

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, JULY 6, 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 June 1, 2016
- b. Board Executive Session Meeting Minutes of June 1, 2016
- c. Board Open Session Meeting Minutes of June 22, 2016

4. AUTHORITY MATTERS

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

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

- a. Amendment of Memorandum of Understanding Between the NJSDA and the Higher Education Student Assistance Authority [HESAA]

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

- a. Demolition Contract Award – East Orange School District – New George Washington Carver Elementary School
- b. Design-Build Award and Final Project Charter – Perth Amboy School District - New Seaman Avenue Elementary School

- c. COMPANY NAME: Tricon Enterprises Inc.
DISTRICT: Newark
CONTRACT NO.: NE-0008-N01
PMF/CM: NJSDA Self-Managed
SCHOOL NAME: Eight (8) Vacant, Deteriorated Residential Properties and One (1) Vacant Lot

CHANGE ORDER NO. 2
REASON: De-obligation of Unused Funds in the Contract
AMOUNT: (\$533,603.44)
CONTRACT STATUS: 19.00% Paid to Date against Current Contract Value

- d. VENDOR NAME: ProMedia Technology Services, Inc.
CONTRACT NO.: ES-0029-E01
DISTRICT: East Orange Public School District
SCHOOL NAME(S): New Langston Hughes Replacement; Mildred B. Garvin School; New E.S. #5

CHANGE ORDER NO: 3
REASON: De-Obligation of Unused Contract Balances
AMOUNT: (\$298,318.00)
CONTRACT STATUS: 42.5% Paid to Date Against Current Contract Value

- e. Preliminary Project Charter- Pemberton School District – Denbo Crichton Elementary School

7. MONTHLY REPORTS

- a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Close Out Status Report
 - iii. Project Status Reports
 - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
 - v. Contract Terminations Report
 - vi. Settlement Activities Report (*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 \$100,000 or 10% of the Contract Value
 - x. Communications Report
 - xi. Monthly Financial Report
 - xii. Design Contract De-Obligations Report (*no activity*)

8. PUBLIC COMMENTS

9. NO EXECUTIVE SESSION

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

10. ADJOURNMENT

APPROVAL OF MEETING MINUTES

JUNE 1, 2016 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 1, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, June 1, 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 (EDA)
Kevin Luckie (DCA)
Bernie Piaia (DOE)
Matthew Spadaccini (Treasury)
Kevin Egan
Loren Lemelle
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Egan, Ms. Hassett, Ms. Lemelle, Mr. McNamara, Mr. Piaia, Mr. Spadaccini and Mr. Walsh 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; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; and Albert Barnes, chief counsel; Gregory Voronov, managing director; Sean Murphy, director; Cecelia Haney, senior counsel; and Manuel Da Silva,

director of the SDA participated in the meeting. Christopher Howard of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

Approval of Meeting Minutes

Mr. Walsh presented for consideration and approval the minutes of the Board's May 4, 2016 Open and Executive Session meeting minutes. A copy of both meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Open and Executive Session minutes of the May 4, 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 advised the Members that design-builder Terminal Construction continues with design phase services. He said that management anticipates issuing a limited Notice to Proceed (NTP) for site work in August and for footings and foundations in September. He added that a recommendation of award for construction management (CM) services for the project is on today's agenda. Finally, Mr. McKenna advised the Board that management has identified the

need for a change order to provide and install material to address the gap between the post-demolition condition and the finished floor elevation of the new facility. He said that a recommendation to approve this change order is on today's agenda.

Mr. McKenna then gave an update on projects in the Bridgeton School District. In regard to the Buckshutem Road ES project, he reported that renovation work on the existing school building is anticipated to be completed by the end of the month. He said that work is proceeding well and management anticipates completion of the addition by the end of this month for the Quarter Mile Lane ES project.

With respect to the Camden HS project, Mr. McKenna reported that the Design Ideas Group continues to work on pre-design phase services. He noted that meetings with the Mayor and others will continue. He said that, for the East Orange George Washington Carver ES project, management is scheduled to receive bids for demolition/early site package work on June 9 and that the Design Studio is advancing the design of the new school.

Turning to projects in the Elizabeth School District, Mr. McKenna reported that the Academic HS project is on target for September occupancy. With respect to the Elizabeth New ES project, he reported that footings, foundation and major site-work activities continue to progress well.

Reporting on the Garfield James Madison ES No. 10 project, Mr. McKenna said that both the CM and General Contractor (GC) have been issued NTPs to commence construction phase activities. He said that the construction kick-off meeting was held last month and staff anticipates that the GC will be mobilizing on-site this month.

Mr. McKenna said that construction work continues to progress well on the Gloucester ES/MS project. In regard to the Harrison New ES project, he reported that the site work

contractor has mobilized on-site and commenced construction activities. He added that the Design Studio is advancing the design of the new school.

Turning to the Irvington Madison Avenue ES project, Mr. McKenna informed the Members that abatement work is on-going and is anticipated to take two months to complete. He said that building demolition will follow and is anticipated to be completed by the end of the year. He noted that the Design Studio is advancing the design of the new school there.

Mr. McKenna gave an update on projects in the Keansburg School District. He reported that interior finish work, HVAC, electric, and plumbing work continue for the Caruso ES project. He said that the project is on schedule for completion in July. In regard to the Port Monmouth Road ES project, he said that LAN Associates, the design consultant, is working on pre-design phase services.

Turning to the projects in the Jersey City School District, Mr. McKenna reported that management expects to receive the temporary certificate of occupancy (CO) on June 15 for the Jersey City PS 20 project and that the project is on target for September occupancy. In regard to the Jersey City No. 3 project, he said that the work of all major trades continues to progress well.

With respect to the Millville addition/renovation project, Mr. McKenna reported that the schematic design for the project has been finalized and was submitted to the Department of Education (DOE) for approval. He said that management issued a NTP to RSC to proceed with bridging design services and currently anticipates advertising for design-build services in the third quarter of this year.

Mr. McKenna informed the Members that design-builder Hall Construction is actively working on the preliminary design phase for the New Brunswick Paul Robeson ES project. He

said that a recommendation of award for CM services is on today's agenda, noting that this project was one of three projects procured by way of a consolidated approach.

In continuing, Mr. McKenna gave an update on projects in the Newark School District. He said that punch list work for the Elliott Street ES project is nearing completion and management anticipates receipt of a CO this month. In regard to the Oliver Street project, he said that the project was completed one month ago and the district took occupancy of the school this week. Mr. McKenna informed the Members that for the South Street ES project, Ernest Bock & Sons (EBS) is actively working on the preliminary design phase. He said that a package for footings, foundations and underground utilities has been submitted to the Department of Community Affairs (DCA) for review and that a recommendation of award for CM services for the project is on today's agenda.

With respect to both the Orange HS and Orange Cleveland ES projects, Mr. McKenna said that management is working with the district on finalizing conceptual options. He reported that for the Orange Cleveland ES project, the acquisition of three adjacent parcels and relocation of residents is complete.

In regard to the Passaic Leonard Place ES project, Mr. McKenna advised the Board that design-builder Dobco, Inc. has begun design work and is anticipating the start of construction activities this summer. He added that a recommendation of award for CM services is on today's agenda—again a procurement that proceeded by way of the three project consolidated approach.

Turning to projects in the Paterson School District, Mr. McKenna said that the water issue has been resolved and that fire testing has been completed and approved for the Marshall Street ES project. He reported that an application for a CO has been submitted to DCA and management anticipates its issuance by the end of the month. He added that the project is on

target for September occupancy as is the Paterson PS 16 project. With respect to PS 16, he advised the Members that the Team is working closely with the design-builder to ensure substantial completion by mid-July.

With respect to the Pemberton Denbo Crichton ES project, Mr. McKenna said that the final draft pre-design report has been received and internal review is underway. In regard to the Perth Amboy Seaman Avenue ES project, he reported that technical and price proposals for design-build services were received last month and management anticipates presenting a recommendation of award at the July Board meeting.

Mr. McKenna advised the Members that mechanical, electrical and plumbing systems installation along with paving and landscaping work is ongoing for the Phillipsburg HS project. He said that the project is on target for September occupancy.

Mr. McKenna reported that EBS continues with design phase services for the Vineland New MS project. He said that a recommendation of award for CM services to Joseph Jingoli & Sons was approved at the May Board meeting and management anticipates issuing a NTP within the next few weeks.

With respect to the West New York Harry L. Bain PS No. 6 project, Mr. McKenna reported that a pre-construction kick-off meeting was held last month and the contractor has begun mobilizing for the project.

Turning to the Authority's ongoing procurement activity, Mr. McKenna said that, in addition to the CM services awards for the TCHS, New Brunswick Paul Robeson ES, Newark South Street ES and Passaic Leonard Place ES projects, other activities currently underway include procurements for design-build services for the Perth Amboy Seaman Avenue ES project and demolition services for the East Orange George Washington Carver ES project.

In regard to Trenton Hedgepeth-Williams emergent project, Mr. McKenna said that the plumbing system in the school needs to be changed due to rotting. He said that the subcontractor backed out of the project and that management terminated the contract. He said that the project was re-advertised and a special Board Meeting is scheduled on June 22 to consider advancement of this project. He thanked the Members for their willingness to convene.

Mr. McKenna said that management will be recommending a sole-source procurement today which, with the Members approval, will enable SDA to purchase Apple, Inc. computer products for schools that will be delivered in the near future.

Reporting on events, outreach and other activities, Mr. McKenna informed the Members that Communications staff is working to schedule events later this month. He said the events being planned include a ground breaking ceremony in Garfield for the James Madison ES project, a ribbon cutting ceremony for the Newark Oliver Street School and community meetings to discuss the New Brunswick Paul Robeson School, Vineland MS and the West New York Harry L. Bain School PS No. 6 projects.

In continuing, Mr. McKenna noted that SDA's 2015 Annual Report was circulated to the Members and that a resolution to approve the same will be presented. Ms. Kelly suggested that the Board consider approval of the SDA Annual Report at this point in the meeting. The Chairman then asked for a motion to approve the 2015 SDA Annual Report. Upon motion duly made by Mr. Vargas, and seconded by Mr. McNamara, the Members of the Authority approved the 2015 SDA Annual Report upon their unanimous vote in favor of ***Resolution 4ai***.

Prior to concluding his report, Mr. McKenna responded to Member inquiries regarding the TCHS project. Mr. Walsh asked that any design updates regarding the TCHS project be shared with the Board.

School Review Committee

Construction Manager Award and Approval of Revised Project Charter– Trenton School District – Trenton Central High School; 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; Release of Funds from Program Reserve – Asbury Park School District – Asbury Park High School – Emergent Project – Roof Replacement; Release of Funds from Program Reserve – Asbury Park School District – Martin Luther King, Jr. Middle School – Emergent Project – Roof Replacement; Preliminary Project Charter – Perth Amboy School District – New Perth Amboy High School; Sole-Source Procurement of Goods & Services – Apple Inc. Products; Change Order: Terminal Construction Corporation

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 May 16, 2016 at which time management presented several items including a construction manager award and revised final project charter for the TCHS project. He reported that the TCHS project (the Project) will be an approximately 374,000 square foot facility to educate 1,850 students in grades 10 through 12. He reminded the Board that the final charter for the Project and an \$115,950,000 design-build construction contract award to Terminal Construction Corporation (Terminal) was approved by the Board in March. He said that, in April, a NTP with design phase services was issued to Terminal. Mr. Luckie said that, on March 18, a package for CM services was advertised as a price (30%) and other factors (70%) solicitation and that management now is seeking Board approval to award a contract for CM services in the amount of \$2,291,200 to the highest ranked firm, Heery International Inc. (Heery). He advised the Members that Heery has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He said that management also is seeking approval to increase the final project charter by \$508,000 to reflect the actual dollar value of the CM contract and appropriate contingency. Mr. Murphy and Mr. Da Silva provided additional details regarding the recommended award and charter revision.

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. Maloney, the construction management award to Heery International, Inc. and revised final project charter for the TCHS project were approved with the Board's unanimous vote in favor of ***Resolution 6a***.

Mr. Luckie next discussed the recommended CM services awards for the New Brunswick Paul Robeson Community Theme School for the Arts (Robeson Project), Newark South Street ES (South Street Project) and Passaic Leonard Place ES (Leonard Place Project). He reported that the Pre-K through 5 Robeson Project in the New Brunswick School District is an addition/renovation project which received approval to advance in September 2015; the Pre-K through 8 South Street Project in the Newark School District was approved to advance in October 2015; and the K through 5 Leonard Place Project in the Passaic School District was approved to advance in December 2015. Mr. Luckie said that final project charters, construction awards and NTPs have been issued in connection with all three projects. He reported that, in March, a multi-project procurement package for CM services was advertised as a price (40%) and other factors (60%) solicitation. He advised the Members that the Board is now requested to approve the award of a contract for CM services in the amount of \$1,487,500.00 for the Robeson Project to GREYHAWK North America LLC; a contract in the amount of \$1,409,450.00 for the South Street Project to STV Construction, Inc.; and a contract in the amount of \$1,403,310.00 for the Leonard Place Project to Epic Management, Inc. He said that all 3 firms have confirmed that their price proposals are inclusive of all scope elements contained in the contract documents for their respective projects. He added that funding for these engagements is available within the projects' budgets, in accordance with their respective final project charters. Mr. McKenna and Mr. Murphy provided additional details regarding the procurement process that was followed.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Prior to the Board vote on this matter, Mr. Egan noted that he was abstaining from the matter and vote insofar as it pertains to the New Brunswick Paul Robeson Community Theme School for the Arts project from which he is recused due to his residency. Mr. McNamara advised that he was abstaining from the matter and vote insofar as it pertains to the Passaic Leonard Place ES project from which he is recused due to a professional relationship with the recommended awardee. With these abstentions noted, upon motion duly made by Mr. Vargas seconded by Mr. Nixon, with Messrs. Egan and McNamara abstaining as noted above, the CM services awards for the New Brunswick Paul Robeson Community Theme School for the Arts, Newark South Street ES and Passaic Leonard Place ES were approved with the Board's vote in favor of **Resolution 6b**. At this time Mr. McNamara left the meeting.

Mr. Luckie then discussed management's request that the Board approve the release of funds from the program reserve for the Asbury Park HS roof replacement emergent project (the Project) in the Asbury Park School District. He reported that the Asbury Park HS (High School), built in 1927, is an approximately 114,000 square foot facility that educates 350 students in grades 9 to 12. He said that, following joint site visits conducted by SDA and 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 High School building's roof. He advised the Members that, after receipt of pre-construction approval, SDA issued a grant offer to the district to allow for the advancement of the Project through SDA delegation for district management. He said that the funding requested to address the emergent project at the High School is \$2,553,880.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Vargas and seconded by Mr. Piaia, the release of funds from the program reserve for the Asbury Park HS roof replacement emergent project was approved with the Board's unanimous vote in favor of ***Resolution 6c.***

Mr. Luckie then discussed management's request that the Board approve the release of funds from the program reserve for the Martin Luther King, Jr. MS (Middle School) roof replacement emergent project (the Project) in the Asbury Park School District. He said that the Martin Luther King, Jr. MS, built in 1971, is an approximately 117,000 square foot facility that educates 550 students in grades 5 to 8. He reported that, following joint site visits conducted by SDA and 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. He said that, after receipt of pre-construction approval, SDA issued a grant offer to the district to facilitate advancement of the Project through SDA delegation for district management. He added that the funding requested to address the emergent project at the Middle School is \$788,000. He advised the Members that 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. MS in the Asbury Park School District.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Vargas and seconded by Mr. Piaia, the release of funds from the program reserve for the Martin Luther King, Jr. MS roof replacement emergent project in the Asbury Park School District was approved with the Board's unanimous vote in favor of ***Resolution 6d.***

Next, Mr. Luckie discussed management's request for Board approval of the preliminary project charter for the New Perth Amboy HS project. He advised the Members that the Authority's 2012 Capital Plan identified a high priority educational need in the Perth Amboy School District that required further discussion with the district. He reported that a working group comprised of district, DOE and SDA staff reviewed and validated district needs and has recommended advancement of a new Perth Amboy HS project to provide additional capacity. He said that this will 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. He informed the Members that the estimated cost of \$234.4 million for the Project is inclusive of prior expenditures for related site investigation activities, as well as estimated future costs necessary for advancement of the current project scope. Mr. Voronov and Mr. McKenna offered additional details regarding the project and its significance for alleviation of overcrowding in the Perth Amboy School District.

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. Maloney, the preliminary project charter for the New Perth Amboy HS project was approved with the Board's unanimous vote in favor of ***Resolution 6e***.

Mr. Luckie discussed management's request for Board approval of the sole-source goods and services procurement for Apple Inc. products. He informed the Members that several of SDA's school facilities projects opening in the near future are located in school districts that have specified their use of Apple Inc. products as part of their District Technology plans. He explained that these districts are requesting the purchase of Apple Inc. products for use in their soon-to-be completed schools. He reported that management has determined that the use of

Apple Inc. products in these schools is justified on the basis that their districts' current utilization of Apple Inc. products will allow them to maintain the compatibility and integrity of their existing technology systems and networks. Mr. Luckie said that continued use of Apple Inc. products in their new schools will allow these 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. He advised the Members that SDA has determined 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. He said that the estimated costs of obtaining the equipment direct from Apple Inc. are believed to be comparable to the costs that other suppliers would charge for the identical Apple Inc. products. Mr. Luckie reported 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. He said that SDA's CEO 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 which governs procurements by state authorities. Mr. McKenna and Ms. Haney offered additional details relative to the sole-source procurement as recommended by management.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Following discussion, upon motion duly made Mr. Vargas and seconded by Mr. Piaia, the sole-source procurement for Apple Inc. was approved with the Board's unanimous vote in favor of **Resolution 6f**.

In continuing, Mr. Luckie discussed management's recommendation for approval of a change order for Terminal for the TCHS project. He reported that the new TCHS will be an

approximately 374,000 square foot facility that will educate 1,850 students in grades 10 through 12. He said that the abatement and demolition of the former high school building was phased to ensure optimal schedule efficiency and achievement of substantial completion by April 22, 2016. He advised the Members that, on March 2, 2016, while demolition and backfilling activities were ongoing at the HS building site, the Board approved the final project charter and awarded a design-build construction contract to Terminal in the amount of \$115,950,000. He said that it has now 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. He added that this change order in the Not to Exceed (NTE) amount of \$1,800,000 will facilitate engagement of these additional construction services. Mr. Da Silva and Mr. McKenna provided additional details regarding the project and the need for the proposed change order.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. Vargas, a change order in the NTE amount of \$1,800,000 for Terminal Construction Corporation for the TCHS project was approved with the Board's unanimous vote in favor of **Resolution 6g**.

Audit Committee Report

The Chairman then requested that Mr. Nixon provide the report of the Audit Committee. Mr. Nixon reported that the Audit Committee met on May 16, 2016. He said that management had provided the Committee with the April 2016 New Funding Allocation and Capital Plan Update. He said that management reported that there were no changes in the Unforeseen Events or the 2008 Capital Plan Emergent Projects reserve balances. He advised that there was an \$11.3 million decrease in the Planning Reserve balance due to Board approval of the budget increase

for the TCHS project and revisions to the preliminary charter for the Irvington New Madison Avenue ES. He noted that these decreases were offset by a project budget reduction for the West New York Harry L. Bain ES project along with the release of unused budgetary funds for the completed Long Branch New George L. Catrambone ES and the New Brunswick New A. Chester Redshaw ES. Mr. Nixon also advised that there was a decrease in the 2011 Capital Plan Emergent Projects reserve balance for the reporting period due to the release of funds for the Trenton Hedgepeth-Williams School emergent domestic water line replacement projects. He added that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$1.1 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon reported that management presented the results of the Authority’s Prompt Payment Compliance Act Audit (the Audit). He explained the scope of the Audit and advised the Board that the Audit showed that there were no instances of untimely payments. He explained that, as part of the Audit, a sample of 50 invoices was selected out of a population of 412 invoices between July 1, 2014 and June 30, 2015. In summary, he reported that the Audit concluded that the SDA is complying with the requirements of the Prompt Payment Act.

In continuing, Mr. Nixon reported that management presented the final audited financial statements from Ernst & Young, LLP (EY) following receipt of the 2015 pension allocation amounts from the Department of the Treasury’s Division of Pension & Benefits. He advised that the Authority’s accrued net pension liability as of December 31, 2015 is \$58.4 million. He explained that pension liability is based on an actuarial evaluation of the system. He said that the independent auditor’s report expressed an unmodified opinion that the 2015 financial statements present fairly, in all material respects, the financial position of the Authority as of December 31,

2015 consistent with Generally Accepted Accounting Principles. Mr. Nixon then invited Mr. Guarriello and EY to address any questions the Members might have regarding the Financial Statements. There being no questions, Mr. Walsh asked for a vote on the 2015 Financial Statements.

A resolution pertaining to the 2015 Financial Statements had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie and seconded by Mr. Vargas, the Authority's 2015 Financial Statements were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 5a***.

Public Comments

The Chairman then opened the Public Comments portion of the Board Meeting. Ms. Kelly asked Mr. Frank Faras, a Trenton City resident, to address the Board. Mr. Fares said that he resides at 401 Chambers Street which is located across the street from the TCHS site. He said that, also located in the vicinity, are a hospital and a firehouse. He said that the City has been blocking off the street during the time period when 1,000 children leave the high school at the same time. He explained that the result of this is that emergency vehicles cannot get through. He said that, unlike in the past, there are no longer police there to handle the problem.

Mr. Fares said that he has raised this issue before at Trenton School Board meetings and with the SDA and that no one has addressed these concerns through design adjustments. He encouraged SDA to relook at the design to accommodate this situation which raises safety concerns during the 8AM and 3PM time periods each day. He noted that the location in the neighborhood of a McDonald's restaurant with a drive-through window has made the situation even worse.

Mr. McKenna replied that the SDA did, in fact, take steps to address the issue raised by Mr. Fares by altering the design to reduce the amount of parking available in the front of the school. He noted that, while the SDA builds schools, it is the responsibility of the City to ensure that the site is safe. Mr. Fares asked if a parking area might be placed on the side of the school. Mr. McKenna explained that SDA tried to take these issues into account. He reiterated that it is up to the City to keep the area safe. Mr. Fares asked for the cooperation of the SDA. Mr. McKenna and Mr. Fares then exchanged additional remarks regarding past discussions about the project.

Mr. Walsh said that the meeting now would be adjourning into Executive Session. Ms. Kelly announced that, in Executive Session, the Board would be considering two matters: the first, a request to acquire temporary construction easements for the Harrison New ES project; and the second, a matter related to SDA owned property in Newark and the potential divestiture of that property. She said that the Board will vote on these matters when it returns to Open Session. Thereafter, upon motion by the Chairman and with unanimous consent, the meeting adjourned into Executive Session.

Following discussion in Executive Session, the Board returned to Open Session.

Mr. Vargas said that the Committee recommends that the Members of the Authority approve the acquisition of temporary construction easements for the Harrison New ES project. By motion duly made by Mr. Nixon and seconded by Mr. Luckie, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A1***.

Next, Mr. Vargas said that the Committee recommends that the Board rescind its February 3 action, approve a declaration of surplus property, determine property value, and authorize a transfer of properties to the City of Newark. By motion duly made by Mr. Luckie

and seconded by Mr. Nixon, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of *Resolution A2*.

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 June 1, 2016 meeting.

/s/ Jane F. Kelly
Assistant Secretary

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

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

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the June 1, 2016 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were forwarded to the Governor on June 2, 2016.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's June 1, 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: July 6, 2016

JUNE 22, 2016 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS TELECONFERENCE MEETING
WEDNESDAY, JUNE 22, 2016**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, June 22, 2016 at 1:30 P.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Kevin Luckie (DCA)
Bernie Piaia (DOE)
Matthew Spadaccini (Treasury)
Michael Capelli
Michael Maloney
Lester Lewis-Powder
Mario Vargas

being a quorum of the Board. At the Chairman's request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; Sean Murphy, director; and Aidita Milsted, director of the SDA participated in the meeting. Christopher Howard of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the

meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

School Review Committee

Award of Contract, Approval of Re-established Final Charter and Release of Funds from Program Reserve – Trenton Public Schools District – Hedgepeth Williams School – Emergent Project – Domestic Water Supply Line Replacement

At the Chairman's request, Mr. McKenna provided some brief background and the procurement history and process relative to the Trenton Hedgepeth Williams School emergent project. He thanked the Members for making themselves available to participate in today's teleconference meeting.

At the Chairman's request, Mr. Murphy discussed management's recommendation for approval of a contract award, re-established final charter and release of funds from the program reserve for the Trenton Hedgepeth Williams School (the School) emergent project (the Project). He reported that this 170,000 square foot School, built in 1939, currently serves as two separate educational facilities: the Robeson ES, educating approximately 584 students in grades Pre-K through 5 and the Hedgepeth Williams MS, educating approximately 500 students in grades 6 through 8. He informed the Members that the SDA has been charged with addressing two distinct emergent conditions at the School: one involving replacement of the facility's domestic water supply to remedy extensive leaking and the other involving roof repairs to eliminate water infiltration. He said that the separate condition related to the need for roof repair work was identified during a SDA site visit in June 2014 when the SDA identified a potential emergent condition concerning water infiltration throughout various roof areas. Mr. Murphy noted that the two distinct conditions are being addressed through two separate contracts, while remaining consolidated with one Department of Education (DOE) project number. He said that

construction activities related to the roof system repairs achieved substantial completion on February 19, 2016.

Mr. Murphy informed the Members that, on April 8, 2014, The Design Collaborative (TDC) was issued a Notice to Proceed (NTP) with pre-design services to address the domestic water supply replacement problem. He said that, upon completion of pre-design services, TDC was authorized to proceed with design services and to perform construction administration services for the project. In continuing, Mr. Murphy reported that, on May 3, 2016, D&K Construction Co, Inc. (D&K) was issued a NTP to proceed with construction of this emergent project which was scheduled for substantial completion by September 1, 2016.

Mr. Murphy reported that, on May 12, 2016, D&K notified SDA that the plumbing subcontractor identified in its price proposal had declined to enter into a subcontract with D&K for the project. He said that D&K then requested the ability to name a substitute plumbing contractor for the project. Mr. Murphy said that, following review of the situation and applicable case law, legal counsel determined that, in this circumstance, the Authority lacks the ability to permit substitution of a named subcontractor after award of a contract to a general contractor so a notice of termination was issued to D&K on May 13. He said that, also on May 13, 2016, a new procurement for construction services was advertised to address the emergent project. He reported that, upon conclusion of the competitive procurement process, management is recommending award of the contract to D&K in the amount of \$1,287,000. Mr. Murphy said that funding for the project is available within the emergent project funding allocation approved by the Board in March 2011. He advised the Members that, following review, D&K has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He said that the project construction schedule has been revised with construction

anticipated to begin July 2016. He said that substantial completion will still be achieved by September 1, 2016. The Members of the Board then asked certain questions of staff which were answered to their evident satisfaction.

Mr. Murphy said that the Members of the Authority are requested to approve advancement of three (3) related actions to address the emergent condition at the Hedgepeth Williams School in the Trenton Public School District: 1) the award of a contract in the amount of \$1,287,000 to D&K; 2) the re-established final charter for the project which is consistent with the award for construction and is inclusive of updated information as to project costs and schedule; and 3) the release of \$1,863,304 from the SDA Program Reserve.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Maloney and seconded by Mr. Piaia, the contract award, re-established final charter and release of funds from the program reserve for the emergent project at the Trenton Hedgepeth Williams School were approved with the Board's unanimous vote in favor of *Resolution 3a*.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. Ms. Kelly advised the Chairman that two members of the public had indicated a desire to address the Board. She asked Mr. Frank Fares, a resident of the City of Trenton, to approach the podium.

Mr. Fares advised the Board that he resides across the street from the Trenton Central High School (TCHS). He questioned who had initiated the contract for the Trenton Hedgepeth Williams emergent work. Mr. McKenna explained the general process applicable to advancement of emergent project work and described the roles played by the district, the DOE and the SDA in that process. Mr. Fares said that he had submitted an Open Public Records Act

(OPRA) request to the DOE seeking a list of all such contracts and did not receive any information regarding this project in response to his request. He advised the Board that he had seen the TCHS principal and librarian in the SDA lobby prior to the meeting and learned that they were in the Authority's offices for a TCHS building design meeting. He questioned why members of the community are not included in these design meetings, noting that the school principal is not a resident of Trenton. He also noted that the former Superintendent who had spearheaded the effort and been involved with the design is no longer employed by the district. He concluded by stating that the community should be involved in design discussions.

Ms. Kelly then asked Mr. Billie Hayes to address the Board. Mr. Hayes questioned why the public comment period is provided at the end of the meeting. He said that public comments should be received prior to the voting portion of the meeting.

Mr. Hayes indicated that he lives behind the TCHS site and opined that the community, and not just the school principal, should be included in building design meetings.

Mr. Hayes then questioned whether the Trenton Board of Education (TBOE) had approved the advancement of the Trenton Hedgepeth Williams emergent project. Mr. McKenna explained that TBOE approval was not a required part of the process but that the district is supportive of the project. Mr. Hayes asked whether the DOE had approved the emergent project and, if so, whether such approval was memorialized in written form. Mr. Piaia responded in the affirmative.

Ms. Kelly then asked if any other member of the public was present who wished to address the Board. No member of the public stepped forward.

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 June 22, 2016 meeting.

/s/ Jane F. Kelly
Assistant Secretary

RESOLUTION—3c.**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 June 22, 2016 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on June 22, 2016.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's June 22, 2016 Open 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: July 6, 2016

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

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

**AMENDMENT OF MEMORANDUM OF UNDERSTANDING BETWEEN THE NJSDA AND THE HIGHER
EDUCATION STUDENT ASSISTANCE AUTHORITY [HESAA]**



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

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MEMORANDUM

TO: The Members of the Authority

FROM: Kristen MacLean, Director - Communications 

THRU: Jane F. Kelly, Vice President Corporate Governance & Compliance
Donald Guarriello, Vice President and Chief Financial Officer

RE: Amendment of Memorandum of Understanding between NJSDA and HESAA

DATE: July 6, 2016

INTRODUCTION

The purpose of this memorandum is to request the Board's approval to extend the Memorandum of Understanding ("MOU") between the New Jersey Schools Development Authority ("NJSDA") and the New Jersey Higher Education Student Assistance Authority ("HESAA") for an additional three (3) years. Additionally, the Authority is seeking approval to establish an annual budget for an amount not to exceed \$250,000.00 (\$227,300.00 that could be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees) each year of the extended period. The term of the extended MOU would be for the period commencing May 1, 2016 to May 1, 2019, and under no circumstances would the HESAA administrative fees exceed 10% of the total value of scholarships awarded during any year. Pursuant to the MOU executed on July 31, 2013, HESAA is responsible for administering the Governor's Industry Vocations Scholarship Program ("NJ-GIVS"). Governor Christie announced the new scholarship program on June 25, 2013.

BACKGROUND

In September 2001, the NJSCC (now NJSDA) entered into a MOU with the State Department of Labor and Workforce Development ("LWD") for the administration and implementation of a community outreach and training program in the construction trades for minorities and women. Training was provided for upgrading academic skills and an introduction to the construction industry was offered in order to facilitate competition for union apprenticeships. As per the agreement, the NJSCC/NJSDA was regularly invoiced by LWD and payments were made accordingly. Participation in the program administered by the LWD was limited to minorities and women residing in the former Abbott Districts (now SDA Districts). The 2001

*The Audit Committee
Amendment of MOU between NJSDA and HESAA
July 6, 2016*

MOU between NJSDA and LWD was not required by law but was, rather, a voluntary effort by the agencies. However, in 2010, N.J.S.A. 52:38-7 statutorily mandated that:

“upon entering into any public works contract in excess of \$1,000,000 which is funded, in whole or in part, by funds of a public body, or any public works contract of any size which is funded, in whole or in part, by funds provided to the public body pursuant to the “American Recovery and Reinvestment Act of 2009,” Pub.L.111-5, the public body entering into the contract shall transfer an amount equal to one half of one percent (.5%) of the portion of the contract amount funded by funds of the public body, or provided to the public body.... To the Department of Labor and Workforce Development, except that any Statewide authority which enters into the contract and administers a program which meets the requirements of this section may retain all or a portion of the .5% share of the funds under the contract as is necessary for the operation of the program, but shall transfer to the department any portion of the funds not necessary for the program...”

N.J.S.A. 52:38-7 (2010) further provided that:

“The department or authority shall use the transferred or retained funds to provide 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.”

Following enactment of this law, the Authority explored ways to establish an exclusive program which would allow the Authority to exercise control over how the required funds were allocated in order to maximize its benefit. The MOU with HESAA accomplishes this goal--fulfilling the NJSDA's statutory mandate that construction related job training skills be provided to women and minorities and implementing Governor Christie's initiative as discussed above.

NJ-GIVS

NJ-GIVS fills a void that exists in state financial aid programs by making scholarships available to students pursuing non-degree certificate programs in construction/engineering related industries. Prior to the implementation of NJ-GIVS, state student financial aid programs only provided grants and scholarships to students in matriculated Associate or Baccalaureate degree programs.

Students from all counties and municipalities in New Jersey are eligible to receive a NJ-GIVS scholarship. Consistent with other HESAA residency requirements, students must be bona fide New Jersey residents for a period of at least 12 months. Students admitted to an

*The Audit Committee
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approved institutional program must apply directly to HESAA for the scholarship. HESAA awards the funds to eligible students on a “first come first served” basis.

A scholarship covers the cost of tuition up to \$2,000 per year less any federal financial aid the student is eligible to receive. The scholarship is renewable for one year. All scholarship awards are made to the institutions. The institutions, in turn, credit the students' accounts. No funds are disbursed directly to students.

Since July 2, 2013, the Authority has expended \$531,930.00 on the scholarship program, including \$36,405.00 for HESAA administrative fees. The MOU initially allocated \$550,000.00 (\$500,000.00 to be awarded in scholarships to eligible students and up to \$50,000.00 for HESAA administrative fees) for the first year of the program; however, since actual expenditures in year one of the scholarship program were significantly below the \$550,000.00, the Authority transferred the unused balance to year two of the program, and then did the same in year three of the program as an unused balance still remained. The Authority is tallying the final invoices for the original three years of the scholarship program and currently expects that the final amount will exceed the \$500,000.00 allocated for awarded scholarships; however, based on the anticipated excess (less than \$50,000.00), the Authority may amend the MOU with HESAA without obtaining further Board approval in accordance with the Operating Authority. Furthermore, the amount of expenditures for the first three years of the program is significantly less than the one half of one percent (.5%) statutorily mandated in N.J.S.A. 52:38-7.

HESAA

Like NJSDA, HESAA is an independent state authority. HESAA's core mission is providing students and families with financial and informational resources for students to pursue their education beyond high school. In fulfilling its mission, HESAA administers the state's higher education need-based grant and merit scholarship programs, in addition to college savings plan and student loan programs. During 2015, HESAA made more than 98,000 awards and distributed over \$500 million in aid and loans to students. HESAA administers the Tuition Aid Grant (TAG) program, the nation's most generous need-based undergraduate aid program; the part-time TAG for County College Students Program; the NJ STARS program; and the NJ STARS II program. Additionally, HESAA has bonding authority and annually sells bonds to finance the New Jersey College Loans to Assist State Students (NJCLASS) program. Along with the state programs, HESAA has contracts with the U.S. Department of Education to administer a number of federal student aid programs including, but not limited to, the Federal Family Education Loan Program and the John R. Justice Loan Redemption Program. In addition to administering financial aid programs, HESAA also has regulatory oversight over the college and university financial aid offices and conducts audits of those offices' functions to make certain the expenditure of funds comports with all statutory and regulatory requirements.

*The Audit Committee
Amendment of MOU between NJSDA and HESAA
July 6, 2016*

RECOMMENDATION

The Members of the Authority are requested to approve a three (3) year extension of the MOU between NJSDA and HESAA commencing May 1, 2016 and ending on May 1, 2019. Additionally, the Members of the Authority are requested to approve an annual budget for the extended MOU term for an amount not to exceed \$250,000.00 (\$227,300.00 that could be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees) each year.

In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, any amendment (including amendments to MOUs/MOAs) which exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000 and 10% of the contract value.

Resolution – 5a.**Amendment of Memorandum of Understanding Between SDA and the
Higher Education Student Assistance Authority (HESAA)****Resolution**

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve the execution of Memoranda of Understanding (MOU) between the SDA and other state agencies; and

WHEREAS, interagency cooperation is permitted by N.J.S.A. 52:14-1 et seq.; and

WHEREAS, in September 2001 the New Jersey Schools Construction Corporation (now the SDA) entered into a MOU with the Department of Labor and Workforce Development (LWD) for the administration and implementation of a community outreach and training program in construction trades for minorities and women; and

WHEREAS, the SDA, along with other entities that enter into “contract(s) in excess of \$1,000,000” with public funds, is statutorily required to implement or fund implementation of an outreach and training program for minority group members and women in construction trade occupations; and

WHEREAS, the New Jersey Governor’s Industry Vocations Scholarship Program (NJ-GIVS) fills a void that exists in state financial aid programs by making scholarships available to students pursuing non-degree certificate programs in construction/engineering related industries; and

WHEREAS, in 2013, SDA determined to maximize the effectiveness of its outreach and training initiative through its funding of the NJ-GIVS; and

WHEREAS, the Higher Education Student Assistance Authority (HESAA) is uniquely situated to provide the SDA with assistance to effectuate NJ-GIVS resulting in the establishment of an MOU between SDA and HESAA in July 2013; and

WHEREAS, since July 2013, the Authority has expended \$531,930.00 on the NU-GIVS program, including \$36,405.00 for HESAA administrative fees; and

WHEREAS, management is seeking Board approval to amend and extend the MOU between the SDA and the HESAA for an additional three (3) years; to establish an annual budget for an amount not-to-exceed \$250,000.00, of which \$227,300.00 can be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees for each year of the extended period; and

WHEREAS, the term of the extended MOU as proposed would be for the period commencing May 1, 2016 to May 1, 2019; and

WHEREAS, administrative fees to be paid to the HESAA shall, in no instance, exceed 10% of the total value of scholarships awarded during any year; and

WHEREAS, the background and a description of the HESAA, of the NJ-GIVS program and of its implementation to date and details as to the funding expended and to be expended along with the relevant statutory authority, is set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, SDA executive management recommends Board approval of the MOU between SDA and HESAA consistent with the memorandum presented to the Board on this date and the provisions of the MOU to be amended as proposed.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the amendments as proposed and a three (3) year extension of the MOU between the SDA and the HESAA for the NJ-GIVS program, such extension commencing May 1, 2016 and ending on May 1, 2019, as set forth in the memorandum presented to the Board on this date and incorporated herein.

BE IT FURTHER RESOLVED, that the Members of the Authority approve an annual budget for the extended MOU term for an amount not to exceed \$250,000.00, \$227,300.00 of which can be awarded in scholarships to eligible students and up to \$22,700.00 of which can be expended each year for HESAA administrative fees.

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, Amendment of Memorandum of Understanding between the New Jersey
Schools Development and the Higher Education Student Assistance Authority, dated
July 6, 2016

Dated: July 6, 2016

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

**DEMOLITION CONTRACT AWARD - EAST ORANGE SCHOOL DISTRICT - NEW GEORGE WASHINGTON
CARVER ELEMENTARY SCHOOL**



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

Thomas Schrum
Program Director, Program Operations

RE: District: East Orange
School: New George Washington Carver Elementary School
Description: Demolition of Old School
Package No.: ES-0021-N01
CCE: \$3,415,420
Advertised CCE Range: \$3,000,000 to \$4,000,000
Award: \$1,975,000
CM: TBD

DATE: July 6, 2016

SUBJECT: Demolition Contractor Award

INTRODUCTION

We are writing to recommend approval by the Members of the Authority of the award of a contract in the amount of \$1,975,000 to Site Enterprises, Inc.¹ for the demolition of the existing school and site preparation services for the New George Washington Carver Elementary School (New GW Carver ES) in the East Orange 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 construction contracts greater than \$500,000.

BACKGROUND

At the January 2, 2014 NJSDA Board meeting, the Members approved the Authority's Amendment to the Capital Plan Portfolio which authorized the NJSDA to undertake the required steps to advance a project for the East Orange New GW Carver ES. Inclusion of this project was based upon the DOE's 2013 Educational Facilities Needs Assessment (EFNA), which identified Facilities Efficiency Standard (FES) Compliance needs in the East Orange School District. The NJSDA's Capital Plan Amendment identified the East Orange New GW Carver ES project for validation and advancement.

¹ Site Enterprises, Inc. listed the following subcontractors for the required trades in its Price Proposal: Site Enterprises, Inc. (Demolition and Asbestos Removal/Treatment) and Timothy P. Bryan Electric Co., Inc. (Electrical).

Members of the Authority
Demolition Contractor Award
Package No. ES-0021-N01
East Orange – George Washington Carver Elementary School
July 6, 2016
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A Working Group comprised of the District, DOE and NJSDA staff was convened to review and validate current District needs and to identify and evaluate alternative project scopes to address its needs. This evaluation confirmed District-wide FES compliance needs and localized overcrowding in several schools serving grade levels Pre-K to 5.

Based upon this review and validation, the Working Group has confirmed that advancement of the East Orange New George Washington Carver Elementary School project would significantly address FES compliance needs, localized overcrowding and educational needs for all students in grades Pre-K to 5.

On May 6, 2015 the Members of the Authority approved the current Preliminary Project Charter and authorized the advancement of the project utilizing Kit of Parts components, the design-build delivery process and in-house design staff resources.

The Preliminary Project Charter approved by the Members in May 2015 recognized demolition of the existing facility and construction of an approximately 71,300 SF new school facility on the District-owned existing school site. The facility will provide capacity to educate approximately 463 students in grades Pre-K to 5.

PROCUREMENT PROCESS

This package was advertised beginning on April 26, 2016 on the NJSDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process.

A mandatory pre-bid conference and site visit was held on May 10, 2016

Project Rating Proposals were received from bidders by May 17, 2016. Bidders were evaluated based on the largest of four projects completed in the past seven years, safety records as well as reference checks. Based on evaluation of the information submitted, fourteen (14) bidders received a Project Rating Limit.

Requests for Information (RFIs) were received by May 20, 2016. An addendum containing responses to the RFIs was issued to the bidders on May 26, 2016.

Price Proposals were received on June 9, 2016. The Price Proposals were publicly opened and the lump sum base bids were read aloud as required by law.

Following the public bid opening, the NJSDA performed a review of the Price Proposals to determine the responsiveness of each bidder to the solicitation. The review determined that seven (7) bidders were responsive. The results of the review are listed below:

Members of the Authority
 Demolition Contractor Award
 Package No. ES-0021-N01
 East Orange – George Washington Carver Elementary School
 July 6, 2016
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Contractor	Bid Amount	Comments
Site Enterprises, Inc.	\$1,975,000.00	Qualified and responsive bidder.
Neuber Environmental Services, Inc.	\$2,065,900.00	Qualified and responsive bidder.
Tricon Enterprises, Inc.	\$2,089,000.00	Non-responsive bidder. Bid rejected.
Gramercy Group, Inc.	\$3,066,000.00	Qualified and responsive bidder.
Yannuzzi Group, Inc.	\$3,074,000.00	Qualified and responsive bidder.
D&K Construction Co., Inc.	\$3,297,000.00	Qualified and responsive bidder.
S & R Corporation	\$3,380,750.00	Qualified and responsive bidder.
SMAC Corporation	\$3,440,000.00	Non-responsive bidder. Bid rejected.
Dobtol Construction, LLC	\$3,684,000.00	Non-responsive bidder. Bid rejected.
USA Environmental Management, Inc.	\$4,539,000.00	Qualified and responsive bidder.
Two Brothers Contracting, Inc.	\$4,680,000.00	Non-responsive bidder. Bid rejected.

The responsive low bidder was Site Enterprises, Inc.

The bid submitted by Site Enterprises was below the CCE. In order to understand the differential between the CCE and the bid price and to ensure the contractor's price proposal was inclusive of all scope elements, a bid review conference was conducted on June 13, 2016 between Site Enterprises and NJSDA staff from Procurement, Program Operations, and Contract Management Division. The discussion verified that Site Enterprises had included all scope elements of the project in its bid. The discussion also identified variances between the NJSDA's CCE and Site Enterprises' price proposal in several areas, with the majority of the overall variance due to:

- The contractor's ability to perform the majority of the construction activities including asbestos abatement and demolition with its own forces and equipment; and
- General conditions costs based upon Site Enterprises anticipated project schedule.

In review of each scope of work item, the contractor expressed a good understanding and acknowledgement of the scope of the work and the schedule to complete the work. There were no apparent flaws found in the bid provided by Site Enterprises, and the firm has 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 Site Enterprises, Inc.

Members of the Authority
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July 6, 2016
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RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to Site Enterprises, Inc. for Contract No. ES-0021-N01 in the amount of \$1,975,000. 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/ Thomas Schrum
Thomas Schrum, Program Director, Program Operations

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

Resolution—6a.

Demolition Contractor Award

District:	East Orange
School:	New George Washington Carver Elementary School
Description:	Demolition of Old School
Package No.:	ES-0021-N01
CCE:	\$3,415,420
Advertised CCE Range:	\$3,000,000 to \$4,000,000
Award:	\$1,975,000
CM:	TBD

Resolution

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

WHEREAS, in January 2014, the Members of the Authority approved the Authority's Amendment to the Capital Plan Portfolio which authorized the SDA to take the required steps to advance a project for the East Orange New GW Carver ES (the Project); and

WHEREAS, in May 2015 the Members of the Authority approved the Project's Preliminary Charter and authorized its advancement utilizing Kit-of-Parts components, the design-build delivery process and in-house design staff resources; and

WHEREAS, the Preliminary Charter approved by the Members in May 2015 recognized demolition of the existing facility and construction of an approximately 71,300 square foot new school facility on the District-owned existing school site; and

WHEREAS, upon completion, the Project will provide capacity to educate approximately 463 students in grades Pre-K to 5 and significantly address Facilities Efficiency Standard (FES) compliance needs, localized overcrowding and educational needs for all students in the District's elementary grade level; and

WHEREAS, a detailed scope of work along with a description of the project approach is set forth in the materials presented to the Board on this date and incorporated herein; and

WHEREAS, a package for demolition services for the Project was advertised on April 26, 2016; and

WHEREAS, the Project background and details relative to the procurement process followed are set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, upon completion of the procurement process, the SDA program operations director and the contract management division recommend award of a contract for demolition and site preparation services in the amount of \$1,975,000 to Site Enterprises, Inc. and

WHEREAS, following review, Site Enterprises, Inc. has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of Contract No. ES-0021-N01 in the amount of \$1,975,000, to Site Enterprises, Inc. for the New George Washington Carver Elementary School project in the East Orange School District consistent with the memorandum presented to the Board on this date and incorporated herein.

BE IT FURTHER RESOLVED, that such approval is contingent upon the agreement and related documentation being 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, Demolition Award (ES-0021-N01), East Orange School District, dated
July 6, 2016

Dated: July 6, 2016

**DESIGN-BUILD AWARD AND FINAL PROJECT CHARTER - PERTH AMBOY SCHOOL
DISTRICT - NEW SEAMAN AVENUE ELEMENTARY SCHOOL**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

Manuel Da Silva
Program Director, Program Operations

RE: District: Perth Amboy School District
School: New Seaman Avenue Elementary School
Description: Design-Build
Package No.: ET-0031-B01
CCE: \$45,579,000
Advertised CCE Range: \$40,000,000 – \$47,000,000
Award: \$43,570,000
CM: TBD

DATE: July 6, 2016

SUBJECT: Design-Build Award and Approval of 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 \$43,570,000 to Epic Management, Inc.¹ for Design-Build services for the New Seaman Avenue Elementary School (Seaman Ave ES) in the Perth Amboy School District.

The Design-Build Team will complete the design of the facility utilizing NJSDA-developed schematic design documents and will also provide construction and construction administration services, including securing of all required permits and approvals, for construction of a new school facility for grades Kindergarten through 5. The form of contract for this engagement is a Design-Build contract with the general contractor as the lead and with relevant trades and design disciplines serving in sub-contractor and sub-consultant roles.

We are also recommending approval by the Members of the attached Final Project Charter representing the project budget inclusive of dollar values for the award of the Design-Build package.

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 construction contracts greater than \$500,000 and for the approval of the Final Project Charter.

¹ Epic listed the following subcontractors for the required trades in its Price Proposal: Centralpack Engineering Corporation (HVACR), Brooks Mechanical Consultants, Inc. (Plumbing), BW Electrical Services, LLC (Electrical), and Sparta Steel Corporation (Structural Steel & Ornamental Iron). Epic also listed a design consultant team lead by Design Ideas Group Architecture + Planning, LLC (Architecture), and including Schiller And Hersh Associates, Inc. (HVAC Engineering, Electrical Engineering and Plumbing Engineering), Engineering & Land Planning Associates, Inc. (Civil Engineering), Harrison-Hamnett, P.C. (Structural Engineering), and Langan Engineering & Environmental Services, Inc. (Environmental Engineering).

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BACKGROUND

The Seaman Ave ES project will consist of the construction of an approximately 128,000 square foot facility to educate approximately 724 students in grades K through 5 in the Perth Amboy School District.

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. That Plan identified high priority educational need for all grade levels in Perth Amboy that required further discussion with the District. Review and validation activities were completed by the District, Department of Education (DOE) and NJSDA, which served to inform the Preliminary Project Charter for the construction of a new elementary school to partially address the District's educational needs for grades K through 5. This Preliminary Project Charter recommending a Design-Build project advancement approach was approved by the Members on August 6, 2014.

Following approval of the Preliminary Project Charter, NJSDA staff developed Schematic Design documents which were approved by the District and NJDOE, and with the assistance of the engaged Site Environmental Consultant, developed bridging documents to support procurement of a Design-Builder.

A Construction Management (CM) firm will be engaged to manage the construction phase of the Seaman Ave ES project. These services will be procured during the fourth quarter of 2016.

PROCUREMENT PROCESS

This package was advertised as a design-build solicitation on February 3, 2016 on the NJSDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. For this procurement, "Price" is weighted as more important than all "Other Factors," with price equaling 60% of the overall weight, and all non-price factors having a combined weight of 40%.

A mandatory pre-bid conference was held on February 23, 2016.

In accordance with regulations, the NJSDA employed a two-step process for this procurement. The first step required interested bidders to submit a Project Rating Proposal, which was used by the NJSDA to determine each bidder's Project Rating Limit, or maximum amount that a bidder may bid, for the project. Project Rating Proposals were received by March 8, 2016. Bidders were evaluated based on the largest of four projects completed in the past seven years, safety records as well as reference checks. Based on evaluation of the information submitted, seven (7) bidders received a Project Rating Limit.

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

TABLE 1

Firm	Project Rating Limit
Dobco, Inc.	\$ 81,124,230
Epic Management, Inc.	\$282,230,000
Ernest Bock & Sons, Inc.	\$130,481,150
Hall Construction Company, Inc.	\$139,712,240
Joseph A. Natoli Construction Corporation	\$119,127,960
Prismatic Development Corporation	\$245,016,400
Terminal Construction Corporation	\$212,681,000

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The second step of the process required the bidders to simultaneously submit a Technical Proposal and a sealed Price Proposal. In advance of submission of Technical and Price Proposals, bidders were permitted to submit questions seeking clarification of the procurement documents, until March 18, 2016. Addenda responses to Bidder Questions were issued to the bidders on March 24, April 6, April 14, April 26 and May 12, 2016.

Technical and Price Proposals were received on May 24, 2016 from five (5) bidders. As described in the RFP, the Technical Proposal submission consists of two separate portions for evaluation by two distinct committees as follows:

1. The “Experience Criteria” portion of the Technical Proposal submission was evaluated by an Evaluation Committee comprised of three (3) NJSDA staff members. The Evaluation Committee was responsible for collectively evaluating the “Experience Criteria” on a non-numeric basis and determining, on a consensus basis, whether a bidder had demonstrated sufficient experience in the following “Experience Criteria” categories:
 - Design-Builder’s Experience on Similarly Sophisticated Projects
 - Design-Builder’s Design Consultant’s Experience on Similarly Sophisticated Projects
 - Design-Builder’s Demonstrated Prior Affirmative Action Experience

2. The “Project Approach Criteria” portion of the Technical Proposal submission was evaluated by a Selection Committee, comprised of five (5) NJSDA staff members and one (1) alternate, and one (1) Perth Amboy School District representative. The Selection Committee was responsible for independently evaluating and scoring each bidder in each of the following “Project Approach Criteria” categories:
 - Approach to Project
 - Identification and Qualification of Required Key Team Members
 - Approach to Schedule
 - Approach to LEED Requirements

“Evaluation Committee” Review

The Evaluation Committee determined that each of the bidders demonstrated sufficient experience in the “Experience Criteria” categories to be considered for award.

“Selection Committee” Review

The Selection Committee members conducted interviews with each of the five (5) Design-Build teams at NJSDA offices in Trenton on June 6, 2016 affording committee members an opportunity to obtain any additional information from each bidder team as needed to complete their evaluations of the “Project Approach Criteria” portion of the Technical Proposal.

Each Selection Committee member evaluated the “Project Approach Criteria” portion of each Technical Proposal, assigning a raw score for each category on a scale of 0 to 10 as follows:

- 9 - 10 points - outstanding response - offers significant advantages.
- 7 - 8 points - superior response - exceeds requirements with no deficiencies.
- 5 - 6 points - sufficient response - meets the requirements with no significant deficiencies.
- 3 - 4 points - minimal response - meets the requirements but contains some significant deficiencies.

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- 1 - 2 points - marginal response - comprehends requirements, but contains many significant deficiencies.
- 0 points - unsatisfactory response - requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors were then applied to each of the Selection Committee member's raw scores for each "Project Approach Criteria" category to arrive at a total weighted category score as follows in Table 2 below:

TABLE 2

Project Approach Criteria Evaluation Category	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Approach to Project	3.5	35
Identification and Qualification of Required Key Team Members	3.0	30
Approach to Schedule	1.5	15
Approach to LEED Requirements	2.0	20
Total Possible Points		100

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

The results of the Selection Committee's review of the "Project Approach Criteria" portion of each Technical Proposal are listed in Table 3 below:

TABLE 3

Contractor	Raw Non-Price Score	Non-Price Rank
Hall Construction Company, Inc.	77.167	1
Epic Management, Inc.	69.500	2
Terminal Construction Corporation	69.250	3
Ernest Bock & Sons, Inc.	63.583	4
Dobco, Inc.	58.750	5

Sealed Price Proposals

Once all the Technical Proposals were scored pursuant to the "Project Approach Criteria", the Authority opened the sealed Price Proposals and reviewed them for responsiveness. The Price Proposals were publicly opened on June 10, 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.

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

TABLE 4

Contractor	Bid Amount	Raw Price Score	Price Rank
Epic Management, Inc.	\$43,570,000.00	100.000	1
Dobco, Inc.	\$45,000,000.00	96.718	2
Ernest Bock & Sons, Inc.	\$46,885,000.00	92.392	3
Terminal Construction Corporation	\$47,377,000.00	91.262	4
Hall Construction Company, Inc.	\$47,947,000.00	89.954	5

Before being combined with the non-price scores, the price scores for all bidders were adjusted by a weighting factor of 60%, and the scores for the non-price "Other Factors" criteria were adjusted by a 40% weighting factor.

Combined Scores and Final Rankings

The combined scores and final rankings are listed in Table 5 below:

TABLE 5

Contractor	Raw Non-Price Score	Raw Price Score	Weighted Non-Price Score (40%)	Weighted Price Score (60%)	Combined Score	Final Rank
Epic Management, Inc.	69.500	100.000	27.800	60.000	87.800	1
Hall Construction Company, Inc.	77.167	89.954	30.867	53.972	84.839	2
Terminal Construction Corporation	69.250	91.262	27.700	54.757	82.457	3
Dobco, Inc.	58.750	96.718	23.500	58.031	81.531	4
Ernest Bock & Sons, Inc.	63.583	92.392	25.433	55.435	80.868	5

The highest ranked bidder was Epic Management, Inc. (Epic).

Highest Ranked Bidder's Price Proposal

The bid submitted by Epic was below the CCE. In order to understand the differential between the CCE and the bid price and to ensure the contractor's price proposal was inclusive of all scope elements, conferences were conducted on June 17, 2016 and June 24, 2016 with Procurement, Program Operations, Contract Management Division and Epic to review the bid. The discussion verified that Epic had included all work per the scope of the project and identified variances between the NJSDA's CCE and Epic's price proposal in several areas, with the majority of the overall variance representing lower import and export soil quantities resulting from Epic's proposed in-situ soil improvement plan, as well as lower costs for the disposal of exported soil. At the time of review, Epic 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 Epic Management, Inc.

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FINAL PROJECT CHARTER

The attached Final Project Budget represents the project budget inclusive of actual dollar values for the award of the Design-Build contract, current estimates for all project scope elements inclusive of estimated costs for future scope elements such as FF&E, technology and appropriate contingencies. Additionally, the budget is inclusive of costs incurred related to prior design, predevelopment and environmental services, as well as NJSDA Staff costs for both Design and Project Management. The project budget of \$56.4 million in the Final Project Charter represents a net decrease of approximately \$0.3 million from the Board approved Preliminary Project Charter, while also representing increased construction costs based upon the award value for the design-builder which exceed the value that was estimated within the Preliminary Project Charter. The values estimated within the Preliminary Project Charter were based upon the application of planning assumptions to proposed project scope at the time the charter was advanced for approval in August 2014. Additionally, the Furniture, Fixtures, Technology & Equipment budgets have been increased to reflect more recent project experience. These increases within the overall budget are fully offset through the utilization of design contingency included within the Preliminary Project Charter to account for potential cost increases prior to the award of the design-build contract.

RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the highest ranked bidder, Epic Management, Inc., for Contract No. ET-0031-B01 in the amount of \$43,570,000. Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

The Members of the Authority are also requested to approve the attached Final Project Charter representing all expended and projected funds necessary for completion of the project.

/s/ Sean Murphy

Sean Murphy, Director, Procurement

/s/ Manuel Da Silva

Manuel Da Silva, Program Director, Program Operations

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

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

Reviewed and Recommended by: Gregory Voronov, Managing Director, Program Operations

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

Prepared and Recommended by: Nicole Burnett, Program Officer, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Region: Central
District: Perth Amboy
Project Name: New Seaman Avenue ES
School Type: Elementary School
DOE # / Project #: 4090-N01-98-0325
Project Type (New/Add/Reno): New
Project Location: Seaman Ave, Perth Amboy, NJ
Number of Students: 724

Charter Date
07/06/16

Supersedes Charter Dated
08/06/14

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

Funding Source
2012 Capital Plan

Project Budget: \$ 56,435,971
Anticipated Substantial Completion Date: 02/21/19
Anticipated School Occupancy Date: 09/15/19

Funding Allocated
\$56,760,222

Project Team Leader: Manuel Da Silva
Project Initiation Date: Aug-14
SDA Board - Project Charter Approval Date: 07/06/16

District Local Share
\$0.00

Charter Version and Date		Project Summary
<input type="checkbox"/> Planning		Construction of an approximately 128,000 SF New Elementary School for 724 students in grades K to 5 on the District-owned Seaman Avenue site.
<input type="checkbox"/> Preliminary	08/06/14	
<input checked="" type="checkbox"/> Final	07/06/16	
		Purpose for Advancement of Current/Revised Project Charter
Revision # and Date		Approval of the Final Charter inclusive of the final budget and schedule for the project based upon the award of the Design-Build Contract.
<input type="checkbox"/> One		
<input type="checkbox"/> Two		District Project Goals
<input type="checkbox"/> Three		
<input type="checkbox"/> Four		
<input type="checkbox"/> Five		
<input type="checkbox"/> Six		
		A new school to partially address district wide overcrowding in grades K to 5.

Recommendation

Program Director - Program Operations _____ Date _____
 Manuel Da Silva

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

Chief Executive Officer _____ Date _____
 Charles McKenna

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

Charter Date
07/06/16

District / Project Name:	Perth Amboy / New Seaman Avenue ES
DOE # / Project #:	4090-N01-98-0325

Project Milestones	Date
School Occupancy Date	09/15/19

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

<u>Real Estate Services</u>	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Feasibility	Complete	<input type="checkbox"/>	<input type="checkbox"/>	Complete	<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	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Early Site Package	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	N/A	Date	<input type="checkbox"/>	<input type="checkbox"/>		
District Notified?	N/A		<input type="checkbox"/>	<input type="checkbox"/>		
Classification Exception Area?	N/A		<input type="checkbox"/>	<input type="checkbox"/>		
District Notified?	N/A		<input type="checkbox"/>	<input type="checkbox"/>		

Special Considerations

<u>Design:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>		<u>Est.</u>	<u>Act.</u>
Design Start (NTP)	09/29/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Design Restart (if applicable)	NA	<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase	09/29/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/31/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design	12/18/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/13/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bridging Documents	03/12/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10/30/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design-Build Bid/Award	02/03/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	08/17/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	08/18/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Final Design	08/18/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	05/31/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Construction:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>
Construction Start (NTP)	06/01/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	02/21/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	Sep-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	05/17/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	04/17/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	06/17/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

The above schedule information is based upon the NJSDA'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
		07/06/16
District / Project Name: Perth Amboy / New Seaman Avenue ES		
DOE # / Project #: 4090-N01-98-0325		
2012 Capital Plan Funding Allocation	\$	56,760,222
Special Considerations:		
<p>The project budget represented below 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. The budget also includes prior expenditures related to design, predevelopment and environmental activities.</p> <p>1. District Local Share Funds represent district funded costs associated with allowances included within the Design-Build engagement for District requested system upgrades above material and system standards. Additionally, District Funds have been escrowed for costs associated with disposal of impacted soils for which the District is responsible. The actual value of this work has not yet been quantified and as such the District Local Share Funds are not reflected within the project budget.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	128,000	1.64
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	128,000	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$270.12	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$2,330,000	
Building Costs	\$36,845,000	
Site Costs	\$4,395,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 0 months at 5 % per year	\$0	
Design Contingency	\$0	
Construction Contingency	\$2,065,000	
Total Construction Costs	\$45,635,000	
Pre-Development Costs:		
Consultant Services	\$1,505,000	
Early Site Package (Demolition/Remediation)	\$0	
Land Acquisition	\$28,021	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs	\$1,533,021	
Other Costs: %		
Design		
Prior Design Services	\$1,486,950	
In-House Design	\$700,000	
Project Management (SDA Staff)	\$1,555,000	
Construction Management	\$1,596,000	
FF&E	\$2,000,000	
Technology	\$1,900,000	
Commissioning	(Included in DB Scope)	
Temporary Space	\$0	
Other Costs	\$780,000	
Total Other Costs	\$10,017,950	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds ¹	(\$750,000)	
Total Other Funding Sources	(\$750,000)	
Total Project Budget	\$56,435,971	
Funding from Prior Allocation	\$2,286,285	
Funding from 2012 Capital Plan	\$54,149,686	

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

Charter Date

07/06/16

District / Project Name: Perth Amboy / New Seaman Avenue ES
DOE # / Project #: 4090-N01-98-0325

Project Budget:

	Preliminary Charter 8/6/14	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.55	1.64	(0.09)
Gross Building Area (GSF):			
New	120,000	128,000	(8,000)
Addition		0	
Renovation		0	
Total Gross Area (GSF):	120,000	128,000	(8,000)
Design-Builder Costs			
Design	\$1,977,000	\$2,330,000	(\$353,000)
Building Costs	\$33,490,000	\$36,845,000	(\$3,355,000)
Site Costs	\$4,733,000	\$4,395,000	\$338,000
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$0	\$0	\$0
Design Contingency	\$3,570,000	\$0	\$3,465,000
Construction Contingency	\$1,960,000	\$2,065,000	
Total Construction Costs	\$45,730,000	\$45,635,000	\$95,000
Pre-Development Costs:			
Consultant Services	\$1,599,272	\$1,505,000	\$94,272
Early Site Package (Demolition/Remediation)	\$0	\$0	\$0
Land Acquisition	\$24,000	\$28,021	(\$4,021)
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$0	\$0	\$0
Total Pre-Development Costs	\$1,623,272	\$1,533,021	\$90,251
Other Costs:			
Design			
Prior Design Services	\$1,486,950	\$1,486,950	\$0
In-House Design	\$700,000	\$700,000	\$0
Project Management (SDA Staff)	\$1,555,000	\$1,555,000	\$0
Construction Management	\$1,485,000	\$1,596,000	(\$111,000)
FF&E	\$1,900,000	\$2,000,000	(\$100,000)
Technology	\$1,500,000	\$1,900,000	(\$400,000)
Commissioning	(Included in DB Scope)	(Included in DB Scope)	\$0
Temporary Space	\$0	\$0	\$0
Other Costs	\$780,000	\$780,000	\$0
Total Other Costs	\$9,406,950	\$10,017,950	(\$611,000)
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	(\$750,000)	\$750,000
Total Other Funding Sources	\$0	(\$750,000)	\$750,000
Total Project Budget	\$56,760,222	\$56,435,971	\$324,251
Funding from Prior Allocation	\$2,286,285	\$2,286,285	\$0
Funding from 2012 Capital Plan	\$54,473,937	\$54,149,686	\$324,251

Budget Variance Analysis:

The project budget represents a net decrease of approximately \$0.3 million from the Board approved Preliminary Project Charter, while also representing increased construction costs based upon the award value for the design-builder which exceed the value that was estimated within the Preliminary Project Charter. The values estimated within the Preliminary Project Charter were based upon the application of planning assumptions to the proposed scope at the time the charter was advanced for approval in August 2014. Additionally, the FF&E and Technology budgets have been increased to reflect more recent project experience. These increases within the overall budget are fully offset through the utilization of design contingency included within the Preliminary Project Charter to account for potential cost increases prior to the award of the design-build contract.

Schedule Variance Analysis:

Resolution—6b.

Design-Build Award and Approval of Final Project Charter

District:	Perth Amboy
School:	Seaman Avenue Elementary School
Description:	Design-Build
Package No.:	ET-0031-B01
CCE:	\$45,579,000
Advertised CCE Range:	\$40,000,000 - \$47,000,000
Award:	\$43,570,000
CM:	TBD

Resolution

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

WHEREAS, the Seaman Ave ES project (the Project) will consist of construction of an approximately 128,000 square foot facility to educate approximately 724 students in grades K through 5 in the Perth Amboy School District; and

WHEREAS, in August 2014, the Members of the Authority approved the preliminary project charter for the Project recommending a design-build project advancement approach; and

WHEREAS, the design-build team will complete the design of the facility utilizing SDA-developed schematic design documents and also will provide construction and construction administration services for the project as described in the materials presented to the Board on this date; and

WHEREAS, on February 3, 2016 a package was advertised as a design-build solicitation with “price” weighted as 60% of the overall weight, and “all non-price factors” with a combined weight of 40%; and

WHEREAS, upon completion of the competitive procurement process, the program operations director and the contract management division recommend award of a contract for design-build services in the amount of \$43,570,000 to Epic Management, Inc. (Epic) for the Project; and

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

WHEREAS, the final project budget represents the project budget inclusive of actual dollar values for the award of the design-build contract, current estimates for all project scope elements inclusive of costs incurred related to prior design, predevelopment and environmental as well as SDA staff costs for both design and project management; and

WHEREAS, the background of the Project, the procurement process followed, the specifics of the proposed final project charter and variation of the same from the preliminary charter, and project budget are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, prior to execution of the contract, 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 (Contract No. ET-0031-B01) in the amount of \$43,570,000 for design-build services for the Perth Amboy Seaman Avenue Elementary School project to the highest ranked bidder, Epic Management, Inc. and the final project charter as presented to the Board on this date.

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, 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, Design-Build Award and Approval of Final Project Charter, Seaman Avenue Elementary School (Contract No. ET-0031-B01), Perth Amboy School District, dated July 6, 2016

Dated: July 6, 2016

CREDIT CHANGE ORDER: TRICON ENTERPRISES, INC.



MEMORANDUM

6

TO: Members of the Authority

FROM: C. Aidita Milsted
Program Director, Program Operations

DATE: July 06, 2016

SUBJECT: Credit Change Order – Tricon Enterprises, Inc.

COMPANY NAME:	Tricon Enterprises Inc.
DISTRICT:	Newark
CONTRACT NO.:	NE-0008-N01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	Eight (8) Vacant, Deteriorated Residential Properties and One (1) Vacant Lot
CHANGE ORDER NO.	2
REASON:	De-obligation of Unused Funds in the Contract
AMOUNT:	(\$533,603.44)
CONTRACT STATUS:	19.00% Paid to Date against Current Contract Value

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of Credit Change Order (CO) No. 2 in the amount of (\$533,603.44), against the remaining balance of Contract NE-0008-N01 for work not required to be performed by Tricon Enterprises Inc. (“Tricon”) for reasons discussed below. A credit CO is the accounting mechanism by which the NJSDA de-obligates a contract’s unused funds.

In accordance with the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order that singularly exceeds \$500,000 or ten percent (10%) of the contract value requires approval by the Members of the Authority. This change order singularly exceeds \$500,000 and is greater than 10% of the contract value.

BACKGROUND

In 2004, the NJSCC initiated acquisition of properties at 11th and 12th Streets for a project in the Newark Public School District that is not currently identified for advancement. Acquisition activities had reached a stage such that the NJSDA was legally required to complete the acquisition, finalizing those actions in 2009 and 2010.

Members of the Authority
Credit Change Order #2 – NE-0008-N01
Newark Public Schools District
July 6, 2016
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The serious deterioration of the vacant residential properties on the acquired sites, as well as the ongoing property maintenance costs, mandated that the structures be demolished to address safety concerns and for cost effectiveness.

Tricon was issued a Notice-to-Proceed (“NTP”) on January 28, 2015 for site improvements. The scope of work consisted of the abatement, demolition, and site-related work of eight (8) vacant, deteriorated residential properties and site-related work of one (1) vacant lot. The project was scheduled to be substantially complete on July 27, 2015. NJSDA staff provided Construction Management for the project.

During the course of the contractor’s work at Lot 13, the project methodology was reviewed for the advancement of work on the remaining lots. At that time the NJSDA determined that it was advantageous not to proceed with demolition activities. On June 24, 2015, Tricon was issued a Termination for Convenience. The NJSDA is currently reviewing options for the properties going forward.

Tricon completed the abatement, demolition and site improvements work of lot 13, and the installation of fencing of the building lots to address safety concerns. A Final Certificate of Acceptance for the demolition work of Building Lot 13 was received on January 08, 2016. Tricon shall be compensated in the amount of \$152,396.56 for work performed.

The requested Change Order is based upon the accounting of all requisitions, completion and inspection of construction work, and the issuance of the certificate of acceptance by the DCA, resulting in a credit value of (\$533,603.44) from the base contract value of \$800,000.00. This Credit Change Order is necessary for the de-obligation of the unused contract funds.

REASON FOR CHANGE

This contract was terminated prior to completion of all construction activities identified within the project scope of work specified within the contract. This change order is for the de-obligation of unused contract funds for work no longer to be performed by Tricon, in the original contract such that closeout of the Contractor contract can be achieved.

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

Members of the Authority
 Credit Change Order #2 – NE-0008-N01
 Newark Public Schools District
 July 6, 2016
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CALCULATIONS

a. Original Contract Amount	\$800,000.00
b. Change Orders to Date- Allowance Deobligation	(\$114,000.00)
c. Proposed Change Order Amount	(\$533,603.44)
d. Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	(\$647,603.44)
e. Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	-81%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$152,396.56

RECOMMENDATION

The Members of the Authority are requested to approve the credit change order, in the amount of (\$533,603.44). In accordance with the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, any credit change order which exceeds \$500,000 or 10% of the contract value requires approval by Members of the Authority. This change order singularly exceeds \$500,000 and 10% of the contract value.

Recommended by:

/s/ Aidita Milsted

C. Aidita Milsted, Program Director
 Program Operations

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

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

Reviewed and Recommended by: Michael Anselmo, Deputy Director, Program Operations

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

Prepared and Recommended by: Tony Sassine, Program Officer, Program Operations

Resolution—6c.De-Obligation of Unused Funds in Contract – Credit Change Order,
Tricon Enterprises, Inc.

VENDOR NAME: Tricon Enterprises Inc.
 CONTRACT NO: NE-0008-N01
 DISTRICT: Newark
 SCHOOL NAME: Eight (8) Vacant, Deteriorated Residential Properties and One
 (1) Vacant Lot
 CHANGE ORDER NO.: 2
 REASON: De-obligation of Unused Contract Balances
 AMOUNT: (\$533,603.44)
 CONTRACT STATUS: 19.00% Paid to Date against Current Contract Value

Resolution

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

WHEREAS, a credit change order is the accounting mechanism whereby the SDA de-obligates a contract's unused funds such as where unused professional services result in same; and

WHEREAS, in 2004, the New Jersey Schools Construction Corporation (NJSCC), the SDA's predecessor entity, initiated acquisition of certain properties for a project in the Newark Public School District that is not currently identified for advancement; and

WHEREAS, SDA was legally required to complete these acquisitions, ultimately finalizing them in 2009 and 2010; and

WHEREAS, it was thereafter determined that demolition of the structures on the vacant residential properties was required to address safety concerns and to maximize cost effectiveness; and

WHEREAS, to this end, in January 2015, Tricon Enterprises, Inc. (Tricon) was issued a Notice-to-Proceed (NTP) with a scope of work that included demolition work on eight (8) vacant, deteriorated residential properties and site-related work on one (1) vacant lot; and

WHEREAS, during the course of the work on one lot, a review of the project methodology for the advancement of work on the remaining lots led to the conclusion that it would be disadvantageous to proceed with demolition activities there; and

WHEREAS, the contract with Tricon was terminated prior to completion of all construction activities identified in the project scope of work as specified within the contract; and

WHEREAS, Change Order No. 2, which is recommended for Board approval, is based upon the accounting of all requisitions, completion and inspection of construction work, and the issuance of the certificate of acceptance by the Department of Community Affairs, resulting in a credit value of (\$533,603.44) from the base contract value of \$800,000.00; and

WHEREAS, Credit Change Order No. 2 is necessary for the de-obligation of the unused contract funds; and

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

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

WHEREAS, all documents supporting this change order have been reviewed by the project team members as well as the program director and deputy program director, and the SDA contract management division for adherence to current SDA policy and procedures and all reviewing staff members have determined that the change order is justified and that the amount is reasonable and appropriate.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Credit Change Order No. 2 in the amount of (\$533,603.44) for Tricon Enterprises, Inc. (Contract NE-0008-N01).

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

Attached: Memorandum, Credit Change Order #2, Credit change order to de-obligate unused contract funds (Contract No NE-0008-N01), Eight (8) Vacant, Deteriorated Residential Properties and One (1) Vacant Lot; in the Newark School District, dated July 6, 2016

Dated: July 6, 2016

CREDIT CHANGE ORDER: PROMEDIA TECHNOLOGY SERVICES, INC.



STATE OF NEW JERSEY

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

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MEMORANDUM

TO: Members of the Authority

FROM: John Barbato, Director Contract Accounting & Disbursements

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

DATE: July 6, 2016

VENDOR NAME: ProMedia Technology Services, Inc.

CONTRACT NO.: ES-0029-E01

DISTRICT: East Orange Public School District

SCHOOL NAME(S): New Langston Hughes Replacement; Mildred B. Garvin School;
New E.S. #5

CHANGE ORDER NO: 3

REASON: De-Obligation of Unused Contract Balances

AMOUNT: (\$298,318.00)

CONTRACT STATUS: 42.5% Paid to Date Against Current Contract Value

INTRODUCTION

The purpose of this memorandum is to seek approval by the Members of the Authority to de-obligate the unused contract balances (\$298,318.00) associated with an E-Rate contract with ProMedia Technology Services, Inc. (ProMedia). The Contract (ES-0029-E01) was previously terminated for convenience by the Authority on December 20, 2007. Execution of a credit change order is the method in which contract funds are de-obligated. The de-obligation of the unused contract funds will also serve to close out the contract with ProMedia. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order that singularly exceeds \$500,000 or 10% of the contract value requires approval by the Members of the Authority. This credit change order exceeds a change of 10% of the current contract value.

Members of the Authority

ES-0029-E01 Change Order #3 – ProMedia Technology Services, Inc.

De-Obligation of Unused Contract Balances

July 6, 2016

Page 2

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BACKGROUND

The scope of work for this contract included providing and installing cabling, telephone system, network electronics and servers in three (3) new school facilities to be built in the East Orange Public School District. Additionally, the contract work was to be eligible for participation in the School & Libraries Division E-Rate program.

The construction contract for E-Rate eligible work was initially advertised on December 10, 2004, and through a competitive bid process was subsequently awarded to ProMedia on April 27, 2005 for a lump sum price of \$360,259.00. No work was directed to be performed under the contract on the Mildred B. Garvin School and E.S. #5 based on decisions at the time that E-Rate rebate funds would not be pursued or because an included project was not then advancing. However, E-Rate eligible work on the New Langston Hughes E.S. Replacement was completed by ProMedia at a cost of \$215,416.30. As of the date of this memorandum, there is no remaining contract balance associated with the New Langston Hughes E.S. project.

On December 20, 2007, the Authority issued a written Order of Termination for Convenience to ProMedia in accordance with Section 10.3 of the Agreement, with respect to two (2) projects: Mildred B. Garvin School and E.S. #5. ProMedia has been compensated for certain bond costs for the Mildred B. Garvin School and E.S. #5.

REASON FOR CHANGE

This contract was terminated by the Authority prior to completion of contract work leaving line item balances associated with two (2) school facilities projects. This Change Order is the accounting mechanism by which the NJSDA de-obligates the funds associated with work no longer to be performed as presented in the original contract.

SUMMARY OF CHANGE

1) Total Original Contract Value:

New Langston Hughes E.S. Replacement	\$56,542.00
Mildred B. Garvin School	247,175.00
New E.S. #5	<u>56,542.00</u>
Total Original Contract Value	<u>\$360,259.00</u>

2) Change Orders to Date:

New Langston Hughes E.S. Replacement	\$199,254.00
New Langston Hughes Replacement	<u>(40,380.00)</u>
Total Change Orders to Date:	<u>\$158,874.00</u>

Members of the Authority
ES-0029-E01 Change Order #3 – ProMedia Technology Services, Inc.
De-Obligation of Unused Contract Balances
July 6, 2016
Page 3

3) Payments to Date:

New Langston Hughes E.S. Replacement	\$215,416.00
Mildred B. Garvin School	4,394.00
New E.S. #5	<u>1,005.00</u>
Total Payments	<u>\$220,815.00</u>

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

New Langston Hughes E.S. Replacement	\$ 0.00
Mildred B. Garvin School	242,781.00
New E.S. #5	<u>55,537.00</u>
Total Proposed Credit Change Order Amount	<u>\$298,318.00</u>

5) Percentage Change to Current Contract Value -57.46%**RECOMMENDATION**

The Members of the Authority are requested to approve the execution of a credit change order in the amount of \$298,318.00. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order that singularly exceeds \$500,000 or 10% of the contract value requires approval by the Members of the Authority. This credit change order exceeds a change of 10% of the current contract value.

Recommended by:

/s/ John Barbato

John Barbato, Director
 Contract Accounting & Disbursements

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

Resolution—6d.De-Obligation of Unused Contract Balances – Credit Change Order,
ProMedia Technology Services, Inc.

VENDOR NAME:	ProMedia Technology Services, Inc.
CONTRACT NO:	ES-0029-E01
DISTRICT:	East Orange Public School District
SCHOOL NAME:	New Langston Hughes Replacement; Mildred B. Garvin School; New E.S. #5
CHANGE ORDER NO.:	3
REASON:	De-obligation of Unused Contract Balances
AMOUNT:	(\$298,318.00)
CONTRACT STATUS:	42.5% Paid to Date Against Current Contract Balance

Resolution

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

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

WHEREAS, a construction contract for E-Rate eligible work was advertised in December 2004, and was, through a competitive bid process, subsequently awarded to ProMedia Technology Services, Inc. (ProMedia) in April 2005 for a lump sum price of \$360,259.00; and

WHEREAS, no work was directed to be performed under the contract on two East Orange School District facilities, while E-rate eligible work was completed on one facility by ProMedia at a cost of \$215,416.30; and

WHEREAS, as of this date, there is no remaining contract balance associated with the school facility where the work has been completed; and

WHEREAS, in December 2007, in accordance with Section 10.3 of the Agreement, the Authority issued a written order of termination for convenience to ProMedia with respect to the two (2) projects that did not advance; and

WHEREAS, management is recommending that the Board approve de-obligation of the unused contract balances in the amount of (\$298,318.00) associated with the E-Rate contract with ProMedia; and

WHEREAS, this credit change order exceeds 10% of the contract value and thus approval by the Members of the Authority is required; and

WHEREAS, the background and procurement approach along with a summary and reason for the change are described in the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve a credit change order in the amount of (\$298,318.00) for ProMedia Technology Services, Inc. to de-obligate unused contract funds associated with projects in the East Orange School District consistent with the memorandum presented to the Board on this date and incorporated herein.

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

Attached: Memorandum, Credit Change Order #3, De-Obligation of Unused Contract Balances – Credit Change Order, ProMedia Technology Services, Inc. (Contract No ES-0029-E01), East Orange Public School District, dated July 6, 2016

Dated: July 6, 2016

**PRELIMINARY PROJECT CHARTER - PEMBERTON SCHOOL DISTRICT - DENBO CRICHTON
ELEMENTARY SCHOOL**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

TO: Members of the Authority

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

DATE: July 6, 2016

SUBJECT: Preliminary Project Charter

RE: Pemberton School District – Denbo-Crichton Elementary School

INTRODUCTION

At the January 2, 2014 NJSDA Board Meeting, the Members approved the Authority's Amendment to the Capital Plan Portfolio, which authorized the NJSDA to undertake the required steps to advance a project for the Pemberton Alexander Denbo Elementary School (Denbo ES). Inclusion of this project was based upon the NJDOE's 2013 Educational Facilities Needs Assessment (EFNA), which identified Facilities Efficiency Standard (FES) Compliance needs in the Pemberton School District. The NJSDA's Capital Plan Amendment identified the Denbo ES project for validation and advancement.

We are 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 NJSDA 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

Constructed in 1965, the Denbo ES is a 38,656 square foot facility educating 359 students in grades 3 through 5. The Denbo ES shares a site with the Aletta Crichton Elementary School (Crichton ES). Constructed in 1969, the Crichton ES is a 59,053 square foot facility educating 349 students in grades Pre-K through 2. Upon inclusion of the project in the Capital Plan, NJSDA staff conducted several site visits, considering and analyzing both facilities and their shared site, to define the most appropriate project for advancement.

Working with representatives of the Pemberton School District and the New Jersey Department of Education (DOE), NJSDA staff reviewed and validated conditions, and engaged a design consultant to perform investigative analyses for a complete evaluation of several options considering the two facilities and shared site.

Members of the Authority
Preliminary Project Charter
Pemberton School District – Denbo-Crichton Elementary School
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Predesign Services

On June 18, 2015, pursuant to approval by the Members on May 6, 2015, NJSDA issued to SSP Architectural Group (SSP) a Notice-to-Proceed specifically focused on Predesign Services for a negotiated value of \$507,825 inclusive of allowance services.

The purpose of the Predesign phase was to develop the project scope and analyze the following options to enable identification of a project that would most effectively and efficiently address the FES compliance needs:

- Selective demolition and reuse of some or all of both existing school facilities;
- Demolition of one of the existing schools and reuse of some or all of the other;
- Demolition of both existing school facilities and construction of an entirely new school facility on the existing site.

To support effective analysis of the options, SSP was required to undertake various testing, investigations and studies of both the existing facilities and the site.

SSP was also required to develop conceptual options based upon the SDA standard programmatic model for the project and potential utilization of standard Kit of Parts components. Preliminary studies confirmed that the use of both facilities would not efficiently satisfy programmatic requirements, primarily due to inappropriately sized existing large group areas. These preliminary studies also confirmed that programmatic and site requirements could not be effectively satisfied without the demolition of at least one of the two existing facilities.

SSP was therefore requested to develop the following options, analyzing how well each would serve to provide necessary program spaces to accommodate 846 students in grades Pre-K to 5:

- Renovation and addition to the Denbo School and demolition of the Crichton School.
- Renovation and addition to the Crichton School and demolition of the Denbo School
- Construction of a new approximately 131,000 SF school facility and demolition of both the Denbo and Crichton Schools.

In developing the new school option, SSP applied NJSDA's standard programmatic model and utilized standard Kit of Parts components in a two-story configuration. With input from the District, the SDA also instructed SSP to assess a new single story elementary school consistent with the District's elementary school standards.

Options Evaluation

SSP has prepared reports which detail each option in terms of satisfying the educational needs of the District, the extent of necessary renovations to address program needs and facility condition deficiencies, as well as necessary site work to support each option. Additionally, the reports provide estimated project costs necessary to implement each option.

Members of the Authority
 Preliminary Project Charter
 Pemberton School District – Denbo-Crichton Elementary School
 July 6, 2016
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Based upon these reports, NJSDA staff undertook an evaluation of the options including a cost benefit analysis of the potential options and a review of the related schedule considerations, also considering any cost impact dictated by such schedule and logistical considerations.

Based upon this evaluation it was determined that:

- A significant capital investment nearly equal to or more costly than the construction of a new school would be required to provide an addition and renovations to either of the existing buildings.
- Each option representing utilization of an existing facility would be limited in its ability to improve the educational environment in terms of educational program needs, as the majority of the reutilized general classrooms would not meet NJDOE standards for minimum room size.
- Construction of a new 2-story school represents the most effective and efficient option in terms of budget and schedule and will fully address all educational program needs.
- The construction of a new school would allow for the implementation of the NJSDA Kit of Parts and full compliance with all NJSDA Materials and System Standards.

Given the above, and after discussion with the District and DOE, we are recommending advancement of a new 2-story replacement school to educate 846 students in grades Pre-K to 5.

RECOMMENDED PROJECT SCOPE

The project scope for a 2-story replacement school is anticipated to include the following elements:

- An early site package for the demolition of the existing schools;
- Vacation of both schools with students and staff being relocated within the District. While the need for temporary facilities to accommodate this is currently under review, funding for potential temporary space is included within the attached Preliminary Project Charter budget;
- Construction of a new 2 story school meeting all educational program needs

Project Delivery Recommendations:

It is recommended that this project be advanced utilizing 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.

Advancing the project as recommended above will signify the end of SSP's engagement for the project.

PROJECT BUDGET

By providing a new replacement school for the Pemberton School District, the District's capacity and FES Compliance needs in grades Pre-K to 5 will be significantly addressed. The estimated cost of \$62 million for the project, reflected in the Preliminary Project Charter, is inclusive of all prior expenditures related to Pre-Design Services performed by SSP, 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.

Members of the Authority
Preliminary Project Charter
Pemberton School District – Denbo-Crichton Elementary School
July 6, 2016
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RECOMMENDATION

The Members are requested to approve the Preliminary Project Charter for the Pemberton School District's New Denbo-Crichton Elementary 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 the Board's notification of the use of contingency monies.

Recommended by:

/s/ Thomas Schrum
Thomas Schrum, Program Director, Program Operations

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

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

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning
Reviewed and Recommended by: Raymond Arcario, Vice President, Construction Operations
Reviewed and Recommended by: Joseph Lucarelli, Deputy Program Director, Program Operations
Prepared and Recommended by: Jeannette Thannikary, Program Officer, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date

07/06/16

Supersedes Charter Dated

N/A

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Region: Souther
District: Pemberton
Project Name: New Denbo-Crichton ES
School Type: Elementary School
DOE # / Project #: 4050-130-15-0AEL
Project Type (New/Add/Reno): New
Project Location: Pemberton, NJ
Number of Students: 846

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

Funding Source

SDA Capital Plan

Project Budget: \$ 61,948,825

Funding Allocated

\$61,948,825

Anticipated Substantial Completion Date: TBD

Anticipated School Occupancy Date: TBD

Project Team Leader: Thomas Schrum / Ritchard Sherman

District Local Share

Project Initiation Date: Jun-15

\$0.00

SDA Board - Project Charter Approval Date: 07/06/16

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning	New Elementary School facility on the District-owned Denbo-Crichton site to educate 846 students in grades PK-5.
<input checked="" type="checkbox"/> Preliminary 07/06/16	
<input type="checkbox"/> Final	
Purpose for Advancement of Current/Revised Project Charter	
Revision # and Date	Project advancement, including demolition of existing facility, in-house design and procurement of necessary professional and construction services for the project.
<input type="checkbox"/> One	District Project Goals
<input type="checkbox"/> Two	
<input type="checkbox"/> Three	
<input type="checkbox"/> Four	
<input type="checkbox"/> Five	
<input type="checkbox"/> Six	
A new school to address district wide Facilities Efficiency Standards (FES) Compliance needs and localized overcrowding in grades PK-5.	

Recommendation

Program Director - Program Operations _____ **Date** _____
 Thomas Schrum

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

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

Charter Date
07/06/16

District / Project Name:	Pemberton / New Denbo-Crichton ES
DOE # / Project #:	4050-130-15-0AEL

Project Milestones	Date
School Occupancy Date	TBD

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

<u>Real Estate Services</u>	Start	Est.	Act.	Finish	Est.	Act.
Feasibility	06/18/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/06/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	06/18/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/06/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Acquisition	NA	<input type="checkbox"/>	<input type="checkbox"/>	NA	<input type="checkbox"/>	<input type="checkbox"/>
Relocation	NA	<input type="checkbox"/>	<input type="checkbox"/>	NA	<input type="checkbox"/>	<input type="checkbox"/>
Demolition	TBD	<input type="checkbox"/>	<input type="checkbox"/>	TBD	<input type="checkbox"/>	<input type="checkbox"/>
Early Site Package	TBD	<input type="checkbox"/>	<input type="checkbox"/>	TBD	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	TBD	Date	<input type="checkbox"/>			
District Notified?			<input type="checkbox"/>			
Classification Exception Area?	TBD		<input type="checkbox"/>			
District Notified?			<input type="checkbox"/>			

Special Considerations

<u>Design:</u>	Date	Est.	Act.		Est.	Act.
Design Start (NTP)	08/03/16	<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	08/03/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schematic Design	TBD	<input checked="" 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 assumes that an early site package will be performed to demolish the existing facility and prepare the site for advancement of construction by the design builder. Advancement of in-house design will be coordinated to coincide with design activities and implementation of the early site package.

<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
		07/06/16
District / Project Name: Pemberton / New Denbo-Crichton ES		
DOE # / Project #: 4050-130-15-0AEL		
Capital Plan Funding Allocation	\$	61,948,825
Special Considerations:		
<p>The project budget represented below is based upon the application of planning assumptions based upon the current project scope, as well as, prior expenditures for engaged pre-design services.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	131,000	1.55
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	131,000	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$279.78	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$2,000,000	
Building Costs	\$35,300,000	
Site Costs	\$1,941,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 23 months at 5 % per year	\$3,700,000	
Design Contingency	\$3,820,000	
Construction Contingency	\$2,100,000	
Total Construction Costs	\$48,861,000	
Pre-Development Costs:		
Consultant Services	\$1,030,000	
Early Site Package (Demolition/Remediation)	\$1,490,000	
Land Acquisition	\$0	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs	\$2,520,000	
Other Costs: %		
Design		
Engaged Pre-Design Services	\$507,825	
In-House Design	\$600,000	
Project Management (SDA Staff)	\$1,440,000	
PMF/CM	\$1,600,000	
FF&E	\$2,100,000	
Technology	\$2,200,000	
Commissioning	(Included in DB Scope)	
Temporary Space	\$1,300,000	
Other Costs	\$820,000	
Total Other Costs	\$10,567,825	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$61,948,825	
Funding from Prior Allocation	\$0	
Funding from Capital Plan	\$61,948,825	

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

Charter Date
07/06/16

District / Project Name: Pemberton / New Denbo-Crichton ES
DOE # / Project #: 4050-130-15-0AEL

Project Budget:

		Capital Plan Estimate	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:			1.55	
Gross Building Area (GSF):	New	N/A	131,000	
	Addition		0	
	Renovation		0	
Total Gross Area (GSF):		N/A	131,000	
Design-Builder Costs				
Design		N/A	\$2,000,000	N/A
Building Costs		N/A	\$35,300,000	N/A
Site Costs		N/A	\$1,941,000	N/A
Demolition		N/A	\$0	N/A
E-Rate (If separately bid)		N/A	\$0	N/A
Cost Escalation		N/A	\$3,700,000	N/A
Design Contingency		N/A	\$3,820,000	N/A
Construction Contingency		N/A	\$2,100,000	N/A
Total Construction Costs		N/A	\$48,861,000	N/A
Pre-Development Costs:				
Consultant Services		N/A	\$1,030,000	N/A
Early Site Package (Demolition/Remediation)		N/A	\$1,490,000	N/A
Land Acquisition		N/A	\$0	N/A
Relocation		N/A	\$0	N/A
Property Maintenance/Carry Costs		N/A	\$0	N/A
Total Pre-Development Costs		N/A	\$2,520,000	N/A
Other Costs:				
Design				
Prior Design Services		N/A	\$507,825	N/A
In-House Design		N/A	\$600,000	N/A
Project Management (SDA Staff)		N/A	\$1,440,000	N/A
PMF/CM		N/A	\$1,600,000	N/A
FF&E		N/A	\$2,100,000	N/A
Technology		N/A	\$2,200,000	N/A
Commissioning		N/A	(Included in DB Scope)	N/A
Temporary Space		N/A	\$1,300,000	N/A
Other Costs		N/A	\$820,000	N/A
Total Other Costs		N/A	\$10,567,825	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	\$61,948,825	N/A
Funding from Prior Allocation		N/A	\$0	N/A
Funding from Capital Plan		N/A	\$61,948,825	N/A

Budget Variance Analysis:

Schedule Variance Analysis:

Resolution—6e.

Preliminary Project Charter
Pemberton School District – Denbo-Crichton Elementary 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, the New Jersey Department of Education's (DOE) 2013 Educational Facilities Needs Assessment (EFNA) identified Facilities Efficiency Standard (FES) compliance needs in the Pemberton School District (District); and

WHEREAS, in January 2014, the Members approved an Amendment to the Authority's Capital Plan Portfolio, which authorized the SDA to undertake the required steps to advance the Pemberton Alexander Denbo Elementary School (Denbo ES) project (the Project); and

WHEREAS, upon inclusion of the Project in the Capital Plan, SDA staff conducted several site visits to define the most appropriate project for advancement; and

WHEREAS, constructed in 1965, the Denbo ES is a 38,656 square foot facility educating 359 students in grades 3 through 5; and

WHEREAS, the Denbo ES shares a site with the Aletta Crichton Elementary School (Crichton ES) which was constructed in 1969 and is a 59,053 square foot facility educating 349 students in grades Pre-K through 2; and

WHEREAS, working with the District and the DOE, SDA staff reviewed and validated conditions, and engaged a design consultant to perform investigative analyses for a complete evaluation of several options considering the two facilities and shared site; and

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

WHEREAS, in June 2015, with Board approval, SDA issued a Notice-to-Proceed to SSP Architectural Group (SSP) specifically focused on predesign services for a negotiated value of \$507,825 inclusive of allowance services; and

WHEREAS, during the predesign phase, efforts were focused on developing the project scope and analyzing available options to enable identification of a project that would most effectively and efficiently address the FES compliance needs; and

WHEREAS, the memorandum presented to the Board on this date sets forth in detail the background of the Project, specifics of the review and validation activities and the Project's scope, budget and delivery recommendations; and

WHEREAS, the estimated cost of \$62 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, based upon the application of planning estimates to the current anticipated project scope; and

WHEREAS, by providing a new replacement school for the District, its capacity and FES compliance needs in grades Pre-K to 5 will be significantly addressed.

NOW, THEREFORE, BE IT RESOLVED, that the Members hereby approve the Preliminary Project Charter for the Pemberton School District's New Denbo-Crichton Elementary 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 furtherance of the project.

BE IT FURTHER RESOLVED, that the SDA Operating Authority will govern the award of all professional services and construction contracts and the 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, Pemberton School District – New Denbo-Crichton Elementary School, dated July 6, 2016

Dated: July 6, 2016

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: July 6, 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 6/22/16

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.

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2011 & 2012 Portfolio Projects Activities Summary

as of 6/22/16

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 6/22/16

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. ROA for ESP advancing to the Jul. 2016 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 approved Jun. 2016 Board.	TBD
	Seaman Avenue ES	K-5	700	\$56.8	Kit of Parts/ Design-Build	ROA for D-B and Final Charter advancing to the Jul. 2016 Board.	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 6/22/16

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 6/1/2016

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Bridgeton	Buckshutem Road ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 23,253,232
2	Bridgeton	Quarter Mile Lane ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 39,043,619
3	Elizabeth	New Academic HS	New Construction	Construction	Jun-16	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	Construction	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	Jul-16	On-target	Sep-16	On-target	\$ 48,202,265
9	Keansburg	New Caruso ES	New Construction	Construction	Jul-16	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	Oliver Street ES	New Construction	Substantial Completion	Apr-16	Achieved	May-16	Achieved	\$ 73,548,257
12	Newark	South Street ES	New Construction	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 69,876,694
13	Passaic City	New ES at Leonard Place	New Construction	Design-Build Design Phase	3Q 2018	On-target	Sep-18	On-target	\$ 55,884,039
14	Paterson	New Marshall Street ES	New Construction	Construction	Jun-16	On-target	Sep-16	On-target	\$ 55,150,306
15	Paterson	New PS #16	New Construction	Construction	Jul-16	On-target	Sep-16	On-target	\$ 62,347,275
16	Phillipsburg	New HS	New Construction	Construction	Jul-16	On-target	Sep-16	On-target	\$ 127,508,125
17	Trenton	New Central HS	New Construction	Design-Build Design Phase	2Q 2019	On-target	Sep-19	On-target	\$ 154,896,000
18	Vineland	New Middle School	New Construction	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 49,787,025
19	West New York	Harry L. Bain ES	Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 16,848,500



**Active Project Status Report
Status as of 6/1/2016**

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Irvington	Irvington HS	HVAC & Roofing	Construction	May-16	Achieved	3Q 2016	On-Target	\$ 6,526,284
2	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: July 6, 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.

We continue to advance projects and contracts through the close out process. The following project has been closed since the last Board Meeting:

Year of Occupancy	Project #	Project Type	District	School	Status
N/A	0680-045-08-0EAK	Emergent	Camden	East Camden Middle School	Closed

Prepared by: Ayisha Cooper
Reviewed by: Bridget Capasso

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of June 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)

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
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
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)

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
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					
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 June 1, 2016					
Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Emergent Projects					
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			61		
Emergent Projects Not Closed			7		
		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: July 6, 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:

Keansburg New Joseph Caruso Elementary School – Revised Preliminary Project Charter – Budget Reallocation to transfer budget funds from the construction contingency line item to the furniture, fixtures and equipment and technology budget line items.



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

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

NO DATA TO REPORT

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: May 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: May 2016

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
1	Keansburg	New Caruso ES	Budget Reallocation	\$ -	0.00%	CEO Approval	Charter revision to reallocate funds from the construction contingency line item to the furniture, fixtures and equipment and technology budget line items to provide sufficient funding for the fit-out of the building consistent with current budgeting practices.

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: July 6, 2016

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

Contracts Executed Report

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

Noteworthy Items during the reporting period:

- No contracts for Professional Services were executed during the reporting period.
- Execution of one contract for General Construction Services:
 - West New York Harry L. Bain ES to Paul Otto Building Co. for \$10,978,000.

Amendments & Change Orders Report

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

Noteworthy Items during the reporting period:

- Execution of 3 Amendments for Construction Management Services totaling \$55.8k, of the 3 executed amendments none required board approval.
- Execution of 16 Construction Services Change Orders totaling a credit of \$314k, of the 16 executed change orders one required board approval totaling a credit of \$873k.

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: 5/1/2016 through: 5/31/2016

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 2. Construction Services										
Contractor										
West New York	Harry L. Bain E.S.	Reno	Construction	HU-0026-C01	Paul Otto Building Co., Inc.		\$10,978,000	05/11/2016	\$14,073,533	\$14,073,533
Contractor										
Part 2. Construction Services							\$10,978,000			\$14,073,533

7



Contracts Executed Report

Reporting Period: 5/1/2016 through: 5/31/2016

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 4. Other Contracts & Services										
Others										
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q08	Paul Otto Building Co., Inc.		\$38,546	05/05/16	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q09	Community Products LLC dba Community Playthings		\$37,814	05/10/16	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q11	Krueger International, Inc.		\$153,743	05/20/16	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q12	Krueger International, Inc.		\$13,732	05/20/16	-	
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q13	Wenger Corporation		\$12,684	05/26/16	-	
Elizabeth	New Academic HS	New	FFE	EL-0006-K02	Keyboard Consultants		\$252,439	05/10/16	-	
Elizabeth	New Academic HS	New	FFE	EL-0006-Q12	Indiana Furniture Industries, Inc.		\$17,107	05/24/16	-	
Garfield	James Madison School #10 (Most Holy Name)	New	General	NT-0014-R05	Public Service Electric and Gas Company		\$14,755	05/10/16	-	
Jersey City	Number 20 E.S.	New	FFE	JE-0010-K02	DynTek Services, Inc.		\$351,041	05/27/16	-	
Jersey City	Number 20 E.S.	New	FFE	JE-0010-K03	Hewlett Packard Enterprise Company		\$42,286	05/27/16	-	
Jersey City	Number 20 E.S.	New	FFE	JE-0010-K04	Johnston G.P. Inc t/a Johnston Communications		\$58,749	05/27/16	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-Q14	Wenger Corporation		\$51,454	05/23/16	-	
Keansburg Borough	New Caruso E.S.	New	FFE	ET-0061-Q15	Grafco		\$63,164	05/24/16	-	
Newark	Oliver Street E.S.	New	FFE	NE-0013-Q18	Krueger International, Inc.		\$33,108	05/05/16	-	
Newark	Oliver Street E.S.	New	FFE	NE-0013-Q19	Krueger International, Inc.		\$11,736	05/26/16	-	
Phillipsburg	New HS (-x01)	New	General	NT-0003-R04	Aqua New Jersey, Inc.		\$12,500	05/10/16	-	
Others										
Part 4. Other Contracts & Services							\$1,164,858			
							Total Contract Award		Total Contracts Awarded	
Grand Totals - Professional and Construction Services Combined							\$12,142,858		17	

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



Contracts Executed Report

Reporting Period: 5/1/2016 through: 5/31/2016

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



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

Amendments & Change Orders Report

Reporting Period: 5/1/2016 through: 5/31/2016

7

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	
Professional Services														
Construction Management Services														
Phillipsburg	New HS (-x01)	PM-0019-P01	12/05/2002	9	Heery International, Inc.	05/13/2016	\$8,750,420	\$2,937,610	\$20,000			\$11,708,030	33.79%	
Newark	Oliver Street E.S.	NE-0013-M02	06/20/2013	2	Gilbane Building Company	05/16/2016	\$1,207,951	\$50,000	\$30,800			\$1,288,751	6.68%	
Newark	Oliver Street E.S.	NE-0013-M02	06/20/2013	3	Gilbane Building Company	05/16/2016	\$1,207,951	\$80,800	\$5,000			\$1,293,751	7.10%	
Construction Management Services														
Professional Services														
									\$55,800					
Construction Services														
Contractor														
Elizabeth	New Academic HS	EL-0006-C01	12/20/2012	64	Patock Construction Co.	05/31/2016	\$42,977,700	\$2,545,741	\$18,655			\$45,542,096	5.96%	
Elizabeth	New Academic HS	EL-0006-C01	12/20/2012	65	Patock Construction Co.	05/31/2016	\$42,977,700	\$2,564,396	\$18,610			\$45,560,706	6.01%	
Elizabeth	New Academic HS	EL-0006-C01	12/20/2012	72	Patock Construction Co.	05/31/2016	\$42,977,700	\$2,583,006	\$9,955			\$45,570,661	6.03%	
Jersey City	160 – 180 Maple Street	JE-0039-N01	07/15/2015	1	D&K Construction Co., Inc.	05/31/2016	\$297,000	\$0	(\$16,903)			\$280,097	-5.69%	
Newark	West Side H.S.	NE-0008-N01	01/28/2015	1	Tricon Enterprises, Inc.	05/20/2016	\$800,000	\$0	(\$114,000)			\$686,000	-14.25%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	67	Ernest Bock & Sons, Inc.	05/10/2016	\$29,345,000	\$1,611,717	\$56,530			\$31,013,247	5.68%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	72	Ernest Bock & Sons, Inc.	05/10/2016	\$29,345,000	\$1,668,247	\$30,574			\$31,043,821	5.78%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	60	Ernest Bock & Sons, Inc.	05/13/2016	\$29,345,000	\$1,698,821	\$53,171			\$31,096,992	5.97%	
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	74	Ernest Bock & Sons, Inc.	05/31/2016	\$29,345,000	\$1,751,992	\$5,303			\$31,102,295	5.98%	



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

Amendments & Change Orders Report

Reporting Period: 5/1/2016 through: 5/31/2016

7

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 %
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	75	Ernest Bock & Sons, Inc.	05/31/2016	\$29,345,000	\$1,757,295	\$3,577			\$31,105,872	6.00%
Multi-District	Marshall Street Elementary School New International High School Academy Number 13 E.S.	PA-0025-E01	04/27/2005	2	ProMedia Technology Services, Inc.	05/23/2016	\$985,243	(\$89,347)	(\$872,531)	Y	05/04/2016	\$23,365	-97.62%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	49	Epic Management, Inc.	05/04/2016	\$80,490,000	\$1,300,556	\$21,769			\$81,812,325	1.64%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	55	Epic Management, Inc.	05/13/2016	\$80,490,000	\$1,365,146	\$9,358			\$81,864,504	1.70%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	56	Epic Management, Inc.	05/23/2016	\$80,490,000	\$1,374,504	\$17,303			\$81,881,807	1.72%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	59	Epic Management, Inc.	05/23/2016	\$80,490,000	\$1,391,807	\$430,000			\$82,311,807	2.26%
Phillipsburg	New HS (-x01)	NT-0003-C02	06/06/2013	57	Epic Management, Inc.	05/31/2016	\$80,490,000	\$2,990,402	\$14,525			\$83,494,927	3.73%
Construction Services									(\$314,104)				
									Total Change Value	Total Change Orders			
Grand Totals									(\$258,304)	19			

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 May 31, 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
EP-0073-C02	Trenton - Hedgepeth-Williams	General Contractor	D&K Construction Co	Convenience	Entire Contract	5/13/2016

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: July 6, 2016

SUBJECT: Contractor and Workforce Compliance Monthly Update for April 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 April 30, 2016 was \$13,014,949. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$9,434,974 (including minorities and women). This represents 72.50% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 3,991,479	30.67%
Small/ Minority Business Enterprises	\$ 4,083,895	31.38%
Small/Women Business Enterprises	\$ 1,359,600	10.45%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 9,434,974	72.50%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 July 6, 2016
 Page 2 of 4

Ethnic Breakdown

Through the month of April 2016, the total SBE contracts awarded with minority participation were 43.28%.

Ethnicity	Contract Amount	Percentage
American Indian	\$ -0-	0.00%
Asian	\$ 1,461,210	15.49%
Black	\$ 1,575,000	16.69%
Hispanic	\$ 1,047,685	11.10%
Total	\$ 4,083,895	43.28%

WORKFORCE COMPLIANCE MONITORING

For the month of April 2016, there was a contractor workforce of 1,025 on SDA projects. This represents a total of 84,358 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	70	5,741	6.81%
Hispanic	116	9,632	11.42%
American Indian	6	522	0.62%
Asian	1	144	0.17%
Total Minority Participation	193	16,039	19.01%
Total Non-Minority Participation	832	68,319	80.99%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 July 6, 2016
 Page 3 of 4

There was a contractor workforce of 334,619 total workforce hours and 2,685 total female workforce hours on SDA projects for the period of January 1, 2016 through April 30, 2016. The following table highlights the *Local County contractor workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	334,619	100.00%
*Total Local County Workforce Hours	52,813	15.78%
Total Local County Non-Minority Workforce Hours	43,850	13.10%
Total Local County Female Workforce Hours	853	0.26%
Total Local County Minority Workforce Hours	8,963	2.68%
**Local County Workforce Hours by Ethnicity:		
Black	6,393	1.91%
Hispanic	1,981	0.59%
American Indian	589	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
 July 6, 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 April 30, 2016.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
		Hours	Percentage	Hours	Percentage
Bridgeton, Buckshutem ES	5,170	258	4.99%	82	1.59%
Bridgeton, Quarter Mile	15,182	2,477	16.32%	351	2.31%
Elizabeth, New Academic HS	9,338	975	10.44%	6,365	68.16%
Elizabeth, New Elementary School	5,055	964	19.07%	-0-	0.00%
Gloucester, New MS	57,328	12,407	21.64%	9,802	17.10%
Jersey City, PS #20	12,424	2,633	21.19%	422	3.40%
Jersey City, ES #3	33,605	12,443	37.03%	2,680	7.98%
Keansburg, Caruso ES	40,116	3,864	9.63%	8,865	22.10%
Newark, Elliott Street ES	885	203	22.94%	14	1.58%
Newark, Oliver Street ES	17,674	3,545	20.06%	595	3.37%
Paterson, PS #16	35,781	9,806	27.41%	3,552	9.93%
Paterson, Marshall Street ES	9,034	2,008	22.23%	873	9.66%
Phillipsburg HS	91,568	5,779	6.31%	16,398	17.91%
Emergent Projects	1,459	539	36.94%	2	0.14%

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: July 6, 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 May 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.
- 8 grants impacting 1 district were executed during the reporting period representing \$7.4M in total project costs and state share of \$4.1M.
- 10 grants impacting 7 districts were closed out during the reporting period representing \$15.6M in total project costs and state share of \$6.1M.
- 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

May 2016

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	118	523	501	297
Number of Grant Projects	370	5,290	3,977	1,313
Total Project Cost Estimate	\$ 320,933,676	\$ 8,874,895,303	\$ 7,561,079,418	\$ 1,313,815,885
Grant Amount	\$ 140,344,621	\$ 2,979,084,110	\$ 2,446,143,585	\$ 532,940,525
Amount Disbursed	N/A	\$ 2,619,452,339	\$ 2,446,143,585	\$ 173,308,754

Total Funding Offered to School Districts via Grant Program	\$ 3,316,563,600
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Total ROD Grant Funding remaining for new Grant Projects	\$ 22,181,747
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1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	1	7
Number of Grant Projects	8	10
Total Project Cost Estimate	\$ 7,388,032	\$ 15,627,629
Grant Amount	\$ 4,051,597	\$ 6,119,150
Amount Disbursed	NA	\$ 6,119,150

* 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

May 2016

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 1,846,772	\$ 1,012,770	fire alarm replacement - entire campus
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 1,060,757	\$ 581,719	Replace ext doors and windows at Bldg 2
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 927,234	\$ 508,495	Replace ext doors and windows at Bldg 1
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 898,518	\$ 492,747	Conversion of Former Plumbing Shop to a new TV Studio and Instructional Classroom including ancilliary Spaces (i.e. A/V Storage). Renovations of existing Student Toilet/ Lockers and all Mechanical and Electriccal associated work. Addition of Air Conditioning to the adjacent Music Room (Former Electric Shop)
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 873,295	\$ 478,915	Replace ext doors and windows at Bldg 6
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 734,567	\$ 402,837	Replace ext doors and windows at Bldg 5
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 635,100	\$ 348,289	Install AC in cafeteria and cafetorium
Camden	Camden County Vocational School District	Camden Co.Technical V.S.	\$ 411,789	\$ 225,825	Replace ext doors and windows at Bldg 8,9,10,11
Grand Total			\$ 7,388,032	\$ 4,051,597	

**NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$100,000
OR 10% OF THE CONTRACT VALUE**



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

MEMORANDUM
FOR INFORMATIONAL PURPOSES ONLY

TO: Members of the Authority

FROM: John Barbato /s/ John Barbato
Director, Contract Accounting and Disbursements

DATE: July 6, 2016

SUBJECT: Notification of Amendments to
Goods and Services Contracts

In accordance with the SDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, any amendment to a goods and services contract (including amendments to MOUs/MOAs) which does not exceed \$100,000 or 10% of the contract value requires Audit Committee and Board notification. Accordingly, the attached monthly report provides a list of such goods and services contract amendments during the current report period.

Attachment



Notification of Amendments to Goods and Services Contracts
July 2016

VENDOR	CONTRACT #	ORIGINAL CONTRACT AMOUNT	AMENDMENT #	PRIOR CHANGES	CURRENT CHANGES	REVISED CONTRACT AMOUNT	Description
New Jersey Higher Education Student Assistance Authority ("HESAA")	MOU	\$550,000.00	1	\$0.00	NTE \$50,000.00	\$600,000.00	MOU between NJSDA and HESAA to implement Governor Christie's Governor's Industry Vocations Scholarship Program ("NJ-GIVS")

COMMUNICATIONS MONTHLY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: July 6, 2016

SUBJECT: Monthly Communications Report

Christie Administration Marks the Opening of the New Oliver Street School



On June 14, CEO Charles McKenna joined Newark students and officials to mark the opening of the new Oliver Street Elementary School in Newark. The new school is the second facility to be completed and opened by the SDA this year.

The new 137,000 square-foot Oliver Street Elementary School is designed to educate approximately 850 students in grades pre-kindergarten through eight. It includes 30 general classrooms, four kindergarten classrooms, six pre-kindergarten classrooms, specialized instruction classrooms and labs, a media center, separate cafeteria, gymnasium and a multipurpose room with a stage.

SDA Hosts Community Meetings

SDA continued its efforts to provide residents surrounding construction sites with an opportunity to ask questions or raise concerns regarding the potential impacts of SDA construction projects. On June 15, the SDA hosted a community meeting to discuss the upcoming construction work associated with the Harry L. Bain Elementary School in West New York. On June 20, the SDA hosted a community meeting to discuss the upcoming construction of the new Lincoln Avenue Middle School in Vineland. On June 22, the SDA hosted a community meeting to discuss upcoming construction at the Paul Robeson Community School in New Brunswick.

Reports Released

In compliance with Executive Order 37 (Corzine), the SDA submitted its Annual Report to the Governor's Authorities Unit on June 17, 2016 and placed it on the SDA website. In June, the SDA also

Communications Report

July 7, 2016

Page 2 of 2

released its Biannual Report on the School Facilities Construction Program summarizing activities of the SDA for the time period of October 1, 2015 through March 31, 2016.

Prepared by: Edye Maier

Reviewed by: Jane F. Kelly

MONTHLY FINANCIAL REPORT



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

MEMORANDUM

TO: Members of the Authority

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

DATE: July 6, 2016

SUBJECT: Monthly Financial Report – May 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 May 2016 year to date, Authority operating expenses, **\$8.7 million**, are **down \$1.5 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 **\$1.1M**. The Authority is currently 18 FTEs under budget. This variance is offset by the year to date allocation – of payroll expense to project cost – that is lower than projected, **(\$262K)**;
- Year to date lower spending for contracted professional services **\$46K**; MIS expenses **\$254K**, and general office and facilities **\$137K**.

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

For May 2016 year to date, Authority operating expenses, **\$8.7 million**, are **\$194K** higher as compared to the corresponding prior year.

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

For May 2016 year to date, project expenditures, **\$155.3 million**, are **lower** by **\$17.8 million** as compared to the capital spending forecast for the *corresponding period*. The variance is due to lower than anticipated expenditures in construction work **\$11.1M**, furniture, equipment and technology **\$600K**, project insurance **\$800K**, property acquisition **\$1.2M** and grant activity **\$4.9M**.

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

For May 2016 year to date, project expenditures, **\$155.3 million**, have **decreased** by **\$18.4 million** as compared to the *corresponding prior year*. The year-over-year variance is attributable to increased spending in; construction activity **\$21.4M**; and increases for school furniture, equipment & technology **\$8.2M**. This variance is offset by decreased spending in property acquisitions **\$29.5M**, project insurance **\$5.3M**, and grant activity **\$14.9M**.

Members of the Authority
July 6, 2016
Page 2

Other

Since program inception, 75.1% 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
May 2016
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

May 31, 2016

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To: The Audit Committee

From: Sherman E. Cole, Controller

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

► Overall **Cash and Cash Equivalents** have decreased by \$160.2 million to \$457.4 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$	-
■ Investment earnings		764,693
■ Miscellaneous revenue		758,449
■ Project costs		(155,314,882)
■ SDA operating expenses		(7,762,927)
■ SDA capital expenditures		(394,704)
■ Deposits (primarily district local shares)		1,794,330
Net Change in Cash	<u>\$</u>	<u>(160,155,041)</u>

► **Prepaid Expenses** total \$647,614 as follows:

- Prepaid insurance of \$310,673.
- Prepaid rents of \$119,705 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$193,590.
- Other prepaids of \$23,646.

► **Capital Assets** total \$782,881 (net of accumulated depreciation of \$6,609,105), 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 \$62,509.

► **Accrued Liabilities** total \$117.8 million, as follows:

- Accrued project costs of \$30.4 million consisting of unpaid invoices (\$8.7 million); and retainage (\$21.7 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 \$1.5 million.
- Post-employment benefits obligation of \$19.1 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$3.4 million, as follows:

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

► The Authority's **Net Position** at month end is \$344.7 million.

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

► School Facilities Construction Bond / Note Proceeds & Project Expenditures

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$10.105 billion.
- Project expenditures for the month and year-to-date periods total \$33.3 million and \$155.3 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 23,611,392	\$ 95,050,450	\$ 4,336,793,009
Design Services	469,123	1,960,325	408,370,817
PMF/CM Services	375,890	2,434,210	441,402,274
SDA Project Management	1,175,724	6,075,830	48,590,427
Property Acquisition, Relocation & Enviro	292,284	2,604,168	575,425,868
School Furniture, Fixtures & Equipment	2,074,086	8,448,555	118,338,363
Project Insurance	153,646	556,149	105,894,853
NJ State Inter-Agency Transfers	69,825	217,558	46,525,899
SDA District Grant & Funding Agreements	869,892	2,916,394	826,820,042
Regular Operating District Grant Agreements	2,970,681	31,783,977	2,628,384,890
Real-Time Project Audits	28,148	78,427	322,968
Property Management, Maintenance & Utils	39,438	190,574	15,119,472
Outside Legal & Claims Resolution Services	53,709	223,501	7,198,908
Other Project Costs	1,116,733	2,949,593	60,799,336
Project Credits	-	-	(54,902,944)
Total Project Expenditures	33,300,571	155,489,711	9,565,084,182
Less: Local Share Contributions	-	(174,829)	(181,344,882)
Project Expenditures (State Share)	\$ 33,300,571	\$ 155,314,882	\$ 9,383,739,300
2016 Capital Spending Forecast	\$ 32,414,233	\$ 173,149,419	

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	\$ 9,009,947,754	\$ 6,769,269,519
■ Regular Operating Districts	3,450,000,000	3,493,247,217	2,928,322,547
■ Vocational Schools	150,000,000	151,728,027	108,480,910
Total - State Share	\$ 12,500,000,000	\$ 12,654,922,998	\$ 9,806,072,976

► Percentage of Total Funding Paid to Date

■ SDA Districts	75.1%
■ Regular Operating Districts	83.8%
■ Vocational Schools	71.5%
Total - State Share	77.5%

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 \$422,333,676.

New Jersey Schools Development Authority Operating Expenses vs Budget May 31, 2016

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Employee Salaries	\$ 7,672,818	\$ 8,333,946	\$ (661,128)
Employee Benefits	5,335,716	5,739,245	(403,529)
Direct Hire Temporary Employee Costs	80,901	156,990	(76,089)
Total Employee Salaries & Benefits Costs	13,089,435	14,230,181	(1,140,746)
<u>Less: Employee Salaries & Benefits Costs</u> Charged to Projects	<u>6,075,830</u>	<u>6,338,004</u>	<u>(262,174)</u>
Operating Employee Salaries & Benefits Costs	7,013,605	7,892,177	(878,572)
Temporary Employees	37,943	54,165	(16,222)
Interagency Agreements	(19,845)	66,665	(86,510)
Contracted Professional Services	63,046	109,065	(46,019)
Employee Expense Reimbursements	11,234	13,871	(2,637)
Training & Professional Development	26,074	52,128	(26,054)
Parking	33,000	45,600	(12,600)
Automobiles	34,094	41,665	(7,571)
Communications & Outreach	240	210	30
Management Information Systems	354,575	608,930	(254,355)
General Office & Facilities	1,097,385	1,234,795	(137,410)
Other Expenses	4,084	9,375	(5,291)
Reserve for Unforeseen Events & New Initiatives	-	20,835	(20,835)
Total Non-Capital Operating Expenses	8,655,435	10,149,481	(1,494,046)
Capitalized Operating Expenses	78,518	83,335	(4,817)
Total Authority Operating Expenses	\$ 8,733,953	\$ 10,232,816	\$ (1,498,863)
 Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	 \$ 14,809,783	 \$ 16,570,820	 \$ (1,761,037)

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

May 31, 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	\$ 7,672,818	\$ 7,180,870	\$ 491,948
Employee Benefits	5,335,716	5,042,112	293,604
Direct Hire Temporary Employee Costs	80,901	149,330	(68,429)
Total Employee Salaries & Benefits Costs	13,089,435	12,372,312	717,123
<u>Less:</u> Employee Salaries & Benefits Costs Charged to Projects	6,075,830	5,537,571	538,259
Operating Employee Salaries & Benefits Costs	7,013,605	6,834,741	178,864
Temporary Employees	37,943	-	37,943
Interagency Agreements	(19,845)	7,330	(27,175)
Contracted Professional Services	63,046	79,903	(16,857)
Employee Expense Reimbursements	11,234	7,189	4,045
Training & Professional Development	26,074	10,626	15,448
Parking	33,000	45,399	(12,399)
Automobiles	34,094	31,081	3,013
Communications & Outreach	240	-	240
Management Information Systems	354,575	394,002	(39,427)
General Office & Facilities	1,097,385	1,067,507	29,878
Other Expenses	4,084	62,653	(58,569)
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Non-Capital Operating Expenses	8,655,435	8,540,431	115,004
Capitalized Operating Expenses	78,518	-	78,518
Total Authority Operating Expenses	\$ 8,733,953	\$ 8,540,431	\$ 193,522
Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	\$ 14,809,783	\$ 14,078,002	\$ 731,781

New Jersey Schools Development Authority

Employee Headcount

May 31, 2016

7

<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.	23	26	-3
Program Operations, Safety	8	8	0
Program Operations - Design Studio	16	15	1
Program Operations, Project Teams	54	62	-8
Corp Governance & Operations, Executive	3	3	0
Corporate Governance & Operations, Human Resources	8	8	0
Corporate Governance & Operations, Chief Counsel	14	14	0
Corporate Governance & Operations, Information Systems	15	15	0
Corporate Governance & Operations, Facilities	5	6	-1
Corporate Governance & Operations, Communications	8	11	-3
Financial Operations, Executive	5	5	0
Financial Operations, Controller	12	12	0
Financial Operations, Contract Management	12	12	0
Financial Operations, Real Estate Services	5	6	-1
Financial Operations, Procurement & Contract Services	9	10	-1
Financial Operations, Risk Management & Vendor Services	<u>9</u>	<u>11</u>	<u>-2</u>
Total Full-Time Employees	<u>232</u>	<u>250</u>	<u>-18</u>

New Jersey Schools Development Authority

Statement of Net Position

May 31, 2016

	<u>Current Month End</u>	<u>2015 Year End</u>	<u>Increase/ (Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 457,410,262	\$ 617,565,303	\$ (160,155,041)
Receivables	211,936	210,640	1,296
Prepaid Expenses	647,614	990,937	(343,323)
Capital Assets (Net of Accumulated Depr.)	782,881	766,872	16,009
Total Assets	<u>459,052,693</u>	<u>619,533,752</u>	<u>(160,481,059)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions	<u>8,494,437</u>	<u>10,731,769</u>	<u>(2,237,332)</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 467,547,130</u>	<u>\$ 630,265,521</u>	<u>\$ (162,718,391)</u>
LIABILITIES			
Accrued Project Costs	\$ 38,700,741	\$ 75,870,757	\$ (37,170,016)
Net Pension Liability	58,417,776	58,417,776	
Accrued Other Post-Employment Benefits	19,127,884	18,204,915	922,969
Other Accrued Liabilities	1,581,103	4,507,110	(2,926,007)
Deposits	3,431,240	1,636,910	1,794,330
Total Liabilities	<u>121,258,744</u>	<u>158,637,468</u>	<u>(37,378,724)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions	<u>1,615,990</u>	<u>1,615,990</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets	782,881	766,872	16,009
Restricted Schools Construction:			
Build America Bond Program	-	-	-
Special Revenue Fund	343,889,515	469,245,191	(125,355,676)
Total Net Position	<u>344,672,396</u>	<u>470,012,063</u>	<u>(125,339,667)</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance/Net Position	<u>\$ 467,547,130</u>	<u>\$ 630,265,521</u>	<u>\$ (162,718,391)</u>

New Jersey Schools Development Authority

Statement of Activities

May 31, 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	764,693	141,966	622,727
Rental Income	758,409	42,328	716,081
Other Revenue-OPRA	40	187	(147)
Total Revenues	<u>1,523,142</u>	<u>184,481</u>	<u>1,338,661</u>
EXPENSES			
Administrative & General Expenses	8,655,435	8,540,431	115,004
Capital Depreciation	62,509	35,049	27,460
School Facilities Project Costs	118,144,865	142,442,074	(24,297,209)
Total Expenses	<u>126,862,809</u>	<u>151,017,554</u>	<u>(24,154,745)</u>
CHANGE IN NET POSITION	(125,339,667)	(150,833,073)	25,493,406
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>\$ 344,672,396</u>	<u>\$ 316,287,995</u>	<u>\$ 28,384,401</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.