

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, JUNE 1, 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 May 4, 2016
 - b. Board Executive Session Meeting Minutes of May 4, 2016
- 4. AUTHORITY MATTERS**
 - a. CEO Report
 - i. 2015 Annual Report Pursuant to Executive Order No. 37 (2006)
 - b. Chairman's Report
- 5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. 2015 Financial Statements
- 6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Construction Manager Award and Approval of Revised Final Project Charter – Trenton School District – Trenton Central High School
 - b. Awards for Construction Management Services – New Brunswick Paul Robeson Community Theme School for the Arts, Newark South Street Elementary School, and Passaic Leonard Place Elementary School
 - c. Release of Funds from Program Reserve – Asbury Park School District – Asbury Park High School – Emergent Project – Roof Replacement
 - d. Release of Funds from Program Reserve – Asbury Park School District – Martin Luther King, Jr. Middle School – Emergent Project – Roof Replacement
 - e. Preliminary Project Charter – Perth Amboy School District – New Perth Amboy High School
 - f. Sole-Source Procurement of Goods & Services - Apple Inc. Products

g. COMPANY NAME: Terminal Construction Corporation
DISTRICT: City of Trenton
CONTRACT NO: WT-0022-B01
PMF/CM: TBD
SCHOOL NAME: Trenton Central High School
CHANGE ORDER NO.: 1
REASON: Additional work
AMOUNT: \$1,800,000 NTE
TIME EXTENSION: 0 days
CONTRACT STATUS: 0.0% Paid to Date against the Current Contract Value
ORIGINAL OCCUPANCY
DATE: September 4, 2019
ANTICIPATED OCCUPANCY
DATE: September 4, 2019

7. REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN’S REPORT) - TO BE PROVIDED IN EXECUTIVE SESSION

8. MONTHLY REPORTS

- a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Close Out Status Report
 - iii. Project Status Reports
 - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
 - v. Contract Terminations Report
 - vi. Settlement Activities Report (*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*)

9. PUBLIC COMMENTS

10. EXECUTIVE SESSION

- a. Request to Acquire Temporary Construction Easements – Harrison New Elementary School in the Harrison School District
- b. 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
- c. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report (*no activity*)

11. ADJOURNMENT

APPROVAL OF MEETING MINUTES

MAY 4, 2016 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 4, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, May 4, 2016 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
Bernie Piaia (NJDOE)
Matthew Spadaccini (Treasury)
Kevin Egan
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Mario Vargas

being a quorum of the Board. Mr. Egan, Ms. Lemelle, Mr. Lewis-Powder, Mr. Maloney, Mr. Piaia, Mr. Spadaccini and Mr. Vargas, participated in the meeting by teleconference. At the Chairman's request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Raymond Arcario, vice president; Albert Barnes, chief counsel, Cecelia Haney, senior counsel; Sean Murphy, director; and Jamie Henneke, executive assistant, of the SDA participated in the meeting. Lisa LeBouef of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Henneke read the requisite notice of the meeting. Ms. Henneke 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.

Approval of Meeting Minutes

Mr. Walsh presented for consideration and approval the minutes of the Board's April 6, 2016 Open and Executive Session meetings. 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. Luckie and seconded by Mr. McNamara, the Open and Executive Session minutes of the April 6, 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

The Chairman asked Mr. McKenna to provide the report of the Chief Executive Officer. Mr. McKenna began his report by offering an update on the Trenton Central HS (TCHS) project. He reported that foundation crushing and backfill work was completed late last month. He advised the Members that management issued a Notice to Proceed (NTP) for the design phase of design-build services to Terminal Construction (Terminal) last month and held the kick-off meeting on April 19. Mr. McKenna said that following review and ranking of the technical proposals, price proposals for construction management (CM) services will be opened on May 13 and management anticipates presenting a recommendation of award at the June Board meeting.

Turning to projects in the Bridgeton School District, Mr. McKenna said that work is proceeding on the Buckshutem Road ES and Quarter Mile Lane ES projects.

With respect to the Camden HS project, Mr. McKenna reported that the Design Ideas Group is actively working on pre-design phase services. He said that management recently met with the Mayor and Superintendent. He said that management advertised the early site package late last month for the East Orange George Washington Carver ES project. He added that the Design Studio is advancing the design of the new school.

In continuing, Mr. McKenna gave an update on projects in the Elizabeth School District. He said that the Academic HS project is moving along towards a September opening. In regard to the Elizabeth New ES project, he said that footings, foundation and major site-work activities are progressing well. He advised the Members that the final design package was released by the Department of Community Affairs last month and the design-builder, Torcon, is in the process of obtaining the final construction permits.

With respect to the Garfield James Madison ES No. 10 project, Mr. McKenna reported that following the constructability review, negotiations for the constructability change order are complete and the change order to address all items has been executed. He said both the CM and general contractor (GC) have been issued a NTP to commence construction phase activities. He added that management anticipates the GC mobilizing on-site later this month.

In regard to the Gloucester ES/MS project, Mr. McKenna said that construction work continues there.

Mr. McKenna advised the Members that Ambient was issued a NTP for the early site work for the Harrison New ES project and has assumed control of the site as of April 15. He said that management anticipates that the contractor will mobilize and commence construction

activities this month. He added that the Design Studio is advancing the design of the new school. He said that management anticipates advertising for design-build services in June.

In regard to the Irvington Madison Avenue ES project, Mr. McKenna informed the Members that D&K Construction assumed control of the project site on April 13. He said that management met with the community on Monday. He added 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, electric, and plumbing work continues on the Caruso ES project. He noted that the project is on schedule for substantial completion in July. He said that for the Port Monmouth Road ES project, LAN Associates, the design consultant, is working on pre-design phase.

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

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

Mr. McKenna reported that the design-builder Hall Construction is actively working on the preliminary design phase for the New Brunswick Paul Robeson ES project. He said that management received bids for CM services last month and anticipates presenting a recommendation of award at the June Board meeting.

Turning to projects in the Newark School District, Mr. McKenna said that in regard to the Oliver Street ES project, the Temporary Certificate of Occupancy (TCO) was issued by Department of Community Affairs in April. He said that the district has commenced move-in activities in anticipation of occupancy later this month.

In continuing, Mr. McKenna gave an update on the Orange HS and Orange Cleveland ES projects. He reported that management is working with the district on finalizing conceptual options for both projects. In regard to the Orange Cleveland ES project, he reported that the purchase of the three properties has been completed.

Mr. McKenna reported that the design-builder Dobco, Inc. has begun design work for the Passaic Leonard Place ES project and is anticipating the start of construction activities this summer. He said that management received bids for CM services last month, and anticipates presenting a recommendation of award at the June Board meeting.

In continuing, Mr. McKenna gave an update on projects in the Paterson School District. With respect to the Marshall Street ES project, he advised the Members that the Passaic Valley Water Commission completed the replacement of an old failing water line allowing for final fire inspection to take place. He said that management anticipates receipt of the TCO later this month in anticipation of a September opening. Mr. McKenna reported that the Paterson PS 16 is anticipating a September opening. He said interior finish work is ongoing including drywall installation and painting.

Mr. McKenna informed the Members that the final draft pre-design report has been received and internal review is underway for the Pemberton Denbo Crichton ES project. With respect to the Perth Amboy Seaman Avenue ES project, he said that that technical and price proposals for design-build services are due later this month. He reported that all interior

mechanical, electrical, and HVAC work is well underway and that interior building finish work has commenced for the Phillipsburg HS project.

Mr. McKenna and Mr. Yosha informed the Board that, with the September 2016 school openings, the SDA will have delivered approximately 9000 new seats in the SDA districts.

With respect to the Vineland New MS project, Mr. McKenna said that EBS continues with the design services phase and that a recommendation of award for CM services is on today's agenda for discussion. In regard to the West New York Harry L. Bain PS No. 6 project, he reported that a Notice of Award was issued to Paul Otto Building Company late last month.

Turning to the Authority's ongoing procurement activity, Mr. McKenna said that in addition to the construction services awards for the Paterson International HS and the temporary space at the Paterson Union Avenue MS projects and the CM services award for the Vineland MS No. 2 project, other activity currently underway includes procurements for design-build services for the Perth Amboy Seaman Avenue ES project; demolition services for the East Orange George Washington Carver E.S. project; and CM services for the 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 advised the Members that, in July 2013, the Board approved a Memorandum of Understanding (MOU) between the Higher Education Student Assistance Authority (HESAA) and SDA to effectuate the New Jersey Governor's Industry Vocations Scholarship (NJGIVS) program. He said the MOU was for a period of three years with an option to extend on an annual basis subject to the availability of funds. He reported that, on May 1, SDA exercised its option to extend the program for 1 year. He said that the scholarship has awarded over \$443,535 to 250 recipients over the past three

years so that economically disadvantaged women and minorities can pursue careers in the construction industry.

Mr. McKenna informed the Members that on April 12, he appeared before the Senate Budget Committee to answer questions about SDA's program and on April 20 he appeared before the Assembly Committee. He said that he received positive feedback from legislators on the work the SDA is doing.

Mr. McKenna reported that SDA held a community meeting in Garfield to discuss the construction at the new James Madison ES project with community members. He said management also held a community meeting in Irvington. He explained that this is part of SDA's continuing efforts to ensure open communication with the communities affected by SDA's projects.

Mr. McKenna said that Communications staff is working to schedule a community meeting in New Brunswick and a ground breaking ceremony in Garfield this month.

In continuing, Mr. McKenna said that he wanted to remind the Members that their individual Financial Disclosure Statement (FDS) must be electronically filed with the New Jersey State Ethics Commission by May 15, 2016. He added that a \$50 per day late fee will be assessed for any FDS filed after that time.

Mr. McKenna informed the Members that the USDOE recently released its list of Green Ribbon Schools and named the recipient of its 2016 Director's Award. He reported that three pillars of the Green Ribbon School sustainability program are 1) reduced environmental impact and cost; 2) improved health and wellness; and 3) effective environmental education. He said that Bernie Piaia was honored with the 2016 Director's Award for his efforts to advance green schools in the State of New Jersey through his exemplary efforts to administer the Green Ribbon

School Program. He added that he would also note that five New Jersey schools were listed as honorees. Mr. McKenna then congratulated Mr. Piaia.

In conclusion, Mr. McKenna then informed the Members the SDA has completed the sixth offering of its Small Minority and Women Owned Business Enterprises (SMWBE) contractor training program, explaining that this program was developed to teach SMWBEs how to navigate the state system. He said that the program has been successful in past years and was successful this year as well.

School Review Committee

Amendment-- Manders Merighi Portadin Farrell Architects, LLC; Change Order--Falasca Mechanical, Inc.; Resolving Construction Change Order--Epic Management, Phillipsburg High School; Award of Construction Contract--International High School, Paterson School District; Award of Construction Contract--Paterson School District, Temporary Swing Space for New Middle School at Union Avenue; Construction Manager Award-- Vineland School District, Vineland New Middle School No. 2; Final Re-adoption Without Change: Title 19, Section 34 Preconstruction Rules; Final Re-adoption Without Change: Title 19, Chapter 34A: Section 13(a) Delegation Agreement Rules; Credit Change Order--Promedia Technology Services, Inc.

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the SDA School Review Committee met on April 18, 2016. He advised the Board that the first two agenda items pertain to the Vineland HS South (VHS) HVAC emergent project. He said that the first is an amendment and the second is a change order. He then discussed management's recommendation for approval of an amendment for Manders Merighi Portadin Farrell Architects (MMPF) for the VHS HVAC emergent project. He said that the VHS, built in 1963, is a 231,000 square foot facility educating 1,300 students in grades 9 through 12. He advised the Members that staff utilized the Design Consultant Services Task Order Contract to engage MMPF for investigation and design activities. Mr. Luckie reported that this \$125,000 amendment is needed to increase the hazardous materials investigation and abatement

oversight allowance in order to conduct additional investigation for the emergent project. He added that funding for this amendment is available within the most recent project charter.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Walsh, the amendment in the amount of \$125,000 for Manders Merighi Portadin Farrell Architects, LLC for the Vineland HS South project was approved with the Board's unanimous vote in favor of ***Resolution 5a.***

Mr. Luckie then discussed management's recommendation for approval of a change order for Falasca Mechanical, Inc. for the VHS HVAC emergent project. He reported that, on June 19, 2015, Falasca Mechanical, Inc. was issued a NTP for construction services to address the emergent condition---which involves providing new HVAC equipment and a distribution system to replace the existing boilers and low pressure steam distribution system. Mr. Luckie said that the contract for the Project included a \$50,000 allowance for asbestos containing material abatement and related activities and this \$350,000 change order will increase this allowance in order to address unforeseen conditions. He noted that the change order will be forwarded to the SDA Special Projects Division for determination of cost recovery potential.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Ms. Hassett, the change order in the amount of \$350,000 for Falasca Mechanical, Inc. for the Vineland HS South project was approved with the Board's unanimous vote in favor of ***Resolution 5b.***

Mr. Luckie then discussed management's recommendation for approval of a construction change order for Epic Management (Epic) for Phillipsburg HS project. He reported that when completed, the Phillipsburg HS will be a 330,021 square foot facility designed to educate 1,846

students in grades 9 through 12. He said that, in June 2013, Epic was issued a NTP to provide construction services for the Phillipsburg HS project. He informed the Members that Construction Change Directive (CCD) No. 1 was issued in February 2016 for the updated information technology (IT) infrastructure as this work was on the critical path for completing the school consistent with the project schedule. Mr. Luckie said that this Resolving Change Order (RCO) No. 51, in the amount of \$1,168,595.00, 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. He explained that the change order 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 work.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Walsh and with Mr. McNamara recused and abstaining, the construction change order in the amount of \$1,168,595.00 for Epic Management for the Phillipsburg HS project was approved with the Board's unanimous vote in favor of ***Resolution 5c***.

Mr. Luckie discussed management's recommendation for approval of a construction contract award for the International HS (IHS) project in the Paterson School District. He reported that the IHS, a grade 9-12 technology magnet HS, was issued a certificate of occupancy (CO) in June 2015. He said that certain corrective work is necessary to maintain the building longevity and systems' life-cycles so management is seeking Board approval today to issue a contract award based upon the General Contractor (GC) Task Order Contract for the work. He informed the Members that Molba Construction, the next firm on the rotational list, has confirmed its interest in the project and provided a cost proposal to complete the entirety of the

scope of work which represents the most extensive solution for the Project. Mr. Murphy outlined the procurement as presented in the memorandum. Mr. Arcario provided details relevant to the corrective work.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. McNamara, the contract award to Molba Construction for construction services for the Paterson International HS project was approved with the Board's vote in favor of ***Resolution 5d***.

In continuing, Mr. Luckie discussed management's recommendation for approval of a construction contract award in connection with the Paterson Union Avenue MS project. He reported that the Paterson Union Avenue MS, formerly Don Bosco, will be a 161,000 square foot facility designed to educate 996 students in grades 6 through 8. He said that the 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. He informed the Members that the SDA acquired the former Paterson Catholic HS facility in order to provide temporary space for the students during advancement and delivery of the new MS. He added the SDA must now engage a contractor to perform work to prepare the former Paterson Catholic building for use as swing space for the students currently occupying the facility on the Don Bosco site. Mr. Luckie said that the construction contract award recommended for this project results from utilization of the SDA GC Task Order Contract. He advised the Members that Intercontinental Construction Contractors, Inc. (ICCI), the next firm on the rotational list has confirmed its interest in the project and management is seeking to award to ICCI in the amount of \$570,000. He said that should the negotiations with ICCI fail to result in an agreement, management is seeking approval to award the contract to another firm on the rotational list in that same not-to-exceed amount. A

brief discussion ensued regarding the occupancy of the Paterson Catholic HS facility and the Don Bosco Academy demolition project.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. McNamara and seconded by Ms. Hassett, the construction contract award to Intercontinental Construction Contractors, Inc. or to another firm in the same not-to-exceed amount for the Paterson Union Avenue MS project swing space was approved with the Board's vote in favor of ***Resolution 5e***.

Mr. Luckie discussed management's request that the Board approve the construction management contract award for the Vineland New MS No. 2 project. He said that the Vineland New MS No. 2 project in the Vineland School District will be a 98,750 square foot facility educating 620 students in grades 6 through 8. He reported that, in January, the Board approved the final project charter and award of a design-build construction contract for the project to Ernest Bock & Sons, Inc. (EBS) and in February EBS was issued the NTP for design phase services. He said that a package for CM services was advertised as a price 40% and other factors 60% solicitation beginning February 10, 2016 and that management is now recommending the award of a CM services contract in the amount of \$1,326,500 to Joseph Jingoli and Sons, Inc. Mr. Luckie informed the Members that Joseph Jingoli and Sons, Inc. has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents and that funding is available within the Project Budget in accordance with the final project charter approved by the Board in January 2016.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. McNamara, the contract

award for construction management services to Joseph Jingoli & Sons, Inc. for the Vineland New Middle School No. 2 project was approved with the Board's vote in favor of **Resolution 5f**.

In continuing, Mr. Luckie informed the Members that the Committee has two (2) Rule re-adoptions to consider. He said that, in both cases, a single comment was received during the 60 day comment period which did not result in a change to the Rules as proposed. He added that, in both cases, any amendments to the Rules were largely technical in nature---to update statutory citations and to ensure that the Rules reflect the current practices of the Authority.

First, Mr. Luckie discussed management's request for Board approval of the Authority's preconstruction activities Rules. He reported that SDA's Chapter 34 Rules, proposed for re-adoption with amendments, implement statutory provisions which provide guidance to school districts on the SDA's undertaking and funding of preconstruction activities. He said that the Chapter 34 Rules were last readopted effective December 8, 2008 and, following Board approval of a re-adoption proposal in December 2015 and its filing with the Office Administrative Law (OAL), the Rules are now due to expire June 5, 2016. Ms. Haney discussed the details relevant to the Re-Adoption as presented in the memorandum.

A resolution pertaining to the proposed re-adoption with amendments of the N.J.A.C 19:34 preconstruction activities rules had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Walsh, the rule re-adoption as presented was approved with the Board's unanimous vote in favor of **Resolution 5g**.

Mr. Luckie then discussed management's request for Board approval of the Authority's delegation agreement Rules. He reported that Chapter 34A governs 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. He

said that the Chapter 34A Rules were last readopted effective December 8, 2008 and, following Board approval of the re-adoption proposal in December 2015 and its filing with the OAL, the Rules are now due to expire June 5, 2016. Ms. Haney discussed the details relevant to the Re-Adoption as presented in the memorandum.

A resolution pertaining to the proposed re-adoption with amendments of the N.J.A.C. 19:34A delegation agreement Rules had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Walsh the rule re-adoption as presented was approved with the Board's unanimous vote in favor of **Resolution 5h**.

In continuing, Mr. Luckie discussed management's recommendation for approval of a credit change order. He reported that a SDA construction contract for E-Rate eligible work in the Paterson Public School District was awarded to Promedia Technology Services Inc. (Promedia) in April 2005 for a lump sum price of \$985,243.00. He said, however, that no work was directed to be performed under the construction contract on the basis that either E-Rate rebate funds would not be pursued or because an included project was not then advancing. He added that, in December 2007, SDA issued a written order of termination for convenience to Promedia in accordance with the contract. He informed the Members that Promedia has been compensated for certain bond costs and that funds associated with one of the four school facilities included in the Promedia engagement have been deobligated. Mr. Luckie said that, with this credit change order, the SDA will de-obligate the funds for line item balances in the amount of (\$872,531). He said that these are associated with the three school facilities projects with respect to which work that will no longer be performed. He added that as this credit change order exceeds both the \$500,000.00 threshold and equals 10% of the contract value, it requires Board approval

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, credit change order No.2 in the amount of (\$872,531) for the Paterson Public School District was approved with the Board's unanimous vote in favor of ***Resolution 5i.***

Public Comments

Mr. Walsh 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.

Thereafter, upon motion and with unanimous consent, the meeting adjourned into Executive Session to discuss a matter relating to the potential divestiture of NJSDA-owned property.

Following discussion in Executive Session, the Board returned to Open Session. Mr. Walsh noted that no vote was taken regarding the executive session item.

Adjournment

There being no further business to come before the Board, Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion by the 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 May 4, 2016 meeting.



Michael Maloney
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 May 4, 2016 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were forwarded to the Governor on May 5, 2016.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's May 4, 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: June 1, 2016

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

2015 ANNUAL REPORT PURSUANT TO EXECUTIVE ORDER NO. 37 (2006)

**New Jersey Schools
Development Authority**

**Annual Report
2015**



Christie Administration Accomplishments 2010-2015	
Capital Projects Approved For Advancement	40
Capital Projects completed	19
Estimated Total Costs of Completed Projects	\$780 Million
Number of students impacted by completed Capital Projects	Nearly 16,000
Contracts Advertised for Capital Projects	More than \$920 million
Contracts Awarded for Capital Projects	More than \$740 million
Emergent Projects (SDA-Managed) Completed	57
Estimated Total Project Costs of Completed Emergent Projects	More than \$43 million
Regular Operating District (ROD) Grants Executed	2,255
ROD Grants State Share	\$675 Million
ROD Grants Estimated Total Project Costs	\$1.6 Billion

About This Report

The 2015 Annual Report on the operations of the New Jersey Schools Development Authority (SDA) is presented pursuant to the provisions of Executive Order No. 37 (Corzine), issued on September 26, 2006. The report provides a comprehensive overview of the SDA's operations, highlighting significant actions taken in 2015.

The SDA operates under the Educational Facilities Construction and Financing Act (EFCFA) of 2000 and subsequent August 2007 legislative amendments.

For more information, please refer to the SDA website at www.njsda.gov or the most recent Biannual Report on the School Construction Program (for the period April 1 through September 30, 2015). The Biannual Report can be found at the following link:

https://www.njsda.gov/njsda/RP/Biannual_Report/2015_2.PDF.

The Mission of the New Jersey Schools Development Authority is to deliver high-quality educational facilities that best meet the needs of the students of the State of New Jersey. While providing efficiently designed facilities that enhance the academic environment, we promote fiscal responsibility in the management of taxpayers' resources.

2015 YEAR IN REVIEW

JANUARY



New Brunswick A. Chester Redshaw
E.S. Opening
Jersey City E.S. 3 Groundbreaking

MARCH



Bridgeton Beam Signing
Events

APRIL



Keansburg
Caruso E.S.
Beam Signing

JULY



Paterson P.S. 16
Beam Signing

AUGUST



Start of the
demolition at
Trenton Central
High School

SEPTEMBER



Passaic Gifted
and Talented
Academy
Opening

NOVEMBER



Gloucester City and Keansburg Beam Signings



DECEMBER



Elizabeth E.S. Groundbreaking

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CEO MESSAGE

This past year has been especially gratifying due to all the great progress that has been accomplished by the diligent employees of this organization who work each day to improve the lives of school children in New Jersey. I am pleased to say, that because of their efforts, new school buildings delivered by the end of this year will provide nearly 9,000 seats in state of the art learning facilities for children across the state.

This past year we have seen the opening of two new schools – the New Brunswick A. Chester Redshaw Elementary School and the Passaic Gifted and Talented Academy. SDA broke ground on new elementary schools in Jersey City and Elizabeth. We highlighted ongoing construction progress with “topping off” ceremonies for five projects in Bridgeton, Gloucester City, Keansburg, Paterson and Phillipsburg respectively. In 2016 we will open two high schools – Elizabeth and Phillipsburg, two elementary schools in Paterson, two elementary schools in Newark, two new additions in Bridgeton, as well as new schools in Jersey City and Keansburg.

In addition to our focus on new construction to alleviate overcrowding, SDA also completed 12 emergent projects to ensure the continued viability of existing infrastructure. This organization also executed 412 Regular Operating District grants, representing a state investment of more than \$172 million and an overall investment in school facilities around the state of \$390.6 million. There is still much to do, but we are making great strides in ameliorating the problems of our aging inventory of buildings.

The Authority is committed to transparency and open communication with its stakeholders. In 2015, we expanded upon our previous efforts through the revival of community meetings, starting first with a project in Jersey City. These meetings are intended to engage residents and others who are impacted by our ongoing construction projects. Through this effort, we are proactively reaching out to the community to provide current information and answer questions. In addition, the Board continued to periodically take its monthly meetings “on the road” with a visit to Gloucester City mid-year. Members of the executive team continue to meet with legislators and various stakeholder groups to discuss how best to provide students and school districts with the facilities and resources they need to position New Jersey students for success.

Accomplishments, such as those you will read about in this report, are not possible without the hard work and cooperation of many parties brought together by the common goal of improving educational opportunities for our youngsters. We are fortunate to have a Board consisting of members committed to achieving positive results with maximum efficiency. Members of the Legislature also play a role in advocating on behalf of their youngest constituents. Our construction partners who design and build the schools that will positively impact generations of students and in particular the construction workers who, day-in-and-day-out, do the hard work to get schools built are too often the unheralded heroes of new and rehabilitated buildings. Most importantly my colleagues at SDA, who are on site

every day or behind the scenes, are a dedicated group of professionals steadfast in their commitment towards meeting our mission. Thank you all for playing a part in helping us achieve so much this past year. I look forward to continued success as we move forward in the coming year.



Charles McKenna

BRINGING QUALITY SCHOOLS TO NEW JERSEY STUDENTS

Throughout the tenure of the Christie Administration, the SDA has produced a record of building school facilities efficiently and in a cost-effective manner. As a result of instituting changes needed to build schools the right way, utilizing design standards and construction practices that make sense, the State's school construction program is flourishing.

New Schools

This year marked the opening of two new schools – one in New Brunswick and one in Passaic City. Lt. Governor Kim Guadagno joined the SDA and local school districts at ribbon cutting events to celebrate both new facilities.



The new A. Chester Redshaw Elementary School in New Brunswick opened to approximately 900 pre-kindergarten through fifth grade students in January 2015, a semester ahead of schedule. As the first design-build project to advance under its new Capital Program, SDA is proud of the manner in which the school was constructed. It is also the first project to utilize the SDA's Kit of Parts design approach as well as the first complete application of SDA's Materials and Systems Standards.

The \$51.2 million facility includes a technology lab, computer room, gymnasium, media center, multi-purpose room with a stage, art room and music room. Its design features include a state-of-the-art technology infrastructure, wall-mounted Smart boards in each classroom, theatrical lighting in the multi-purpose room and water fountains throughout the school that accommodate water bottle refilling.



In September 2015, the new 115,000 square foot Passaic Gifted and Talented Academy opened its doors to students. The school includes a three-story Academic/Administrative wing and a two-story wing with a cafeteria with stage, gymnasium, and specialized classrooms that is capable of accommodating 780 students in grades two through eight. The school has a media center, computer-aided design lab, video lab, instrumental and vocal music rooms, a

dance studio with a stage, and art rooms -- including one with a kiln. The school houses the District's Magnet program with a focus on Academics, Performing Arts, Physical Education, and Visual Arts.

This project's lengthy and complicated history is representative of the challenges that were addressed through reforms instituted under the Christie Administration. As a result of these reforms, change orders for this project were minimal and it was delivered consistent with the Administration's commitments.

Completion of the Passaic Gifted and Talented School also marked an important milestone toward addressing the overcrowding that exists in Passaic City. This new school is the first of three projects that will be completed over the next six or seven years to provide Passaic City with seats for more than 4,000 students.

SDA 2015 School Openings					
District	School	Project Type	Square Footage	Student Capacity	Total Project Costs
New Brunswick	A. Chester Redshaw E.S.	New Construction	135,000	900	\$51.2 million
Passaic City	Gifted and Talented Academy	New Construction	115,000	780	\$55 million

Breaking Ground for a Bright Future

As two new schools opened their doors to students in 2015, the SDA broke ground on two additional schools that will provide educational opportunities for students in Jersey City and Elizabeth.

On a cold day in January 2015, local officials joined SDA to break through the snow-covered ground in celebration of the start of the new Jersey City Elementary School Number 3. The new 123,000 square-foot E.S. #3 school facility will be designed to educate approximately 770 students from pre-kindergarten through fifth grades. With the start of this school project, the SDA now has two projects in construction in Jersey City.





The year then ended with the start of construction for a new elementary school in Elizabeth. Lieutenant Governor Guadagno joined SDA to break ground for the new Elizabeth Elementary School in December. The new 140,000-square-foot school is designed to educate approximately 890 students in second through eighth grades. Construction of the new elementary school will help to relieve overcrowding in the Elizabeth School District. With the start of this project, the SDA now has two projects in Elizabeth in construction.

Progress on a New Trenton Central High School

The construction of a new Trenton Central High School made significant progress in 2015. With the start of demolition of the old facility, selection of a new design concept, and advertisement for design build services, the Trenton community is ever closer to receiving the high school their students need.

Early site preparation activities, including the abatement and demolition of the original Trenton Central High School, commenced in April 2015. Prior to the start of abatement, the DIY network television program ‘Salvage Dawgs’ filmed its efforts to salvage items from the building that neither the Trenton Board of Education nor the demolition contractor wanted. All negotiations for the salvage were held between the production company and the demolition contractor.

Also in 2015, the SDA presented three different design concepts to the School District and community members for their consideration during multiple school board and community meetings. At the conclusion of polling efforts by the District, the Trenton School Board passed a resolution in June selecting a design option, which has come to be known as the “tornado design,” a nod to the school’s mascot.

Finally, in September 2015, the SDA issued an advertisement for design-build services utilizing the bridging design documents that were created by the SDA’s Design Studio. Sealed price and technical proposals were due on January 21, 2016. Terminal Construction, the firm awarded the design-build contract will be responsible for completing the design of the facility utilizing NJSDA-developed schematic design documents and also will provide construction and construction administration services.

Marking Construction Milestones

With a robust construction portfolio in full swing, “topping off” ceremonies provide opportunities for communities to celebrate construction milestones. In 2015, SDA joined with students and local

officials to mark the completion of steel erection with the signing and hoisting of the final beam. The completion of the steel skeleton affords students and community members the opportunity to see their new school building taking shape. These ceremonies were held in Phillipsburg, Gloucester City, Keansburg, Bridgeton and Paterson.



Contracts Awarded

This year alone, the SDA posted 20 advertisements for work related to capital and emergent projects. The SDA awarded more than \$100 million in construction contracts in 2015. The projects that are moving forward as a result of these contract awards benefit New Jersey students, communities, businesses and workers. This investment in school projects helps create good local jobs and spur other private and public investments in the communities that need it the most.

Capital Construction Statewide

With advancement of the new Jersey City Patricia M. Noonan Elementary School and the new Elizabeth Elementary School, the SDA ended 2015 with 12 projects in construction. Representing more than \$700 million in total estimated project costs, this investment in education is achieving positive economic results on a statewide basis.

The SDA's active project portfolio is the result of productive partnerships with the local districts and the New Jersey Department of Education. These projects, impacting more than 10,000 students, will go a long way towards addressing the overcrowding that exists in SDA Districts across the state. High School students in Phillipsburg will no longer need dozens of trailers to accommodate their numbers and additions at two schools in Bridgeton will address the rapidly increasing enrollment the District is experiencing.

SDA Capital Projects in Construction (As of December 31, 2015)				
District	School	Project Type	Student Capacity	Total Project Costs
Bridgeton	Buckshutem E.S.	Addition/Renovation	581	\$23.3 million
Bridgeton	Quarter Mile Lane E.S.	Addition/Renovation	731	\$39 million
Elizabeth	Academic H.S.	New Construction	1,091	\$64.1 million
Elizabeth	New Elementary School	New Construction	860	\$55.3 million
Gloucester City	New Middle School	New Construction	687	\$63.8 million
Jersey City	Patricia M. Noonan E.S.	New Construction	778	\$54 million
Jersey City	Public School #20 E.S.	New Construction	628	\$48.2 million
Keansburg	Caruso E.S.	New Construction	736	\$50.9 million
Newark	Oliver Street E.S.	New Construction	848	\$73.6 million
Paterson	Marshall Street E.S.	New Construction	650	\$55.2 million
Paterson	P.S. 16	New Construction	705	\$62.4 million
Phillipsburg	Phillipsburg H.S.	New Construction	1,846	\$127.5 million
Total (12 Projects)			10,141	\$717.3 million

Emergent Projects

SDA continued to provide assistance to SDA Districts that have school facilities in need of remediation or rehabilitation through its Emergent Project Program. At the end of 2015, the SDA was managing eight emergent projects with four in construction and four in design. In addition, SDA Districts were managing 24 delegated projects with 14 in construction and 10 in design. As of December 2015, 144 projects (both SDA Managed and District Delegated) have been completed since program inception.

In the summer of 2015, SDA CEO Charles McKenna, along with Senator Ronald Rice, visited two



large active emergent projects – one in Irvington and one in Vineland. In Irvington, a \$6.5 million emergent project was ongoing at the 226,343 square-foot Irvington High School, originally built in 1924. Mr. McKenna and local officials toured ongoing construction work to replace the roof and perform masonry repairs. The work also includes the replacement of roof top HVAC units and associated control systems for the Annex and Library. This type of work, to make buildings water tight, is important to

ensure that students are housed in facilities that are appropriate learning environments.

On the opposite end of the state, work was being done over the summer months to replace an aging HVAC system in order to provide students with a comfortable learning environment. The \$11.4 million project at the 231,000 square foot Vineland High School South will provide a new hot water based system replacing the 60 year old failing boilers and providing proper heat and improving the overall air quality for students.



Regular Operating Districts

SDA Regular Operating District (ROD) grants fund at least 40 percent of eligible costs for projects in the New Jersey’s ROD districts, addressing health and safety issues, and other critical needs. In 2015, the SDA executed 412 grants to 114 school districts for school improvement projects. This \$173 million state investment leverages a local contribution of \$217.9 million. At the present time, the entire \$3.45 billion authorized for ROD facility projects has been committed. Of the \$150 million authorized in funding for vocational school grants, there is \$10 million remaining in uncommitted funds.

REGULAR OPERATING DISTRICT GRANTS			
2015 Grant Executions		Grant Executions Since Inception	
No. of Grants Executed	412	No. of Grants Executed	5,260
State Share	\$ 172,676,745	State Share	\$ 2,972,846,296
Local Share	\$ 217,933,641	Local Share	\$ 5,887,484,979
Total Est. Costs	\$ 390,610,386	Total Est. Costs	\$ 8,861,073,505
No. of Districts Impacted	114	No. of Districts Impacted	523
No. of Counties Impacted	20	No. of Counties Impacted	21

HELPING SUPPORT NEW JERSEY'S BUSINESSES AND CONSTRUCTION WORKFORCE

SMWBE Contractor Training Program

SDA once again offered its Small, Minority and Woman-owned Business Enterprise (SMWBE) Contractor Training Program in 2015. This year's program, the fifth installment of the SDA's in-house training, provided participating firms with instruction on various topics in order to help their companies grow and do business with the SDA. The nine-week SMWBE Contractor Training Program culminated with a Graduation Ceremony in April 2015. This graduation/networking event provides graduates with an opportunity to meaningfully confer with some of the State's most successful, established general contractors and construction management firms working on state construction projects. Participating SMWBEs are afforded an opportunity to make valuable connections that can help them grow their businesses.

Sixteen small, minority and women-owned business enterprises, headquartered throughout the State of New Jersey, successfully completed this session of the SDA sponsored program. Since the program was established, more than 80 firms have successfully completed the training program. Participants have consistently been pleased with the information and networking opportunities provided to them through the program. As the SDA continues to look for ways to support New Jersey's businesses, feedback will be incorporated to make changes to the program for the coming year.



Providing Opportunities for New Jersey's Small Businesses

The SDA prides itself on its effective and proactive Small Business Enterprise (SBE) program that abides by the current State set-aside law and Executive Order 71 (2003). The SDA continually exceeds the mandated 25 percent small business enterprise participation level based upon the total dollar value of publicly advertised contracts awarded by SDA. In 2015, SBE participation was 31.5 percent. This represents \$42.6 million in SDA contract values for SBE companies.

At the end of 2015, the SDA had 1,814 firms prequalified to do business. Of those firms, 750 (or 41% of all firms) were certified by the NJ Department of the Treasury as SBE firms.

Monitoring SDA's Construction Workforce Compliance

SDA is pleased with its safety record for the year. SDA's Field Compliance Inspectors were active during 2015 as they each conducted approximately 400 Safety inspections on their assigned SDA projects. In addition, SDA's Field Compliance Inspectors verify contractor-reported data regarding the number of women and minority workers on SDA's construction sites. In 2015, approximately 26.8 percent of construction work was performed by minority and female workers and 15.6 percent of such work was performed by local county workers. The participation of a local workforce in SDA projects demonstrates the added value these projects bring to our local communities.

NJ-GIVS – Preparing Students for Careers in the Construction Industry

Since July 2013, the SDA has worked in partnership with the New Jersey Higher Education Student Assistance Authority (HESAA) to execute the Governor's Industry Vocations Scholarship for Women and Minorities (NJ-GIVS). The funding for the NJ-GIVS program is in furtherance of the SDA's statutory requirement pursuant to N.J.S.A. 52:38 which requires the authority to provide funding for on-the-job or off-the-job outreach and training programs for minority group members and women in construction trade occupations or other occupations - including engineering and management occupations -- utilized in the performance of public works contracts.

NJ-GIVS pays up to \$2,000 per year to women and minority students who reside in New Jersey towards the cost of enrollment in a NJ-GIVS eligible program at one of New Jersey's approved county colleges or vocational schools. During 2015, SDA was proud to provide \$324,703 to approximately 200 qualifying students throughout New Jersey in various programs to prepare women and minority students for careers in the construction industry.

Open Communication Efforts

Community Meetings Encourage Open Communication

In 2015, the SDA launched a renewed effort to open lines of communication with community residents residing in the vicinity of school construction sites. A community meeting was held with the residents and others impacted by ongoing construction of the elementary school in Jersey City to discuss concerns and answer questions. In this forum, SDA presented current project information and engaged in a dialogue about any resident concerns. This effort will continue in 2016, with SDA-scheduled community meetings held before the initiation of projects, i.e. either construction or site preparation activities.

Promoting the Good Work of the Authority

The SDA continues to explore various ways to communicate its activities and accomplishments to its stakeholders. The distribution of the SDA's electronic newsletter, published three times in 2015, is one way SDA seeks to achieve this goal. In 2015, the SDA distributed its electronic newsletter to hundreds of recipients including SDA district superintendents and mayors, New Jersey state legislators, interested parties and others.

In order to highlight ongoing construction progress and district partnerships, the SDA held ten events throughout the state to highlight the status of its Capital portfolio and emergent program projects through tours, groundbreakings, school completions and press conferences. SDA staff also attended two Season of Service events. Additionally, SDA staff participated in events such as meetings, seminars and workshops hosted by a variety of organizations including Trenton Public Schools, New Jersey Education Association, Alliance for Action and the Healthy Schools Now Coalition.

FINANCIAL INFORMATION

2015 PROJECT EXPENDITURES	
SDA District Capital Projects	\$279.8 million
SDA District Emergent Projects	\$ 9.5 million
ROD Grant Projects	\$131.5 million
Other Project Costs – Program	\$6.3 million
Total Project Expenditures	\$427.1 million

Annual Report Delay

The SDA's Annual Report is typically released in April 2015, as required by statute. However, release of the 2015 Annual Report was delayed until June 2015 as the Authority was awaiting receipt of its 2015 pension allocation from the Department of the Treasury's Division of Pension & Benefits pursuant to GASB No. 68. The Authority's independent auditor was unable to complete the audit of the 2015 financial statements without the GASB No. 68 pension information.

Safeguarding Fiscal Resources

The SDA strives to promote fiscal responsibility in the management of taxpayers' resources needed to implement the school construction program. One way this goal is achieved is through the active pursuit of cost recovery and cost avoidance whenever appropriate and responsible. In 2015, SDA was able to reinvest approximately \$3 million back into the school construction program as the result of these efforts.

- The SDA recovered \$177,128 for environmental remediation costs incurred in connection with the Newark Park Elementary School Project.
- The SDA settled cost recovery litigation against the project management firm, design consultant and environmental sub-consultant on the Trenton Martin Luther King, Jr. Elementary School Project, receiving a combined settlement payment of \$2,725,000.

- The Authority received the final payment of \$46,313 pursuant to a consent judgment entered against a consultant vendor in connection with the East Orange Langston Hughes Elementary School Project.
- The Authority received a net settlement value of \$115,000 involving construction administration services on the East Orange No. 5 School Facility project. This included a payment of \$35,000 and forgiveness of an \$80,000 obligation that had been due the consultant.

2015 Bond Sales

School Facilities Construction Bonds issued by the New Jersey Economic Development Authority (EDA) on behalf of the SDA provide SDA with requisite cash to sustain its active project portfolio and fund its operating expenses. During 2015, the EDA approved bond sales in August to provide an additional \$500 million to support the state's school construction program.

Budgetary and Financial Controls

The Authority maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's requirements and authority; that responsibilities are appropriately segregated; that financial statements are prepared in accordance with accounting principles generally accepted in the United States; and that the assets of the Authority are properly safeguarded. Since internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met, there are inherent limitations in the effectiveness of any system of internal controls. The concept of reasonable assurance generally recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. These internal controls are subject to continuous evaluation by the Authority's management.

Budgetary Controls

The Authority maintains budgetary controls to ensure operating expenditures do not exceed the annual levels approved by the Board of Directors in the Authority's annual operating budget. A variance analysis of accounts is performed monthly and the results are summarized and presented to the Audit Committee in a monthly report. As appropriate, the Authority may also allocate expenditures in its operating budget for various internal capital projects including amounts for the acquisition of equipment, computer software, furniture and fixtures and leasehold improvements. The Authority's Capitalization & Depreciation policy prescribes when capitalization of an asset is appropriate.

In addition, the Authority develops and maintains comprehensive project budgets, approved by the Board of Directors, for each of the school facilities projects that it manages. The Authority uses project management software for planning, recording and monitoring project budgets and schedules. Other software and tools are used by the Authority for cost estimating and financial analyses. The data obtained from regular monthly re-forecasting sessions are used to monitor the status of projects and to review and analyze costs in comparison to approved budgets. The information obtained from these sessions are summarized and presented to the Audit Committee in a monthly report.

Financial Controls

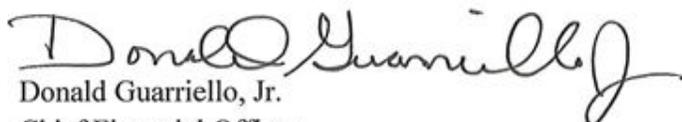
The Authority maintains effective financial controls in part through the use of an integrated accounting and budgeting system, which enables the Authority to view, analyze and report on various financial data. Separate financial reporting software is utilized by the Authority to: (1) efficiently and effectively monitor the Authority's financial performance; (2) identify financial trends; and (3) generate accurate and timely financial data and reports.

Additionally, the Authority has implemented effective financial controls in key risk areas as documented in numerous written policies, procedures, standard operating procedures (SOPs), processes, guidelines, checklists and standards. Policies and procedures (or other analogous documents) have been implemented in the areas of accounting, accounts payable, procurement, information technology, corporate governance and program operations. The Board of Directors has also adopted an Ethics Code for all employees, which is intended to foster a strong ethical climate at the Authority. Together, these policies and procedures (or other analogous documents) provide a system of internal controls and accountability designed to safeguard the Authority's assets. The Authority's internal auditors conduct periodic reviews to ensure the Authority's adherence to internal control policies and procedures.

The Board of Directors periodically reviews and approves modifications to the SDA's Operating Authority policy. The Operating Authority designates those persons at the Authority who are authorized by the Board (either generally or in specific transactions) to: (1) approve contracts and contract changes (i.e., change orders and amendments), (2) execute documents legally binding on the Authority, and (3) sign checks and approve disbursements on behalf of the Authority.

CERTIFICATIONS PURSUANT TO SECTION 22C OF EXECUTIVE ORDER 37 (2006)

I certify that, to the best of my knowledge, the financial information provided to the Authority's independent auditors in connection with their audit of the 2015 financial statements is accurate, and that such information fairly presents the financial condition and operational results of the Authority as of December 31, 2015 and for the year then ended.



Donald Guarriello, Jr.
Chief Financial Officer

I certify that, to the best of my knowledge, the financial information provided to the Authority's independent auditors in connection with their audit of the 2015 financial statements is accurate, and that such information fairly presents the financial condition and operational results of the Authority as of December 31, 2015 and for the year then ended.



Charles B. McKenna
Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 2 OF EXECUTIVE ORDER 37 (2006)

In accordance with Executive Order 37 (2006), please find enclosed the New Jersey Schools Development Authority's (the "Authority") 2015 comprehensive report of Authority operations (the "2015 Annual Report"). This report highlights the significant actions of the Authority for the year ending December 31, 2015, including the degree of success the SDA had in promoting the State's economic growth strategies and other policies during the year.

The report of independent auditors, issued by Ernst and Young LLP on May 16, 2016 is included within the financial statements section of the 2015 Annual Report. The completion of the audit report fulfills the Authority's requirements under Executive Order 37 and the audit requirements of Executive Order 122 (2004).

Executive Order 37 Section 2 Certification:

I, Charles B. McKenna, certify that, from January 1, 2015, to December 31, 2015, the Authority has, to the best of my knowledge, followed all of its standards, procedures and internal controls.



Charles B. McKenna
Chief Executive Officer

Resolution—4ai.**Resolution Approving the SDA Annual Report**

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business” which bylaws were adopted by the Authority on August 15, 2007; and

WHEREAS, consistent with Article VIII, Section 8.3 of the Authority’s bylaws, and in accordance with Executive Order No. 37 (2006), the Authority has prepared a comprehensive report including, among other things, Authority financial statements, and an identification of internal controls that govern expenditures, procurement and other financial matters and transactions; and

WHEREAS, the Authority’s financial statements were presented to the SDA Audit Committee on March 21 and May 16, 2016 and are presented for Board approval on this date; and

WHEREAS, consistent with Article VIII, Section 8.3 of the Authority’s bylaws, and in accordance with Executive Order No. 37 (2006), following approval of the Authority’s Annual Report by the Members, a copy of same shall be submitted to the Governor’s Authorities Unit and the posted on the Authority’s website; and

WHEREAS, the 2015 SDA Annual Report has been prepared by executive management consistent with Executive Order No. 37 and is presented as an attachment hereto with a recommendation for Board approval.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the New Jersey Schools Development Authority’s 2015 Annual Report as presented by executive management on this date.

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

Attached: Memorandum and 2015 SDA Annual Report, dated June 1, 2016

Dated: June 1, 2016

CHAIRMAN'S REPORT (*ORAL*)

REPORT AND RECOMMENDATIONS OF THE AUDIT REPORT - (CHAIRMAN'S REPORT)

2015 FINANCIAL STATEMENTS



100 EAST FRONT STREET
P.O. BOX 991
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609-943-5955

MEMORANDUM

TO: The Members of the Authority

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

DATE: June 1, 2016

SUBJECT: 2015 Financial Statement Audit

The Office of the Chief Financial Officer is providing the attached draft report of the 2015 financial statement audit to the Members of the Authority. Pursuant to Executive Order 122, as amended by Executive Order 37 (2006), the audited financial statements are being presented to the Members for review and approval.

On March 21, 2016 and May 16, 2016, the 2015 Financial Statements were presented and discussed at length with the Audit Committee, and Ernst & Young LLP presented their results booklet and required communication (March 21, 2016) in accordance with Statement of Auditing No. 114.

Recommendation

The Members of the Authority are recommended to approve the attached 2015 Financial Statement Audit.

Attachment

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
(a component unit of the State of New Jersey)



FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2015

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Financial Statements and Required Supplementary Information

For the Year Ended December 31, 2015

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Report of Independent Auditors

Management and Members of the Authority
New Jersey Schools Development Authority

We have audited the accompanying financial statements of the New Jersey Schools Development Authority (the Authority), a component unit of the State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2015, and the changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Change in Method of Accounting for Pensions

As discussed in Note 2 to the financial statements, the Authority changed its method for accounting and financial reporting of pensions as a result of the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent To the Measurement Date – an Amendment of GASB Statement No. 68*, both effective January 1, 2015. Our opinion is not modified with respect to this matter.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of funding progress of the postemployment healthcare benefit plan, the schedule of the Authority's proportionate share of the net pension liability and the schedule of the Authority's contributions to the Public Employees' Retirement System (PERS) as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

May 16, 2016

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

For the Year ended December 31, 2015

This section of the New Jersey Schools Development Authority's (the "Authority" or "SDA") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2015. This management discussion and analysis should be read in conjunction with the Authority's financial statements and accompanying notes.

Nature of the Authority

The SDA was established on August 6, 2007 to replace the New Jersey Schools Construction Corporation ("SCC") pursuant to reform legislation (P.L.2007, c.137). As of the date of the legislation, the SCC was dissolved and all its functions, powers, duties and employees were transferred to the SDA. Organizationally, the Authority is situated in, but not of, the New Jersey Department of the Treasury.

The School Construction Program is the largest public construction program undertaken by the State of New Jersey ("State") and represents one of the largest school construction programs ever undertaken in the nation. The program was initiated in response to the New Jersey Supreme Court's decision in Raymond Abbott et al. v. Fred G. Burke, 153 N.J. 480 (1998), which eventually led to the Legislature's adoption of the Educational Facilities Construction and Financing Act, P.L.2000, c.72 ("EFCFA") on July 18, 2000. The EFCFA, as amended in P.L.2008, c.39, provides for an aggregate \$12.5 billion principal amount of bond proceeds ("EFCFA funding") to be issued by the New Jersey Economic Development Authority ("EDA"), the financing agent for the Schools Construction Program, and transferred to the Authority. Of this amount, \$8.9 billion is allocated to 31 urban school districts referred to as the "SDA Districts" (formerly Abbott Districts), \$3.45 billion is for non-SDA districts ("Regular Operating Districts") and \$150 million is reserved for vocational schools.

School Construction Program Authorized Funding and Disbursements

The Authority does not have an economic interest in any school facility project. With the exception of interest income on invested funds, the Authority does not generate substantial operating revenues, yet it incurs significant operating expenses to administer the School Construction Program. Costs related to school facilities projects are reported as school facilities project costs in the statement of activities. Program administrative and general expenses not identifiable specifically to school facilities projects are considered eligible project costs under EFCFA and are therefore paid from EFCFA funding.

Through December 31, 2015, the Authority has received \$10.1 billion of the designated \$12.5 billion principal amount of bond proceeds authorized for the School Construction Program. In addition, as of that date, the Authority has disbursed 76.2% of the currently authorized program funding, as follows:

	<u>Bonding Cap</u>	<u>Program Funding</u> ¹	<u>Disbursements</u>	<u>% Paid</u>
SDA Districts	\$ 8,900,000,000	\$ 9,008,655,798	\$ 6,640,565,858	73.7%
Regular Operating Districts	3,450,000,000	3,493,024,922	2,893,902,684	82.8%
Vocational Schools	150,000,000	151,719,136	108,131,921	71.3%
Totals	<u>\$ 12,500,000,000</u>	<u>\$ 12,653,399,856</u>	<u>\$ 9,642,600,463</u>	76.2%

¹ Program funding includes the amounts authorized under the respective bonding caps in addition to approximately \$153 million of interest income and miscellaneous revenue earned through December 31, 2015.

The 31 SDA Districts are located in 14 Counties throughout the State, as follows:

<u>County</u>	<u>School District</u>	<u>County</u>	<u>School District</u>
Atlantic	Pleasantville	Hudson	Union City
Bergen	Garfield	Hudson	West New York
Burlington	Burlington City	Mercer	Trenton
Burlington	Pemberton Township	Middlesex	New Brunswick
Camden	Camden	Middlesex	Perth Amboy
Camden	Gloucester City	Monmouth	Asbury Park
Cumberland	Bridgeton	Monmouth	Keansburg
Cumberland	Millville	Monmouth	Long Branch
Cumberland	Vineland	Monmouth	Neptune Township
Essex	East Orange	Passaic	Passaic City
Essex	Irvington	Passaic	Paterson
Essex	Newark	Salem	Salem City
Essex	Orange	Union	Elizabeth
Hudson	Harrison	Union	Plainfield
Hudson	Hoboken	Warren	Phillipsburg
Hudson	Jersey City		

In 2015, the Authority completed three new school facilities projects in the SDA Districts directly benefitting over 1,500 students. As of December 31, 2015, projects in construction in SDA Districts will impact over 9,000 students.

From inception through December 31, 2015, the School Construction Program has completed 672 projects in the SDA Districts. The completed projects consist of: 70 new schools, including 6 demonstration projects; 43 extensive additions, renovations and/or rehabilitations; 31 rehabilitation projects; 354 health and safety projects; and 174 Section 13 Grants for SDA District-managed projects under \$500,000. The demonstration projects serve as a cornerstone of revitalization efforts and are funded by the Authority but managed by a municipal redevelopment entity and redeveloper. In addition, in the Regular Operating Districts the Authority has completed 26 projects that it managed for the districts, and state

funding was provided through Section 15 Grants for 3,889 school projects throughout the 21 counties of New Jersey.

As of December 31, 2015, the SDA has 15 active construction projects in the SDA Districts. In addition, pre-construction activity has commenced on several other projects. Furthermore, the Authority is currently in construction on 8 emergent need projects in the SDA Districts. Emergent need projects most often address roof repairs or replacements; deteriorating façades; water infiltration; heating and cooling system issues; and plumbing, electrical, mechanical and security systems. The Authority maintains separate program reserves to address such emergent conditions as well as unforeseen events.

Through the approval of various capital plans, the Authority's current capital portfolio of school facilities projects includes 40 projects. The total estimated project costs for the current capital program exceeds \$1.5 billion. The SDA continues to evaluate other school facilities projects for advancement.

The following information provides insight into the activities of the School Construction Program during the last five years and is not intended to be presented in accordance with generally accepted accounting principles.

	\$ In thousands				
	2015	2014	2013	2012	2011
EFCFA funding received from State	\$ 500,000	\$ 585,000	\$ -	\$ 375,000	\$ -
Investment earnings, net	560	170	272	205	546
Administrative and general expenses *	18,924	17,293	19,835	34,749	35,699
Capital expenditures	475	115	295	54	26
School facilities project costs *	429,684	282,023	172,238	145,584	154,930
Employee count at end of year	230	227	243	241	255

* Commencing January 1, 2013, the Authority began allocating employee salaries and benefit costs between operating expense (i.e., administrative and general expenses) and school facilities project costs.

2015 Financial Highlights

- At year end, the Authority's net position is \$470.0 million.
- At year end, cash and cash equivalents total \$617.6 million.
- For the year, revenues total \$501.5 million, \$500.0 million of which is from EFCFA funding received from the State (or 99.7%).
- For the year, expenses total \$448.7 million, \$429.7 million (95.8%) of which is for school facilities project costs.
- For the year, general fund revenues exceed general fund expenditures by \$42.3 million.

Overview of the Financial Statements

The financial section of this annual report consists of three parts: Management's Discussion and Analysis; the basic financial statements; and required supplementary information. The Authority's basic financial statements consist of three components: 1) government-wide financial statements; 2) governmental fund financial statements (these are also referred to as the "general fund" financial statements); and 3) notes to financial statements. Because the Authority operates a single governmental program, its government-wide and governmental fund financial statements have been combined using a columnar format that reconciles individual line items of general fund financial data to government-wide data in a separate column on the face of the financial statement.

Government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual balance reported as net position. Over time, an increase or decrease in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal period.

Governmental fund financial statements are designed to provide the reader information about an entity's various funds. A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority operates a single governmental fund for financial reporting purposes and this fund is considered a general fund.

The focus of governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the fund balance sheet and the statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

Financial Analysis of the Authority

Net Position - The Authority's net position increased to \$470.0 million at year-end, primarily due to 2015 State funding under EFCFA (\$500.0 million) exceeding expenditures for school facilities projects (\$429.7 million) and administrative and general expenses (\$18.9 million). Additionally, the Authority recorded an adjustment (i.e., a reduction) to beginning of year net position as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (\$49.9 million).

The following table summarizes the Authority's net position at December 31, 2015 and 2014.

	\$ In thousands			
	2015	2014	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Current assets	\$ 618,767	\$ 561,987	\$ 56,780	10.1%
Capital assets-net	767	386	381	98.6%
Total assets	<u>\$ 619,534</u>	<u>\$ 562,373</u>	<u>\$ 57,161</u>	10.2%
Deferred outflows of resources	\$ 10,732	-	\$ 10,732	N/A
Total assets and deferred outflows of resources	<u>\$ 630,266</u>	<u>\$ 562,373</u>	<u>\$ 67,893</u>	12.1%
Current liabilities	\$ 70,332	\$ 55,849	\$ 14,483	25.9%
Non-current liabilities	88,306	39,403	48,903	124.1%
Total liabilities	<u>\$ 158,638</u>	<u>\$ 95,252</u>	<u>\$ 63,386</u>	66.5%
Deferred inflows of resources	\$ 1,616	-	\$ 1,616	N/A
Net position:				
Investment in capital assets	\$ 767	\$ 386	\$ 381	98.6%
Restricted for schools construction	469,245	466,735	2,510	0.5%
Total net position	<u>\$ 470,012</u>	<u>\$ 467,121</u>	<u>\$ 2,891</u>	0.6%
Total liabilities, deferred inflows of resources and net position	<u>\$ 630,266</u>	<u>\$ 562,373</u>	<u>\$ 67,893</u>	12.1%

Note: All percentages are calculated using unrounded figures.

Operating Activities – The Authority earns interest on invested funds primarily through its participation in the State Cash Management Fund, a fund managed by the Division of Investment under the Department of Treasury. The fund consists of U.S. Treasury obligations, government agencies obligations, certificates of deposit and commercial paper.

The following table summarizes the change in net position for the years ended December 31, 2015 and 2014.

	\$ In thousands			
	2015	2014	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Revenues				
EFCFA funding received from State	\$ 500,000	\$ 585,000	\$ (85,000)	(14.5)%
Investment earnings	560	170	390	228.6%
Rental property income	945	115	830	725.8%
Other revenue	9	2	7	286.2%
Total revenues	<u>\$ 501,514</u>	<u>\$ 585,287</u>	<u>\$ (83,773)</u>	(14.3)%
Expenses				
Administrative and general expenses	\$ 18,924	\$ 17,293	\$ 1,631	9.4%
Depreciation	94	99	(5)	(5.1)%
School facilities project costs	429,684	282,023	147,661	52.4%
Total expenses	<u>\$ 448,702</u>	<u>\$ 299,415</u>	<u>\$ 149,287</u>	49.9%
Change in net position	<u>\$ 52,812</u>	<u>\$ 285,872</u>	<u>\$ (233,060)</u>	(81.5)%
Beginning net position:				
Balance as previously stated	467,121	181,249	285,872	157.7%
Adjustment to beginning balance *	<u>(49,921)</u>	-	<u>(49,921)</u>	N/A
Balance as restated	<u>417,200</u>	181,249	235,951	130.2%
Ending net position	<u>\$ 470,012</u>	<u>\$ 467,121</u>	<u>\$ 2,891</u>	0.6%

* Restated for the effects of Governmental Accounting Standards Board Statement No. 68/71 (Note 11a).

Note: All percentages are calculated using unrounded figures.

Contacting the Authority's Financial Management

This financial report is designed to provide New Jersey citizens and taxpayers, and the Authority's customers, clients and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives from the State. If you have questions about this report or need additional financial information, contact the Office of the Chief Financial Officer, New Jersey Schools Development Authority, P.O. Box 991, Trenton, NJ 08625-0991, or visit our web site at www.njsda.gov.

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Statement of Net Position and General Fund Balance Sheet

December 31, 2015

	General Fund Total	Adjustments (Note 8)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 617,565,303	\$ -	\$ 617,565,303
Receivables	57,840	152,800	210,640
Prepaid expenses	990,937	-	990,937
Capital assets-net	-	766,872	766,872
Total assets	<u>618,614,080</u>	<u>919,672</u>	<u>619,533,752</u>
Deferred Outflows of Resources			
Deferred amount for pensions	-	10,731,769	10,731,769
Total Assets and Deferred Outflows of Resources	<u>\$ 618,614,080</u>	<u>\$ 11,651,441</u>	<u>\$ 630,265,521</u>
Liabilities			
Accrued school facilities project costs	\$ 67,613,323	\$ 8,257,434	\$ 75,870,757
Net pension liability	-	58,417,776	58,417,776
Other post-employment benefits obligation	-	18,204,915	18,204,915
Other accrued liabilities	1,081,746	3,425,364	4,507,110
Deposits	1,636,910	-	1,636,910
Total liabilities	<u>70,331,979</u>	<u>88,305,489</u>	<u>158,637,468</u>
Deferred Inflows of Resources			
Deferred amount for pensions	-	1,615,990	1,615,990
Fund Balance/Net Position			
Investment in capital assets	-	766,872	766,872
Nonspendable:			
Prepaid expenses	990,937	(990,937)	-
Restricted for schools construction	547,291,164	(78,045,973)	469,245,191
Total fund balance/net position	<u>548,282,101</u>	<u>(78,270,038)</u>	<u>470,012,063</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	<u>\$ 618,614,080</u>	<u>\$ 11,651,441</u>	<u>\$ 630,265,521</u>

See accompanying notes.

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Statement of Activities and General Fund Revenues,
Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2015

	<u>General Fund Total</u>	<u>Adjustments (Note 8)</u>	<u>Statement of Activities</u>
Revenues			
School Construction Program:			
EFCFA funding received from State	\$ 500,000,000	\$ -	\$ 500,000,000
General:			
Investment earnings	559,825	-	559,825
Rental property income	945,172	-	945,172
Other revenue	9,029	-	9,029
Total revenues	<u>501,514,026</u>	-	<u>501,514,026</u>
Expenditures/Expenses			
Administrative and general expenses	14,996,617	3,927,002	18,923,619
Capital expenditures	474,771	(474,771)	
Capital depreciation		93,943	93,943
School facilities project costs	443,746,149	(14,062,308)	429,683,841
Total expenditures/expenses	<u>459,217,537</u>	<u>(10,516,134)</u>	<u>448,701,403</u>
Excess of revenues over expenditures	42,296,489	10,516,134	-
Change in net position	-	-	52,812,623
Fund Balance/Net Position			
Beginning of year – as previously stated	505,985,612	(38,864,544)	467,121,068
Adjustment to beginning balance *	-	(49,921,628)	(49,921,628)
Beginning of year – as restated	<u>505,985,612</u>	<u>(88,786,172)</u>	<u>417,199,440</u>
End of Year, December 31, 2015	<u>\$ 548,282,101</u>	<u>\$ (78,270,038)</u>	<u>\$ 470,012,063</u>

* Restated for the effects of Governmental Accounting Standards Board Statement No. 68/71 (as amended).

See accompanying notes.

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Notes to Financial Statements

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1. Nature of the Authority

The New Jersey Schools Development Authority (the “Authority” or “SDA”) was established on August 6, 2007 to replace the New Jersey Schools Construction Corporation (“SCC”) pursuant to reform legislation (P.L.2007, c.137). As of the date of the legislation, the SCC was dissolved and all its functions, powers, duties and employees were transferred to the SDA. The Authority is governed by its own Board of Directors and is fiscally dependent upon the State of New Jersey (“State”) for funding. Organizationally, the Authority is situated in, but not of, the New Jersey Department of the Treasury.

The School Construction Program was initiated in response to the New Jersey Supreme Court’s decision in Raymond Abbott et al. v. Fred G. Burke, 153 N.J. 480 (1998), which eventually led to the Legislature’s adoption of the Educational Facilities Construction and Financing Act, P.L.2000, c.72 (“EFCFA”) on July 18, 2000. The EFCFA, as amended in P.L.2008, c.39, provides for an aggregate \$12.5 billion principal amount of bond proceeds (“EFCFA funding”) to be issued by the New Jersey Economic Development Authority (“EDA”), the financing agent for the Schools Construction Program, and transferred to the Authority. Of this amount, \$8.9 billion is allocated to 31 urban school districts referred to as the “SDA Districts” (formerly Abbott Districts), \$3.45 billion is for non-SDA districts (“Regular Operating Districts”) and \$150 million is reserved for vocational schools.

2. Summary of Significant Accounting Policies

(a) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) EFCFA funding received from the State which monies are restricted to meeting either the operational or capital requirements of the School Construction Program.

Separate financial statements are provided for the Authority’s governmental fund (these are also referred to as the “general fund” financial statements). Because the Authority operates a single governmental program, its government-wide and governmental fund financial statements have been combined using a columnar format that reconciles individual line items of general fund financial data to government-wide data in a separate column on the face of the financial statement.

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Notes to Financial Statements (Continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Authority's governmental fund is classified as a general fund and its financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting; however, expenditures related to compensated absences and certain other accruals are recorded only when payment is due. With regard to the Authority's general fund, restricted amounts are considered to have been spent only after the expenditure is incurred for which there is available restricted fund balance.

(c) Revenue Recognition

Rental property income is received under month-to-month lease occupancy agreements. Acquisitions of various properties for the construction of school facilities projects generate rental revenue prior to the relocation of the occupants. Rental property income is generally recognized when received.

(d) Allocation of Employee Salaries and Benefits Costs

The Authority allocates employee salaries and benefits costs between operating expense (i.e., administrative and general expenses) and school facilities project costs on the Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance. The allocation of employee salaries to school facilities project costs is supported by weekly time sheet data; employee benefits costs are allocated to projects based on a projected annual fringe benefit rate determined by the Authority. The fringe benefit rate utilized for 2015 is 40.35%.

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Notes to Financial Statements (Continued)

For the year ended December 31, 2015, employee salary and benefit costs are allocated as follows:

Employee salary and fringe benefits costs:	
Charged to administrative and general expenses	\$ 15,063,328
Charged to school facilities project costs	<u>14,239,995</u>
Total employee salary and benefits costs	<u><u>\$ 29,303,323</u></u>

(e) Rebate Arbitrage

Rebate arbitrage is defined by Internal Revenue Code (“IRC”) Section 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The amount of rebates due the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds. The Authority, the EDA and the New Jersey Department of the Treasury, Office of Public Finance have determined that any rebate arbitrage liability associated with an issue of School Facilities Construction Bonds shall be recorded on the Authority’s books since the Authority retains the income on the investment of bond proceeds.

It is the Authority’s policy to record rebate arbitrage liabilities only when it is probable that any excess investment income, as defined above, will not be retained by the Authority. The Authority does not record rebate liabilities in cases where it is projected that the liability will be negated by the 24-month spending exception in accordance with the IRC.

Rebate arbitrage calculations have been performed for all series of School Facilities Construction Bonds up through 2015 Series WW and XX. As of December 31, 2015, no rebate arbitrage liabilities exist.

(f) Cash Equivalents

Cash equivalents consist of highly liquid debt instruments with original maturities of three months or less, and participation in the State’s Cash Management Fund (“NJCMF”), a fund managed by the Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agencies obligations, certificates of deposit and commercial paper. Cash equivalents are stated at fair value.

(g) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

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Notes to Financial Statements (Continued)

(h) Capital Assets

Capital assets are reported in the governmental activity column in the government-wide financial statements and are recorded at historical cost or estimated historical cost if purchased and constructed. The Authority's current capitalization threshold is \$10,000 for individual items meeting all other capitalization criterion. As of December 31, 2015, the Authority's capital assets consist of leasehold improvements, equipment, computer software and furniture and fixtures. Depreciation is provided by the straight-line method over the shorter of the life of the lease or the useful life of the related asset.

The Authority does not have an economic interest in any school facility project that it finances. Therefore, costs related to school facilities projects are not recorded as capital assets in the Authority's Statement of Net Position but instead are reported as school facilities project costs in the statement of activities.

(i) Taxes

The Authority is exempt from all federal and state income taxes and real estate taxes.

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(k) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employee Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(l) Recent and Upcoming Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other

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Notes to Financial Statements (Continued)

entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB 68*, (“GASB 71”). The objective of this Statement is to address an issue regarding application of the transition provisions of GASB 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB 68, i.e., effective for financial statements for periods beginning after June 15, 2014.

The implementation of GASB 68 and GASB 71 resulted in an adjustment to reduce the Authority’s beginning net position by \$49,921,628 as of January 1, 2015.

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. The scope of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements, and other relevant literature*.

The Statement is effective for fiscal years beginning after June 15, 2015. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68 were issued in June 2015. The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. This Statement also clarifies the application of certain provisions of Statements 67 and 68 with regard to the following issues:

- Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.

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Notes to Financial Statements (Continued)

- Accounting and financial reporting for separately financed specific liabilities of individual employers and non-employer contributing entities for defined benefit pensions.
- Timing of employer recognition of revenue for the support of non-employer contributing entities not in a special funding situation.

The Statement is effective for fiscal years beginning after June 15, 2015. The Authority is currently evaluating the impact this standard will have on its financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* was issued in June 2015. Statement 74 replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans.

The Statement is effective for fiscal years beginning after June 15, 2016. This Statement will not have an impact on the Authority's financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued in June 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring

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liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity. In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, Non-employer contributing entities, the OPEB plan administrator, and the plan members.

The Statement is effective for fiscal years beginning after June 15, 2017. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015. The Authority is currently evaluating the impact this standard will have on its financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government’s financial resources come from and how it uses them, and (d) financial position and

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economic condition and how they have changed over time. The provisions of this Statement are effective for fiscal years beginning after December 15, 2015. This Statement will not have an impact on the Authority's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB No. 68. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of this Statement are effective for fiscal years beginning after December 15, 2015. The Authority is currently evaluating the impact that this standard will have on its financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this Statement is to address for certain external investment pools and their participants, the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. The provisions of this Statement are effective for fiscal years beginning after December 15, 2015. The Authority is currently evaluating the impact this standard will have on its financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The Authority is currently evaluating the impact this standard will have on its financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets

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presenting its beneficial interest in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interest. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. This Statement will not have an impact on the Authority's financial statements.

In March 2016, GASB issued statement No. 82, *Pension Issues*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting Pension Plans*, No. 68 *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The Authority is currently evaluating the impact that this standard will have on its financial statements.

3. Cash, Cash Equivalents and Investments

(a) Cash Flows

Cash and cash equivalents increased during the year by \$56.7 million to \$617.6 million as follows:

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Cash and cash equivalents, beginning of year	\$ 560,858,585
Changes in cash:	
EFCFA funding received from State	500,000,000
Investment and interest income	559,825
Miscellaneous revenue	954,201
School facilities project costs	(427,094,323)
Administrative and general expenses	(14,896,542)
Capital expenditures	(158,585)
Deposits	(2,657,858)
Cash and cash equivalents, end of year	<u>\$ 617,565,303</u>

(b) Cash and Cash Equivalents

Operating cash, in the form of Negotiable Order of Withdrawal (“NOW”) accounts, is held in the Authority’s name by two commercial banking institutions. At December 31, 2015, the carrying amount of operating cash is \$1,629,703 and the bank balance is \$2,430,639. Regarding the amount held by commercial banking institutions, up to \$250,000 at each institution is insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, NOW accounts are profiled in order to determine exposure, if any, to custodial credit risk (risk that in the event of failure of the counterparty the account owner would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to custodial credit risk if they are: uninsured and uncollateralized (securities not pledged to the depositor); collateralized with securities held by the pledging financial institution; or collateralized with securities held by the financial institution’s trust department or agent but not in the government’s name. At December 31, 2015, all of the Authority’s deposits were insured or collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Authority does not have a policy for custodial credit risk.

As of December 31, 2015, cash and cash equivalents include deposits of \$1,636,910 consisting mainly of district local share funding requirements (see Note 5).

(c) Investments

In order to maximize liquidity, the Authority utilizes the NJCMF as its sole investment. The NJCMF invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries; short-term commercial paper; U.S. Agency Bonds; Corporate Bonds; and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2015, the Authority’s investments in the NJCMF total \$615,935,600.

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Custodial Credit Risk: Pursuant to GASB Statement No. 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. As previously stated, the Authority does not have a policy for custodial credit risk.

Credit Risk: The Authority does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The Authority does not have a policy to limit interest rate risk. The average maturity of the Authority's sole investment, the NJCMF, is less than one year.

4. Prepaid Expenses

As of December 31, 2015, the Authority's prepaid expenses are as follows:

Insurance	\$ 532,583
Office rents	119,780
Service contracts	304,018
Other	<u>34,556</u>
Total prepaid expenses	<u>\$ 990,937</u>

5. Deposits

The Authority has received funds from several local school districts as required by Local Share Agreements for the funding of the local share portion of Regular Operating District school facility projects, or to cover certain ineligible costs pertaining to projects in the SDA Districts. These deposits, including investment earnings, are reflected as liabilities in the accompanying financial statements.

As of December 31, 2015, deposits held in SDA bank accounts, inclusive of interest earned but not refunded to the district, are as follows:

City of Newark	\$ 761,712
Egg Harbor City	291,441
Vineland	490,730
Other	<u>93,027</u>
Total deposits	<u>\$1,636,910</u>

6. Rental of Office Space

The Authority rents commercial office space for its headquarters facility in Trenton, as well as other office space in Newark. The remaining terms of these leases range from 3 to 8 years. With respect to the Trenton office lease, the Authority has the right to terminate the lease

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after five years. Total rental expense for the year ended December 31, 2015 amounted to \$1,460,139.

Future rent commitments under operating leases as of December 31, 2015 are as follows:

2016	\$ 1,212,416
2017	1,227,651
2018	<u>1,243,113</u>
Total future rent expense	<u><u>\$ 3,683,180</u></u>

7. Capital Assets

Capital asset activity for the year ended December 31, 2015 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Leasehold improvements	\$ 502,679	\$ -	\$ -	\$ 502,679
Office furniture and Equipment	5,353,802	460,117	-	5,813,919
Computer software	568,993	-	-	568,993
Automobiles	413,223	14,654	-	427,877
Capital assets-gross	<u>6,838,697</u>	<u>474,771</u>	<u>-</u>	<u>7,313,468</u>
Less: accumulated Depreciation	<u>(6,452,653)</u>	<u>(93,943)</u>	<u>-</u>	<u>(6,546,596)</u>
Capital assets-net	<u><u>\$ 386,044</u></u>	<u><u>\$ 380,828</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 766,872</u></u>

8. Reconciliation of Government-Wide and Fund Financial Statements

(a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

“Total fund balances” for the Authority’s general fund (\$548,282,101) differs from the “net position” reported on the statement of net position (\$470,012,063). This difference results from the long-term economic focus of the statement of net position versus the current financial resources focus of the fund balance sheet. When capital assets that are to be used in the Authority’s activities are constructed or acquired, the costs of those assets are reported as expenditures in the fund financial statements. However, the statement of net position includes those capital assets among the assets of the Authority as a whole. In addition, expenses associated with depreciation, accrued school facilities project costs not currently due for payment and non-current other post-employment benefits and compensated absences are not recorded in the fund financial statements until paid.

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A summary of these differences at December 31, 2015 is as follows:

Fund balances	\$ 548,282,101
Capital assets, net of related depreciation of \$(6,546,596)	766,872
Deferred outflows of resources for pensions	10,731,769
Accrued school facilities project costs, net of related receivable	(8,104,634)
Net pension liability	(58,417,776)
Accrued other post-employment benefits	(18,204,915)
Accrued compensated absences	(1,188,032)
Accrued pension payable	(2,237,332)
Deferred inflows of resources for pensions	(1,615,990)
Net position	<u>\$ 470,012,063</u>

(b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between excess of revenues over expenditures and changes in net position as reported in the government-wide statement of activities. Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. A summary of these differences for the year ended December 31, 2015 is as follows:

Excess of revenues over expenditures	\$ 42,296,489
School facilities project costs	14,062,308
Additional pension expense (GASB 68)	(1,617,700)
Other post-employment benefits expense	(2,189,548)
Compensated absences expense	(119,754)
Capital asset acquisitions	474,771
Depreciation expense	(93,943)
Changes in net position	<u>\$ 52,812,623</u>

9. Pollution Remediation Obligations

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the Authority has recorded in the statement of net position a pollution remediation obligation (“PRO”) liability (net of environmental cost recoveries not yet realized) in the amount of \$5,702,832 as of December 31, 2015. Additionally, as of the same date the Authority has recorded in the statement of net position a

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receivable in the amount of \$152,800 for realized environmental cost recoveries. The Authority's PRO liability and asset are charged or credited to school facilities project costs in the statement of activities. The Authority's PRO liability is measured based on the current cost of future activities. Also, the PRO liability was estimated using "the expected cash flow technique," which measures the liability as the sum of probability weighted amounts in a range of possible estimated outcomes.

The Authority owns numerous properties with environmental issues that meet the criteria for "obligating events" and disclosure under GASB Statement No. 49. All of the properties meeting the criteria were acquired by the Authority for the purpose of constructing a school facilities project on behalf of an SDA District and, at the present, the Authority believes it has obligated itself to commence clean-up activities. The Authority will continue to evaluate the applicability of this Statement relating to specific project sites as adjustments are made to its portfolio of school facilities projects. The Authority's remediation activities generally include: pre-cleanup activities including preliminary assessment and site investigation; asbestos and lead based paint removal; underground storage tank removal; neutralization, containment, removal and disposal of ground pollutants; site restoration; and post-remediation monitoring and oversight. The following table summarizes the Authority's expected cash outlays (estimated costs), payments and cost recoveries related to numerous SDA-owned properties associated with school facilities projects in various stages of pre-development and construction.

	Estimated Cost	Payments to Date	PRO at 12-31-2015
Pre-cleanup activities	\$ 5,127,988	\$ 5,513,075	\$ (385,087)
Site remediation work	66,398,612	59,857,457	6,541,155
Post-remediation monitoring	1,034,086	421,346	612,740
Asbestos and lead based paint removal	17,020,327	16,208,973	811,354
Sub-total	89,581,013	82,000,851	7,580,162
Less: Estimated environmental cost recoveries (ECR) not yet realized	1,877,330	-	1,877,330
Liability for pollution remediation obligations	\$ 87,703,683	\$ 82,000,851	\$ 5,702,832
Receivable for realized ECR	\$ 152,800	\$ -	\$ 152,800

The following table summarizes the changes in the Authority's PRO liability during the year ended December 31, 2015:

PRO at 12-31-2014	Decrease in Expected Cash Outlays	PRO Payments	Decrease in ECR Not Yet Realized	PRO at 12-31-2015
\$18,193,355	\$(8,028,583)	\$(4,369,956)	\$(91,984)	\$5,702,832

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10. Commitments and Contingencies

(a) Contractual Commitments

At December 31, 2015, the Authority has approximately \$753 million of unaccrued contractual commitments relating to future expenditures associated with school facilities projects.

(b) Contractor Claims

Numerous contractor claims, the vast majority of which are not in litigation, have been filed with the Authority by design consultants, general contractors and project management firms relating to disputes concerning school construction matters (e.g., delays, labor and material price increases). The Authority resolves contractor claims by following the administrative process noted in the relevant contract. As of December 31, 2015, the Authority's potential loss from these claims has been estimated at approximately \$2.6 million, which represents a decrease of \$1.5 million from the prior year end accrual. The decrease resulted primarily from paid settlements in 2015. Accordingly, as of December 31, 2015, an accrued liability of \$2.6 million is reflected in the statement of net position and, for the year then ended, \$1.5 million is offset against school facilities project costs on the statement of activities.

(c) Insurance

The Authority maintains commercial insurance coverage for, among other things, workers' compensation, tort liability (including public liability and automobile) and property damage. Additionally, in support of its construction operations the Authority has implemented an Owner-Controlled Insurance Program ("OCIP") and has also purchased Builders Risk and Owners Protective Professional Indemnity Insurance ("OPPI"), all of which are discussed below. As of December 31, 2015, management is not aware of any insurable claim that is expected to exceed its commercial insurance coverage. The Authority is also involved in several lawsuits not covered under its commercial insurance; however, in the opinion of management, none of the claims are expected to have a material effect on the Authority's financial statements.

The Authority has implemented an OCIP that "wraps up" multiple types of insurance coverage into one program. The Authority initially implemented a three-year OCIP, effective December 31, 2003 ("OCIP I"), to provide workers' compensation, commercial general liability and umbrella/excess liability insurance for all eligible contractors performing labor on school facilities projects. OCIP I was subsequently extended to March 31, 2009. Policy limits for OCIP I vary depending upon, among other things, the type of insurance coverage; a \$300 million umbrella/excess liability program provides additional protection against potentially catastrophic losses resulting from workers' compensation and commercial general

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liability claims. Losses are subject to a \$250,000 per claim deductible. Although OCIP I is no longer enrolling new projects into the program since its expiration, completed operations coverage continues for 10 years from the end of construction for all previously enrolled projects.

In 2009, the Authority approved the purchase of a succeeding five-year OCIP (“OCIP II”) program to coincide with the expiration of the OCIP I enrollment period for new projects. OCIP II, as originally purchased, provided coverage for projects commencing construction between March 31, 2009 and March 31, 2012. The OCIP II enrollment period was extended to March 31, 2014 at no additional cost to the Authority. The extension also provides an additional two years for the completion of enrolled projects. Subsequently, the Authority authorized the purchase of a new three-year OCIP (“OCIP III”) with an effective date of March 1, 2015. Similar to OCIP I, policy limits for OCIP II and OCIP III vary depending upon, among other things, the type of insurance coverage; a \$200 million umbrella/excess liability program provides additional protection against potentially catastrophic losses resulting from workers’ compensation and commercial general liability claims. Losses are subject to either a \$250,000 per claim deductible or a \$350,000 deductible in the event that both a workers’ compensation and general liability claim occur from the same incident. Additionally, OCIP II and OCIP III each provide 10 years of completed operations coverage for claims that arise after the completion of construction. Premiums for OCIP II and OCIP III are adjustable based upon actual construction values for enrolled contractors (not all trades are eligible for enrollment) on insured projects.

In connection with OCIP I, the Authority executed a Funded Multi-Line Deductible Program Agreement which, among other things, required the Authority to fund a Deductible Reimbursement Fund (“DRF”) to collateralize the Authority’s estimated deductible obligations under certain OCIP I policies. The DRF, which was established at \$37 million, consists of cash payments by the Authority totaling \$34.9 million, and a one-time credit of \$2.1 million received at inception for estimated interest. The cash portion of the DRF was funded by the Authority in installments during the period from December 2003 through December 2006, and expensed as paid as school facilities project costs on the statement of activities and general fund revenues, expenditures and changes in fund balance.

Concurrent with the Authority’s purchase of OCIP II, the insurer agreed to transfer a portion of the remaining available funds from the Authority’s DRF to a new Loss Reimbursement Fund (“LRF”). The LRF for OCIP II was initially established at approximately \$18.9 million to partially fund a maximum deductible obligation of \$26 million. Approximately \$9.9 million remained in the LRF for OCIP I. In 2015, concurrent with the purchase of OCIP III with a new insurer, the Authority was required to fund a new LRF in the amount of approximately \$4.5 million to partially fund a maximum deductible obligation of \$12.4 million. All monies deposited in the respective LRFs accrue interest to the benefit of the Authority and are available to pay claim costs arising from construction projects enrolled in a specific OCIP.

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As of December 31, 2015, the Authority has incurred general liability and workers' compensation claims totaling approximately \$14.2 million, \$2.7 million and \$22,000, under OCIP I, OCIP II and OCIP III, respectively. All monies deposited in the LRF and not used to pay claims will be refunded to the Authority along with accrued interest. Under the terms of the contract, the Authority has no claim or interest in the LRF until six (6) months after the expiration of the program. At this time, and annually thereafter, the DRF for OCIP I shall be reviewed and the deductible obligation re-determined.

In connection with the OCIP II extension, discussed above, the maximum deductible obligation is \$16 million. A reasonable estimate of future refunds from the OCIP II LRF is not yet known since the several of covered school facilities projects are in various stages of completion and therefore the Authority's ultimate obligation cannot be immediately determined.

In October 2009, the Authority purchased a 5-year, \$25 million limit of liability OPPI policy designed to provide additional protection in excess of the professional liability insurance maintained by the Authority's contracted design professionals. The policy is subject to a \$500,000 self-insured retention, and provides coverage for construction projects. The policy also provides an Extended Reporting Period ("ERP") of up to 10 years to report claims, commencing on the earlier of project substantial completion or the policy expiration date of October 1, 2014.

In December 2014, the Authority approved the purchase of a new 5-year OPPI policy, including excess Contractors Pollution Liability ("CPL"), for SDA construction projects commencing construction on or after December 31, 2014 and prior to December 31, 2019. The policy provides a \$25 million limit of liability subject to a \$500,000 self-insured retention for OPPI, and a \$250,000 self-insured retention for CPL. Additionally, the policy provides an ERP of up to 8 years to report claims, commencing on the earlier of project substantial completion or the policy expiration date of December 31, 2019.

11. Employee Benefits

(a.1) Public Employees' Retirement System of New Jersey

All active, full-time employees of the Authority are required as a condition of employment to participate in the Public Employees' Retirement System of New Jersey ("PERS" or "Plan"), a cost-sharing, and multiple-employer defined benefit plan administered by the State. The contribution policy is established by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Currently as of July 1, 2015, employees are required to contribute 6.78% (up from 6.64%) of their annual compensation to the Plan. Annual increases of 0.14% will be phased in effective each July 1 during the succeeding 5 years bringing the pension contribution rate for employees up to 7.5%. All Plan participants are categorized within membership Tiers in accordance with their enrollment date in the PERS,

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as follows: Tier 1 includes those members enrolled in the PERS prior to July 1, 2007; Tier 2 includes those members enrolled in the PERS on or after July 1, 2007 and prior to November 2, 2008; Tier 3 includes those members enrolled in the PERS on or after November 2, 2008 and on or before May 21, 2010; Tier 4 includes those members enrolled in the PERS after May 21, 2010 and prior to June 28, 2011; and Tier 5 includes those members enrolled in the PERS on or after June 28, 2011. Depending on the Tier, other factors including minimum base salary amounts and/or minimum hours worked, among other things, may impact an employee's eligibility in the PERS. As discussed below, members enrolled in the PERS on or after July 1, 2007, and who earn an annual salary in excess of established limits, are eligible to participate in a Defined Contribution Retirement Program ("DCRP") administered by Prudential Financial on behalf of the State.

The general formula for annual retirement benefits for Tier 1, Tier 2, and Tier 3 members is the final 3 year average salary divided by 55, times the employee's years of service. The formula for Tier 4 and Tier 5 members is the final 5 year average salary divided by 60, times the employee's years of service. Pension benefits for all members fully vest upon reaching 10 years of credited service. Tier 1 and Tier 2 members are eligible for normal retirement at age 60, while Tier 3 and Tier 4 members are eligible for normal retirement at age 62. Tier 5 members are eligible for normal retirement at age 65. No minimum years of service is required once an employee reaches the applicable retirement age.

Tier 1 members who have 25 years or more of credited service may elect early retirement without penalty at or after age 55, and receive full retirement benefits; however, the retirement allowance is reduced by 3% per year (1/4 of 1 percent per month) for each year the member is under age 55. For Tier 2 members with 25 years or more of credited service the retirement allowance is reduced by 1% per year (1/12 of 1 percent per month) for each year the member is under age 60 (until age 55) and 3% per year (1/4 of 1 percent per month) for each year the member is under age 55. For Tier 3 and Tier 4 members the retirement allowance is reduced by 1% per year (1/12 of 1 percent per month) for each year the member is under age 62 (until age 55) and 3% per year (1/4 of 1 percent per month) for each year the member is under age 55. Lastly, for Tier 5 members the retirement allowance is reduced by 3% per year (1/4 of 1 percent per month) for each year the member is under age 65.

The PERS also provides death and disability benefits. The State of New Jersey, as established by N.J.S.A. 43:15A, has the authority to establish and/or amend any of the benefit provisions and contribution requirements.

(a.2) Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

The implementation of GASB 68 as of January 1, 2015 resulted in the Authority reporting a net pension liability as of January 1, 2015, with a corresponding adjustment (i.e., reduction) to beginning of year net position of \$49,921,628, representing the Authority's proportionate

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share of the liability as of the implementation date. In accordance with GASB 68, the Authority recognized a net pension liability for the difference between the present value of the projected benefits for past service known as the Total Pension Liability (TPL) and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Position (FNP).

At December 31, 2015, the Authority's reported a liability of \$58.4 million in the Statement of Net Position for its proportionate share of the net pension liability for the PERS. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The actuarial valuation was rolled forward to June 30, 2015 using update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the Plan relative to the projected contributions of all participating State agencies, actuarially determined. At June 30, 2015, the Authority's proportionate share was estimated to be 0.26024 percent. The change in proportion since the prior measurement date was .00521%.

In accordance with GASB 68, for the year ended December 31, 2015, the Authority recognized pension expense of \$3,720,118 of which \$2,102,418 (the amount of the Authority's 2015 contractually required pension contribution to the PERS) was recorded in the General Fund Revenues, Expenditures and Changes in Fund Balance. The Authority's 2016 pension contribution, due on April 1, 2016, will be \$2,237,332. Pension expense is reported in the Authority's financial statements as a component of administrative and general expenses.

The Authority's contractually required contribution rate for the year ended December 31, 2015 was 12.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority's 2015 contribution to the PERS was \$2,102,418.

At December 31, 2015, the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,393,643	\$ 939,245
Changes in assumptions or other inputs	6,273,603	-
Changes in proportion	827,191	676,745
Contributions subsequent to the measurement date	2,237,332	-
Total deferred outflows and inflows of resources	<u>\$ 10,731,769</u>	<u>\$ 1,615,990</u>

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Notes to Financial Statements (Continued)

Deferred outflows of resources of \$2,237,332 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year 1 (2016)	\$ 1,395,671
Year 2 (2017)	1,395,671
Year 3 (2018)	1,395,671
Year 4 (2019)	1,395,671
Year 5 (2020)	1,295,763
Total	<u>\$ 6,878,447</u>

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. The key actuarial assumptions are summarized as follows:

Rate of inflation	3.04%
Salary increase:	
2012-2021	2.15% – 4.40% (based on age)
Thereafter	3.15% – 5.40% (based on age)
Investment rate of return	7.90%
Cost of living adjustment	None assumed

Mortality rates were based on the RP-2000 Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2015 of 4.90% was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The contribution percentage is the average percentage of the annual actual contribution paid over the annual actuarially determined contribution during the most recent five year period. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan participants until fiscal year 2033.

New Jersey Schools Development Authority
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Notes to Financial Statements (Continued)

Expected rate of return on investments

The long-term expected rate of return on Plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 4.90% as well as the proportionate share of the net pension liability using a 1.00 percent increase or decrease from the current discount rate:

	1% Decrease	Discount Rate	1% Increase
PERS (3.90%, 4.90%, 5.90%)	\$72,606,148	\$58,417,776	\$46,522,348

New Jersey Schools Development Authority
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Notes to Financial Statements (Continued)

Pension plan fiduciary net position

Detailed information about the Plan's fiduciary net position is available in a separately issued financial report. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. Information on the total Plan funding status and progress, required contributions and trend information is available on the State's web site at www.state.nj.us/treasury/pensions/annrprts.shtml in the Comprehensive Annual Financial Report of the State of New Jersey, Division of Pensions and Benefits.

(b) Defined Contribution Retirement Program and Early Retirement Changes for Employees Enrolled in the PERS on or after July 1, 2007

The DCRP was established on July 1, 2007 under the provisions of P.L.2007, c.92 and P.L.2007, c.103. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with death and disability benefits. A PERS member who becomes eligible and is enrolled in the DCRP is immediately vested in the DCRP. To be eligible for the DCRP, an employee is required to have enrolled in the PERS on or after July 1, 2007 (Tiers 2 through 5), and they must earn an annual salary in excess of established "maximum compensation" limits. The maximum compensation is based on the annual maximum wage for Social Security and is subject to change at the start of each calendar year. A PERS member who is eligible for the DCRP may voluntarily choose to waive participation in the DCRP for a reduced retirement benefit from the State. If a member waives DCRP participation and later wishes to participate, the member may apply for DCRP enrollment, with membership to be effective January 1 of the following calendar year. PERS members who participate in the DCRP continue to receive service credit and are eligible to retire under the rules of the PERS, with their final salary at retirement limited to the maximum compensation amounts in effect when the salary was earned. The participating member would also be entitled to a supplementary benefit at retirement based on both the employee (above the maximum compensation limit) and employer contributions to the DCRP. For the direct benefit of those participating in the DCRP, the Authority would be required to contribute 3% to the DCRP ("employer matching") based on the member's annual compensation (base salary) in excess of the maximum compensation limit.

For the year ending December 31, 2015, the Authority had ten active employees enrolled in the DCRP and made matching contributions totaling \$11,485. Employer matching contributions relating to 2014, 2013 and 2012 totaled \$9,239, \$8,271 and \$5,596, respectively.

(c) Deferred Compensation

The Authority has established an Employees Deferred Compensation Plan under section 457 of the Internal Revenue Code. All active, full-time employees are eligible to participate in

New Jersey Schools Development Authority
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Notes to Financial Statements (Continued)

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the plan, which permits participants to defer a portion of their pay in accordance with the contribution limits established in section 457(b) of the Internal Revenue Code. The Authority does not make any contributions to the plan.

(d) Other Post-Employment Benefits

The Authority provides post-employment healthcare benefits (including Medicare Part B reimbursement) and prescription drug coverage through participation in the New Jersey Health Benefits Program, as sponsored and administered by the State of New Jersey, to retirees having 25 years or more of service in the PERS, or to those individuals approved for disability retirement. These post-employment benefits also extend to the retirees' covered dependents. Upon turning 65 years of age, a retiree must opt for Medicare as their primary coverage, with State benefits providing supplemental coverage. In addition, life insurance is provided to retirees in an amount equal to 3/16 of their average salary during the final 12 months of active employment. These post-employment benefits, referred to as OPEB, are presently provided by the Authority at no cost to the retiree. The State has the authority to establish and amend the benefit provisions offered and contribution requirements. The plan is considered an agent multiple-employer defined benefit plan for financial reporting purposes. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The Authority accounts for its OPEB obligations in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Authority's OPEB cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

New Jersey Schools Development Authority
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Notes to Financial Statements (Continued)

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The Authority's annual OPEB cost for 2015 and 2014 and the related information for the plan are as follows:

	<u>2015</u>	<u>2014</u>
Annual required contribution	\$ 1,861,661	\$ 1,794,877
Adjustment to annual required contribution *	599,425	503,368
Annual OPEB cost	2,461,086	2,298,245
Contributions made	(271,538)	(163,645)
Increase in net OPEB obligation	2,189,548	2,134,600
Net OPEB obligation – beginning of year	16,015,367	13,880,767
Net OPEB obligation – end of year	<u>\$ 18,204,915</u>	<u>\$ 16,015,367</u>

* The adjustment to the ARC includes interest on the net OPEB obligation, less amortization of the net OPEB obligation.

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2014, and 2013 is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	\$ 2,461,086	11.0%	\$ 18,204,915
12/31/2014	\$ 2,298,245	7.1%	\$ 16,015,367
12/31/2013	\$ 2,382,477	5.7%	\$ 13,880,767

As of the most recent valuation date (January 1, 2014), the Authority's actuarial accrued liability was \$18,641,861, all of which was unfunded as of December 31, 2015. The Authority is recognizing this liability over a 30-year period using level dollar amortization, which is representative of amortizing on a closed basis. The covered payroll (annual payroll of active employees covered by the plan) as of the valuation date was \$18,224,900 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 102.3%. Additionally, as of December 31, 2015, eight active and ten retired employees were eligible for post-employment benefits.

The Authority has elected at this time to finance its annual OPEB cost on a pay-as-you-go basis in view of the fact that the Authority is not authorized to pre-fund an OPEB trust from the proceeds of tax-exempt bonds (nor from the income earned on the investment of those proceeds) from which it presently derives essentially all of its revenue. Payments for retiree post-employment benefits totaled \$271,538 and \$163,645, respectively, in 2015 and 2014.

Actuarial Methods and Assumptions: Actuarial valuations of a perpetual plan involve formulating estimates and assumptions about the probability of occurrence of future events, such as employment, mortality and healthcare costs, among other things.

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Notes to Financial Statements (Continued)

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Consequently, the amounts derived from an actuarial valuation are subject to continual revision as actual results will undoubtedly differ from past expectations and assumptions. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation date and the historical pattern of benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the most recent actuarial valuation the projected unit credit actuarial cost method was used with a 4.5% discount rate. Pursuant to this method, benefits are recognized from date of hire to the date the employee is first eligible for benefits. No investment return was assumed in the current valuation since there are no OPEB plan assets. The annual healthcare cost inflation rate for retiree benefits is 9% for 2015 and decrease 0.5% per year until an ultimate trend rate of 5% by the year 2021. The same trend rates are assumed for Medicare Part B premium reimbursement and prescription drug costs. As required in GASB Technical Memorandum 2006 1 on the accounting for the federal Retiree Drug Subsidy ("RDS"), the Authority's actuarial liabilities are shown without a reduction for the RDS even though the NJ Health Benefits Program has opted to receive the RDS.

To be consistent with the NJ Health Benefits Program, the Authority's January 1, 2012 actuarial valuation included the impacts of both the healthcare reform law (i.e., excise "Cadillac" tax), and the new Mortality Improvement Projection Scale AA. These assumptions were not applied in previous actuarial valuations.

12. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded a liability in the amount of \$1,188,032 as of December 31, 2015 in the statement of net position. The liability is the value of employee accrued vacation time as of the balance sheet date and vested sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to future retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or \$15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by the Authority's policy; therefore, such unvested benefits are not accrued.

New Jersey Schools Development Authority
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Notes to Financial Statements (Continued)

13. Long-Term Liabilities

During 2015, the following changes in long-term liabilities are reflected in the statement of net position:

	Beginning Balance	Additions	Deductions	Ending Balance
Accrued school facilities project costs	\$ 22,319,743	\$ -	\$ (14,062,309)	\$ 8,257,434
Net pension liability	-	58,417,776	-	58,417,776
Other post-employment benefits obligation	16,015,367	2,461,086	(271,538)	18,204,915
Accrued pension payable	-	2,237,332	-	2,237,332
Compensated absences	1,068,278	119,754	-	1,188,032
Total long-term liabilities	\$ 39,403,388	\$ 63,235,948	\$ (14,333,847)	\$ 88,305,489

For further information, see Notes 11(d) and 12.

14. Net Position

The Authority's net position is categorized as either invested in capital assets, or restricted for schools construction. At December 31, 2015, the Authority's net position is \$470.0 million. Invested in capital assets includes leasehold improvements, furniture and fixtures, equipment and computer software used in the Authority's operations, net of accumulated depreciation. The changes during 2014 and 2015 in net position are as follows:

	Investment in Capital Assets	Restricted for Schools Construction	Totals
Net position, January 1, 2014	\$ 370,153	\$ 180,878,605	\$ 181,248,758
(Loss)/excess before receipt of EFCFA funding and transfers	(99,040)	(17,005,460)	(17,104,500)
Capital assets acquired	114,931	(114,931)	-
EFCFA funding received from State	-	585,000,000	585,000,000
School facilities project costs	-	(282,023,190)	(282,023,190)
Net position, December 31, 2014 – as previously stated	386,044	466,735,024	467,121,068
Effects of GASB Statement No. 68 implementation on beginning of year net position	-	(49,921,628)	(49,921,628)
Net position, December 31, 2014 – as restated	386,044	416,813,396	417,199,440
(Loss)/excess before receipt of EFCFA funding and transfers	(93,943)	(17,409,593)	(17,503,536)
Capital assets acquired	474,771	(474,771)	-
EFCFA funding received from State	-	500,000,000	500,000,000
School facilities project costs	-	(429,683,841)	(429,683,841)
Net position, December 31, 2015	\$ 766,872	\$ 469,245,191	\$ 470,012,063

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
(a component unit of the State of New Jersey)

REQUIRED SUPPLEMENTARY INFORMATION

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Schedule of Funding Progress for the
Post-Employment Healthcare Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Dollar (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b) - (a) / (c)
1-1-2014	\$ -	\$18,641,861	\$18,641,861	- %	\$18,224,900	102.3%
1-1-2012	\$ -	\$15,905,032	\$15,905,032	- %	\$18,788,600	84.7%
1-1-2011*	\$ -	\$15,705,793	\$15,705,793	- %	\$22,666,800	69.3%

* The actuarial valuation for this year does not include the impacts of either the healthcare reform law (i.e., the excise "Cadillac" tax) or the new Mortality Improvement Projection Scale BB.

New Jersey Schools Development Authority
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Schedule of Authority's Proportionate
Share of the Net Pension Liability

	2015 *
Authority's proportion of the net pension liability	0.26024%
Authority's proportionate share of the net pension liability	\$58,417,776
Authority's covered employee payroll	\$18,072,739
Authority's proportionate share of the net pension liability as a percentage of covered employee payroll	323.2%
Plan fiduciary net position as a percentage of the total pension liability	38.2%

* The amounts presented in the table above were determined as of June 30.

New Jersey Schools Development Authority
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Schedule of Authority's Contributions
to the Public Employees' Retirement System

Mortality

RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2012 using a generational approach based on Projection Scale AA. Prior to 2012, the RP-2000 Employee Preretirement Mortality table was used and was set back 4 years for females.

Resolution—5a.**Resolution Approving the 2015 SDA Financial Statements**

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business”, which bylaws were adopted by the Authority on August 15, 2007; and

WHEREAS, consistent with N.J.S.A 52:18A-237(l), the Authority’s bylaws, at Article VIII, Section 8.2, provide that “the Authority shall provide for an annual audit of the financial statements of the Authority by a certified public accountant, and cause a copy thereof to be filed with the Secretary of State, the Director of the Division of Budget and Accounting in the Department of Treasury, and the State Auditor”; and

WHEREAS, in accordance with Executive Order No. 122 (2004) as amended by Executive Order No. 37 (2006) and consistent with Article VIII, Section 8.3 of the Authority’s bylaws, the Authority shall prepare a comprehensive report regarding its operations and, following approval of same by the members of the Authority, submit the report to the Governor’s Authorities Unit and the State Treasurer and post it on the Authority’s website; and

WHEREAS, the comprehensive report shall, among other things, include “authority financial statements”; and

WHEREAS, the independent accounting firm of Ernst & Young (E&Y) has completed an audit of the Authority’s financial statements for 2015; and

WHEREAS, E&Y has expressed its intent to issue an “unqualified” opinion on the financial statements, the highest level of assurance that an audit firm can provide for a financial statements audit; and

WHEREAS, pursuant to Article IX, Section 9.5 of the Authority’s bylaws and Article VI of the SDA Audit Committee Charter, the Audit Committee met on March 21, 2016 and May 16, 2016 to review and discuss the integrity and quality of the Authority’s financial statements and E&Y’s audit of the Authority’s 2015 financial statements; and

WHEREAS, following presentation of the 2015 financial statements to the Committee by executive management and E&Y and following the Committee’s discussions with executive management and E&Y, and following its deliberations, the Committee recommends approval of same by the Authority’s Board of Directors; and

WHEREAS, the 2015 financial statements are presented as an attachment hereto.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the Authority's 2015 financial statements as presented by executive management and the accounting firm, Ernst & Young, and as recommended by the SDA Audit Committee and appended hereto.

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 2015 Financial Statements, dated June 1, 2016

Dated: June 1, 2016

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

**CONSTRUCTION MANAGER AWARD AND APPROVAL OF REVISED FINAL PROJECT CHARTER -
TRENTON SCHOOL DISTRICT - TRENTON CENTRAL HIGH SCHOOL**



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

MEMORANDUM

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TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

Manuel Da Silva
Program Director, Program Operations

RE: District: Trenton
School: Trenton Central High School
Description: Construction Management Services
Package No.: WT-0022-M01
Estimated Fee: \$2,626,000
Award: \$2,291,200
Contractor: Terminal Construction Corporation

DATE: June 1, 2016

SUBJECT: Construction Manager Award and Approval of Revised Final Project Charter

INTRODUCTION

We are writing to recommend approval by the Members of the Authority of the award of a contract in the amount of \$2,291,200 to Heery International, Inc. for Construction Management (CM) Services and approve a revision to the Final Project Charter to reflect the actual dollar value of the award of the CM contract and appropriate contingency (copy attached). This contract is for services to manage the design-build construction of the Trenton Central High School in the Trenton 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. Award of this contract necessitates a revision to the Final Project Charter approved by the Members on March 2, 2016 which included an estimated value for CM Services.

BACKGROUND

The Trenton Central High School will be an approximately 374,000 square-foot facility to educate 1,850 students in grades ten through twelve in the Trenton School District.

On March 2, 2016, the Members of the Authority approved the Final Project Charter and the award of a Design-Build Construction contract to Terminal Construction Corporation in the amount of \$115,950,000.

On April 7, 2016, the notice to proceed with design phase services was issued to Terminal Construction Corporation.

Members of the Authority
 Construction Manager Award and Approval of Revised Final Project Charter
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PROCUREMENT PROCESS

This package for CM Services was advertised as a “Price and Other Factors” solicitation beginning on March 18, 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 of Property Management and Construction and the NJSDA. For this procurement, price was weighted as 30% of the overall weight, and all non-price factors had a combined weight of 70%.

A Selection Committee consisting of five NJSDA staff members and one alternate was established.

Firms interested in submitting a proposal were required to send an e-mail giving Notice of Intent to Participate (NOI) by April 4, 2016. NOIs were received from nine (9) prequalified construction management firms. Responsive proposals were received from six (6) firms by April 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 Schedule

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	4.0	40
Key Team Members’ Experience on Similarly Sophisticated Projects	3.0	30
Approach to Project Schedule	1.0	10
Total Possible Points		100

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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:

TABLE 2

Firm	Final Qualifications and Technical Proposal Score	Qualifications and Technical Proposal Rank
GREYHAWK North America LLC	64.400	1
Heery International, Inc.	59.800	2
Joseph Jingoli & Son, Inc.	56.600	3
Epic Management, Inc.	53.400	4
Gilbane Building Company	53.000	5
STV Construction, Inc.	47.400	6

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. Since responsive proposals were received from six (6) firms, all six (6) responding firms were shortlisted. The shortlisted firms participated in interviews with the Selection Committee on May 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
GREYHAWK North America LLC	68.400	1
Heery International, Inc.	65.400	2
Joseph Jingoli & Son, Inc.	58.000	3
Gilbane Building Company	55.400	4
Epic Management, Inc.	54.200	5
STV Construction, Inc.	50.000	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:

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TABLE 4

Firm	Non-Price Score	Non-Price Rank
GREYHAWK North America LLC	66.400	1
Heery International, Inc.	62.600	2
Joseph Jingoli & Son, Inc.	57.300	3
Gilbane Building Company	54.200	4
Epic Management, Inc.	53.800	5
STV Construction, Inc.	48.700	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 May 13, 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
Heery International, Inc.	\$2,291,200.00	100.000	1
Epic Management, Inc.	\$2,530,500.00	89.556	2
GREYHAWK North America LLC	\$2,567,440.00	87.943	3
Joseph Jingoli & Son, Inc.	\$2,595,500.00	86.719	4
STV Construction, Inc.	\$2,813,572.80	77.201	5
Gilbane Building Company	\$3,241,875.00	58.508	6

After the Price Scores were determined for all shortlisted firms, the Price Scores were adjusted by a weighting factor of 30%. The Non-Price Scores for "Other Factors" criteria were adjusted by a weighting factor of 70%. 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 (70%)	Weighted Price Score (30%)	Final Combined Score	Final Rank
Heery International, Inc.	62.600	100.000	43.820	30.000	73.820	1
GREYHAWK North America LLC	66.400	87.943	46.480	26.383	72.863	2
Joseph Jingoli & Son, Inc.	57.300	86.719	40.110	26.016	66.126	3
Epic Management, Inc.	53.800	89.556	37.660	26.867	64.527	4
STV Construction, Inc.	48.700	77.201	34.090	23.160	57.250	5
Gilbane Building Company	54.200	58.508	37.940	17.552	55.492	6

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The highest ranked firm was Heery International, Inc. (Heery).

The bid submitted by Heery 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 May 17, 2016 with Procurement, Program Operations, Contract Management Division, and Heery to review the bid. At the time of the review, Heery 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 Heery International, 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, Heery International, Inc., in the amount of \$2,291,200 for Construction Management Services for the Trenton Central High School project located in the Trenton School District and approve an increase to the Final Project Charter in the amount of \$508,000 to reflect the actual dollar value for the award of the CM contract and appropriate contingency.

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

/s/ Manuel Da Silva

Manuel Da Silva, Program Director, Program Operations

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

Charter Date
06/01/16

District / Project Name:	Trenton / Trenton Central High School
DOE # / Project #:	5210-050-13-0AEH / WT-0022

Project Milestones	Date
School Occupancy Date	Sep-19

DELIVERY METHOD	Design/Build
------------------------	---------------------

<u>Real Estate Services</u>	Start	Est.	Act.	Finish	Est.	Act.
Feasibility	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Site Investigations	Complete	<input type="checkbox"/>	<input type="checkbox"/>	Complete	<input type="checkbox"/>	<input type="checkbox"/>
Site Acquisition	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Relocation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Demolition	08/07/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/07/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Early Site Package	08/07/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/07/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	Unknown	Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Classification Exception Area?	Unknown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Design:</u>	Date	Est.	Act.	Start	Est.	Act.	Finish	Est.	Act.
Design Start (NTP)	04/07/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design Restart (if applicable)	NA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Program Concept Phase	04/07/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/07/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11/16/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design	11/17/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11/17/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10/07/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bridging Documents	03/26/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/26/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10/07/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design-Build Bid/Award	09/29/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	09/29/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/11/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	04/07/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/07/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/11/16	<input type="checkbox"/>	<input type="checkbox"/>
Final Design	04/08/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/08/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/23/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Construction:</u>	Date	Est.	Act.
Construction Start (NTP)	01/24/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	06/04/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	Sep-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	N/A	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	10/01/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	05/28/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	05/27/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

The above schedule information is based upon the SDA's schedule for project completion consistent with the contract requirements for the design-build engagement. Adjustments to the Charter schedule may be made after review and approval of the design-builder awardee's proposed project schedule.

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		06/01/16
District / Project Name:	Trenton / Trenton Central High School	
DOE # / Project #:	5210-050-13-0AEH / WT-0022	
2012 Capital Plan Funding Allocation	\$	154,896,000
Special Considerations:		
<p>The project budget is based upon the award amount for the Design-Build engagement, current estimates for all project scope elements and estimated costs for future scope elements. Additionally the budget includes prior and anticipated expenditures related to prior engaged pre-design services, site investigation, demolition of the existing school and the lease and fit-out of necessary temporary facilities.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	374,000	1.58
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	374,000	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$277.37	
Renovation Cost/GSF	N/A	
Construction Costs		
Design	\$4,689,000	
Building Costs - New Construction	\$106,736,760	
Site Costs	\$4,524,240	
Temp Cafeteria Ventilation & Storage Space AC	\$178,973	
Cost Escalation months at 5 % per year	\$0	
Design Contingency	\$0	
Construction Contingency	\$3,700,000	
Total Construction Costs	\$119,828,973	
Pre-Development Costs:		
Consultant Services	\$1,820,000	
Building Demolition	\$8,960,000	
Land Acquisition	\$0	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs	\$10,780,000	
Other Costs:		
Design		%
Prior Design Services	\$307,027	
In-House Design	\$1,160,000	
Project Management (SDA Staff)	\$1,985,000	
PMF/CM	\$2,406,000	
FF&E	\$4,400,000	
Technology	\$5,340,000	
Commissioning	(Inc. in Design-Builder Scope)	
Temporary Space	\$7,400,000	
Other Costs	\$1,797,000	
Total Other Costs	\$24,795,027	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$155,404,000	
Funding from Prior Allocation	\$0	
Funding from 2012 Capital Plan	\$155,404,000	

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

Charter Date
06/01/16

District / Project Name:	Trenton / Trenton Central High School
DOE # / Project #:	5210-050-13-OAEH / WT-0022

Project Budget:

	Final Charter 3/2/16	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.58	1.58	0.00
Gross Building Area (GSF):			
New	374,000	374,000	0
Addition	0	0	0
Renovation	0	0	0
Total Gross Area (GSF):	374,000	374,000	0
Design-Builder Costs			
Design	\$4,689,000	\$4,689,000	\$0
Building Costs - New Construction	\$106,736,760	\$106,736,760	\$0
Site Costs	\$4,524,240	\$4,524,240	\$0
Temp Cafeteria Ventilation & Storage Space AC	\$178,973	\$178,973	\$0
Cost Escalation	\$0	\$0	\$0
Design Contingency	\$0	\$0	\$0
Construction Contingency	\$3,700,000	\$3,700,000	\$0
Total Construction Costs	\$119,828,973	\$119,828,973	\$0
Pre-Development Costs:			
Consultant Services	\$1,820,000	\$1,820,000	\$0
Building Demolition	\$8,960,000	\$8,960,000	\$0
Land Acquisition	\$0	\$0	\$0
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$0	\$0	\$0
Total Pre-Development Costs	\$10,780,000	\$10,780,000	\$0
Other Costs:			
Design			
Prior Design Services	\$307,027	\$307,027	\$0
In-House Design/Bridging Services	\$1,160,000	\$1,160,000	\$0
Project Management (SDA Staff)	\$1,985,000	\$1,985,000	\$0
PMF/CM	\$1,898,000	\$2,406,000	(\$508,000)
FF&E	\$4,400,000	\$4,400,000	\$0
Technology	\$5,340,000	\$5,340,000	\$0
Commissioning	(Inc. in Design-Builder Scope)	(Inc. in Design-Builder Scope)	\$0
Temporary Space	\$7,400,000	\$7,400,000	\$0
Other Costs	\$1,797,000	\$1,797,000	\$0
Total Other Costs	\$24,287,027	\$24,795,027	(\$508,000)
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$154,896,000	\$155,404,000	(\$508,000)
Funding from Prior Allocation	\$0	\$0	\$0
Funding from 2012 Capital Plan	\$154,896,000	\$155,404,000	(\$508,000)

Budget Variance Analysis:

Increase in CM fees to account for actual award amount plus 5% contingency.

Schedule Variance Analysis:

Resolution—6a.

Construction Manager Award and Approval of Revised Final Project Charter

District:	Trenton
School:	Trenton Central High School
Description:	Construction Management Services
Package No.:	WT-0022-M01
Estimated Fee:	\$2,626,000
Award:	\$2,291,200
Contractor:	Terminal Construction Corporation

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 final project charters; and

WHEREAS, the Trenton Central High School (the Project) will be an approximately 374,000 square-foot facility to educate 1,850 students in grades 10 through 12 in the Trenton School District; and

WHEREAS, on March 2, 2016, the Members of the Authority approved the final project charter and the award of a design-build construction contract to Terminal Construction Corporation (Terminal) in the amount of \$115,950,000 for the Project; and

WHEREAS, on April 7, 2016, the notice to proceed with design phase services was issued to Terminal; 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 (30%) and other factors (70%)” solicitation beginning March 18, 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 \$2,291,200 for construction management services for the Project to the highest ranked firm, Heery International, Inc.; and

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

WHEREAS, management recommends Board approval of an increase to the final project charter in the amount of \$508,000 to reflect the actual dollar value for the award of the CM contract and appropriate contingency; 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 in the amount of \$2,291,200, to Heery International, Inc. for Construction Management Services and the revised final project charter as presented for the Trenton Central High School design-build project in the Trenton 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 and Revised Final Project Charter,
(Package No.: WT-0022-M01), Trenton Central High, Trenton School District,
dated June 1, 2016

Dated: June 1, 2016

**AWARDS FOR CONSTRUCTION MANAGEMENT SERVICES - NEW BRUNSWICK PAUL ROBESON
COMMUNITY THEME SCHOOL FOR THE ARTS, NEWARK SOUTH STREET ELEMENTARY SCHOOL
AND PASSAIC LEONARD PLACE ELEMENTARY SCHOOL**



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

MEMORANDUM

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TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

RE: District: New Brunswick
School: Paul Robeson Community Theme School for the Arts
Description: Construction Management Services
Package No.: ET-0073-M01
Estimated Fee: \$1,520,000.00
Award: \$1,487,500.00
Contractor: Hall Construction Company, Inc.

District: Newark
School: New South Street Elementary School
Description: Construction Management Services
Package No.: NE-0003-M02
Estimated Fee: \$1,520,000.00
Award: \$1,409,450.22
Contractor: Ernest Bock & Sons, Inc.

District: Passaic
School: New Leonard Place Elementary School
Description: Construction Management Services
Package No.: NT-0050-M01
Estimated Fee: \$1,520,000.00
Award: \$1,403,310.00
Contractor: Dobco, Inc.

DATE: June 1, 2016

SUBJECT: Awards for Construction Management Services

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of the award of three (3) contracts for Construction Management (CM) Services. These contracts are for services to manage the following design-build construction projects:

- Addition and renovation for the Paul Robeson Community Theme School for the Arts (Robeson) in the New Brunswick Public School District.
- New construction of South Street Elementary School (South Street ES) in the Newark Public School District.
- New construction of Leonard Place Elementary School (Leonard Place ES) in the Passaic Public School District.

Members of the Authority

Package Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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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 the proposed engagement of three construction management firms is provided within the corresponding Project Budgets as presented in the respective Final Project Charters approved by the Members on September 2, 2015 (Robeson), October 7, 2015 (South Street ES) and December 2, 2015 (Leonard Place ES).

BACKGROUND

The Paul Robeson Community Theme School for the Arts was built in 1982. The existing school will undergo a renovation of its 59,400 square-foot space. It will also receive an approximately 60,500 square foot addition to educate approximately 823 students in grades Pre-Kindergarten through Five in the New Brunswick Public School District. On September 2, 2015, the Members of the Authority approved the Final Project Charter and the award of a Design-Build Construction contract to Hall Construction Co. Inc. in the amount of \$31,993,000. On October 14, 2015, the notice to proceed for design phase services was issued to Hall Construction Co. Inc.

The New South Street Elementary School will be an approximately 103,000 square-foot facility to educate approximately 597 students in grades Pre-Kindergarten through Eight, with a separate parking area adjacent to the new facility in the Newark Public School District. On October 7, 2015, 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 November 20, 2015, the notice to proceed for design phase services was issued to Ernest Bock & Sons, Inc.

The New Leonard Place Elementary School will be an approximately 105,000 square-foot, 4-story facility to educate approximately 700 students in grades Kindergarten through Five in the Passaic Public School District. On December 2, 2015, the Members of the Authority approved the Final Project Charter and the award of a Design-Build Construction contract to Dobco, Inc. in the amount of \$32,750,000. On January 14, 2016, the notice to proceed for design phase services was issued to Dobco, Inc.

PROCUREMENT PROCESS

This multi-project procurement package for CM Services was advertised as a “Price and Other Factors” solicitation beginning on March 22, 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 of Property Management and Construction and the NJSDA. The advertisement stated that the NJSDA would make awards to three separate construction management firms, one firm for Robeson, one firm for South Street ES and one firm for Leonard Place ES; however, firms were permitted to compete for either one, two, or all three of the projects by submitting, along with a single Qualifications and Technical Proposal (applicable to one or more of the projects), a separate Price Proposal for each project the firm was interested in. The advertisement further stated that in the event a single firm achieved the highest Final Combined Score for more than one project, the NJSDA would determine which project would be awarded to that firm, based upon considerations of overall price (i.e., determining the projects in which one single firm had been identified as having the highest Final Combined Score, and selecting that combination of bids from the highest-scoring and second-highest scoring firms that resulted in the most cost-effective overall pricing and supplying the most benefit to the Authority and the School Construction Program). For this multi-project procurement, price was weighted as 40% of the Final Combined Score, and all non-price other factors were weighted as 60% of the Final Combined Score.

Members of the Authority

Package Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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A Selection Committee consisting of five NJSDA staff members and one alternate was established.

Firms interested in submitting a proposal were required to send an e-mail giving Notice of Intent to Participate (NOI) by April 7, 2016. NOIs were received from fourteen (14) prequalified construction management firms. Responsive proposals were received from thirteen (13) firms by April 29, 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

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	5.0	50
Key Team Members' Experience on Similarly Sophisticated Projects	3.0	30
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 Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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TABLE 2

Firm	Final Qualifications and Technical Proposal Score	Qualifications and Technical Proposal Rank
GREYHAWK North America LLC	70.000	1
Joseph Jingoli & Son, Inc.	65.200	2
Epic Management, Inc.	63.200	3
STV Construction, Inc.	60.600	4
Heery International, Inc.	58.800	5
Jay Shapiro & Associates, Inc.	57.400	6
Pinnacle Consulting & Construction Services, Inc.	57.200	7
McCloud Group, LLC (The)	54.800	8
HAKS Engineers, Architects and Land Surveyors, PC	52.000	9
Gilbane Building Company	50.000	10
Armand Corporation	48.400	11
Stantec Architecture, Inc.	47.000	12
ACB Consulting Services LLC	45.000	13

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 May 18, 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
GREYHAWK North America LLC	80.600	1
Epic Management, Inc.	78.400	2
STV Construction, Inc.	73.000	3
Joseph Jingoli & Son, Inc.	70.400	4
Jay Shapiro & Associates, Inc.	59.000	5
Heery International, Inc.	51.800	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. A firm's Non-Price Score was applicable to all projects for which the firm was competing.

Members of the Authority

Package Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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The maximum Non-Price Score is 100. The shortlisted firms, their scores and ranks are listed in Table 4 below:

TABLE 4

Firm	Non-Price Score	Non-Price Rank
GREYHAWK North America LLC	75.300	1
Epic Management, Inc.	70.800	2
Joseph Jingoli & Son, Inc.	67.800	3
STV Construction, Inc.	66.800	4
Jay Shapiro & Associates, Inc.	58.200	5
Heery International, Inc.	55.300	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 May 20, 2016 and the bids were read aloud as required by law.

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

The results of the NJSDA's review of the Price Proposals are listed in Tables 5 through 7 below:

TABLE 5 (Robeson)

Firm	Bid Price	Price Score	Price Rank
Jay Shapiro & Associates, Inc.	\$1,301,200.00	100.000	1
Heery International, Inc.	\$1,367,700.00	94.889	2
STV Construction, Inc.	\$1,405,766.05	91.964	3
Joseph Jingoli & Son, Inc.	\$1,461,000.00	87.719	4
GREYHAWK North America LLC	\$1,487,500.00	85.682	5
Epic Management, Inc.	\$1,534,970.20	82.034	6

TABLE 6 (South Street ES)

Firm	Bid Price	Price Score	Price Rank
Jay Shapiro & Associates, Inc.	\$1,301,200.00	100.000	1
Heery International, Inc.	\$1,378,200.00	94.082	2
STV Construction, Inc.	\$1,409,450.22	91.681	3
Joseph Jingoli & Son, Inc.	\$1,461,000.00	87.719	4
GREYHAWK North America LLC	\$1,524,100.00	82.870	5

Members of the Authority

Package Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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TABLE 7 (Leonard Place ES)

Firm	Bid Price	Price Score	Price Rank
Jay Shapiro & Associates, Inc.	\$1,301,200.00	100.000	1
Epic Management, Inc.	\$1,403,310.00	92.153	2
STV Construction, Inc.	\$1,408,811.62	91.730	3
Heery International, Inc.	\$1,417,200.00	91.085	4
Joseph Jingoli & Son, Inc.	\$1,523,500.00	82.916	5
GREYHAWK North America LLC	\$1,538,500.00	81.763	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 Scores and Non-Price Score for each shortlisted firm were added together to calculate a unique and separate Final Combined Score for each project for which the firm was competing. The maximum Final Combined Score is 100. The Final Combined Scores and Final Rankings are listed in Tables 8 through 10 below:

TABLE 8 (Robeson)

Firm	Raw Non-Price Score	Raw Price Score	Weighted Non-Price Score (60%)	Weighted Price Score (40%)	Final Combined Score	Final Rank
GREYHAWK North America LLC	75.300	85.682	45.180	34.273	79.453	1
STV Construction, Inc.	66.800	91.964	40.080	36.786	76.866	2
Joseph Jingoli & Son, Inc.	67.800	87.719	40.680	35.088	75.768	3
Epic Management, Inc.	70.800	82.034	42.480	32.814	75.294	4
Jay Shapiro & Associates, Inc.	58.200	100.000	34.920	40.000	74.920	5
Heery International, Inc.	55.300	94.889	33.180	37.956	71.136	6

The highest ranked firm after combining the weighted non-price and price scores for the Robeson project was GREYHAWK North America LLC (GREYHAWK). GREYHAWK was also the highest ranked firm for the South Street ES project. However, per the terms of the RFQ/RFP, firms are not eligible to provide CM services for more than one project in this multi-project procurement, and no firm will be awarded a CM contract for more than one project. Therefore, it is recommended that the Robeson project be awarded to GREYHAWK and the South Street project be awarded to STV Construction, Inc. (STV) since this combination of awards from the highest-scoring and second-highest scoring firms from both projects results in the most cost-effective overall pricing and provides the most benefit to the Authority and the School Construction Program.

The bid submitted by GREYHAWK 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 with Procurement, Program Operations, Contract Management Division, and GREYHAWK to review the bid. At the time of the review, GREYHAWK 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 Robeson project to GREYHAWK North America LLC.

Members of the Authority

Package Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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TABLE 9 (South Street ES)

Firm	Raw Non-Price Score	Raw Price Score	Weighted Non-Price Score (60%)	Weighted Price Score (40%)	Final Combined Score	Final Rank
GREYHAWK North America LLC	75.300	82.870	45.180	33.148	78.328	1
STV Construction, Inc.	66.800	91.681	40.080	36.672	76.752	2
Joseph Jingoli & Son, Inc.	67.800	87.719	40.680	35.088	75.768	3
Jay Shapiro & Associates, Inc.	58.200	100.000	34.920	40.000	74.920	4
Heery International, Inc.	55.300	94.082	33.180	37.633	70.813	5

The highest ranked firm after combining the weighted non-price and price scores for the South Street ES project was GREYHAWK. GREYHAWK was also the highest ranked firm for the Robeson project. However, per the terms of the RFQ/RFP, firms are not eligible to provide CM services for more than one project in this multi-project procurement, and no firm will be awarded a CM contract for more than one project. Therefore, it is recommended that the South Street project be awarded to STV and the Robeson project be awarded to GREYHAWK since this combination of awards from the highest-scoring and second-highest scoring firms from both projects results in the most cost-effective overall pricing and provides the most benefit to the Authority and the School Construction Program.

The bid submitted by STV 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 with Procurement, Program Operations, Contract Management Division, and STV to review the bid. At the time of the review, STV 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 South Street ES project to STV Construction, Inc.

TABLE 10 (Leonard Place ES)

Firm	Raw Non-Price Score	Raw Price Score	Weighted Non-Price Score (60%)	Weighted Price Score (40%)	Final Combined Score	Final Rank
Epic Management, Inc.	70.800	92.153	42.480	36.861	79.341	1
GREYHAWK North America LLC	75.300	81.763	45.180	32.705	77.885	2
STV Construction, Inc.	66.800	91.730	40.080	36.692	76.772	3
Jay Shapiro & Associates, Inc.	58.200	100.000	34.920	40.000	74.920	4
Joseph Jingoli & Son, Inc.	67.800	82.916	40.680	33.166	73.846	5
Heery International, Inc.	55.300	91.085	33.180	36.434	69.614	6

The highest ranked firm after combining the weighted non-price and price scores for the Leonard Place ES project was Epic Management, Inc. (Epic).

The bid submitted by Epic 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 with Procurement, Program Operations, Contract Management Division, and Epic to review the bid. At the time of the review, Epic confirmed that its Price Proposal is inclusive of all scope elements contained in the Contract Documents.

Members of the Authority

Package Nos. ET-0073-M01; NE-0003-M02; NT-0050-M01

New Brunswick–Paul Robeson Community Theme School for the Arts - Construction Management Services

Newark-New South Street Elementary School - Construction Management Services

Passaic-New Leonard Place Elementary School - Construction Management Services

June 1, 2016

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The Program Operations Director and the Contract Management Division recommend award of the Leonard Place ES project to Epic Management, Inc.

RECOMMENDATION

The Members of the Authority are requested to approve the following:

1. The award of a contract to GREYHAWK North America LLC in the amount of \$1,487,500.00 for Construction Management Services for the Paul Robeson Community Theme School for the Arts project located in the New Brunswick Public School District;
2. The award of a contract to STV Construction, Inc. in the amount of \$1,409,450.22 for Construction Management Services for the South Street Elementary School project located in the Newark Public School District; and
3. The award of a contract to Epic Management, Inc. in the amount of \$1,403,310.00 for Construction Management Services for the Leonard Place Elementary School project located in the Passaic Public School District.

Prior to the execution of each 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—6b.

Awards Construction Management Services

District:	New Brunswick
School:	Paul Robeson Community Theme School for the Arts
Description:	Construction Management Services
Package No.:	ET-0073-M01
Estimated Fee:	\$1,520,000.00
Award:	\$1,487,500.00
Contractor:	Hall Construction Company, Inc.

District:	Newark
School:	New South Street Elementary School
Description:	Construction Management Services
Package No.:	NE-0003-M02
Estimated Fee:	\$1,520,000.00
Award:	\$1,409,450.22
Contractor:	Ernest Bock & Sons, Inc.

District:	Passaic
School:	New Leonard Place Elementary School
Description:	Construction Management Services
Package No.:	NT-0050-M01
Estimated Fee:	\$1,520,000.00
Award:	\$1,403,310.00
Contractor:	Dobco, 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 Paul Robeson Community Theme School for the Arts in the New Brunswick School District will undergo a renovation of its 59,400 square-foot space and receive an approximately 60,500 square foot addition to educate approximately 823 students in grades Pre-Kindergarten through Five (Robeson Project); and

WHEREAS, the New South Street Elementary School in the Newark School District will be an approximately 103,000 square-foot facility to educate approximately 597 students in grades Pre-Kindergarten through Eight, with a separate parking area adjacent to the new facility (South Street Project); and

WHEREAS, the New Leonard Place Elementary School in the Passaic Public School District will be an approximately 105,000 square-foot, 4-story facility to educate approximately 700 students in grades Kindergarten through Five (Leonard Place Project); and

WHEREAS, on September 2, 2015, the Board approved the final project charter and award of a design-build construction contract in the amount of \$31,993,000 and the notice to proceed for design phase services subsequently was issued to Hall Construction Co. Inc. for the Robeson Project; and

WHEREAS, on October 7, 2015, the Board approved the final project charter and award of a design-build construction contract in the amount of \$36,885,000 and the notice to proceed for design phase services subsequently was issued to Ernest Bock & Sons, Inc. for the South Street Project; and

WHEREAS, on December 2, 2015, the Board approved the final project charter and the award of a design-build construction contract in the amount of \$32,750,000 and the notice to proceed for design phase services subsequently was issued to Dobco, Inc. for the Leonard Place Project; and

WHEREAS, a multi-project procurement package for construction management (CM) services was advertised as a “price (40%) and other factors (60%)” solicitation beginning March 22, 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, management now is seeking Board approval to contract for CM services for the Robeson, South Street and Leonard Place projects respectively; 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 \$1,487,500.00 for CM services for the Robeson Project to the highest ranked firm, GREYHAWK North America LLC; a contract in the amount of \$1,409,450.22 for CM services for the South Street Project to the highest ranked firm, STV Construction, Inc.; and a contract in the amount of \$1,403,310.00 for CM services for the Leonard Place Project to the highest ranked firm, Epic Management, Inc.; and

WHEREAS, upon review, GREYHAWK North America LLC; STV Construction, Inc. and Epic Management, Inc. have confirmed that their price proposals are inclusive of all scope elements contained in the contract documents for their respective projects; and

WHEREAS, funding for these engagements is available within the respective projects’ budgets, in accordance with their individual final project charters approved by the Board on September 2, 2015 (Robeson), October 7, 2015 (South Street ES) and December 2, 2015 (Leonard Place ES); 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 GREYHAWK North America LLC in the amount of \$1,487,500.00 for Construction Management Services for the Paul Robeson Community Theme School for the Arts project located in the New Brunswick Public School District; the award of a contract to STV Construction, Inc. in the amount of \$1,409,450.22 for Construction Management Services for the South Street Elementary School project located in the Newark Public School District; and the award of a contract to Epic Management, Inc. in the amount of \$1,403,310.00 for Construction Management Services for the Leonard Place Elementary School project located in the Passaic Public School District.

BE IT FURTHER RESOLVED, that, prior to execution of these respective contracts, the contracts 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, Consolidated Construction Manager Awards, (Package No.: ET-0073-M01; NE-0003-M02; NT-0050-M01) in the New Brunswick, Newark and Passaic School Districts dated June 1, 2016

Dated: June 1, 2016

**RELEASE OF FUNDS FROM PROGRAM RESERVE - ASBURY PARK SCHOOL DISTRICT - ASBURY PARK
HIGH SCHOOL - EMERGENT PROJECT - ROOF REPLACEMENT**



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

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov, Managing Director, Program Operations

RE: District: Asbury Park School District
School: Asbury Park High School
Description: Emergent Project – Roof Replacement
Funding Requested: \$2,553,880

SUBJECT: Release of Funds from Program Reserve
Asbury Park School District – Asbury Park High School
Emergent Project –Roof Replacement

DATE: June 1, 2016

INTRODUCTION:

I am writing to recommend approval of the release of funds from the Program Reserve maintained for emergent projects and emergency situations to address an emergent condition at the Asbury Park High School in Asbury Park. This project is being advanced pursuant to NJSDA delegation for District management consistent with statutory and regulatory provisions. The release of funding requested is \$2,553,880.

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 release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000. The funding requested to address the emergent project at this school exceeds \$500,000.

BACKGROUND:

The Asbury Park High School, built in 1927 is an approximately 114,000 square foot facility that educates 350 students in grades 9 to 12. As a result of joint NJSDA and NJDOE site visits conducted in the Asbury Park School District to review potential emergent conditions within the district, the NJDOE issued Pre-Construction Approval on July 18, 2012 for an emergent project to address conditions related to the building's roof. Considerations supporting the decision to delegate included the District's successful prior management of similar emergent projects and recognition of the lack of complexity of this project.

After receipt of Pre-Construction Approval from the NJDOE, the NJSDA issued a grant offer to the District to allow for the advancement of the project. Upon receipt of necessary documentation from the District the grant agreement was executed on July 12, 2013.

Members of the Authority
 Release of Program Reserve
 Asbury Park School District – Asbury Park High School – Emergent Project
 June 1, 2016
 Page 2

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At the time of delegation of the project and execution of the grant, the scope of roof area to be addressed was limited to a portion of the roof over the building's library. The District engaged Shore Point Architecture to review the emergent condition and develop a scope of work to address the limited area of roof identified. Based upon the deteriorated condition of the roof area the architect's recommended scope called for replacement of the roof over the library. This work was completed by the District in January 2016.

During advancement of the limited scope originally identified, additional site visits to the facility were conducted by SDA staff and District representatives to review the condition of the remaining roof areas of the building. That review identified that the remaining roof areas were in a deteriorated condition and needed to be addressed to prevent continued water infiltration into the building. Upon review of the condition and in consultation with the NJDOE it was agreed to expand the scope of the emergent project to address the remaining roof areas of the building to ensure no further water infiltration would occur at the facility. Based upon the agreement to expand the project scope, the District has engaged SSP Architectural Group to review the remaining roof areas and develop a scope of work to address their condition. Based upon that review, the architect's recommended scope calls for replacement of the remaining roof areas and associated masonry repairs to ensure a watertight building envelope. The scope has been reviewed by NJSDA staff to ensure it adequately addresses the identified condition and does not include work above that required to remedy the condition. Based upon the bids received for construction and estimated costs for professional services and other costs that have been reviewed by the NJSDA, the cost of the project including appropriate contingency is \$2,553,880:

Budget Summary

▪ Construction Costs	\$ 1,970,880
▪ Construction Contingency (15%)	\$ 284,000
▪ Design Costs	\$ 204,000
▪ <u>Other Costs (5%)</u>	<u>\$ 95,000</u>
▪ Total	\$ 2,553,880

RECOMMENDATION:

The Members are requested to approve the release of \$2,553,880 from the Program Reserve to address the emergent roof replacement project at the Asbury Park High School in the Asbury Park School District.

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

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

Resolution–6c.

Release of Funds from Program Reserve
Asbury Park School District – Asbury Park High School
Emergent Project –Roof Replacement

District:	Asbury Park School District
School:	Asbury Park High School
Description:	Emergent Project – Roof Replacement
Funding Requested:	\$2,553,880

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 release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000; and

WHEREAS, the Asbury Park High School, built in 1927 is an approximately 114,000 square foot facility that educates 350 students in grades 9 to 12; and

WHEREAS, following joint site visits conducted by SDA and State Department of Education (DOE) staff to review potential emergent conditions in the Asbury Park School District (District), the DOE issued pre-construction approval in July 2012 for an emergent project to address conditions related to the building's roof (the Project); and

WHEREAS, after receipt of pre-construction approval, SDA issued a grant offer to the District to allow for the advancement of the Project; and

WHEREAS, this Project will advance pursuant to SDA delegation for District management consistent with statutory and regulatory provisions; and

WHEREAS, the Project's background, scope and budget are described in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, the funding requested to address the emergent project at the Asbury Park High School is \$2,553,880, thus necessitating Board approval; and

WHEREAS, executive management and associated program staff recommend Board approval of the release of \$2,553,880 from the Program Reserve to address the emergent roof replacement project at the Asbury Park High School in the Asbury Park School District.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the release of \$2,553,880 from the Program Reserve to address the roof replacement emergent project at the Asbury Park District Asbury Park High School 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, Release of Funds from Program Reserve, Asbury Park School District –
Asbury Park High School Emergent Project – Roof Replacement, dated, June 1, 2016
Dated: June 1, 2016

RELEASE OF FUNDS FROM PROGRAM RESERVE - ASBURY PARK SCHOOL DISTRICT - MARTIN LUTHER KING, JR. MIDDLE SCHOOL - EMERGENT PROJECT - ROOF REPLACEMENT



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

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov, Managing Director, Program Operations

RE: District: Asbury Park School District
School: Martin Luther King, Jr. Middle School
Description: Emergent Project – Roof Replacement
Funding Requested: \$788,000

SUBJECT: Release of Funds from Program Reserve
Asbury Park School District – Martin Luther King, Jr. Middle School
Emergent Project – Roof Replacement

DATE: June 1, 2016

INTRODUCTION:

I am writing to recommend approval of the release of funds from the Program Reserve maintained for emergent projects and emergency situations to address an emergent condition at the Martin Luther King, Jr. Middle School in Asbury Park. This project is being advanced pursuant to NJSDA delegation for District management consistent with statutory and regulatory provisions. The release of funding requested is \$788,000.

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 release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000. The funding requested to address the emergent project at this school exceeds \$500,000.

BACKGROUND:

The Martin Luther King, Jr. Middle School, built in 1971 is an approximately 117,000 square foot facility that educates 550 students in grades 5 to 8. As a result of joint NJSDA and NJDOE site visits conducted in the Asbury Park School District to review potential emergent conditions within the district, the NJDOE issued Pre-Construction Approval on July 18, 2012 for an emergent project to address conditions related to the building's roof. Considerations supporting the decision to delegate included the District's successful prior management of similar emergent projects and recognition of the lack of complexity of this project.

After receipt of Pre-Construction Approval from the NJDOE, the NJSDA issued a grant offer to the District to allow for the advancement of the project. Upon receipt of necessary documentation from the District the grant agreement was executed on July 12, 2013.

Members of the Authority
 Release of Program Reserve
 Asbury Park School District – Martin Luther King, Jr. Middle School – Emergent Project
 June 1, 2016
 Page 2

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At the time of delegation of the project and execution of the grant, the scope of roof area to be addressed was limited to a portion of the roof over the building's media center. The District engaged Shore Point Architecture to review the emergent condition and develop a scope of work to address the limited area of roof identified. Based upon the deteriorated condition of the roof area the architect's recommended scope called for replacement of the roof over the media center. This work was completed by the District in January 2016.

During advancement of the limited scope originally identified, additional site visits to the facility were conducted by SDA staff and District representatives to review the condition of the remaining roof areas of the building. That review identified that the several additional roof areas were in a deteriorated condition and needed to be addressed to prevent continued water infiltration into the building. Upon review of the condition and in consultation with the NJDOE it was agreed to expand the scope of the emergent project to address the additional roof areas of the building to ensure no further water infiltration would occur at the facility. Based upon the agreement to expand the project scope, the District has engaged SSP Architectural Group to review the additional roof areas and develop a scope of work to address their condition. Based upon that review, it was determined that several portions of the roof are covered under existing warranties that will be utilized to advance any necessary repairs to those areas. Additionally, the architect's recommended scope calls for replacement of the remaining roof areas (not covered by existing warranties) and associated masonry repairs to ensure a watertight building envelope. The scope has been reviewed by NJSDA staff to ensure it adequately addresses the identified condition and does not include work above that required to remedy the condition. Based upon the bids received for construction and estimated costs for professional services and other costs that have been reviewed by the NJSDA, the cost of the project including appropriate contingency is \$788,000:

Budget Summary

▪ Construction Costs	\$ 602,000
▪ Construction Contingency (15%)	\$ 84,000
▪ Design Costs	\$ 74,000
▪ <u>Other Costs (5%)</u>	<u>\$ 28,000</u>
▪ Total	\$ 788,000

RECOMMENDATION:

The Members are requested to approve the release of \$788,000 from the Program Reserve to address the emergent roof replacement project at the Martin Luther King, Jr. Middle School in the Asbury Park School District.

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

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

Resolution—6d.

Release of Funds from Program Reserve
Asbury Park School District – Martin Luther King, Jr. Middle School
Emergent Project – Roof Replacement

District:	Asbury Park School District
School:	Martin Luther King, Jr. Middle School
Description:	Emergent Project – Roof Replacement
Funding Requested:	\$788,000

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 release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000; and

WHEREAS, the Martin Luther King, Jr. Middle School in the Asbury Park School District (District), built in 1971, is an approximately 117,000 square foot facility that educates 550 students in grades 5 to 8; and

WHEREAS, following joint site visits conducted by SDA and State Department of Education (DOE) staff to review potential emergent conditions in the District, the DOE issued Pre-Construction Approval in July 2012 for an emergent project to address conditions related to the building's roof (the Project); and

WHEREAS, after receipt of Pre-Construction Approval, SDA issued a grant offer to the District to allow for the advancement of the Project; and

WHEREAS, this Project will advance pursuant to SDA delegation for district management consistent with statutory and regulatory provisions; and

WHEREAS, the Project's background, scope and budget are described in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, the funding requested to address the emergent project at the Martin Luther King, Jr. Middle School is \$788,000, thus necessitating Board approval; and

WHEREAS, executive management and associated program staff recommend Board approval of the release of \$788,000 from the Program Reserve to address the emergent roof replacement project at the Martin Luther King, Jr. Middle School in the Asbury Park School District.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the release of \$788,000 from the Program Reserve to address the roof replacement emergent project at the Asbury Park School District Martin Luther King, Jr. Middle School 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, Release of Funds from Program Reserve, Asbury Park School District –
Martin Luther King Jr. Middle School Emergent Project – Roof Replacement, dated,
June 1, 2016

Dated: June 1, 2016

PRELIMINARY PROJECT CHARTER - PERTH AMBOY SCHOOL DISTRICT - NEW PERTH AMBOY HIGH SCHOOL



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

MEMORANDUM

6

TO: Members of the Authority

FROM: Ritchard J. Sherman
Managing Director, Design
Gregory Voronov
Managing Director, Program Operations

DATE: June 1, 2016

SUBJECT: Preliminary Project Charter

RE: Perth Amboy School District – New Perth Amboy High School

INTRODUCTION

At the March 7, 2012 SDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. That Plan identified a Perth Amboy project to address high priority educational needs at all grade levels that required further discussion with the District. Working with representatives of the Perth Amboy School District and the New Jersey Department of Education (DOE), SDA staff has reviewed and validated District needs. We are writing to advise the Members of the results of that validation performed by SDA staff, and to provide detail of recommended action for advancement of the above-identified project.

We are also writing to recommend approval by the Members of the attached Preliminary Project Charter, created by Program Operations staff, which details project advancement recommendations including estimated project costs for project completion. Pursuant to the SDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Preliminary Project Charters require approval by the Members of the Authority.

BACKGROUND

Based upon the DOE's 2010 Educational Facility Needs Assessment (EFNA), which identified severe overcrowding in all grade levels of the Perth Amboy School District, the SDA 2012 Capital Plan identified this need as one of high educational priority, requiring further discussion with the District to validate and define an appropriate scope to address the district-wide overcrowding.

Following approval of the SDA 2012 Capital Program, SDA staff commenced review and validation activities which included a review of the District's Long Range Facilities Plan (LRFP) and identification of existing and proposed school facilities included in that plan.

In conjunction with DOE staff, SDA staff undertook site visits to assess all schools in the district. The site visits found that the schools in Perth Amboy are all in fair to excellent physical condition and confirmed that severe overcrowding exists district-wide at all grade levels.

Working Group Activities

In December 2013, a Working Group comprised of District, DOE and SDA staff was convened to review and validate current District needs and to identify and evaluate alternative project scopes which might address those needs. The validation process began with a review of current and projected District enrollments and current District educational capacity. Given the extent and severity of overcrowding at all grade levels throughout the District, as evidenced by the DOE's 2013 EFNA and Cohort-Survival Enrollment projection, which indicated that the District lacks the

Members of the Authority
Preliminary Project Charter
Perth Amboy School District – New Perth Amboy High School
June 1, 2016
Page 2 of 3

capacity to educate approximately 2,800 students in grades Pre-K through 12, the Working Group concluded that no additional District need evaluation was required.

Based upon this review, the Working Group proceeded to develop and evaluate project alternatives to address this need and to consider projects identified in the District's LRFP. These evaluations have confirmed that the following projects are integral to partially addressing district-wide overcrowding: 1) construction of either a new high school or construction of a new middle school and expansion and renovation of the existing Perth Amboy High School facility, both of which would require land acquisition, and 2) construction of at least one new elementary school.

On August 6, 2014, the Board approved a Preliminary Project Charter for, and advancement of the new Seaman Avenue Elementary School project. The Authority is currently in the process of engaging a design-builder to design and construct the new facility. It is anticipated that the award of the design-build engagement will be presented for approval at the July 2016 Board Meeting.

Current Advancement Status

Upon identification by the Working Group of the new high school building alternative, the District and SDA renewed the site search and selection process for real property to be acquired by the District. Twenty properties were explored. With few exceptions, all sites identified as possibilities presented considerable environmental remediation requirements or physical constraints.

In June of 2014, an 11.63 acre property owned by the Housing Authority of the City of Perth Amboy was offered for sale. Located on Convery Boulevard (State Highway 35) the property is adjacent to two City Parks (Dalton Field and Willow Pond Park) as well as the District's Flynn Elementary School. It is the former Delaney Homes Public Housing development. The Convery Boulevard property had been previously researched by NJSDA in 2004 and 2005 for feasibility for use as a high school location. On January 7, 2016 the District signed a contract with the Housing Authority to purchase the Convery Boulevard property subject to satisfaction of certain contingencies and regulatory approvals.

SDA staff has reviewed the due diligence investigative work completed by District's engineering and environmental consultants to ascertain the site's viability. Staff has reviewed environmental documents pertaining to the site to identify potential data gaps and identify a preliminary scope of work for closure of these gaps. During this review the District advised that it had retained the services of a Licensed Site Remediation Professional (LSRP) to complete the remaining environmental remediation activities in conformance with the New Jersey Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq. (SRRA).

In accordance with a June 12, 2012 Board Authorization which enables spending up to \$100,000 for project planning activities, the SDA has retained a Site Consultant (Engineering & Land Planning Associates) to represent the SDA with respect to the District's environmental remediation and site preparation activities and to close any information gaps as necessary.

Further, discussions were held with the District and its LSRP to detail the scope of work necessary to prepare technical specifications and bidding documents in order for the District to undertake demolition of six buildings situated on the property and preliminary site development work in coordination with the implementation of a Remedial Action Work Plan (RAWP) to ready the site for construction of a new high school. The District has agreed to undertake and pay the costs of the necessary environmental remediation and demolition to prepare the site for construction. Additionally, the District is committed to cooperation with SDA staff and the SDA-engaged Site Consultant (SC) to make certain that the work performed by the District is in accordance with SDA best practices and to ensure that all necessary environmental remediation is completed to ready the site for building construction. The discussion with the District regarding specifics of the scope of work will have no material effect on the ultimate recommendation to advance the high school project.

Members of the Authority
 Preliminary Project Charter
 Perth Amboy School District – New Perth Amboy High School
 June 1, 2016
 Page 3 of 3

At this time we are recommending advancement of a new Perth Amboy High School project, planned for construction on Convery Boulevard property. The new high school will provide additional capacity to address the District's needs in grades 9 – 12 and will allow the District to utilize the existing high school to address overcrowding at the middle school grade levels.

PROJECT SCOPE

The Perth Amboy HS project scope calls for construction of a new approximately 535,000 square foot facility for 2,800 students in grades 9-12 on the approximately 11.63 acre property being acquired by the Perth Amboy Board of Education.

PROJECT DELIVERY RECOMMENDATION

It is recommended that this project be advanced through in-house design staff through Schematic Design and that bridging documents be prepared to support a Design-Build delivery process.

The project budget which has been developed is reflective of the recommendation for Design-Build project delivery.

PROJECT BUDGET

By providing the New Perth Amboy High School project, the District's capacity needs in grades 9 to 12 will be addressed, as well as assist in relieving overcrowding at lower grade levels. The estimated cost of \$234.4 million for the project reflected in the Preliminary Project Charter is inclusive of prior expenditures for related site investigation activities, as well as estimated future costs necessary for advancement of the current project scope. The estimated costs are based upon the application of planning estimates to the current anticipated project scope.

The District has accepted the responsibility for the work and costs associated with necessary demolition, environmental remediation and site preparation to be completed prior to engagement of a design-builder by the SDA.

RECOMMENDATION

The Members are requested to approve the Project Charter for the New Perth Amboy High School project. In so doing, the Board is providing the Authority with approval to:

1. Proceed with in-house design activities.
2. Procure necessary professional and construction services in relationship to this project.

The Operating Authority will govern the award of all professional services and construction contracts and notification to the Board of the use of contingency monies.

Recommended by:

/s/ Ritchard Sherman
 Ritchard J. Sherman, Managing Director, Design

/s/ Gregory Voronov
 Gregory Voronov, Managing Director, Program Operations

Prepared by: Roman Horoszewski, Program Officer, Program Operations
 Reviewed and Recommended by: Paul Hamilton, Director – Program Planning, Program Operations
 Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations & Strategic Planning

New Jersey Schools Development Authority Project Charter - Summary

Charter Date

06/01/16

**Supersedes
Charter Dated**

N/A

Region: Central
District: Perth Amboy
Project Name: New High School
School Type: High School
DOE # / Project #: 4090-N03-16-0AEO
Project Type (New/Add/Reno): New
Project Location: Convery Blvd. Perth Amboy, NJ
Number of Students: 2,800

Land Acquisition Required? Yes No

Temporary Space Required? Yes No

Funding Source

2012 Capital Plan

Funding Allocated

\$234,355,000

Project Budget: \$ 234,355,000

Anticipated Substantial Completion Date: TBD

Anticipated School Occupancy Date: TBD

Project Team Leader: TBD / Ritchard Sherman

Project Initiation Date: Jun-16

SDA Board - Project Charter Approval Date: 06/01/16

District Local Share

\$0.00

Charter Version and Date		Project Summary
<input type="checkbox"/> Planning		New High School facility on the District acquired Convery Blvd site to educate 2,800 students in grades 9-12.
<input checked="" type="checkbox"/> Preliminary	06/01/16	
<input type="checkbox"/> Final		
Revision # and Date		Purpose for Advancement of Current/Revised Project Charter
<input type="checkbox"/> One		Project advancement, including in-house design and procurement of necessary professional and construction services for the project.
<input type="checkbox"/> Two		
<input type="checkbox"/> Three		District Project Goals
<input type="checkbox"/> Four		A new school to address district educational needs for grades 9 - 12 which will serve to mitigate district wide overcrowding in both high school and middle school grade levels.
<input type="checkbox"/> Five		
<input type="checkbox"/> Six		

Recommendation

Program Director - Program Operations _____ **Date** _____
 TBD

Managing Directors - Capital Planning / Design _____ **Date** _____
 Gregory Voronov / Ritchard Sherman

Vice President - Construction Operations _____ **Date** _____
 Raymond Arcario

EVP- Prog. Ops. and Strategic Planning _____ **Date** _____
 Andrew Yosha

Approval

_____ **Date** _____
 Chief Executive Officer
 Charles McKenna

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

Charter Date
06/01/16

District / Project Name:	Perth Amboy / New High School
DOE # / Project #:	4090-N03-16-0AEO

Project Milestones	Date
School Occupancy Date	TBD

DELIVERY METHOD	Design/Build
------------------------	---------------------

<u>Real Estate Services</u>	Start	Est.	Act.	Finish	Est.	Act.
Feasibility	Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	04/01/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	on-going	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Site Acquisition	District	<input type="checkbox"/>	<input type="checkbox"/>	District	<input type="checkbox"/>	<input type="checkbox"/>
Relocation	NA	<input type="checkbox"/>	<input type="checkbox"/>	NA	<input type="checkbox"/>	<input type="checkbox"/>
Demolition	District	<input type="checkbox"/>	<input type="checkbox"/>	District	<input type="checkbox"/>	<input type="checkbox"/>
Early Site Package	District	<input type="checkbox"/>	<input type="checkbox"/>	District	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	TBD	Date				
District Notified?		<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?	TBD					
District Notified?		<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

Based upon staff's review of existing site environmental documentation and on-going discussions with the school District, the District will undertake an early site package to address all demolition and environmental issues related to the project site in an effort to prepare the site for advancement of construction.

<u>Design:</u>	Date	Est.	Act.	Finish	Est.	Act.
Design Start (NTP)	07/01/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Design Restart (if applicable)	NA	<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase	07/01/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schematic Design	TBD	<input type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bridging Documents	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build Bid/Award	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Design	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

The project is planned to be advanced through Design-Build approach and an early site package will be performed by the District to demolish the existing structures on the site and prepare the site for advancement of construction by the design builder.

<u>Construction:</u>	Date	Est.	Act.
Construction Start (NTP)	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		06/01/16
District / Project Name: Perth Amboy / New High School		
DOE # / Project #: 4090-N03-16-0AEO		
2012 Capital Plan Funding Allocation		\$ 234,355,000
Special Considerations:		
The project budget represented below is based upon the application of planning assumptions based upon the current project scope, as well as, prior expenditures related to engaged site consultant services.		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	535,000	1.55
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):		535,000
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$303.63	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$7,230,000	
Building Costs	\$152,240,000	
Site Development Costs	\$8,430,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 23 months at 5 % per year	\$15,710,000	
Design Contingency	\$13,800,000	
Construction Contingency	\$6,200,000	
Total Construction Costs		\$203,610,000
Pre-Development Costs:		
Consultant Services	\$1,500,000	
Early Site Package (Demolition/Remediation)	(District Responsibility)	
Land Acquisition	(District Responsibility)	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs		\$1,500,000
Other Costs:		
Design		%
Prior Design Services	\$0	
In-House Design	\$1,700,000	
Project Management (SDA Staff)	\$2,274,000	
PMF/CM	\$2,401,000	
FF&E	\$9,600,000	
Technology	\$9,600,000	
Commissioning	(Included in DB Scope)	
Temporary Space	\$0	
Other Costs	\$3,670,000	
Total Other Costs		\$29,245,000
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources		\$0
Total Project Budget		\$234,355,000
Funding from Prior Allocation		\$0
Funding from 2012 Capital Plan		\$234,355,000

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

Charter Date

06/01/16

District / Project Name: Perth Amboy / New High School
DOE # / Project #: 4090-N03-16-0AEO

Project Budget:

		Capital Plan Estimate	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:			1.55	N/A
Gross Building Area (GSF):	New	N/A	535,000	N/A
	Addition		0	N/A
	Renovation		0	N/A
Total Gross Area (GSF):		N/A	535,000	N/A
Design-Builder Costs				
Design		N/A	\$7,230,000	N/A
Building Costs		N/A	\$152,240,000	N/A
Site Development Costs		N/A	\$8,430,000	N/A
Demolition		N/A	\$0	N/A
E-Rate (If separately bid)		N/A	\$0	N/A
Cost Escalation		N/A	\$15,710,000	N/A
Design Contingency		N/A	\$13,800,000	N/A
Construction Contingency		N/A	\$6,200,000	N/A
Total Construction Costs		N/A	\$203,610,000	N/A
Pre-Development Costs:				
Consultant Services		N/A	\$1,500,000	N/A
Early Site Package (Demolition/Remediation)		N/A	(District Responsibility)	N/A
Land Acquisition		N/A	(District Responsibility)	N/A
Relocation		N/A	\$0	N/A
Property Maintenance/Carry Costs		N/A	\$0	N/A
Total Pre-Development Costs		N/A	\$1,500,000	N/A
Other Costs:				
Design				
Prior Design Services		N/A	\$0	N/A
In-House Design		N/A	\$1,700,000	N/A
Project Management (SDA Staff)		N/A	\$2,274,000	N/A
PMF/CM		N/A	\$2,401,000	N/A
FF&E		N/A	\$9,600,000	N/A
Technology		N/A	\$9,600,000	N/A
Commissioning		N/A	(Included in DB Scope)	N/A
Temporary Space		N/A	\$0	N/A
Other Costs		N/A	\$3,670,000	N/A
Total Other Costs		N/A	\$29,245,000	N/A
Other Funding Sources				
Rebates & Refunds		N/A	\$0	N/A
District Local Share Funds		N/A	\$0	N/A
Total Other Funding Sources		N/A	\$0	N/A
Total Project Budget		N/A	\$234,355,000	N/A
Funding from Prior Allocation		N/A	\$0	N/A
Funding from 2012 Capital Plan		N/A	\$234,355,000	N/A

Budget Variance Analysis:

Schedule Variance Analysis:

Resolution—6e.

Preliminary Project Charter
Perth Amboy School District – New Perth Amboy High School

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve Preliminary Project Charters; and

WHEREAS, at the March 7, 2012 SDA Board Meeting, the Members approved the Authority's 2012 Capital Plan which identified a high priority educational need in the Perth Amboy School District (District) that required further discussion with the District; and

WHEREAS, representatives of the District, the New Jersey Department of Education (DOE) and SDA staff (the Working Group) have reviewed and validated District needs; and

WHEREAS, the validation process conducted by the Working Group is described in detail in the memorandum presented to the Board on this date; and

WHEREAS, the Working Group recommends advancement of a new Perth Amboy High School project for construction to provide additional capacity in order to address the District's needs in grades 9 to 12 and allow the District to utilize the existing high school to address overcrowding at the middle school grade levels; and

WHEREAS, the memorandum presented to the Board on this date sets forth in detail the background of the Project, specifics of the Working Group's activities and the Project's current advancement status along with the Project scope, budget and delivery recommendations; and

WHEREAS, the estimated cost of \$234.4 million for the Project reflected in the Preliminary Project Charter is inclusive of prior expenditures for related site investigation activities, as well as estimated future costs necessary for advancement of the current project scope.

NOW, THEREFORE, BE IT RESOLVED, that the Members hereby authorize and approve the Preliminary Project Charter for the New Perth Amboy High School project and, in so doing, authorize SDA management and staff to proceed with in-house design activities and procure necessary professional and construction services in relationship to the project.

BE IT FURTHER RESOLVED, that the SDA Operating Authority will govern the award of all professional services and construction contracts and notification to the Board of the use of contingency monies.

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, Preliminary Project Charter, Perth Amboy School District – New Perth
Amboy High School, dated June 1, 2016

Dated: June 1, 2016

SOLE-SOURCE PROCUREMENT OF GOODS & SERVICES - APPLE INC. PRODUCTS



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955**MEMORANDUM**

TO: Members of the Authority

FROM: Sean Murphy
Director - Procurement

Cheryl Walcott Bediako
Deputy Director – Purchasing

DATE: June 1, 2016

SUBJECT: Sole-Source Procurement of Goods & Services - Apple Inc. Products

INTRODUCTION

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 goods and services contracts awarded pursuant to a sole source exemption from advertising under NJAC 19:38D-6.2(a)1. A sole-source procurement is necessary when only one vendor is capable of or available to provide the goods or services at the time they are required.

BACKGROUND

Several of NJSDA's school facilities projects opening in the near future are located in School Districts that have specified the use of Apple Inc. products as part of their District Technology plans filed with the New Jersey Department of Education, and these School Districts have requested that NJSDA incorporate Apple Inc. products into the construction and furniture, fixtures and equipment procurement of their new school facilities projects.

The School Districts requesting the purchase of Apple Inc. products for use in their soon-to-be completed school facilities projects, and the costs associated with procuring such Apple Inc. products direct from Apple Inc. are as follows:

District	School	Cost
Paterson	Marshall Street Elementary School	\$204,674.60
Paterson	P.S. 16 Elementary School	\$204,674.60 (estimated)
Jersey City	#20 Elementary School	\$56,700.00 (estimated)
Bridgeton	Quarter Mile Lane School	\$87,466.35
Keansburg	J. Caruso Elementary School	\$934,856.45

Members of the Authority
Approval of Sole Source Award
June 1, 2016
Page 2

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The costs for the Apple Inc. equipment for the above cited projects are included in the Project Budget for each named schools facility project.

The foregoing districts have articulated justifications for the use of Apple Inc. products based on the districts' current use of Apple Inc. products in their existing schools, such that the incorporation of Apple Inc. products in the new school facilities projects to be delivered by NJSDA will represent an extension and continuation of the districts' use of Apple Inc. products, thereby allowing the relevant School Districts to maintain the compatibility and integrity of the existing technology systems and networks in accordance with the District Technology Plan. Additionally, continued use of Apple Inc. products in the new school facilities will allow the requesting School Districts to standardize their equipment and exploit the interchangeability of parts and devices. Furthermore, continued use of Apple Inc. products will allow the relevant Districts to standardize the training of staff and students regarding the use of technology products across the District.

SOLE-SOURCE JUSTIFICATION

While Apple Inc. is the sole manufacturer of Apple Inc., products, there are various distributors and sellers of Apple Inc. products. However, after extensive research and analysis, it has become apparent that Apple Inc. itself, specifically its Education Division, is the only supplier from which to procure the needed equipment in the required quantities, and on the required schedule, to allow for the timely opening and delivery of the schools facility projects at issue. The costs of procuring the equipment direct from Apple Inc. are believed to be comparable to the costs that other suppliers would charge the NJSDA for the identical Apple Inc. products. While in the past NJSDA has purchased Apple Inc. products for schools facility projects by way of an existing state contract for Apple Inc. products, that state contract has recently expired and thus a sole-source purchase direct from Apple Inc. itself remains the only available source of supply at this time for the requested Apple Inc. technology products.

RECOMMENDATION

Pursuant to regulations, we are seeking the Board's approval to waive advertisement of this procurement and award a contract to Apple Inc. based on the sole-source exemption set forth at NJAC 19:38D-6.2(a)1. The Authority is also seeking the Board's approval to continue to purchase Apple Inc. products directly from Apple Inc. so long as Apple Inc. remains the sole-source provider and so long as there is no valid or available existing state contract through which to procure Apple Inc. products requested by SDA School Districts.

Members of the Authority
Approval of Sole Source Award
June 1, 2016
Page 3

/s/ Sean Murphy
Sean Murphy
Director - Procurement

/s/ Cheryl Walcott Bediako
Cheryl Walcott Bediako
Deputy Director – Purchasing

CHIEF EXECUTIVE OFFICER CERTIFICATION

Consistent with Executive Order #37 (Corzine), I hereby certify that the circumstances of this procurement warrant application of the sole-source exemption set forth in Section 16c of EO #37.

/s/ Charles B. McKenna
Charles B. McKenna
Chief Executive Officer

Resolution—6f.

Sole-Source Procurement of Goods and Services – Apple Inc. Products

Resolution

WHEREAS, Executive Order No. 37 was issued in 2006 to ensure fairness, transparency and efficiency in State Authority procurements; and

WHEREAS, pursuant to Executive Order No. 37 a sole-source procurement is appropriate when only one vendor is capable of or available to provide goods or services at the time they are required; and

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that goods and services contracts awarded pursuant to a sole-source exemption from advertising under NJAC 19:38D-6.2(a)1 receive approval by the Members of the Authority; and

WHEREAS, several of SDA's school facilities projects opening in the near future are located in school districts that have specified the use of Apple Inc. products as part of their district technology plans filed with the New Jersey Department of Education; and

WHEREAS, the school districts requesting the purchase of Apple Inc. products for use in their soon-to-be completed school facilities projects, and the costs associated with procuring such Apple Inc. products direct from Apple Inc., are set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, these school districts, as set forth in the memorandum presented to the Board on this date, have requested that SDA incorporate Apple Inc. products and services into the equipment procurement for their new school facilities projects; and

WHEREAS, utilization of Apple Inc. products has been determined justified as the same are currently used by these school districts in their existing schools, such that the incorporation of these products in their new school facilities projects to be delivered by SDA will allow them to maintain the compatibility and integrity of the existing technology systems and networks in accordance with their district technology plans; and

WHEREAS, continued use of Apple Inc. products in the new school facilities will allow the requesting school districts to standardize their equipment, exploit the interchangeability of parts and devices, and allow for standardized district-wide training of staff and students regarding the use of technology products; and

WHEREAS, for the reasons set forth in the memorandum presented to the Board on this date, SDA has determined, after extensive research and analysis, that Apple Inc. is the only supplier from which to procure the needed equipment in the required quantities and on the required schedule, to allow for the timely opening and delivery of the schools facility projects at issue; and

WHEREAS, it has further been determined that the estimated costs of procuring the equipment direct from Apple Inc. are believed comparable to the costs that other suppliers would charge the SDA for the identical Apple Inc. products and that the state contract for Apple Inc. products has recently expired with the result that a sole-source purchase direct from Apple Inc. itself remains the only available source of supply at this time for the requested Apple Inc. products; and

WHEREAS, the Chief Executive Officer of the SDA has certified that the circumstances of this procurement warrant application of the sole-source exemption set forth in Section 16(c) of Executive Order No. 37.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the sole-source exemption set forth in NJAC 19:38D-6.2(a)1, the Members of the Authority hereby authorize and approve a waiver of advertisement of this procurement and the award of a contract to Apple Inc. products for the goods and services described in detail in the memorandum presented to the Board on this date.

BE IT FURTHER RESOLVED, that the Members of the Authority authorize and approve the continued purchase of Apple Inc. products without Board approval so long as Apple Inc. remains the sole-source provider and so long as there is no valid or available existing state contract with which SDA might purchase Apple Inc. products requested by SDA School Districts.

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, Sole-Source Procurement of Goods and Services - Apple Inc. Products,
dated June 1, 2016

Dated: June 1, 2016

CHANGE ORDER: TERMINAL CONSTRUCTION COMPANY



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5325

MEMORANDUM

TO: Members of the Authority

FROM: Manuel Da Silva
Program Director, Program Operations

DATE: June 1, 2016

SUBJECT: Change Order No. 1 – Terminal Construction Corporation

COMPANY NAME:	Terminal Construction Corporation
DISTRICT:	City of Trenton
CONTRACT NO:	WT-0022-B01
PMF/CM:	TBD
SCHOOL NAME:	Trenton Central High School
CHANGE ORDER NO.:	1
REASON:	Additional work
AMOUNT:	\$1,800,000 NTE
TIME EXTENSION:	0 days
CONTRACT STATUS:	0.0% Paid to Date against the Current Contract Value
ORIGINAL OCCUPANCY DATE:	September 4, 2019
ANTICIPATED OCCUPANCY DATE:	September 4, 2019

INTRODUCTION

I am writing to recommend approval by the Members of the Authority for Change Order No. 1 in the Not to Exceed amount of \$1,800,000 to import and install a maximum of 57,000 cubic yards of additional clean fill material to achieve the final site grades required for the project. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a 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.

BACKGROUND

The new Trenton Central High School (TCHS) will be an approximately 374,000 square-foot facility that will educate 1,850 students in grades ten through twelve in the Trenton School District.

Members of the Authority
Change Order No. 1 – Terminal Construction Corporation
District – Trenton Central High School
June 1, 2016
Page 2 of 3

The former TCHS building has been demolished through an engagement between the NJSDA and the joint venture of USA Environmental Management, Inc. and Luzon, Inc. (USA/Luzon). USA/Luzon phased the abatement and demolition of the former TCHS building to ensure optimal schedule efficiency and achieved substantial completion on April 22, 2016.

On March 2, 2016, while demolition and backfilling activities were ongoing at the TCHS building site, the Members of the Authority approved the Final Project Charter and the award of a Design-Build Construction contract to Terminal Construction Corporation in the amount of \$115,950,000.

REASON FOR CHANGE

This change order is for additional construction services necessary to import and install 57,000 cubic yards of clean fill material on the project site to achieve the site grades required for the project.

At the time that the demolition contract was awarded the procurement documents for the Design Build solicitation were in development and final elevations for the new TCHS had not yet been established. The demolition contract included backfilling the building footprint with crushed building demolition material and did not include a requirement that the demolition contractor provide any additional backfill material.

On May 6, 2016 CB&I, the NJSDA's Site Environmental Consultant, received the as-built survey from USA/Luzon and performed an independent survey as well as a review of the site's post demolition site grade details which revealed that the site is in need of an additional 57,000 cubic yards of clean fill to achieve the final site grades required for the project. The need for additional fill – and the amount of additional clean fill needed - could not be determined until such time as USA/Luzon had completed the crushing and backfilling of the TCHS building footprint area with the recycled demolition material.

SUMMARY OF CHANGE

This change order is required to import and install 57,000 cubic yards of clean fill material on the project site in order to achieve the site grades required for the project.

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, and the Contract Management Division (CMD) for adherence to current SDA policy and procedures. All reviewing SDA staff members, including CMD, have determined that the Not to Exceed change

Members of the Authority
 Change Order No. 1 – Terminal Construction Corporation
 District – Trenton Central High School
 June 1, 2016
 Page 3 of 3

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order to import and install 57,000 cubic yards of clean fill material is justified and that the amount of \$ 1,800,000 is reasonable and appropriate.

CALCULATIONS

Original Contract Amount	\$ 115,950,000
Change Orders to Date (excluding proposed change order)	\$ -
Proposed Change Order Amountv(Not To Exceed)	\$ 1,800,000
Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$ 1,800,000
Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	1.6%
Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$ 117,750,000

RECOMMENDATION

The Members of the Authority are requested to approve Change Order No. 1 in the Not to Exceed amount of \$1,800,000 to import and install a maximum of 57,000 cubic yards of clean fill material to achieve the site grades required for the project. 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/ Manuel Da Silva

Manuel Da Silva, Program Director, Program Operations Director

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

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

Reviewed and Recommended by: Aaron Goss, Deputy Program Director, Program Operations

Prepared and Recommended by: Andrew Oakley, Senior Program Officer, Program Operations

Resolution—6g.

Approval of Change Order No. 1, Terminal Construction Corporation

6

COMPANY NAME:	Terminal Construction Corporation
DISTRICT:	City of Trenton
CONTRACT NO:	WT-0022-B01
PMF/CM:	TBD
SCHOOL NAME:	Trenton Central High School
CHANGE ORDER NO.:	1
REASON:	Additional work
AMOUNT:	\$1,800,000 NTE
TIME EXTENSION:	0 days
CONTRACT STATUS:	0.0% Paid to Date against the Current Contract Value
ORIGINAL OCCUPANCY DATE:	September 4, 2019
ANTICIPATED OCCUPANCY DATE:	September 4, 2019

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) provides that a change order that 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, the new Trenton Central High School (TCHS) will be an approximately 374,000 square-foot facility that will educate 1,850 students in grades ten through twelve in the Trenton School District; and

WHEREAS, the abatement and demolition of the former TCHS building was phased to ensure optimal schedule efficiency and achieved substantial completion on April 22, 2016; and

WHEREAS, on March 2, 2016, while demolition and backfilling activities were ongoing at the TCHS building site, the Members of the Authority approved the final project charter and award of a design-build construction contract to Terminal Construction Corporation in the amount of \$115,950,000; and

WHEREAS, it has been determined that additional construction services are required to import and install 57,000 cubic yards of clean fill material on the project site to achieve the site grades required for the project; and

WHEREAS, this Change Order No. 1, in the Not to Exceed amount of \$1,800,000 will facilitate engagement of these additional construction services; and

WHEREAS, the Not to Exceed amount of this Change Order No. 1 Board requires approval by the Members of the Authority as it is in an amount in excess of \$500,000; 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, and the Contract Management Division for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that the Not to Exceed change order to import and install 57,000 cubic yards of clean fill material is justified and that the amount of \$1,800,000 for the same 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 Not to Exceed amount of \$1,800,000 for importation and installation of a maximum of 57,000 cubic yards of clean fill material to achieve the site grades required for the Trenton Central High School project in the Trenton 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, Terminal Construction Corporation, Contract No. WT-0022-B01, Change Order 1, Trenton Central High School, Trenton School District, dated June 1, 2016

Dated: June 1, 2016

**REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN'S REPORT) - TO
BE PROVIDED IN EXECUTIVE SESSION**

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: June 1, 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 5/18/16

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 5/18/16

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.

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2011 & 2012 Portfolio Projects Activities Summary

as of 5/18/16

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.	4/26/16 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.	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.	3 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	High School	9-12	TBD	TBD	Design-Build	Preliminary Charter advancing to the Jun. 2016 Board.	TBD
	Seaman Avenue ES	K-5	700	\$56.8	Kit of Parts/ Design-Build	DB Advertisement 2/3/16. Proposals due 5/24/16.	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 5/18/16

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.

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Active Project Status Report Status as of 5/2/2016

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	Substantial Completion	Apr-16	Achieved	May-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	2Q 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	Trenton	New Central HS	New Construction	Design-Build Design Phase	2Q 2019	On-target	Sep-19	On-target	\$ 154,896,000
19	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 5/2/2016**

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	Irvington	Irvington HS	HVAC & Roofing	Construction	2Q 2016	On-Target	3Q 2016	On-Target	\$ 6,526,284
2	Trenton	Hedgepeth-Williams School	Roof Repairs	GC TO w/ Design	Feb-16	Achieved	Apr-16	Achieved	\$ 270,706
3	Vineland	High School South	HVAC	Construction	4Q 2016	On-Target	4Q 2016	On-Target	\$ 11,402,573

PROJECT CLOSEOUT STATUS REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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: June 1, 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 May 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) - Legal matter pending
Camden					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Land and/or School Transferred	01/09/12	Open contract(s) - Pending audit completion
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) - Legal matter pending
Cumberland					
2009	0997-030-02-0926	Cumberland Regional HS	Land and/or School Transferred	06/25/10	Open contract(s) - Legal matter pending
East Orange					
2008	1210-100-02-0613	Mildred Barry Garvin	Land and/or School Transferred	03/29/13	Open contract(s) - Legal matter pending
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) - Pending audit completion
2010	1210-X05-01-0808	Benjamin Banneker (New ES #5)	Land and/or School Transferred	07/23/12	Open contract(s) - Legal matter pending
Egg Harbor City					
2010	1300-X01-04-0ADY	New MS	Land and/or School Transferred	01/01/12	Open contract(s) - On-going construction
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) - Legal matter pending
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) - Legal matter pending
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) - Legal matter pending

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
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) - Legal matter pending
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) - Legal matter pending
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) - Pending audit completion
2014	3530-060-03-1032	A. Chester Redshaw Elementary School	Land and/or School Transferred	01/15/16	Open contract(s)
Newark					
Legacy	3570-x01-01-0617	Science Park	Land and/or School Transferred	05/03/13	Open contract(s) - Legal matter pending
2007	3570-X02-01-0618	1st Avenue ES	Land and/or School Transferred	09/28/11	Open contract(s) - Legal matter pending
2008	3570-X03-01-0665	Central HS	Land and/or School Transferred	03/28/12	Open contract(s) - Legal matter pending
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) - Legal matter pending
2010	3880-100-01-0968	Lincoln Ave ES	Land and/or School Transferred	09/07/12	Open contract(s) - Legal matter pending
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) - Pending audit completion
2010	5210-N03-01-0909	MLK-Jefferson	Land and/or School Transferred	12/01/11	Open contract(s) - Legal matter pending
Union City					

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
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) - Pending audit completion
2012	5240-N03-02-0397	Columbus Elementary School	Land and/or School Transferred	02/24/15	Open contract(s) - Legal matter pending
Vineland					
2007	5390-N05-04-000C	Gloria M. Sabeter Elementary School - Demonstration Project	Land and/or School Transferred	05/06/11	Open contract(s) - Pending audit completion
West New York					
2009	5670-065-01-0559	ES #2	Land and/or School Transferred	05/14/13	Open contract(s) - Legal matter pending
2012	5670-070-01-0556	West New York #3	Land and/or School Transferred	01/29/14	Open contract(s) - Legal matter pending
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			35		
			Legal Matter	19	
			Pending Audit	6	
			Miscellaneous	10	

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of May 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: June 1, 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:

Irvington New Madison Elementary School – Revised Preliminary Project Charter approved by the Board on March 2, 2106 to reflect the cost of necessary site preparation for the new school based upon the award amount for these services and appropriate contingency. The increase is due to a larger volume of asbestos removal and necessary regrading costs associated with addressing site elevation requirements identified as part of the ongoing design development of the project.



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to April 30, 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

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: April 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: April 2016

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
1	Irvington	New Madison Avenue Elementary School	Budget Increase	\$ 1,948,000	5.50%	Board Approved	Revised Preliminary Project Charter approved by the Board on March 2, 2106 to reflect the cost of necessary site preparation for the new school based upon the award amount for these services and appropriate contingency. The increase is due to a larger volume of asbestos removal and necessary regrading costs associated with addressing site elevation requirements identified as part of the ongoing design development of the project.

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: June 1, 2016

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

Contracts Executed Report

No data to report for the period April 1 through April 30, 2016.

Noteworthy Items during the reporting period:

- No contracts for Professional Services were executed during the reporting period.
- Execution of one contract for Demolition and Site Preparation Construction Services:
 - Irvington New Madison Ave ES to D&K Construction for \$3,043,185.
- Execution of one contract for Design-Build Services:
 - Trenton New Trenton Central HS to Terminal Construction for \$115,950,000.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period April 1 through April 30, 2016.

Noteworthy Items during the reporting period:

- No Amendments for Professional Services were executed during the reporting period.
- Execution of 16 Construction Services Change Orders totaling a credit of \$571k, of the 16 executed change orders one required board approval totaling a credit of \$779k.

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: 4/1/2016 through: 4/30/2016

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										
Irvington Township	Madison Avenue E.S.	RenoAdd	Demolition-PM	ES-0027-N01	D&K Construction Co., Inc.	M	\$3,043,185	04/04/2016	\$4,178,496	\$4,178,496
Trenton	Trenton Central H.S.	New	DB	WT-0022-B01	Terminal Construction Corp.		\$115,950,000	04/07/2016	\$117,328,280	\$117,328,280
Contractor										
Part 2. Construction Services										
							\$118,993,185			\$121,506,776



Contracts Executed Report

Reporting Period: 4/1/2016 through: 4/30/2016

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	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-F03	Virco Inc.		\$116,822	04/15/2016	-	
Bridgeton	Buckshutem Road E.S. - G. Foster ECC	RenoAdd	FFE	ST-0044-K16	Washington Computer Services		\$14,547	04/04/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-K17	Core BTS, Inc.		\$27,385	04/26/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-K18	Core BTS, Inc.		\$67,514	04/26/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-K19	Troxell Communications, Inc.		\$110,174	04/27/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-K20	Data Industries, Ltd.		\$294,750	04/28/2016	-	
Bridgeton	Buckshutem Road E.S. - G. Foster ECC	RenoAdd	FFE	ST-0044-K21	Computer Logic Group, Inc.		\$27,869	04/29/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-K22	Washington Computer Services		\$614,898	04/29/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-K23	Core BTS, Inc.		\$37,017	04/29/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q05	Wenger Corporation		\$36,647	04/19/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q06	Krueger International, Inc.		\$224,344	04/27/2016	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q07	Sico America, Inc.		\$22,790	04/29/2016	-	
Elizabeth	New Academic HS	New	FFE	EL-0006-K01	Diversant		\$377,939	04/18/2016	-	
Elizabeth	New Academic HS	New	FFE	EL-0006-Q11	Wenger Corporation		\$12,684	04/12/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K02	DynTek Services, Inc.		\$10,645	04/14/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K03	DynTek Services, Inc.		\$158,652	04/14/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K04	DynTek Services, Inc.		\$81,544	04/14/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K05	Keyboard Consultants		\$218,485	04/15/2016	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K06	Johnston G.P. Inc t/a Johnston Communications		\$40,479	04/14/2016	-	



Contracts Executed Report

Reporting Period: 4/1/2016 through: 4/30/2016

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
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-K07	Keyboard Consultants		\$15,651	04/15/2016	-	
Newark	Oliver Street E.S.	New	FFE	NE-0013-K21	Hewlett-Packard Company		\$24,567	04/11/2016	-	
Newark	Oliver Street E.S.	New	FFE	NE-0013-K22	Integra Business Center, Inc. dba IntegraOne		\$24,567	04/12/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-F04	Tenjam, Inc.		\$12,590	04/06/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K24	Apple Computer Inc.		\$204,675	04/14/2016	-	
Paterson	Marshall Street Elementary School	New	FFE	PA-0006-K25	Washington Computer Services		\$15,604	04/15/2016	-	
Paterson	New PS#16	New	FFE	PA-0024-Q14	Wenger Corporation		\$46,616	04/19/2016	-	

Others
Part 4. Other Contracts & Services

\$2,839,454

Total Contract Award

\$121,832,639

Total Contracts Awarded

28

Grand Totals - Professional and Construction Services Combined

** Contracts less than \$10,000 are not displayed

Project Types Legend
 HS Health & Safety
 New New Constuction
 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

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



Amendments & Change Orders Report (No CCD's)

Reporting Period: 4/1/2016 through: 4/30/2016

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 %
Construction Services													
Contractor													
Garfield	James Madison School #10 (Most Holy Name)	NT-0014-C03	12/03/2015	1	Brockwell & Carrington Contractors, Inc.	04/29/2016	\$16,725,000	\$0	\$119,921			\$16,844,921	.71%
Irvington Township	Irvington H.S.	EP-0083-C01	05/22/2015	3	Bennett Company, Inc. (The)	04/19/2016	\$4,917,000	(\$15,616)	\$24,000			\$4,925,384	.17%
Irvington Township	University M.S.	EP-0089-C01	07/26/2013	1	Bennett Company, Inc. (The)	04/26/2016	\$2,816,095	\$0	(\$779,209)	Y	03/02/16	\$2,036,886	-27.66%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	65	Ernest Bock & Sons, Inc.	04/11/2016	\$29,345,000	\$1,570,360	\$1,098			\$30,916,458	5.35%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	64	Ernest Bock & Sons, Inc.	04/15/2016	\$29,345,000	\$1,571,458	\$6,065			\$30,922,523	5.37%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	66	Ernest Bock & Sons, Inc.	04/15/2016	\$29,345,000	\$1,577,523	\$4,427			\$30,926,950	5.39%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	68	Ernest Bock & Sons, Inc.	04/15/2016	\$29,345,000	\$1,581,950	\$2,649			\$30,929,599	5.39%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	69	Ernest Bock & Sons, Inc.	04/15/2016	\$29,345,000	\$1,584,599	\$17,000			\$30,946,599	5.45%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	56	Ernest Bock & Sons, Inc.	04/26/2016	\$29,345,000	\$1,601,599	\$9,040			\$30,955,639	5.48%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	71	Ernest Bock & Sons, Inc.	04/26/2016	\$29,345,000	\$1,610,639	\$1,078			\$30,956,717	5.49%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	52	Epic Management, Inc.	04/15/2016	\$80,490,000	\$1,336,347	\$11,790			\$81,838,137	1.67%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	54	Epic Management, Inc.	04/15/2016	\$80,490,000	\$1,348,137	\$3,675			\$81,841,812	1.67%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	44	Epic Management, Inc.	04/27/2016	\$80,490,000	\$1,351,812	\$2,145			\$81,843,957	1.68%



Amendments & Change Orders Report (No CCD's)

Reporting Period: 4/1/2016 through: 4/30/2016

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 %
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	46	Epic Management, Inc.	04/27/2016	\$80,490,000	\$1,353,957	\$2,942			\$81,846,899	1.68%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	53	Epic Management, Inc.	04/27/2016	\$80,490,000	\$1,356,899	\$8,274			\$81,855,173	1.69%
Keansburg Borough	New Caruso E.S.	ET-0061-B01	01/30/2014	3	Hall Construction Co., Inc.	04/26/2016	\$34,333,000	\$0	(\$6,000)			\$34,327,000	-.01%

Contractor	
Construction Services	(\$571,105)

Total Change Order Summary

Grand Totals	(\$571,105)
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Column Description Legend

CO Execution Date	Date the Change Order was entered into the SIMS system
Revised Contract Amount	Current value of the contract (excluding additional assignments) including current change order

CONTRACT TERMINATIONS REPORT

NJSDA Terminated Contracts						
January 1, 2016 through April 30, 2016						
Contract #	School Name	Vendor Type	Vendor	Type of Termination	Scope of Termination	Termination Date
ET-0088-A01	Egg Harbor City - New Middle School	Design	The Vaughn Collaborative	Convenience	Entire Contract	4/26/2016

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: June 1, 2016

SUBJECT: Contractor and Workforce Compliance Monthly Update for March 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 March 31, 2016 was \$5,281,949. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$4,160,389, (including minorities and women). This represents 78.76% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 1,755,704	33.24%
Small/ Minority Business Enterprises	\$ 1,180,185	22.34%
Small/Women Business Enterprises	\$ 1,224,500	23.18%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 4,160,389	78.76%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 June 1, 2016
 Page 2 of 4

Ethnic Breakdown

Through the month of March 2016, the total SBE contracts awarded with minority participation were 28.36%.

Ethnicity	Contract Amount	Percentage
American Indian	\$ -0-	0.00%
Asian	\$ 132,500	3.18%
Black	\$ -0-	0.00%
Hispanic	\$ 1,047,685	25.18%
Total	\$ 1,180,185	28.36%

WORKFORCE COMPLIANCE MONITORING

For the month of March 2016, there was a contractor workforce of 1,040 on SDA projects. This represents a total of 90,228 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	75	7,363	8.16%
Hispanic	102	6,224	6.90%
American Indian	8	732	0.81%
Asian	1	24	0.03%
Total Minority Participation	186	14,343	15.90%
Total Non-Minority Participation	854	75,885	84.10%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 June 1, 2016
 Page 3 of 4

There was a contractor workforce of 250,261 total workforce hours and 1,889 total female workforce hours on SDA projects for the period of January 1, 2016 through March 31, 2016. The following table highlights the *Local County Contractor Workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	250,261	100.00%
*Total Local County Workforce Hours	43,581	17.41%
Total Local County Non-Minority Workforce Hours	37,152	14.85%
Total Local County Female Workforce Hours	646	0.26%
Total Local County Minority Workforce Hours	6,429	2.56%
**Local County Workforce Hours by Ethnicity:		
Black	4,558	1.82%
Hispanic	1,410	0.56%
American Indian	461	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
 June 1, 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 March 31, 2016.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
		Hours	Percentage	Hours	Percentage
Bridgeton, Buckshutem ES	3,944	258	6.54%	82	2.08%
Bridgeton, Quarter Mile	10,984	1,843	16.78%	355	3.05%
Elizabeth, New Academic HS	7,846	825	10.51%	4,888	62.30%
Elizabeth, New Elementary School	3,036	680	22.40%	-0-	0.00%
Gloucester, New MS	39,858	8,900	22.33%	7,553	18.95%
Jersey City, PS #20	8,775	1,913	21.80%	398	4.54%
Jersey City, ES #3	21,449	6,441	30.03%	1,283	5.98%
Keansburg, Caruso ES	29,965	2,930	9.78%	6,376	21.28%
Newark, Elliott Street ES	885	203	22.94%	14	1.58%
Newark, Oliver Street ES	17,222	3,537	20.54%	581	3.37%
Paterson, PS #16	28,320	7,837	27.67%	2,986	10.54%
Paterson, Marshall Street ES	8,717	1,992	22.85%	793	9.10%
Phillipsburg HS	68,480	4,068	5.94%	15,478	22.60%
Emergent Projects	780	435	55.77%	2	0.26%

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: June 1, 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 April 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.
- 19 grants impacting 5 districts were executed during the reporting period representing \$10.2M in total project costs and state share of \$4.1M.
- 26 grants impacting 15 districts were closed out during the reporting period representing \$13.8M in total project costs and state share of \$5.7M.
- 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

April 2016

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	120	523	501	300
Number of Grant Projects	384	5,282	3,968	1,314
Total Project Cost Estimate	\$ 328,558,208	\$ 8,868,308,231	\$ 7,546,494,787	\$ 1,321,813,445
Grant Amount	\$ 144,490,818	\$ 2,975,742,039	\$ 2,440,759,889	\$ 534,982,151
Amount Disbursed	N/A	\$ 2,616,481,658	\$ 2,440,759,889	\$ 175,721,769

Total Funding Offered to School Districts via Grant Program	\$ 3,120,232,858
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Total ROD Grant Funding remaining for new Grant Projects	\$ 22,175,219
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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	5	15
Number of Grant Projects	19	26
Total Project Cost Estimate	\$ 10,168,970	\$ 13,769,455
Grant Amount	\$ 4,131,397	\$ 5,717,466
Amount Disbursed	NA	\$ 5,717,466

* 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.

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Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

April 2016

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Camden	Brooklawn	Alice Costello E.S.	\$ 201,500	\$ 137,860	Emergency generator and emergency lighting installation
Middlesex	Middlesex County Vocational School District	MCVT Piscataway School of Career Dev	\$ 1,110,000	\$ 450,549	Roof and HVAC replacement
Middlesex	Milltown	Joyce Kilmer E.S.	\$ 323,400	\$ 129,360	Replacement and repair of HVAC system
Middlesex	Milltown	Joyce Kilmer E.S.	\$ 119,080	\$ 47,632	Masonry repairs
Middlesex	Milltown	Parkview E.S.	\$ 133,400	\$ 53,360	Site drainage remediation
Middlesex	Piscataway Township	Arbor E.S.	\$ 97,150	\$ 38,860	HVAC renovations
Middlesex	Piscataway Township	Conackamack M.S.	\$ 272,700	\$ 109,080	HVAC renovations
Middlesex	Piscataway Township	Dwight D. Eisenhower E.S.	\$ 290,550	\$ 116,220	HVAC renovations
Middlesex	Piscataway Township	Fellowship Farms	\$ 725,140	\$ 290,056	Roof replacement
Middlesex	Piscataway Township	Grandview E.S.	\$ 194,900	\$ 77,960	HVAC renovations
Middlesex	Piscataway Township	Knollwood E.S.	\$ 185,150	\$ 74,060	HVAC renovations
Middlesex	Piscataway Township	Martin Luther King E.S.	\$ 282,550	\$ 113,020	HVAC renovations
Middlesex	Piscataway Township	Piscataway Township H.S.	\$ 1,542,000	\$ 616,800	Replacement of ext. metal panels
Middlesex	Piscataway Township	Piscataway Township H.S.	\$ 772,620	\$ 309,048	Replace chillers
Middlesex	Piscataway Township	Piscataway Township H.S.	\$ 167,800	\$ 67,120	Upgrade HVAC controls
Middlesex	Piscataway Township	Randolphville E.S.	\$ 174,250	\$ 69,700	HVAC renovations
Middlesex	Piscataway Township	Theodore Schor M.S.	\$ 901,280	\$ 360,512	Roof replacement

Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

April 2016

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Morris	Lincoln Park Borough	Lincoln Park E.S.	\$ 1,041,250	\$ 416,500	Sectional roof replacement, boiler system and window system replacements
Morris	Lincoln Park Borough	Lincoln Park M.S.	\$ 1,634,250	\$ 653,700	Sectional roof replacement, boiler system and window system replacements
Grand Total		Grants Executed - 19	\$ 10,168,970	\$ 4,131,397	

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

COMMUNICATIONS MONTHLY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: June 1, 2016

SUBJECT: Monthly Communications Report

SDA Hosts Community Meeting in Irvington

On May 2, the SDA hosted a community meeting to discuss the upcoming start of construction work to build the new Madison Avenue School in Irvington. 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.

SDA Attends Healthy Schools Now Event

On May 14, the SDA CEO Charles McKenna served as the keynote speaker at the Healthy Schools Now Best Practices Event in Trenton. At the event Mr. McKenna provided attendees with an update on the work of the Authority and responded to questions.

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: June 1, 2016

SUBJECT: Monthly Financial Report – April 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 April 2016 year to date, Authority operating expenses, **\$7.4 million**, are **down \$1.2 million** as compared to the operating budget for the *corresponding period*. The deviation of actual expenses versus budget is due to:

- Lower salary & benefit costs **\$933K**. The Authority is currently 21 FTEs under budget. This variance is offset by the year to date allocation – of payroll expense to project cost – that is lower than projected, **(\$231K)**;
- Year to date lower spending for contracted professional services **\$89K**; MIS expenses **\$163K**, and general office and facilities **\$110K**.

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

For April 2016 year to date, Authority operating expenses, **\$7.4 million**, are **\$74K** higher as compared to the corresponding prior year.

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

For April 2016 year to date, project expenditures, **\$122 million**, are **lower** by **\$18.7 million** as compared to the capital spending forecast for the *corresponding period*. The variance is due to lower than anticipated expenditures in construction work **\$15.4M**, furniture, equipment and technology **\$825K**, project insurance **\$891K**, property acquisition **\$738K** and grant activity **\$781K**.

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

For April 2016 year to date, project expenditures, **\$122 million**, have **increased** by **\$5.3 million** as compared to the *corresponding prior year*. The year-over-year variance is attributable to increased spending in; construction activity **\$14.5M**; and increases for school furniture, equipment & technology **\$6.1M**. This variance is offset by decreased spending in property acquisitions **\$2.4M**, project insurance **\$5.4M**, and grant activity **\$7.9M**.

Members of the Authority
June 1, 2016
Page 2

Other

Since program inception, 74.8% 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
April 2016
(Unaudited)

New Jersey Schools Development Authority Overview of Financial Position April 30, 2016

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, April 30, 2016.

► Overall **Cash and Cash Equivalents** have decreased by \$125.5 million to \$492 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	608,411
■ Miscellaneous revenue	518,814
■ Project costs	(122,014,311)
■ SDA operating expenses	(6,161,478)
■ SDA capital expenditures	(394,704)
■ Deposits (primarily district local shares)	1,893,343
Net Change in Cash	\$ (125,549,925)

► **Prepaid Expenses** total \$698,268 as follows:

- Prepaid insurance of \$355,055.
- Prepaid rents of \$119,705 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$199,108.
- Other prepaids of \$24,400.

► **Capital Assets** total \$800,046 (net of accumulated depreciation of \$6,591,940), 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 \$45,344.

► **Accrued Liabilities** total \$121.9 million, as follows:

- Accrued project costs of \$34.3 million consisting of unpaid invoices (\$12.8 million); and retainage (\$21.5 million).
- Accrued net pension liability of \$58.4 million.
- 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 \$1.9 million.
- Post-employment benefits obligation of \$18.9 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$3.5 million, as follows:

- \$3.3 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$375.1 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation April 30, 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 \$30.2 million and \$122 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 16,176,350	\$ 71,439,058	\$ 4,313,181,617
Design Services	462,829	1,491,202	407,901,694
PMF/CM Services	309,006	2,058,320	441,026,384
SDA Project Management	1,219,740	4,900,106	47,414,703
Property Acquisition, Relocation & Enviro	238,958	2,311,884	575,133,584
School Furniture, Fixtures & Equipment	2,578,046	6,374,469	116,264,277
Project Insurance	(243,540)	402,503	105,741,207
NJ State Inter-Agency Transfers	-	147,733	46,456,074
SDA District Grant & Funding Agreements	105,645	2,046,502	825,950,150
Regular Operating District Grant Agreements	9,252,725	28,813,296	2,625,414,209
Real-Time Project Audits	-	50,279	294,820
Property Management, Maintenance & Utils	26,016	151,136	15,080,034
Outside Legal & Claims Resolution Services	87,720	169,792	7,145,199
Other Project Costs	167,961	1,832,860	59,682,603
Project Credits	-	-	(54,902,944)
Total Project Expenditures	30,381,456	122,189,140	9,531,783,611
Less: Local Share Contributions	(174,829)	(174,829)	(181,344,882)
Project Expenditures (State Share)	\$ 30,206,627	\$ 122,014,311	\$ 9,350,438,729
 2016 Capital Spending Forecast	 \$ 34,088,360	 \$ 140,735,186	

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	\$ 9,009,599,085	\$ 6,737,877,205
■ Regular Operating Districts	3,450,000,000	3,493,201,786	2,924,989,595
■ Vocational Schools	150,000,000	151,726,210	108,304,156
Total - State Share	\$ 12,500,000,000	\$ 12,654,527,081	\$ 9,771,170,956

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

■ SDA Districts	74.8%
■ Regular Operating Districts	83.7%
■ Vocational Schools	71.4%
Total - State Share	77.2%

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 \$420,732,227.

New Jersey Schools Development Authority Operating Expenses vs Budget April 30, 2016

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>Increase/ (Decrease)</u>
Employee Salaries	\$ 6,119,346	\$ 6,658,290	\$ (538,944)
Employee Benefits	4,717,365	5,048,675	(331,310)
Direct Hire Temporary Employee Costs	62,825	125,592	(62,767)
Total Employee Salaries & Benefits Costs	10,899,536	11,832,557	(933,021)
<u>Less:</u> Employee Salaries & Benefits Costs Charged to Projects	4,900,106	5,130,765	(230,659)
Operating Employee Salaries & Benefits Costs	5,999,430	6,701,792	(702,362)
Temporary Employees	18,362	43,332	(24,970)
Interagency Agreements	(20,987)	53,332	(74,319)
Contracted Professional Services	10,529	99,732	(89,203)
Employee Expense Reimbursements	7,470	11,086	(3,616)
Training & Professional Development	13,270	41,685	(28,415)
Parking	26,400	36,480	(10,080)
Automobiles	21,318	33,332	(12,014)
Communications & Outreach	240	168	72
Management Information Systems	324,153	487,144	(162,991)
General Office & Facilities	878,241	987,836	(109,595)
Other Expenses	2,971	7,500	(4,529)
Reserve for Unforeseen Events & New Initiatives	-	16,668	(16,668)
Total Non-Capital Operating Expenses	7,281,397	8,520,087	(1,238,690)
Capitalized Operating Expenses	78,518	66,668	11,850
Total Authority Operating Expenses	\$ 7,359,915	\$ 8,586,755	\$ (1,226,840)
Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	\$ 12,260,021	\$ 13,717,520	\$ (1,457,499)

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 April 30, 2016

<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	\$ 6,119,346	\$ 5,754,266	\$ 365,080
Employee Benefits	4,717,365	4,436,649	280,716
Direct Hire Temporary Employee Costs	62,825	123,900	(61,075)
Total Employee Salaries & Benefits Costs	10,899,536	10,314,815	584,721
<u>Less:</u> Employee Salaries & Benefits Costs Charged to Projects	4,900,106	4,429,257	470,849
Operating Employee Salaries & Benefits Costs	5,999,430	5,885,558	113,872
Temporary Employees	18,362	-	18,362
Interagency Agreements	(20,987)	16,061	(37,048)
Contracted Professional Services	10,529	67,023	(56,494)
Employee Expense Reimbursements	7,470	4,392	3,078
Training & Professional Development	13,270	7,841	5,429
Parking	26,400	36,159	(9,759)
Automobiles	21,318	24,075	(2,757)
Communications & Outreach	240	-	240
Management Information Systems	324,153	337,433	(13,280)
General Office & Facilities	878,241	845,898	32,343
Other Expenses	2,971	61,392	(58,421)
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Non-Capital Operating Expenses	7,281,397	7,285,832	(4,435)
Capitalized Operating Expenses	78,518	-	78,518
Total Authority Operating Expenses	\$ 7,359,915	\$ 7,285,832	\$ 74,083
Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	\$ 12,260,021	\$ 11,715,089	\$ 544,932

New Jersey Schools Development Authority

Employee Headcount

April 30, 2016

<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	8	9	-1
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	62	-7
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	14	15	-1
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>229</u>	<u>250</u>	<u>-21</u>

New Jersey Schools Development Authority

Statement of Net Position

April 30, 2016

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	<u>Current Month End</u>	<u>2015 Year End</u>	<u>Increase/ (Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 492,015,378	\$ 617,565,303	\$ (125,549,925)
Receivables	210,933	210,640	293
Prepaid Expenses	698,268	990,937	(292,669)
Capital Assets (Net of Accumulated Depr.)	800,046	766,872	33,174
Total Assets	493,724,625	619,533,752	(125,809,127)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions	8,494,437	10,731,769	(2,237,332)
Total Assets & Deferred Outflows of Resources	\$ 502,219,062	\$ 630,265,521	\$ (128,046,459)
LIABILITIES			
Accrued Project Costs	\$ 42,545,895	\$ 75,870,757	\$ (33,324,862)
Net Pension Liability	58,417,776	58,417,776	
Accrued Other Post-Employment Benefits	18,942,873	18,204,915	737,958
Other Accrued Liabilities	2,043,179	4,507,110	(2,463,931)
Deposits	3,530,253	1,636,910	1,893,343
Total Liabilities	125,479,976	158,637,468	(33,157,492)
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions	1,615,990	1,615,990	-
NET POSITION			
Invested in Capital Assets	800,046	766,872	33,174
Restricted Schools Construction:			
Build America Bond Program	-	-	-
Special Revenue Fund	374,323,050	469,245,191	(94,922,141)
Total Net Position	375,123,096	470,012,063	(94,888,967)
Total Liabilities, Deferred Inflows of Resources & Fund Balance/Net Position	\$ 502,219,062	\$ 630,265,521	\$ (128,046,459)

New Jersey Schools Development Authority

Statement of Activities

April 30, 2016

	<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	608,411	114,978	493,433
Rental Income	518,794	35,062	483,732
Other Revenue-OPRA	20	-	20
Total Revenues	<u>1,127,225</u>	<u>150,040</u>	<u>977,185</u>
EXPENSES			
Administrative & General Expenses	7,281,397	7,285,832	(4,435)
Capital Depreciation	45,344	27,624	17,720
School Facilities Project Costs	88,689,451	83,658,851	5,030,600
Total Expenses	<u>96,016,192</u>	<u>90,972,307</u>	<u>5,043,885</u>
CHANGE IN NET POSITION	(94,888,967)	(90,822,267)	(4,066,700)
Beginning of Period Net Position	<u>470,012,063</u>	<u>467,121,068</u>	<u>2,890,995</u>
NET POSITION END OF PERIOD	<u>\$ 375,123,096</u>	<u>\$ 376,298,801</u>	<u>\$ (1,175,705)</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.