic Complex - Demonstration Project	Land and/or School Transferred	10/27/11	Open contract(s)
2012	5240-N03-02-0397	Columbus Elementary School	Land and/or School Transferred	02/24/15	Open contract(s)
Vineland					
2007	5390-N05-04-000C	Gloria M. Sabeter Elementary School - Demonstration Project	Land and/or School Transferred	05/06/11	Open contract(s)
West New York					
2009	5670-065-01-0559	ES #2	Land and/or School Transferred	05/14/13	
2012	5670-070-01-0556	West New York #3	Land and/or School Transferred	01/29/14	Open contract(s)
Capital and Demonstration Projects Totals					
Total Capital and Demonstration Projects			134		
Closed Capital and Demonstration Projects			91		
Capital and Demonstration Projects Not Closed			43		
		Capital and Demonstration Projects Not Closed, Land and/or School Transferred	35		

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of April 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Emergent Projects					
Camden					
	0680-045-08-OEAK	East Camden Middle School			
Irvington					
	2330-050-10-00CH	Irvington High School - Roof, HVAC, Bathroom			
	2330-140-12-0ACW	Union Avenue MS			
	2330-135-12-0ACV	University MS			
Newark					
	3570-690-08-0GAK	Speedway			
	3570-720-08-0GAO	American History High School (Warren Street ES)			
Orange					
	3880-115-10-00CM	Orange Middle School (Orange Preparatory Academy)			
Passaic					
	3970-050-12-0ADZ	Passaic City High School			
Emergent Project Totals					
Total Emergent Projects			68		
Emergent Projects Closed			60		
Emergent Projects Not Closed			8		
		Emergent Projects Not Closed but Transferred	0		
Health and Safety Contract Totals					
Total Contracts			399		
# of Open Contracts			8		
# of Contracts Closed			391		
Open Design Contracts					
Total Contracts			109		
# of Open Contracts			11		
# of Contracts Closed			98		

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: May 4, 2016

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

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

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to March 31, 2016

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

NO DATA TO REPORT								
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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	\$17,814,403	\$16,587	99.9%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement.	Project complete and building occupied. Working towards project close-out.
Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,305,993	\$123,639	91.4%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
Orange	Lincoln Ave E.S.	\$5,615,000	\$4,906,339	\$708,661	87.4%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	Project complete and building occupied. Working towards project close-out.
Orange	Park Avenue E.S.	\$3,360,000	\$3,275,103	\$84,897	97.5%	99%	1. Unforeseen asbestos abatement	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,313,389	\$302,731	93.4%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

¹ Does not include expended contingency or contingency funds allocated for change orders, amendments



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy
 Reporting Period: March 2016

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Activity During the Reporting Period



Revisions to Project Charters

Reporting Period: March 2016

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
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No Activity During the Reporting Period

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: May 4, 2016

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

Contracts Executed Report

No data to report for the period March 1 through March 31, 2016.

Noteworthy Items during the reporting period:

- Execution of one contract for Design Services:
 - Keansbrug Port Monmouth Road Elementary School to Lan Associates for \$335,514.
- Execution of one contract for Site Preparation Construction Services:
 - Harrison New ES to Ambient Group LLC for \$1,047,685.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period March 1 through March 31, 2016.

Noteworthy Items during the reporting period:

- Execution of 4 Amendments for Professional Services totaling \$93k, of the 4 executed amendments none required board approval.
- Execution of 16 Construction Services Change Orders totaling a credit of 123k, of the 16 executed change orders none 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 Activity to Report



Contracts Executed Report

Reporting Period: 3/1/2016 through: 3/31/2016

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
Part 1. Professional Services										
Design Consultant										
Keansburg Borough	Port Monmouth Road ES	RenoAdd	Design	ET-0098-A01	Lan Associates, Engineering, Planning, A		\$335,514	03/09/2016	-	
Design Consultant										
Part 1. Professional Services							\$335,514			



Contracts Executed Report

Reporting Period: 3/1/2016 through: 3/31/2016

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
Part 2. Construction Services										
Contractor										
Harrison	New Elementary School	New	Demolition-PM	HU-0027-N01	Ambient Group, LLC		\$1,047,685	03/16/2016	-	\$1,253,915
Contractor										
Part 2. Construction Services							\$1,047,685			\$1,253,915

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Contracts Executed Report

Reporting Period: 3/1/2016 through: 3/31/2016

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
Part 3. Land Aquisition Services										
Relocation										
City Of Orange Twp	Cleveland ES	RenoAdd	Relocation	ES-0009-L14	Willie E. Pettus		\$90,000	03/22/2016	-	
Relocation										
Part 3. Land Aquisition Services							\$90,000			

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Contracts Executed Report

Reporting Period: 3/1/2016 through: 3/31/2016

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
Part 4. Other Contracts & Services										
Others										
Bridgeton	Buckshutem Road E.S. - G. Foster ECC	RenoAdd	FFE	ST-0044-K13	Washington Computer Services		\$53,712	03/08/2016	-	
Elizabeth	New Academic HS	New	FFE	EL-0006-F01	Wenger Corporation		\$49,755	03/24/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-F01	Indiana Furniture Industries, Inc.		\$12,331	03/31/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K01	Data Industries, Ltd.		\$352,550	03/31/2016	-	
Newark	Oliver Street E.S.	New	FFE	NE-0013-K17	Hewlett-Packard Company		\$42,286	03/07/2016	-	
Newark	Oliver Street E.S.	New	FFE	NE-0013-K18	Diversant		\$22,900	03/24/2016	-	
Newark	Elliott Street E.S.	New	FFE	NE-0067-K21	Diversant		\$11,025	03/03/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-F03	Wenger Corporation		\$16,254	03/24/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K06	Office Solutions, Inc.	W	\$48,237	03/07/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K07	Keyboard Consultants		\$131,866	03/07/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K08	Keyboard Consultants		\$22,616	03/07/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K10	Washington Computer Services		\$310,871	03/10/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K11	Washington Computer Services		\$54,998	03/10/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K12	Washington Computer Services		\$58,934	03/15/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K13	Washington Computer Services		\$39,076	03/17/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K14	Washington Computer Services		\$85,897	03/23/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K15	Washington Computer Services		\$20,347	03/28/2016	-	



Contracts Executed Report

Reporting Period: 3/1/2016 through: 3/31/2016

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
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K17	Washington Computer Services		\$12,284	03/28/2016	-	
Others										
Part 4. Other Contracts & Services										
							\$1,345,936			
							Total Contract Award			Total Contracts Awarded
Grand Totals - Professional and Construction Services Combined							\$2,819,135			21

** 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
 Aquisition 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
 Title Title Services
 Utilities Utilities Services

MWSBE CERTIFICATIONS
 M = Minority Business Enterprise
 W = Women Business Enterprise
 S = Small Business Enterprise



Amendments & Change Orders Report

Reporting Period: 3/1/2016 through: 3/31/2016

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	
Professional Services														
Design Consultant														
City Of Orange Township	Orange H.S.	ES-0042-A01	05/05/15	1	Kliment Halsband Architects LLP	03/07/16	\$412,070	\$0	\$32,285			\$444,355	7.83%	
Design Consultant														
Construction Management Services														
Newark	Elliott Street E.S.	NE-0067-M02	07/17/13	2	Gilbane Building Company	03/07/16	\$1,031,178	\$50,000	(\$30,000)			\$1,051,178	1.93%	
Newark	Elliott Street E.S.	NE-0067-M02	07/17/13	3	Gilbane Building Company	03/07/16	\$1,031,178	\$20,000	\$71,100			\$1,122,278	8.83%	
Paterson	New PS#16	PA-0024-M01	04/01/14	1	GREYHAWK North America LLC	03/16/16	\$1,198,800	\$0	\$20,000			\$1,218,800	1.66%	
Construction Management Services														
Professional Services														
									\$93,385					
Construction Services														
Contractor														
Bridgeton	Broad Street E.S.	EP-0078-C01	06/15/15	5	Catcord Construction Co., Inc.	03/09/16	\$1,888,300	(\$3,406)	(\$150,000)			\$1,734,894	-8.12%	
Camden City	H. B. Wilson E.S.	CA-0004-N01	07/15/13	3	Silverlands Services, Inc.	03/09/16	\$1,072,444	\$41,106	(\$133,254)			\$980,296	-8.59%	
Jersey City	Number 20 E.S.	JE-0010-C01	09/16/13	27	Dobco, Inc.	03/07/16	\$28,735,000	\$1,325,992	\$48,438			\$30,109,429	4.78%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/13	59	Ernest Bock & Sons, Inc.	03/09/16	\$29,345,000	\$1,548,788	\$4,176			\$30,897,964	5.29%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/13	61	Ernest Bock & Sons, Inc.	03/09/16	\$29,345,000	\$1,552,964	\$1,470			\$30,899,434	5.29%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/13	62	Ernest Bock & Sons, Inc.	03/09/16	\$29,345,000	\$1,554,434	\$7,736			\$30,907,170	5.32%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/13	63	Ernest Bock & Sons, Inc.	03/23/16	\$29,345,000	\$1,562,170	\$8,190			\$30,915,360	5.35%	

CONTRACT TERMINATIONS REPORT (*no activity*)

SETTLEMENT CLAIMS *(no activity)*

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



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: May 4, 2016

SUBJECT: Contractor and Workforce Compliance Monthly Update for February 2016

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, vendors 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 total SDA contract dollars awarded through February 29, 2016 was \$3,898,750. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$2,990,650. (including minorities and women). This represents 76.71% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 1,633,650	41.90%
Small/ Minority Business Enterprises	\$ 132,500	3.40%
Small/Women Business Enterprises	\$ 1,224,500	31.41%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 2,990,650	76.71%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 May 4, 2016
 Page 2 of 4

6

Ethnic Breakdown

Through the month of February 2016, the total SBE contracts awarded with minority participation were 4.43%.

Ethnicity	Contract Amount	Percentage
American Indian	\$ -0-	0.0%
Asian	\$ 132,500	4.43%
Black	\$ -0-	0.0%
Hispanic	\$ -0-	0.0%
Total	\$ -0-	4.43%

WORKFORCE COMPLIANCE MONITORING

For the month of February 2016, there was a contractor workforce of 860 on SDA projects. This represents a total of 69,426 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	63	4,680	6.74%
Hispanic	78	4,971	7.16%
American Indian	6	484	0.70%
Asian	2	80	0.12%
Total Minority Participation	149	10,215	14.71%
Total Non-Minority Participation	711	59,211	85.29%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 May 4, 2016
 Page 3 of 4

There was a contractor workforce of 157,171 total workforce hours and 985 total female workforce hours on SDA projects for the period of January 1, 2016 through February 29, 2016. The following table highlights the *Local County contractor workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	157,171	100.00%
*Total Local County Workforce Hours	24,127	15.35%
Total Local County Non-Minority Workforce Hours	20,791	13.23%
Total Local County Female Workforce Hours	336	0.21%
Total Local County Minority Workforce Hours	3,336	2.12%
**Local County Workforce Hours by Ethnicity:		
Black	2,232	1.42%
Hispanic	816	0.52%
American Indian	288	0.18%
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.

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 May 4, 2016
 Page 4 of 4

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, 2016 through February 29, 2016.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
		Hours	Percentage	Hours	Percentage
Bridgeton, Buckshutem ES	2,937	258	8.78%	58	1.97%
Bridgeton, Quarter Mile	7,751	1,643	21.20%	183	2.36%
Elizabeth, New Academic HS	3,411	362	10.61%	3,339	97.89%
Elizabeth, New Elementary School	1,597	387	24.23%	-0-	0.00%
Gloucester, New MS	20,279	4,240	20.91%	3,773	18.61%
Jersey City, PS #20	6,658	1,557	23.39%	398	5.98%
Jersey City, ES #3	11,693	3,889	33.26%	453	3.87%
Keansburg, Caruso ES	19,692	2,143	10.88%	4,058	20.61%
Newark, Elliott Street ES	885	203	22.94%	14	1.58%
Newark, Oliver Street ES	15,531	3,271	21.06%	581	3.74%
Paterson, PS #16	17,995	5,176	28.76%	2,082	11.57%
Paterson, Marshall Street ES	7,509	1,584	21.09%	625	8.32%
Phillipsburg HS	40,638	2,108	5.19%	8,539	21.01%
Emergent Projects	595	275	46.22%	2	0.34%

Prepared by: Charlotte Brooks
 JaDawna Brown-Mooney

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: May 4, 2016

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 March 2016. Also included is a detailed list of grants executed and grants offered during the reporting period.

Monthly Update:

- No new grants were offered during the reporting period.
- 3 grants impacting 1 district were executed during the reporting period representing \$525k in total project costs and state share of \$210k.
- 12 grants impacting 8 districts were closed out during the reporting period representing \$3.3M in total project costs and state share of \$1.4M.
- Since inception, over \$2.6B has been disbursed to 523 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Monthly Regular Operating District Grant Report - Summary

March 2016

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ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	203	523	501	303
Number of Grant Projects	785	5,263	3,942	1,321
Total Project Cost Estimate	\$ 915,834,277	\$ 8,859,978,614	\$ 7,532,644,009	\$ 1,327,334,605
Grant Amount	\$ 343,196,129	\$ 2,972,573,890	\$ 2,435,053,783	\$ 537,520,107
Amount Disbursed	N/A	\$ 2,607,337,412	\$ 2,435,053,783	\$ 172,283,630

Total Funding Offered to School Districts via Grant Program	\$ 3,315,770,018
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Total ROD Grant Funding remaining for new Grant Projects	\$ 10,809,346
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1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	1	8
Number of Grant Projects	3	12
Total Project Cost Estimate	\$ 525,031	\$ 3,267,319
Grant Amount	\$ 210,012	\$ 1,355,395
Amount Disbursed	NA	\$ 1,355,395

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

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



Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

March 2016

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County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Union	Clark Township	Valley Road E.S.	\$ 212,871	\$ 85,148	Restroom ADA upgrades
Union	Clark Township	Carl H. Kumpf M.S.	\$ 168,550	\$ 67,420	Restroom ADA upgrades
Union	Clark Township	Frank K. Hehnly E.S.	\$ 143,610	\$ 57,444	Restroom ADA upgrades
Grand Total		Grants Executed - 3	\$ 525,031	\$ 210,012	

NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$250,000
(no activity)

COMMUNICATIONS MONTHLY REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955

MEMORANDUM

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: May 4, 2016

SUBJECT: Monthly Communications Report

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SDA Hosts Community Meeting in Garfield

On April 21, the SDA hosted a community meeting to discuss the upcoming start of construction work to build the new James Madison Elementary School in Garfield. CEO Charles McKenna was present to answer any questions regarding the impact that the construction of the new school may have on the surrounding community.

Prepared by: Edye Maier
Reviewed by: Jane F. Kelly

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: Members of the Authority

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

DATE: May 4, 2016

SUBJECT: Monthly Financial Report – March 2016

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. Page 5 contains a breakdown of the Authority’s headcount information by department/division. The basic financial statements follow on pages 6 and 7.

Year-to-Date Authority Operating Expenses (Actual vs. Budget)

For March 2016 year to date, Authority operating expenses, **\$6.2 million**, are **down \$755K** as compared to the operating budget for the *corresponding period*. The deviation of actual expenses versus budget is due to:

- Lower salary & benefit costs **\$642K**. The Authority is currently 17 FTEs under budget. This variance is offset by the year to date allocation – of payroll expense to project cost – that is lower than projected, **(\$243K)**;
- Year to date lower spending for contracted professional services **(\$86K)**; MIS expenses **(\$90K)**, and general office and facilities **(\$76K)**.

Year-to-Date Authority Operating Expenses (Actual vs. Prior Year Actual)

For March 2016 year to date, Authority operating expenses, **\$6.2 million**, are **\$181K** higher as compared to the corresponding prior year due to the purchase of the eDiscovery System and personnel training for the CFR eDoc System, **\$79K** as well as higher salary and benefit costs **\$107K**.

Year-to-Date School Facilities Project Expenditures (Actual vs. Forecast)

For March 2016 year to date, project expenditures, **\$91.8 million**, are **lower** by **\$14.8 million** as compared to the capital spending forecast for the *corresponding period*. The variance is due to lower than anticipated expenditures in construction work **\$11.3M**, furniture, equipment and technology **\$1.6M**, and grant activity **\$2.2M**.

Year-to-Date School Facilities Project Expenditures (Actual vs. Prior Year Actual)

For March 2016 year to date, project expenditures, **\$91.8 million**, have **increased** by **\$11M** as compared to the *corresponding prior year*. The year-over-year variance is attributable to increased spending in; construction activity **\$15.2M**; and increases for school furniture, equipment & technology **\$3.6M**. This variance is offset by decreased spending in property acquisitions **\$2.5M**, project insurance **\$5.2M** and grant activity **\$1.9M**.

Members of the Authority
May 4, 2016
Page 2

Other

Since program inception, 74.5% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception 96% of all SDA disbursements relate to school facilities projects and 4% relate to Operating expense.

The *estimated value* of active school facilities projects is approximately \$2.2B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
March 2016
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

March 31, 2016

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To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, March 31, 2016.

► Overall **Cash and Cash Equivalents** have decreased by \$94.5 million to \$523.1 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	445,048
■ Miscellaneous revenue	513,810
■ Project costs	(91,807,684)
■ SDA operating expenses	(5,277,474)
■ SDA capital expenditures	(394,704)
■ Deposits (primarily district local shares)	2,067,062
Net Change in Cash	\$ (94,453,942)

► **Prepaid Expenses** total \$748,667 as follows:

- Prepaid insurance of \$399,437.
- Prepaid rents of \$119,705 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$204,626.
- Other prepaids of \$24,899.

► **Capital Assets** total \$814,896 (net of accumulated depreciation of \$6,577,089), consisting of leasehold improvements (SDA offices), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$78,518 and **Depreciation Expense** is \$30,493.

► **Accrued Liabilities** total \$107.4 million, as follows:

- Accrued project costs of \$30.7 million consisting of unpaid invoices (\$8.5 million); and retainage (\$22.2 million).
- Accrued net pension liability of \$47.7M.
- Pollution remediation obligations (PRO) under GASB 49 net to \$5.7 million (PRO liability \$7.6 million, offset by expected cost recoveries of \$1.9 million).
- Estimated liability for loss contingencies totaling \$2.6 million (contractor claims \$2.6 million).
- Payroll related liabilities of \$1.8 million.
- Post-employment benefits obligation of \$18.8 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$3.7 million, as follows:

- \$3.7 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$411.6 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation March 31, 2016

► **School Facilities Construction Bond / Note Proceeds & Project Expenditures**

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$10.105 billion.
- Project expenditures for the month and year-to-date periods total \$31.1 million and \$91.8 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 18,725,063	\$ 55,262,708	\$ 4,297,005,267
Design Services	344,532	1,028,373	407,438,865
PMF/CM Services	616,717	1,749,314	440,717,378
SDA Project Management	1,652,346	3,680,366	46,194,963
Property Acquisition, Relocation & Enviro	277,143	2,072,926	574,894,626
School Furniture, Fixtures & Equipment	1,439,029	3,796,423	113,686,231
Project Insurance	(4,967)	646,043	105,984,747
NJ State Inter-Agency Transfers	74,633	147,733	46,456,074
SDA District Grant & Funding Agreements	177,700	1,940,857	825,844,505
Regular Operating District Grant Agreements	7,587,140	19,560,571	2,616,161,484
Real-Time Project Audits	-	50,279	294,820
Property Management, Maintenance & Utils	43,921	125,120	15,054,018
Outside Legal & Claims Resolution Services	44,789	82,072	7,057,479
Other Project Costs	114,874	1,664,899	59,514,642
Project Credits	-	-	(54,902,944)
Total Project Expenditures	31,092,920	91,807,684	9,501,402,155
Less: Local Share Contributions	-	-	(181,170,053)
Project Expenditures (State Share)	\$ 31,092,920	\$ 91,807,684	\$ 9,320,232,102
 2016 Capital Spending Forecast	 <u>\$ 34,964,233</u>	 <u>\$106,646,826</u>	

Allocations Since Program Inception

► **Program Funding & Expenditures**

	<u>Bonding Caps</u> ¹	<u>Total Funding</u> ²	<u>Paid to Date</u> ³
■ SDA Districts	\$ 8,900,000,000	\$ 9,009,480,107	\$ 6,716,330,910
■ Regular Operating Districts	3,450,000,000	3,493,154,297	2,915,551,540
■ Vocational Schools	150,000,000	151,724,310	108,197,875
Total - State Share	\$ 12,500,000,000	\$ 12,654,358,714	\$ 9,740,080,325

► **Percentage of Total Funding Paid to Date**

■ SDA Districts	74.5%
■ Regular Operating Districts	83.5%
■ Vocational Schools	71.3%
Total - State Share	77.0%

1 Of the \$12.5 billion authorized for the school construction program, \$10,105,129,000 principal amount of bond and note proceeds have been received to date.
 2 Includes bonding cap amounts and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds and State appropriations).
 3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$419,848,223.

New Jersey Schools Development Authority

Operating Expenses vs Budget

March 31, 2016

6

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Employee Salaries	\$ 4,638,397	\$ 4,982,634	\$ (344,237)
Employee Benefits	4,105,878	4,358,105	(252,227)
Direct Hire Temporary Employee Costs	48,367	94,194	(45,827)
Total Employee Salaries & Benefits Costs	8,792,642	9,434,933	(642,291)
<u>Less: Employee Salaries & Benefits Costs</u> Charged to Projects	3,680,366	3,923,526	(243,160)
Operating Employee Salaries & Benefits Costs	5,112,276	5,511,407	(399,131)
Temporary Employees	18,362	32,499	(14,137)
Interagency Agreements	(23,787)	39,999	(63,786)
Contracted Professional Services	4,835	90,399	(85,564)
Employee Expense Reimbursements	5,834	8,301	(2,467)
Training & Professional Development	10,316	31,242	(20,926)
Parking	19,800	27,360	(7,560)
Automobiles	16,757	24,999	(8,242)
Communications & Outreach	-	126	(126)
Management Information Systems	275,556	365,358	(89,802)
General Office & Facilities	665,232	740,877	(75,645)
Other Expenses	1,714	5,625	(3,911)
Reserve for Unforeseen Events & New Initiatives	-	12,501	(12,501)
Total Non-Capital Operating Expenses	6,106,895	6,890,693	(783,798)
Capitalized Operating Expenses	78,518	50,001	28,517
Total Authority Operating Expenses	\$ 6,185,413	\$ 6,940,694	\$ (755,281)
Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	\$ 9,865,779	\$ 10,864,220	\$ (998,441)

2016 Annual Operating Budget

\$ 21,235,9672016 Annual Operating Budget Prior to
Allocation of Salaries & Benefits Costs to Projects**\$ 36,930,058**

New Jersey Schools Development Authority

Operating Expenses vs Prior Year

March 31, 2016

6

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2015</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Employee Salaries	\$ 4,638,397	\$ 4,274,095	\$ 364,302
Employee Benefits	4,105,878	3,857,609	248,269
Direct Hire Temporary Employee Costs	48,367	88,055	(39,688)
Total Employee Salaries & Benefits Costs	8,792,642	8,219,759	572,883
<u>Less: Employee Salaries & Benefits Costs</u>			
Charged to Projects	3,680,366	3,214,138	466,228
Operating Employee Salaries & Benefits Costs	5,112,276	5,005,621	106,655
Temporary Employees	18,362	-	18,362
Interagency Agreements	(23,787)	9,850	(33,637)
Contracted Professional Services	4,835	55,341	(50,506)
Employee Expense Reimbursements	5,834	2,787	3,047
Training & Professional Development	10,316	7,605	2,711
Parking	19,800	26,919	(7,119)
Automobiles	16,757	16,524	233
Communications & Outreach	-	-	-
Management Information Systems	275,556	253,057	22,499
General Office & Facilities	665,232	624,603	40,629
Other Expenses	1,714	1,719	(5)
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Non-Capital Operating Expenses	6,106,895	6,004,026	102,869
Capitalized Operating Expenses	78,518	-	78,518
Total Authority Operating Expenses	\$ 6,185,413	\$ 6,004,026	\$ 181,387
Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	\$ 9,865,779	\$ 9,218,164	\$ 647,615

New Jersey Schools Development Authority

Employee Headcount

March 31, 2016

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<u>SDA Department</u>	<u>Current Month End</u>	<u>Budget</u>	<u>Increase/ (Decrease)</u>
Office of Chief Executive Officer (CEO)	3	3	0
COS, Program Assessment & Development	9	9	0
COS, Special Projects	10	9	1
Program Operations, Executive	5	5	0
Program Operations, Capital Planning & Grants Admin.	21	26	-5
Program Operations, Safety	7	8	-1
Program Operations - Design Studio	16	15	1
Program Operations, Project Teams	55	60	-5
Corp Governance & Operations, Executive	3	3	0
Corporate Governance & Operations, Human Resources	8	8	0
Corporate Governance & Operations, Chief Counsel	14	14	0
Corporate Governance & Operations, Information Systems	15	15	0
Corporate Governance & Operations, Facilities	5	6	-1
Corporate Governance & Operations, Communications	8	11	-3
Financial Operations, Executive	5	5	0
Financial Operations, Controller	12	12	0
Financial Operations, Contract Management	12	12	0
Financial Operations, Real Estate Services	5	6	-1
Financial Operations, Procurement & Contract Services	9	10	-1
Financial Operations, Risk Management & Vendor Services	<u>9</u>	<u>11</u>	<u>-2</u>
Total Full-Time Employees	<u>231</u>	<u>248</u>	<u>-17</u>

New Jersey Schools Development Authority

Statement of Net Position

March 31, 2016

6

	<u>Current</u> <u>Month End</u>	<u>2015</u> <u>Year End</u>	<u>Increase/</u> <u>(Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 523,111,361	\$ 617,565,303	\$ (94,453,942)
Receivables	210,964	210,640	324
Prepaid Expenses	748,667	990,937	(242,270)
Capital Assets (Net of Accumulated Depr.)	814,896	766,872	48,024
Total Assets	<u>524,885,888</u>	<u>619,533,752</u>	<u>(94,647,864)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions	<u>1,501,463</u>	<u>3,738,795</u>	<u>(2,237,332)</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 526,387,351</u>	<u>\$ 623,272,547</u>	<u>\$ (96,885,196)</u>
LIABILITIES			
Accrued Project Costs	\$ 38,893,619	\$ 77,264,915	\$ (38,371,296)
Net Pension Liability	47,748,306	47,748,306	
Accrued Other Post-Employment Benefits	18,757,862	18,204,915	552,947
Other Accrued Liabilities	1,988,121	4,507,110	(2,518,989)
Deposits	3,703,972	1,636,910	2,067,062
Total Liabilities	<u>111,091,880</u>	<u>149,362,156</u>	<u>(38,270,276)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions	<u>3,674,706</u>	<u>3,674,706</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets	814,896	766,872	48,024
Restricted Schools Construction:			
Build America Bond Program	-	-	-
Special Revenue Fund	410,805,869	469,468,813	(58,662,944)
Total Net Position	<u>411,620,765</u>	<u>470,235,685</u>	<u>(58,614,920)</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance/Net Position	<u>\$ 526,387,351</u>	<u>\$ 623,272,547</u>	<u>\$ (96,885,196)</u>

New Jersey Schools Development Authority

Statement of Activities

March 31, 2016

6

	<u>Current Year-To Date</u>	<u>2015 Year-To Date</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ -	-
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	445,048	88,512	356,536
Rental Income	513,790	27,797	485,993
Other Revenue-OPRA	20	-	20
Total Revenues	<u>958,858</u>	<u>116,309</u>	<u>842,549</u>
EXPENSES			
Administrative & General Expenses	6,106,895	6,004,026	102,869
Capital Depreciation	30,494	20,198	10,296
School Facilities Project Costs	53,436,387	52,519,167	917,220
Total Expenses	<u>59,573,776</u>	<u>58,543,391</u>	<u>1,030,385</u>
CHANGE IN NET POSITION	(58,614,918)	(58,427,082)	(187,836)
Beginning of Period Net Position	<u>470,235,683</u>	<u>467,121,068</u>	<u>3,114,615</u>
NET POSITION END OF PERIOD	<u>\$ 411,620,765</u>	<u>\$ 408,693,986</u>	<u>\$ 2,926,779</u>

DESIGN CONTRACT DE-OBLIGATIONS REPORT *(no activity)*

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.