

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, DECEMBER 7, 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 November 2, 2016
 - b. Board Executive Session Meeting Minutes of November 2, 2016
- 4. AUTHORITY MATTERS**
 - a. CEO Report
 - b. Chairman's Report
- 5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. 2017 Proposed Budget
- 6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Design-Build Award and Approval of Final Project Charter – Irvington School District – Irvington New Madison Avenue Elementary School
 - b. Revised Planning Charter and Design Consultant Services Advancement – Keansburg School District – Port Monmouth Road Elementary School – Addition and Renovation Project
- 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 (*no activity*)
 - vi. Settlement Activities Report (*no activity*)
 - vii. Contractor and Workforce Compliance Report
 - viii. Regular Operating District Grant Activity Report
 - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
 - x. Communications Report
 - xi. Monthly Financial Report
 - xii. Design Contract De-Obligations Report (*no activity*)
- 8. PUBLIC COMMENTS**
- 9. EXECUTIVE SESSION**
 - a. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report

10. ADJOURNMENT

APPROVAL OF MEETING MINUTES

NOVEMBER 2, 2016 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 2, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, November 2, 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
Kevin Luckie (DCA)
Bernard Piaia (DOE)
Matthew Spadaccini (Treasury)
Michael Capelli
Kevin Egan
Loren Lemelle
Michael Maloney
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Capelli, Mr. Egan, Ms. Lemelle, Mr. Piaia, Mr. Spadaccini and Mr. Vargas participated in the meeting by teleconference.

At the Chairman's request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; 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; Karon Simmonds, director; and Lindsey Hoffman, risk and insurance specialist, of the SDA participated in the

meeting. Lisa LeBoeuf of the Governor's Authorities Unit also participated in the meeting by teleconference.

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 October 5, 2016 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Luckie, the Open Session minutes of the October 5, 2016 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a.***

Authority Matters

CEO Report

At the request of the Chairman, Mr. McKenna provided the Report of the Chief Executive Officer. Mr. McKenna began his report with an update on the Trenton Central High School (TCHS) project. He said that the work there is moving along and utility work in the existing parking lot is complete.

Mr. McKenna next gave an update on projects in the Bridgeton School District. He said that playground equipment installation was completed the previous month for the Buckshutem Road ES project and the application for a Certificate of Occupancy (CO) will be submitted to the

Department of Community Affairs (DCA) within the next few weeks. For the Quarter Mile Lane ES, he said that the project is moving forward.

With respect to the Camden HS project, Mr. McKenna reported that SDA's environmental consultant, Brinkerhoff, was issued a task order to perform additional investigation work that will inform SDA's development of the school design. In regard to the East Orange George Washington Carver ES project, he said that the SDA Design Studio continues to advance the design of the new school. He also reported that masonry work is ongoing for the Elizabeth New ES project.

At this time Mr. Piaia joined the meeting by teleconference.

For the Garfield James Madison ES No. 10 project, Mr. McKenna reported that structural steel erection commenced late last month. He advised the Board that construction work continues to progress well for the Gloucester ES/MS project and staff is hoping to achieve substantial completion in November. In regard to the Harrison New ES project, he said that a recommendation of award for design-build services is on today's agenda.

Mr. McKenna then informed the Board that management advertised for design-build services in mid-August for the Irvington Madison Avenue ES project and that price and technical proposals are due today. He noted that price proposals are scheduled to be opened November 17 following the review and ranking of the submitted technical proposals. He said that management anticipates presenting a recommendation of award at the December Board meeting.

Mr. McKenna advised the Board that, in October, SDA's design consultant, LAN Associates, completed the pre-design phase for the Keansburg Port Monmouth Road ES project and that staff is reviewing the results. He said that the Jersey City ES No. 3 project is moving forward.

Mr. McKenna reported that management advertised for design-build services on September 30 for the addition and renovation project at the Millville HS and that price and technical proposals are scheduled to be received December 21. With respect to the New Brunswick Paul Robeson ES project, he said that footings and foundation work is ongoing. He added that abatement and site remediation activities are complete and noted that a groundbreaking is scheduled for the following day, November 3.

Turning to projects in the Newark School District, Mr. McKenna said that all punch list items and the area of refuge work has been completed for the Elliott Street ES project. He noted that an application package for a Certificate of Acceptance will be submitted to DCA later this month. With respect to the South Street ES project, he reported that the design-builder, Ernest Bock & Sons, Inc. (EBS), is actively working on the final design phase. He added that footings, foundations, underground utility and masonry work are all ongoing.

Mr. McKenna then gave an update on projects in the Orange School District. He reported that, for the Cleveland ES project, the design consultant, LAN Associates, continues work on the schematic design phase. He said that the Orange HS project is moving forward.

Mr. McKenna reported that management issued a Notice to Proceed (NTP) for footings, foundation, underground work and steel in late October for the Passaic Leonard Place ES project. For the Pemberton Denbo Crichton ES project, he said that working group design meetings are ongoing. With respect to the Perth Amboy Seaman Avenue ES project, he informed the Board that design phase services are ongoing and a Notice of Award for construction management services was issued to Greyhawk the previous month.

Mr. McKenna next gave an update on the Vineland New MS project. He reported that the design-builder, EBS, continues with the design services phase. He said that footings and

foundation work is ongoing. In regard to the West New York Harry L. Bain PS No. 6 project, he said that demolition work has commenced, windows are in fabrication and HVAC work is underway.

Turning next to ongoing procurement activity, Mr. McKenna said that, in addition to the design-build services award for the Harrison New ES project that management will be discussing later in the meeting, other activity currently underway includes procurements for design-build services for the Irvington New Madison Avenue ES and Millville HS projects.

Reporting on events, outreach and other SDA activities, Mr. McKenna reported that, on November 2, Ray Arcario presented at the annual Alliance for Action Construction Forecast Seminar. He said that Mr. Arcario provided attendees with information about the status of projects at the SDA and a forecast of projected advertisements for the coming year.

Mr. McKenna advised the Board that a groundbreaking ceremony for the addition at the Paul Robeson School in New Brunswick will take place the following day, November 1. He said that Communications staff is diligently working to schedule groundbreaking events for the Leonard Place ES project in Passaic City, the new MS in Vineland and TCHS later in the current month.

Mr. McKenna informed the Board that he will be participating in a community meeting this evening in Camden to inform the residents as to what to expect throughout the duration of construction for the Camden HS project.

Audit Committee

Owners Controlled Insurance Program (OCIP III) Builders Risk (Property) Insurance; Business and Real Estate Property Insurance Policy Renewal

At the request of the Chairman, Mr. Nixon provided the report of the Audit Committee. Mr. Nixon advised the Board that the Audit Committee met on October 17, 2016. He said that

management had provided the Committee with the September 2016 New Funding Allocation and Capital Plan Update. He said that management had reported no changes in any of the SDA District reserve balances. He advised the Board that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$200,000 during the reporting period due to reductions in state share for grant projects nearing completion.

Next, Mr. Nixon reported that management had presented the proposed 2017 Budget for initial discussion by the Committee. He said that management discussed budgetary items and year-over-year comparisons in the proposed budget. He advised the Board that the budget draft will be discussed by the Committee again prior to its advancement to the full Board in December. He said that the Committee Members were requested to share any preliminary questions or concerns they might have with him but that, to date, no concerns have been raised by any Committee member. He noted that the proposed budget is a lean and fiscally responsible budget.

Mr. Nixon then presented the Committee’s recommendation for the Authority’s purchase of builders risk insurance. Referencing materials that previously had been provided for Board review, he reminded the Members that, in June 2014, the Board approved the award of Owners Controlled Insurance Program (OCIP) Administration and Broker Services to Turner Surety Insurance Brokerage (Turner). He said that a new 5-year OCIP program was implemented in 2015, however, builders risk insurance was not purchased at that time as the Authority’s existing policy was not due to expire until December 31, 2016. Mr. Nixon reminded the Members that builders risk insurance is purchased to insure the Authority’s construction projects from unexpected losses due to fire, lightning, and similar forces during construction. He advised the Board that, in April 2016, the SDA tasked Turner to market a new builders risk insurance

program. He said that the top 3 insurers were shortlisted and the calculated premiums for each insurer were analyzed. Mr. Nixon asked Ms. Simmonds to address the Members regarding the proposed award. Ms. Simmonds advised that the total insured value in the solicitation is approximately \$931 million, representing the remaining projects in the current Capital Plan. She also noted that the proposed award includes \$50 million coverage for SDA emergent project additions/renovations. Ms. Hoffman provided additional detail. After a brief discussion, Mr. Nixon advised that, following analysis, management requested, and the Audit Committee recommends, approval to purchase builders risk insurance from HDI Global Insurance Company at a cost not-to-exceed \$1.2 million for a 3-year term program effective December 31, 2016.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Piaia, the purchase of builders risk insurance for a 3-year term effective December 31, 2016 was approved with the Board's unanimous vote in favor of ***Resolution 5a***.

Mr. Nixon next discussed the Audit Committee's recommendation for renewal of various insurance policies in order to continue the Authority's Business and Real Estate Property & Casualty Insurance Program (Insurance Program). Referencing materials that previously had been provided for Committee review, he explained that the renewal policies will be purchased pursuant to the third year of a three (3) year term for broker services with The Safeguard Group. He said that the renewal policies will have a one-year term at a cost not-to-exceed \$638,000. Mr. Nixon asked Ms. Simmonds to address the Members regarding reductions in some of the line items contained in the Insurance Program renewal. Ms. Simmonds explained the basis for and reasons behind certain cost reductions as set forth in detail in the materials presented to the

Board. She noted that a decrease in the number of SDA owned properties has resulted in a cost savings. After discussion, the Chairman called for a vote.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Walsh and seconded by Mr. Luckie, the renewal of various Business and Real Estate Property & Casualty Insurance Policies with The Safegard Group for a one-year term effective December 31, 2016 at a cost not-to-exceed \$638,000 was approved with the Board's unanimous vote in favor of **Resolution 5b**.

In continuing, Mr. Nixon reported that the results of one real-time construction audit were presented to the Committee. He explained that the audit was conducted in compliance with the statutory requirement that capital portfolio projects costing over \$10 million be reviewed to assess whether state funds were expended properly utilizing contract terms, SDA practices and state rules and regulations. He advised that the audits revealed that the State funds utilized for the projects were expended prudently and consistent with legal requirements.

Mr. Nixon then reported that management had provided the Committee with the September 2016 Monthly Financial Report. He said that Year-to-Date Authority Operating Expenses (Actual vs. Budget), at \$13.8 million, are down \$2.6 million as compared to the operating budget for the corresponding period. He explained that this is largely attributable to the fact that the SDA is currently 24 full time employees under budget. In continuing, Mr. Nixon said that Year-to-Date School Facilities Project Expenditures (Actual vs. Forecast), at \$295.3 million, are \$13.5 million lower as compared to the capital spending forecast for the corresponding period. He advised the Board that this variance is due to lower than anticipated expenditures in construction work; property acquisition; legal claims services; and project insurance. He said that this decrease is offset by increased spending for furniture, equipment and

technology. Mr. Nixon then reported that project expenditures (Actual vs. Prior Year Actual), at \$295.3 million, are \$12 million lower as compared to the corresponding prior year period. He explained that this variance is due to increased spending in construction activity; school furniture, equipment and technology—related to multiple school openings in August and September; and other project related costs. He noted that this increased spending is offset by decreased spending for grant activity; property acquisition, project insurance and legal and claims services.

Mr. Nixon then advised the Members that management has provided the Committee with the 2016 Budget Reforecast. He said that the Committee will continue to monitor the status of this year's budget as the Authority prepares to finalize and present the 2017 SDA Budget to the Committee and Board before the end of the year.

Finally, Mr. Nixon reported that, since program inception, approximately 76% of the funds authorized for SDA districts have been disbursed. Additionally, he said that, since program inception, 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He added that the estimated value of current school facilities project activity remains at approximately \$2.2 billion.

School Review Committee

Design-Build Award and Final Project Charter - Harrison School District – Harrison New Elementary School

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on October 17, 2016. He then presented for Board consideration a design-build award and final project charter for the Harrison new ES project (the Project) in the Harrison School District (District). Mr. Luckie said that the SDA's

2012 Capital Plan identified a high priority educational need at the middle school grade levels in Harrison, recognizing that further discussion with the District was required for project definition. He said that the Capital Plan included a project to address needs in the District's middle school grade levels, noting that this was based upon a Long Range Facilities Plan which called for expansion of the existing Middle School to house the District's 5th grade population in order to alleviate overcrowding at the lower grade levels. Mr. Luckie advised the Board that a District, Department of Education (DOE) and SDA Working Group met to review and validate current District needs and to identify and evaluate alternative project scopes to address those needs. He said that this process concluded that placement of the 5th grade population in the MS would not result in sufficient capacity in the District's elementary schools to address District-wide overcrowding. He added that it was also determined that construction of a new Harrison ES would serve to address the District's overcrowding needs. He reported that, when completed, the new Harrison ES will be a 65,500 square foot facility on a District-owned site with the capacity to educate 392 students in grades Pre-K through 1. Mr. Luckie added that, in January 2015, the Board approved a preliminary charter for the Project and authorized its advancement utilizing Kit of Parts components, the design-build delivery approach and in-house staff design resources. He said that SDA staff then developed schematic design documents which were approved by the District and DOE and, with the assistance of the Project's site environmental consultant, developed bridging documents to support procurement of a design-builder. He reported that, in February 2016, the Board approved the award of an early site preparation contract and the early site package scope of work was completed in October 2016. Mr. Luckie said that, in July 2016, a package for design-build services was advertised with "price" weighted as 60% of the overall weight, and "all non-price factors" having a combined weight of 40%. He noted that upon

completion of the competitive procurement process, management is recommending award of a contract for design-build services in the amount of \$25,899,600 to Brockwell Carrington, Inc. who has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. Mr. Luckie suggested that, before taking a vote on this matter, the Board adjourn into Executive Session so that counsel can discuss the details of a bid protest that has been filed in connection with this award. He further suggested that the Board vote on the matter upon its return to Open Session. At the Chairman's request, Mr. Murphy then offered additional details regarding the procurement process that was followed in connection with the recommended award. Also, at the Chairman's request, Mr. Ballard provided the Board with a brief update regarding SDA's project close out initiative.

Public Comments

The Chairman then opened the Public Comments portion of the Board Meeting. He asked Mr. Frank Faras, a resident of the City of Trenton, to address the Board. Mr. Faras said that he lives across the street from the TCHS site. He reminded the Members that at SDA's June Board meeting, the Members had discussed two projects that were underway at the Hedgepeth-Williams ES which is located behind the TCHS site. He said that one project involved the water delivery system to the school and the other involved replacement of the school's roof. He indicated that he had filed an Open Public Records Act request to the state DOE seeking documentation regarding authorization for these projects and learned that the Trenton School Board had never applied to the DOE for approval of the roof work. He said that as a taxpayer he views it as "suspicious" when work which has not been approved is moving forward. He said that he is seeking help in understanding how this could happen. Mr. Walsh said that the Board would look into this.

Mr. Faras said that, last year, the Chairman was supposed to respond to him regarding another issue he had raised regarding the “vetting” of the TCHS project. He explained that he had asked for information as to why a proper study was not conducted regarding new construction vs. renovation of the then-existing TCHS facility. He expressed skepticism with regard to SDA “looking into it and getting back to him” and asked how he can get answers. He criticized the one study that was done regarding TCHS as inadequate. Mr. McKenna said that if Mr. Faras believes that he (Mr. McKenna) was acting in such a manner as to have grossly violated his responsibilities he could take legal action. Mr. Faras responded that he does not have the financial resources to do so. Mr. Faras also referenced the Camden HS project and stated that the SDA is about to now do the same thing there—proceed without doing the appropriate studies regarding cost vs. renovation. Mr. McKenna explained that other factors go into a determination as to how SDA will proceed with a given project—e.g. educational, structural. Mr. Faras said that SDA did not look at the entire TCHS building as the law requires. Mr. McKenna asked Mr. Faras to provide the law that he claims SDA is violating. Mr. Faras also said that, contrary to the law, Mr. McKenna lacks construction experience. Mr. Faras then concluded his remarks.

Mr. Maloney then addressed Mr. Faras. He said that every month he hears Mr. Faras criticize the SDA and the work it is doing. He said that he is also a taxpayer and that he is proud of the work that the SDA has done at TCHS and at schools throughout the state. He said that it is his opinion that Mr. McKenna is doing a great job. He suggested that one day Mr. Faras should come in and just say “thank you”. Mr. Faras disagreed that Mr. McKenna is doing a good job and said that, as a member of the Board, Mr. Maloney should take on the responsibility of

making sure the money is spent properly. Mr. Maloney responded by saying that his conscience is clear.

Ms. Kelly then announced that the Board would be adjourning into Executive Session to discuss two items: 1) pertaining to the Harrison new ES project and 2) a recommendation for settlement of cost recovery litigation in relation to the Orange Park Avenue ES facilities project. She said that the Board's vote on these matters would occur upon return to Open Session.

Thereafter, upon motion by the Chairman and with unanimous consent, the meeting adjourned into Executive Session.

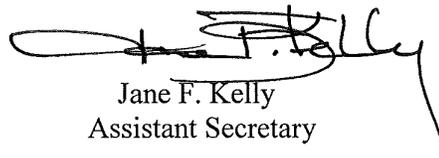
Following discussion in Executive Session, the Board returned to Open Session.

A resolution pertaining to the settlement of cost recovery litigation relating to the Orange Park Avenue ES facilities project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. Maloney, the recommended settlement of cost recovery litigation was approved with the Board's unanimous vote in favor of ***Resolution A1.***

A resolution pertaining to the award of a contract in the amount of \$25,899,600 to Brockwell & Carrington, Inc. for design-build services and a final project charter for the Harrison new ES project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. Maloney, the recommended contract award and final project charter were approved with the Board's unanimous vote in favor of ***Resolution 6a.***

There being no further business to come before the Board, 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 November 2, 2016 meeting.



Jane F. Kelly
Assistant Secretary

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

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

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

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's November 2, 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: December 7, 2016

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

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

2017 PROPOSED BUDGET



STATE OF NEW JERSEY

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

TO: The Members of the Authority

FROM: Charles McKenna, Chief Executive Officer
Donald Guarriello, Chief Financial Officer

RE: Proposed 2017 Operating Budget

DATE: December 7, 2016

Justification for Budget Request

Pursuant to Article V, Section 5.1.B of the Authority's By-Laws, the Chief Executive Officer is required to prepare and submit a proposed annual budget for the Authority for adoption by the Members. Accordingly, in support of the Authority's current and projected project activities and other initiatives, we are submitting to the Board of Directors for their consideration a calendar year 2017 Operating Budget of \$22.9M. Excluding the non-cash accruals for Other Post-Employment Benefits (OPEB) and Pensions, discussed below, the 2017 Operating Budget is \$18.7M, a \$316K decrease from the 2016 Operating Budget. The 2017 Operating Budget includes a proposed headcount of 257 full-time equivalents (FTE) which is unchanged from the current year budget.

Budget Approach

To appropriately assign accountability, all operating expenses are budgeted on a departmental basis. In developing the operating budget, coordinators were identified by each department and/or division, and materials were distributed for data input of expenses and headcount requirements along with instructions on how to enter the data.

Departmental budget information supplied to the budget team was eventually uploaded to a master spreadsheet and rolled up to arrive at divisional and Authority totals. Once approved, the budget will be calendarized for 2017 monthly reporting.

Consistent with prior years, a portion of the Authority's employee salaries and benefits costs will be appropriately charged to school facilities projects based upon employee weekly time sheet data. For budget year 2017, the Authority has estimated the amount of such costs to be charged to school facilities projects at \$15.3 million, which amount has been backed out of operating expense as presented in the attached materials.

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Significant Budgetary Items

- The proposed 2017 Operating Budget reflects a headcount of 257 FTEs, excluding 1 permanent part-time employee.
- Employee salaries charged to operating expense are projected to decrease by \$152K as compared to the current year budget to approximately \$9.2M. This is due to the fact that the 27 current vacant positions are budgeted to be filled on a staggered basis throughout 2017, with a larger number of the vacant positions assumed to be filled in the second half of 2017.

The 2017 Operating Budget does not include an employee merit based compensation adjustment or cost of living adjustment.

- Employee benefit costs charged to operating expense are projected to increase by \$1.8M as compared to the current year budget to approximately \$7.9M. This is primarily due to the impact of GASB 68, which requires the recognition of the long-term obligation for pension benefits as a liability and requires a more comprehensive measurement of the annual costs of pension benefits. For 2017, the Authority's estimated Pension Expense is \$3.9M, inclusive of a \$1.7M non-cash accrual related to GASB 68. The Authority's mandatory cash contribution to the Public Employees' Retirement System is expected to decrease slightly to \$2.2M. Other Post-Employment Benefit (OPEB) costs are estimated to increase by \$289K to \$2.8 million, of which approximately \$2.5 million is for a non-cash accrual related to GASB 45/75.

Overall, employee benefit costs are estimated to comprise approximately 41% of gross payroll in 2017, if you exclude the budgeted \$4.2 million non-cash accruals for OPEB and Pensions.

- Direct Hire Temporary Costs charged to operating expense are estimated to decrease by \$50K as compared to the current year budget to approximately \$57K. Direct hire temps are used on an as-needed basis throughout the year, primarily by Program Operations and the Design Studio. The majority of these costs will be allocated to School Facilities Projects.
- Information Systems expenses are \$52K higher than the current year budget due to increased costs for the DOE LRF program of \$225K, offset by reductions in MIS projects (\$55K), system hardware (\$62K) and external services (\$49K).
- Capitalized Operating Expenditures are (\$35K) lower than current year budget due to a reduction in outside consulting services for the Document Management Project, which is nearing completion.

The Members of the Authority
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- General Office & Facilities costs are expected to increase \$34K due in part to scheduled office rent increases.
- The 2017 Operating Budget also includes increases in Professional and Other Contracted Services (\$34K) due to higher Other Professional Services including actuarial and independent auditing services, offset slightly by a reduction in Interagency Agreements.

Accompanying Materials

The accompanying 2017 Operating Budget materials include the following: (1) Budget Summary, (2) Employee Headcount Report by department; (3) 5-Year Budget Comparison Report, and (4) Budget Detail Report.

Recommendation

The Members of the Authority are recommended to approve the proposed 2017 Operating Budget as presented in the accompanying materials.

Prepared by: Robert Carney and James Wiegartner



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Summary
Presentation to the Board of Directors**

	Proposed 2017 Budget	2016 Budget	2016 Rereforecast	Increase/(Decrease)	
				2017 Budget vs 2016 Budget	2017 Budget vs 2016 Rereforecast
Authority Operating Expenses					
Personnel Expenses:					
Employee Salaries	\$ 19,880,983	\$ 20,260,791	\$ 18,931,291	\$ (379,808)	\$ 949,692
Employee Benefits	12,312,016 a	10,643,713	9,943,713	1,668,303	2,368,303
Direct Hire Temporary Employee Costs	290,655	376,775	211,775	(86,120)	78,880
Total Employee Salaries & Benefits Costs	32,483,654	31,281,279	29,086,779	1,202,375	3,396,875
Less: Employee Salaries Costs Charged to Projects	(10,895,427)	(11,158,927)	(10,636,817)	263,500	(258,610)
Less: Employee Benefits Costs Charged to Projects	(4,438,647)	(4,535,164)	(4,227,274)	96,517	(211,373)
Salaries & Benefits Costs Charged to Operating Expense	17,149,580	15,587,188	14,222,688	1,562,392	2,926,892
Temporary Staffing Services	150,000	130,000	130,000	20,000	20,000
Travel & Expense Reimbursements	35,475	33,700	31,000	1,775	4,475
Training & Professional Development	135,359	126,194	101,194	9,165	34,165
Total Personnel Expenses	17,470,414	15,877,082	14,484,882	1,593,332	2,985,532
Non-Personnel Operating Expenses:					
Facilities & General Office Expenses	2,639,330	2,605,440	2,586,840	33,890	52,490
Information Systems	1,482,400	1,430,445	1,637,445	51,955	(155,045)
Professional & Other Contracted Services	538,250	504,500	498,500	33,750	39,750
Property & Casualty Insurance	408,800	413,000	413,000	(4,200)	(4,200)
SDA-Owned Automobiles	115,000	100,000	100,000	15,000	15,000
Communications & Outreach	500	500	500	-	-
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	-	-
Total Operating Expenses (Non-Capital)	22,704,694	20,980,967	19,771,167	1,723,727	2,933,527
Capitalized Operating Expenses	220,000	255,000	255,000	(35,000)	(35,000)
Total Authority Operating Expenses	\$ 22,924,694	\$ 21,235,967	\$ 20,026,167	\$ 1,688,727	\$ 2,898,527
Total Full-Time Employees (FTEs)	257 b	257 b	257 b	-	-

a Includes non-cash accrual of approximately \$2.45 million for other post retirement benefits (OPEB) and \$1.75 million for pensions.

b Total FTEs excludes one (1) permanent part time employee; however, the employee's salary is included above.



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Employee Headcount
Budget Presentation to the Board of Directors**

SDA Division/Unit	Employee Headcount			Proposed Headcount vs.	
	Proposed 2017 Budget	2016 Budget	Actual	2017 Budget	Actual
Office of Chief Executive Officer (CEO)	3	3	3	-	-
Program Assessment & Development	9	9	7	-	2
Special Projects	9	9	9	-	-
Program Operations–Mgmt (PO)	6	6	5	-	1
PO, Capital Plan/Grants	26	26	23	-	3
PO, Design Team	16	16	16	-	-
PO, Project Teams	66	65	55	1	11
PO, Safety	8	9	8	(1)	-
Corp Governance & Operations–Mgmt (GOV)	3	3	3	-	-
GOV, Human Resources	8	8	8	-	-
GOV, Chief Counsel	15	14	13	1	2
GOV, Information Systems	16	15	15	1	1
GOV, Facilities	6	6	5	-	1
GOV, Communications	10	11	8	(1)	2
Financial Operations, CFO–Mgmt (FO)	5	5	5	-	-
FO, Controller	12	12	12	-	-
FO, Contract Management	13	13	11	-	2
FO, RES	5	6	4	(1)	1
FO, Procurement	10	10	9	-	1
FO, Risk Management/Vendor Svcs	11	11	11	-	-
Total Full-Time Employees (FTEs)	257 ^a	257 ^a	230 ^a	-	27

a Excludes one (1) permanent part time employee.

Note: Vacant positions are filled on an as needed basis and, subject to CEO approval, could be reassigned to another department to address the Authority's needs.



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Summary Comparison
2017 - 2013**

	Proposed 2017 Budget	2016 Budget	2015 Budget	2014 Budget	2013 Budget
Authority Operating Expenses					
Personnel Expenses:					
Employee Salaries	\$ 19,880,983	\$ 20,260,791	\$ 19,766,360	\$ 19,522,993	\$ 19,375,713
Employee Benefits	12,312,016 ^a	10,643,713	10,265,798	10,853,785	10,462,853
Direct Hire Temporary Employee Costs	290,655	376,775	486,815	583,463	780,463
Total Employee Salaries & Benefits Costs	<u>32,483,654</u>	<u>31,281,279</u>	<u>30,518,973</u>	<u>30,960,241</u>	<u>30,619,029</u>
<u>Less:</u> Employee Salaries Costs Charged to Projects	(10,895,427)	(11,158,927)	(10,686,361)	(10,929,201)	(11,855,791)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(4,438,647)	(4,535,164)	(4,394,580)	(4,419,927)	(4,776,957)
Salaries & Benefits Costs Charged to Operating Expense	17,149,580	15,587,188	15,438,032	15,611,113	13,986,281
Temporary Staffing Services	150,000	130,000	130,000	130,000	100,000
Travel & Expense Reimbursements	35,475	33,700	37,990	29,250	26,700
Training & Professional Development	135,359	126,194	113,895	72,970	65,492
Total Personnel Expenses	<u>17,470,414</u>	<u>15,877,082</u>	<u>15,719,917</u>	<u>15,843,333</u>	<u>14,178,473</u>
Non-Personnel Operating Expenses:					
Facilities & General Office Expenses	2,639,330	2,605,440	2,564,500	2,352,200	2,957,035
Information Systems	1,482,400	1,430,445	1,227,700	1,112,100	1,505,900
Professional & Other Contracted Services	538,250	504,500	469,500	625,500	777,020
Property & Casualty Insurance	408,800	413,000	432,000	431,820	429,057
SDA-Owned Automobiles	115,000	100,000	99,000	83,000	78,000
Communications & Outreach	500	500	500	500	500
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	50,000	75,000
Total Operating Expenses (Non-Capital)	<u>22,704,694</u>	<u>20,980,967</u>	<u>20,563,117</u>	<u>20,498,453</u>	<u>20,000,985</u>
Capitalized Operating Expenses	220,000	255,000	385,000	54,000	54,000
Total Authority Operating Expenses	<u>\$ 22,924,694</u>	<u>\$ 21,235,967</u>	<u>\$ 20,948,117</u>	<u>\$ 20,552,453</u>	<u>\$ 20,054,985</u>
Total Full-Time Employees (FTEs)	<u>257</u>	<u>257</u>	<u>257</u>	<u>256</u>	<u>256</u>

^a Includes non-cash accrual of approximately \$2.45 million for other post retirement benefits (OPEB) and \$1.75 million for pensions.



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2017 Budget	2016 Budget
CURRENT APPROVED HEADCOUNT	<u>257</u>	
Active as of 10/1/2016	230	
Open/Re-Titled	27	
Requested (New)	0	
PROPOSED HEADCOUNT	<u>257</u>	<u>257</u>
 AUTHORITY OPERATING EXPENSES		
PERSONNEL EXPENSES:		
Employee Salaries & Benefits		
Employee Salaries	\$19,880,983	\$20,260,791
Employee Benefits	12,312,016	10,643,713
Direct Hire Temporary Employee Costs	<u>290,655</u>	<u>376,775</u>
Total Employee Salaries & Benefits Costs	32,483,654	31,281,279
<u>Less:</u> Employee Salaries Costs Charged to Projects	(10,895,427)	(11,158,927)
<u>Less:</u> Employee Benefits Costs Charged to Projects	<u>(4,438,647)</u>	<u>(4,535,164)</u>
Total Salaries & Benefits Costs Charged to Operating Expense	<u>17,149,580</u>	<u>15,587,188</u>
 Temporary Staffing Services	 <u>150,000</u>	 <u>130,000</u>
 Travel & Expense Reimbursements		
Mileage Reimbursements	12,020	11,375
Other Travel Reimbursements Incl Tolls & Parking	<u>23,455</u>	<u>22,325</u>
Total Travel & Expense Reimbursements	<u>35,475</u>	<u>33,700</u>
 Training & Professional Development		
Outside Training Incl Conferences & Seminars	49,219	45,294
HR Training - Authority Wide	25,000	25,000
Publications & Subscriptions	22,025	21,725
Professional Memberships & Licenses	14,115	9,175
Tuition Reimbursement	<u>25,000</u>	<u>25,000</u>
Total Training & Professional Development	<u>135,359</u>	<u>126,194</u>
 TOTAL PERSONNEL EXPENSES	 <u>17,470,414</u>	 <u>15,877,082</u>



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Detail
Presentation to the Board of Directors**

Proposed 2017 Budget	2016 Budget
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NON-PERSONNEL OPERATING EXPENSES:

FACILITIES & GENERAL OFFICE EXPENSES

Office Leases & Parking

Trenton	1,367,960	1,345,640
Newark	<u>203,000</u>	<u>203,000</u>
Total Office Leases & Parking	<u>1,570,960</u>	<u>1,548,640</u>

Telephone

State of NJ	14,500	16,200
Private-VolP	18,000	19,500
Cellular	133,000	135,000
Miscellaneous Charges	<u>18,000</u>	<u>18,000</u>
Total Telephone	<u>183,500</u>	<u>188,700</u>

Utilities

Trenton Front St	285,000	285,000
Newark	<u>30,000</u>	<u>30,000</u>
Total Utilities	<u>315,000</u>	<u>315,000</u>

Postage & Delivery

Meter Usage	9,000	6,000
Post Office Box Rental	1,270	0
State of NJ	400	400
UPS	7,000	7,000
Federal Express	<u>200</u>	<u>200</u>
Total Postage & Delivery	<u>17,870</u>	<u>13,600</u>

Furniture & Equipment

Furniture Purchases	5,000	5,000
Equipment Purchases	5,000	5,000
Equipment Maintenance	50,000	50,000
Fixtures & Tools	<u>2,000</u>	<u>2,000</u>
Total Furniture & Equipment	<u>62,000</u>	<u>62,000</u>



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2017 Budget	2016 Budget
Office Supplies		
Stationary & Supplies	25,000	25,000
Printer & Copier Paper	20,000	20,000
Toner	50,000	45,000
Business Cards	<u>2,000</u>	<u>2,500</u>
Total Office Supplies	<u>97,000</u>	<u>92,500</u>
Building Security		
Building Security	<u>2,500</u>	<u>2,500</u>
Total Building Security	<u>2,500</u>	<u>2,500</u>
Janitorial		
Custodial Services	10,000	10,000
Carpet Maintenance	<u>10,000</u>	<u>10,000</u>
Total Janitorial	<u>20,000</u>	<u>20,000</u>
Mechanical Maintenance		
Repairs & Maintenance	25,000	25,000
Common Area Maintenance Fees	<u>323,000</u>	<u>315,000</u>
Total Mechanical Maintenance	<u>348,000</u>	<u>340,000</u>
Other		
Refreshments & Supplies	6,000	6,000
Employee Services	3,500	3,500
Recruitment Expense	<u>13,000</u>	<u>13,000</u>
Total Other	<u>22,500</u>	<u>22,500</u>
TOTAL FACILITIES & GENERAL OFFICE EXPENSES	<u>2,639,330</u>	<u>2,605,440</u>
INFORMATION SYSTEMS		
System Maintenance	<u>632,000</u>	<u>640,000</u>
Media Storage	<u>28,600</u>	<u>26,600</u>
System Supplies	<u>40,000</u>	<u>41,825</u>



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2017 Budget	2016 Budget
System Software		
General	70,800	70,000
Total System Software	<u>70,800</u>	<u>70,000</u>
System Hardware		
General	20,000	20,000
Server	25,000	40,000
Printers	10,000	15,000
Workstation Purchases/Upgrades	105,000	147,200
Total System Hardware	<u>160,000</u>	<u>222,200</u>
MIS Projects		
MIS Projects	30,000	85,000
DOE LRFP Project	225,000	0
Authority Infrastructure Projects	50,000	50,000
Total MIS Projects	<u>305,000</u>	<u>135,000</u>
External Services		
On-Line Subscription Services	75,000	78,220
On-Line Subscription Services-Board Books	15,000	14,000
Internet Provider-SNIP	128,000	174,600
Total External Services	<u>218,000</u>	<u>266,820</u>
Information Systems Training (Authority Wide)	<u>28,000</u>	<u>28,000</u>
TOTAL INFORMATION SYSTEMS	<u>1,482,400</u>	<u>1,430,445</u>
PROFESSIONAL & OTHER CONTRACTED SERVICES		
Auditing		
Independent Auditor Services	107,750	104,000
Total Auditing	<u>107,750</u>	<u>104,000</u>



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2017 Budget	2016 Budget
Other Professional Services		
ADP Payroll Services	45,000	45,000
Actuary Services	10,000	6,500
MIS/Project Services	<u>143,500</u>	<u>102,000</u>
Total Other Professional Services	<u>198,500</u>	<u>153,500</u>
Interagency Agreements		
DAG Legal Services	<u>150,000</u>	<u>160,000</u>
Total Interagency Agreements	<u>150,000</u>	<u>160,000</u>
Other		
Document Storage (Off Site)	65,000	65,000
Shredding Services	6,000	12,000
Bank Service Charges	<u>11,000</u>	<u>10,000</u>
Total Other	<u>82,000</u>	<u>87,000</u>
TOTAL PROFESSIONAL & OTHER CONTRACTED SVCS	<u>538,250</u>	<u>504,500</u>
PROPERTY & CASUALTY INSURANCE		
Package-Owned	34,000	30,000
Automobile	37,800	38,000
Umbrella Liability	33,000	41,000
Umbrella Liability-Excess	16,000	16,000
Public Officials Liability	225,000	225,000
Public Officials Liability-Excess	<u>63,000</u>	<u>63,000</u>
TOTAL PROPERTY & CASUALTY INSURANCE	<u>408,800</u>	<u>413,000</u>
SDA-OWNED AUTOMOBILES		
Central Motor Pool Charges	<u>115,000</u>	<u>100,000</u>
TOTAL SDA-OWNED AUTOMOBILES	<u>115,000</u>	<u>100,000</u>



**New Jersey Schools Development Authority
Proposed 2017 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2017 Budget	2016 Budget
COMMUNICATIONS & OUTREACH		
Community Outreach	500	500
TOTAL COMMUNICATIONS & OUTREACH	<u>500</u>	<u>500</u>
RESERVE FOR UNFORSEEN EVENTS & NEW INITIATIVES	<u>50,000</u>	<u>50,000</u>
TOTAL OPERATING EXPENSES (NON-CAPITAL)	<u>22,704,694</u>	<u>20,980,967</u>
CAPITAL EXPENDITURES		
Automobile Purchases	55,000	55,000
CFR eDoc System	40,000	75,000
eDiscovery System	125,000	125,000
TOTAL CAPITAL EXPENDITURES	<u>220,000</u>	<u>255,000</u>
TOTAL AUTHORITY OPERATING EXPENSES	<u>\$22,924,694</u>	<u>\$21,235,967</u>

Resolution— 5a.**Approval of the Fiscal Year 2017 SDA Annual Operating Budget****Resolution**

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

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

WHEREAS, pursuant to Article IX of the Authority’s bylaws, there is established an Audit Committee, the duties and responsibilities of which are set forth in the Audit Committee Charter; and

WHEREAS, pursuant to Article VII, Section 7.1 of the Authority’s bylaws, “the fiscal year of the Authority shall commence on the first day of January of each calendar year and conclude on the last day of December of the same calendar year; and

WHEREAS, pursuant to Article V. Section 5.1B of the Authority’s bylaws, the Authority’s “Chief Executive Officer shall prepare and submit a proposed annual budget for the Authority for each ensuing year for adoption by the members of the Authority”; and

WHEREAS, pursuant to Article V. Section 5.1B of the bylaws of the Authority, the Chief Executive Officer has submitted to the Audit Committee for consideration a proposed operating budget for the Authority’s Fiscal Year 2017; and

WHEREAS, at its meetings on October 17, 2016 and November 21, 2016, the Audit Committee reviewed and discussed the FY 2017 budget proposal; and

WHEREAS, pursuant to Article VII A.1 of the Audit Committee Charter and following deliberations, the Audit Committee recommends for approval by the Members of the Authority the budget proposal recommended by SDA management for FY 2017 and it is so presented in the attachment hereto.

NOW THEREFORE BE IT RESOLVED, that the Board hereby approves the attached FY 2017 Annual Operating Budget for staffing, general and administrative expenses and capital expenditures in support of SDA operations totaling \$22.9 million and authorizes the Chief Executive Officer to expend funds on behalf of the Authority pursuant to this budget as required.

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: Proposed FY 2017 Annual Operating Budget Memorandum and Attachment, dated
December 7, 2016

Dated: December 7, 2016

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

**DESIGN-BUILD AWARD AND APPROVAL OF FINAL PROJECT CHARTER - IRVINGTON
SCHOOL DISTRICT - IRVINGTON NEW MADISON 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

6

TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

C. Aidita Milsted
Program Director, Program Operations

RE: District: Irvington
School: New Madison Avenue Elementary School
Description: Design-Build
Package No.: ES-0027-B01
CCE: \$24,930,000
Advertised CCE Range: \$22,000,000 to 27,000,000
Award: \$26,800,000
CM: TBD

DATE: December 7, 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 \$26,800,000 to Ernest Bock & Sons, Inc.¹ for Design-Build services for the New Madison Avenue Elementary School (Madison Ave ES) in the Irvington Public Schools 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 Pre-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 Ernest Bock & Sons, Inc. listed the following subcontractors for the required trades in its Price Proposal: Brian Trematore Plumbing & Heating, Inc. (HVACR and Plumbing), A.J. Maglio, Inc. (Electrical), and Sparta Steel Corporation (Structural Steel & Ornamental Iron). Ernest Bock & Sons, Inc. also listed a design consultant team lead by SSP Architectural Group, Inc. (Architecture), and including Johnson & Urban, LLC (HVAC Engineering, Electrical Engineering, and Plumbing Engineering), French & Parrello Associates, PA (Civil Engineering), Consulting Engineers Collaborative, Inc. (Structural Engineering), and Pennoni Associates, Inc. (Environmental Engineering).

Members of the Authority
Design-Build Award and Approval of Final Project Charter
Package No. ES-0027-B01
Irvington - New Madison Ave ES – Design-Build
December 7, 2016
Page 2 of 7

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BACKGROUND

The Madison Ave ES project will consist of the construction of an approximately 73,000 square foot facility (adjusted from 70,500 square feet at time of approval of the Preliminary Project Charter) to educate approximately 463 students in grades Pre-K through 5 in the Irvington Public Schools District.

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 Irvington Madison Avenue School. Inclusion of the project was based upon the DOE's 2013 Educational Facilities Needs Assessment (EFNA), which identified Facilities Efficiency Standard (FES) Compliance needs in the Irvington Public School District.

Following approval of the Preliminary Project Charter by the Members in December, 2014, 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.

Procurement of Demolition and Early Site Preparation services occurred in late 2015, and this work was completed in November, 2016.

A Construction Management firm (CM) will be engaged to manage the construction phase of the New Madison Ave ES project. These services will be procured through a solicitation anticipated to initiate during the first quarter of 2017.

PROCUREMENT PROCESS

This package was advertised as a design-build solicitation on August 16, 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 August 30, 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 September 12, 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:

Members of the Authority
 Design-Build Award and Approval of Final Project Charter
 Package No. ES-0027-B01
 Irvington - New Madison Ave ES – Design-Build
 December 7, 2016
 Page 3 of 7

TABLE 1

Firm	Project Rating Limit
Brockwell & Carrington Contractors, Inc.	\$ 45,771,385
Dobco, Inc.	\$144,019,722
Ernest Bock & Sons, Inc.	\$169,622,902
Hall Construction Company, Inc.	\$153,723,281
Joseph A. Natoli Construction Corporation	\$117,675,180
Niram, Inc.	\$ 38,640,000
Terminal Construction Corporation	\$199,471,000

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 September 28, 2016. Addenda responses to Bidder Questions were issued to the bidders on October 11, October 12, and October 20, 2016.

Technical and Price Proposals were received on November 2, 2016 from four (4) 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) Irvington 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.

Members of the Authority
 Design-Build Award and Approval of Final Project Charter
 Package No. ES-0027-B01
 Irvington - New Madison Ave ES – Design-Build
 December 7, 2016
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“Selection Committee” Review

The Selection Committee members conducted interviews with each of the four (4) Design-Build teams at NJSDA offices in Trenton on November 14, 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.
- 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	2.0	20
Approach to LEED Requirements	1.5	15
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:

Members of the Authority
 Design-Build Award and Approval of Final Project Charter
 Package No. ES-0027-B01
 Irvington - New Madison Ave ES – Design-Build
 December 7, 2016
 Page 5 of 7

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TABLE 3

Contractor	Raw Non-Price Score	Non-Price Rank
Terminal Construction Corporation	74.917	1
Ernest Bock & Sons, Inc.	74.167	2
Dobco, Inc.	69.500	3
Brockwell & Carrington Contractors, Inc.	66.083	4

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 November 17, 2016 and the bids were read aloud as required by law.

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

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

TABLE 4

Contractor	Bid Amount	Raw Price Score	Price Rank
Ernest Bock & Sons, Inc.	\$26,800,000.00	100.000	1
Terminal Construction Corporation	\$28,154,000.00	94.948	2
Dobco, Inc.	\$28,800,000.00	92.537	3
Brockwell & Carrington Contractors, Inc.	\$29,565,000.00	89.683	4

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
Ernest Bock & Sons, Inc.	74.167	100.000	29.667	60.000	89.667	1
Terminal Construction Corporation	74.917	94.948	29.967	56.969	86.935	2
Dobco, Inc.	69.500	92.537	27.800	55.522	83.322	3
Brockwell & Carrington Contractors, Inc.	66.083	89.683	26.433	53.810	80.243	4

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The highest ranked bidder was Ernest Bock & Sons, Inc. (Bock).

Highest Ranked Bidder's Price Proposal

The bid submitted by Bock was 7.5 % above 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 conference was conducted on November 18, 2016 with Procurement, Program Operations, Contract Management Division, NJSDA's Site Consultant (Mott McDonald) and Bock to review the bid. The discussion verified that Bock had included all work per the scope of the project and identified variances between the NJSDA's CCE and Bock's price proposal in several areas. The majority of the overall variance represents costs associated with: 1) building shell construction; and 2) design fees. Both represent a higher percentage of the overall cost of the project than was estimated within the CCE. At the time of review, Bock 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 Ernest Bock & Sons, Inc.

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 \$38.6 million in the Final Project Charter represents an increase of approximately \$1.3 million from the Board approved Preliminary Project Charter due to increased construction costs based upon the award value for the design-builder which exceeds 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 March 2016. Additionally, the Technology budget has been increased to reflect more recent project experience. These increases within the overall budget are partially 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, Ernest Bock & Sons, Inc., for Contract No. ES-0027-B01 in the amount of \$26,800,000. Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

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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, Procurement Director

/s/ C. 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: Gregory Voronov, Managing Director, Program Operations
Prepared and Recommended by: Katherine Gallo, Deputy Program Director, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date

12/07/16

**Supersedes
Charter Dated**

03/02/16

Region: Northern
District: Irvington
Project Name: New Madison Avenue ES
School Type: Elementary School
DOE # / Project #: 2330-120-03-0755
Project Type (New/Add/Reno): New
Project Location: 163 Madison Avenue
Number of Students: 463 (FES Capacity) 504 (Maximum Capacity)

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

Funding Source

2012 Capital Plan

Project Budget: \$ 38,589,795
Anticipated Substantial Completion Date: 05/28/19
Anticipated School Occupancy Date: 09/15/19

Funding Allocated

\$37,309,795

Project Team Leader: C. Aidita Milsted / Ritchard Sherman
Project Initiation Date: Dec-14
SDA Board - Project Charter Approval Date: 12/07/16

District Local Share

\$0.00

Charter Version and Date		Project Summary	
<input type="checkbox"/> Planning		New Elementary School facility on the District-owned Madison Avenue site to educate 463 students in grades PK-5.	
<input type="checkbox"/> Preliminary	03/02/16		
<input checked="" type="checkbox"/> Final	12/07/16		
Revision # and Date		Purpose for Advancement of Current/Revised Project Charter	
<input type="checkbox"/> One		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"/> Two			
<input type="checkbox"/> Three			
District Project Goals			
<input type="checkbox"/> Four			A new school to address district wide Facilities Efficiency Standards (FES) Compliance needs and localized overcrowding in grades PK-5.
<input type="checkbox"/> Five			
<input type="checkbox"/> Six			

Recommendation

Program Director - Program Operations _____ **Date** _____
 C. Aidita Milsted

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

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

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

Approval

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

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

Charter Date
12/07/16

District / Project Name:	Irvington / New Madison Avenue ES
DOE # / Project #:	2330-120-03-0755

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 checked="" type="checkbox"/>	Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	02/20/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/13/15	<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	04/06/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11/25/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Deed Restriction Required?	TBD	Date				
District Notified?	_____	<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?	TBD					
District Notified?	_____	<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

<u>Design:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>		<u>Est.</u>	<u>Act.</u>
Design Start (NTP)	02/20/15	<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	02/20/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	08/28/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design	09/23/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/26/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bridging Documents	12/22/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	08/15/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design-Build Bid/Award	08/16/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12/27/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	12/28/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	01/23/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Design	01/24/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>	09/21/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Construction:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>
Construction Start (NTP)	09/22/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	05/28/19	<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)	08/22/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	04/21/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	05/19/20	<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
		12/07/16
District / Project Name: Irvington / New Madison Avenue ES		
DOE # / Project #: 2330-120-03-0755		
2012 Capital Plan Funding Allocation		\$ 37,309,795
Special Considerations:		
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 completed early site preparation, site investigations and prior engaged design services.		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	73,450	1.56
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):		73,450
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$293.42	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$1,904,000	
Building Costs	\$23,071,970	
Site Costs	\$1,824,030	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation months at 5 % per year	\$0	
Design Contingency	\$0	
Construction Contingency	\$1,264,000	
Total Construction Costs		\$28,064,000
Pre-Development Costs:		
Consultant Services	\$990,000	
Early Site Package (Demolition/Remediation)	\$3,080,000	
Land Acquisition	\$5,600	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs		\$4,075,600
Other Costs:		
Design		%
Prior Design Services	\$410,195	
In-House Design	\$400,000	
Project Management (SDA Staff)	\$1,305,000	
PMF/CM	\$1,485,000	
FF&E	\$1,200,000	
Technology	\$1,200,000	
Commissioning	(Included in DB Scope)	
Temporary Space	\$0	
Other Costs	\$450,000	
Total Other Costs		\$6,450,195
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources		\$0
Total Project Budget		\$38,589,795
Funding from Prior Allocation		\$572,250
Funding from 2012 Capital Plan		\$38,017,545

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

Charter Date

12/07/16

District / Project Name: Irvington / New Madison Avenue ES
DOE # / Project #: 2330-120-03-0755

Project Budget:

	Revised Prelim Charter 3/2/16	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.55	1.56	-0.01
Gross Building Area (GSF):			
New	70,500	73,450	(2,950)
Addition	0	0	0
Renovation	0	0	0
Total Gross Area (GSF):	70,500	73,450	(2,950)
Design-Builder Costs			
Design	\$1,135,000	\$1,904,000	(\$769,000)
Building Costs	\$19,465,000	\$23,071,970	(\$3,606,970)
Site Costs	\$2,100,000	\$1,824,030	\$275,970
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$0	\$0	\$0
Design Contingency	\$2,300,000	\$0	\$2,236,000
Construction Contingency	\$1,200,000	\$1,264,000	(\$64,000)
Total Construction Costs	\$26,200,000	\$28,064,000	(\$1,864,000)
Pre-Development Costs:			
Consultant Services	\$990,000	\$990,000	\$0
Early Site Package (Demolition/Remediation)	\$3,348,000	\$3,080,000	\$268,000
Land Acquisition	\$5,600	\$5,600	\$0
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$0	\$0	\$0
Total Pre-Development Costs	\$4,343,600	\$4,075,600	\$268,000
Other Costs:			
Design			
Prior Design Services	\$410,195	\$410,195	\$0
In-House Design	\$400,000	\$400,000	\$0
Project Management (SDA Staff)	\$1,821,000	\$1,305,000	\$516,000
PMF/CM	\$1,485,000	\$1,485,000	\$0
FF&E	\$1,200,000	\$1,200,000	\$0
Technology	\$1,000,000	\$1,200,000	(\$200,000)
Commissioning	(Included in DB Scope)	(Included in DB Scope)	\$0
Temporary Space	\$0	\$0	\$0
Other Costs	\$450,000	\$450,000	\$0
Total Other Costs	\$6,766,195	\$6,450,195	\$316,000
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$37,309,795	\$38,589,795	(\$1,280,000)
Funding from Prior Allocation	\$572,250	\$572,250	\$0
Funding from 2012 Capital Plan	\$36,737,545	\$38,017,545	(\$1,280,000)

Budget Variance Analysis:

The project budget represents an increase of approximately \$1.3 million from the Board approved Preliminary Project Charter due to increased construction costs based upon the award value for the Design-Builder which exceeds 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 March 2016. Additionally, the Technology budget has been increased to reflect more recent project experience. These increases within the overall budget are partially 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—6a.

Design-Build Award and Final Project Charter

District:	Irvington
School:	New Madison Avenue Elementary School
Description:	Design-Build Award
Package No.:	ES-0027-B01
CCE:	\$24,430,000
Advertised CCE Range:	\$22,000,000 to \$27,000,000
Award:	\$26,800,000
CM:	NJSDA Self-Managed

Resolution

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

WHEREAS, in January 2014 the SDA Board approved an amendment to the SDA Capital Plan Portfolio which authorized the SDA to undertake the required steps to advance a project for the Irvington Madison Avenue School; and

WHEREAS, inclusion of the project was based upon the Department of Education's (DOE) 2013 Educational Facilities Needs Assessment (EFNA), which identified Facilities Efficiency Standard (FES) Compliance needs in the Irvington Public School District (District); and

WHEREAS, the Madison Avenue Elementary School (the Project) will consist of an approximately 73,000 square foot new school facility in the Irvington School District-owned Madison Avenue site and will provide capacity to educate approximately 463 students in grades Pre-K through 5; and

WHEREAS, demolition and early site preparation work for the Project was completed in November, 2016; and

WHEREAS, a package for design-build services for the Project was advertised on August 16, 2016 with "price" equaling 60% of the overall weight, and "all non-price" factors having a combined weight of 40%; and

WHEREAS, upon completion of the competitive procurement process the program operations director and contract management division recommended award of the contract in the amount of \$26,800,000 to Ernest Bock & Sons, Inc. for design-build services for the Project; and

WHEREAS, at the time of review, Ernest Bock & Sons, Inc. confirmed that its price proposal is inclusive of all scope elements contained in the Contract Documents; and

WHEREAS, Board approval is required in connection with this contract award as it exceeds \$500,000; and

WHEREAS, the Project background, details of the final project charter and a description of the procurement process followed for the recommended design-services award are fully set forth 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 to Ernest Bock & Sons, Inc. (Package No. ES-0027-B01) in the amount of \$26,800,000 for design-build services for the New Madison Avenue Elementary School project in the Irvington School District, with such approval conditioned upon the agreement and related documentation being reviewed and approved by the SDA Division of Chief Counsel.

BE IT FURTHER RESOLVED, that the Members of the Authority hereby approve the final project charter for the Project presented to the Board on this date and representing all expended and projected funds necessary for completion of the project.

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, Design-Build Award and Final Project Charter, New Madison Avenue Elementary School, Irvington School District (Package No. No. ES-0027-B01), dated December 7, 2016

Dated: December 7, 2016

**REVISED PLANNING CHARTER AND DESIGN CONSULTANT SERVICES
ADVANCEMENT - KEANSBURG SCHOOL DISTRICT - PORT MONMOUTH ROAD
ELEMENTARY SCHOOL - ADDITION AND RENOVATION PROJECT**

MEMORANDUM

TO: Members of the Authority

FROM: Ritchard Sherman
Managing Director, Design

Manuel Da Silva
Program Director, Program Operations

DATE: December 7, 2016

SUBJECT: Revised Planning Charter and Design Consultant Services Advancement

RE: Keansburg School District – Port Monmouth Road School
Addition and Renovation Project

INTRODUCTION

At the March 7, 2012 NJSDA Board Meeting, the Members of the Authority approved the Authority's 2012 Capital Plan. That Plan identified the Keansburg Caruso Elementary School (Caruso E.S.) project for validation and advancement into Pre-Development. At the October 3, 2012 NJSDA Board Meeting, the Members approved a unified approach to address District-wide overcrowding in the Keansburg School District by approving advancement of projects at two facilities, the first being the recently completed 122,140 SF New Joseph C. Caruso E.S. and the other being the renovation and addition to the Port Monmouth Road School.

On February 3, 2016, the Members approved the award of a contract to LAN Associates (LAN) for Pre-Design Phase Services for the Port Monmouth Road School and authorized LAN to proceed with Predesign Phase services.

We are writing to advise the Members of the findings and recommendations of the Predesign Phase completed by LAN and to recommend approval by the Members to continue the engagement with LAN for Design and Construction Administration Phase Services for the Port Monmouth Road School for a total lump sum fee of \$1,870,231, inclusive of \$585,330 in allowances. We are also seeking approval of the attached Revised Planning Charter created by Program Operations staff, which details project advancement recommendations and includes negotiated costs for the remaining Design Consultant Services and estimated project costs for the remainder of the project. Approval of the Revised Planning Charter will serve to transfer funds from the Planning Reserve to the Port Monmouth Road School project. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, the transfer of funds from the Planning Reserve to a specific project requires approval by the Members of the Authority.

Members of the Authority
Revised Planning Charter and Design Consultant Advancement
Keansburg School District – Port Monmouth Road School Addition/Renovation Project
December 7, 2016
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BACKGROUND

As stated above, the projects at the Caruso E.S. and the Port Monmouth Road School were approved to collectively address District-wide overcrowding, together educating students in grades Pre-K to four.

The renovation and addition to the Port Monmouth Road School will result in a 47,110 square foot facility designed to educate 318 Pre-Kindergarten students. This school is comprised of three distinct areas identified as Wings A, B and C. Wings B and C are permanent building structures constructed in 1992 and 1968 respectively while Wing A is modular construction built in 1973.

Until the project is completed, District-owned modular units will continue serving as a temporary educational facility for the Port Monmouth Road School students¹.

The Authority's Design Consultant Services agreement with LAN includes performance of both 1) Pre-design Phase Services and 2) Design and Construction Administration Phase Services, advancement of the latter at NJSDA's sole discretion following completion and acceptance of the Pre-design Services as well as successful negotiation for the remaining services and fees.

Pre-design Services

On March 9, 2016 NJSDA issued a Notice-to-Proceed to LAN specifically focused on Pre-design Phase Services for a negotiated value of \$335,514 inclusive of \$200,000 of allowance services for a total renovation of the existing facility. The purpose of the Pre-design Phase was to develop and analyze options for delivery of the project scope to most effectively and efficiently address the District's educational program needs as well as identified facilities conditions deficiencies.

Consistent with the scope of Pre-design Phase Services, LAN proceeded as directed with a detailed assessment of existing facilities conditions and a project requirements review. During this process, LAN performed an analysis that included assessment of all three facility wings. LAN also identified, developed, and evaluated conceptual project scope options for the Project for review by the NJSDA and the District.

Options Evaluation

LAN prepared reports detailing several options in terms of satisfying the educational needs of the District, the extent of necessary renovations to address program needs, facility condition deficiencies and site work necessary to support each option. Additionally, the reports provide estimated project costs necessary to implement each option.

The scope of program-driven renovation work was determined based upon the approved program and required program adjacencies. Options which were considered for the proposed project included full renovation of all wings, including renovation and structural repairs of the existing

¹ Some of those modular units are located on SDA-owned property that will be converted to parking area for the Caruso E.S. project at the conclusion of the Port Monmouth Road School project. For these project scope phasing reasons, the Planning Charter for the Port Monmouth Road School project was revised in March 2014 to incorporate scope and costs associated with this work rather than retain those elements in the Caruso E.S. Charter

Members of the Authority
Revised Planning Charter and Design Consultant Advancement
Keansburg School District – Port Monmouth Road School Addition/Renovation Project
December 7, 2016
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modular A Wing. During the investigation and assessment process, severe structural deficiencies associated with the A Wing became evident and a replacement option for this portion of the facility was also considered.

LAN and NJSDA reviewed the options and it was concluded that the renovation of Wings B and C, and demolition and replacement of modular construction A Wing was the most technically sound and cost-effective option to best address programmatic needs, adjacency relationships, functionality, accessibility, security and facilities conditions deficiencies.

RECOMMENDED PROJECT SCOPE

The recommended project scope consists of the following elements:

- An approximately 28,180 square foot (SF) single story addition containing classrooms, food service, nurse's area, support facilities and connection to the renovated facility;
- Renovation of approximately 18,930 SF of existing school facility to include classrooms, gross motor skills area and support facilities;
- Selective facility conditions improvements including a new HVAC system, fire protection system, building envelope repairs, and other systems upgrades;
- Site improvements including required outdoor Physical Education/play areas and flood prevention improvements;
- SDA-owned property that will be converted to parking area for the Caruso E.S. project at the conclusion of the Port Monmouth Road School project.

DESIGN SERVICES

Based upon the results of Predesign Phase services and successful negotiation of fees, we are recommending to the Members that the NJSDA maintain LAN's involvement with the Port Monmouth project as provided for in the contract between the NJSDA and LAN for Design and Construction Administration Phase Services for the project. In arriving at this determination, the NJSDA recognized that LAN performed satisfactorily during the Predesign Phase, effectively analyzing and evaluating the facility and all related factors, and providing deliverables in a thorough, complete and timely manner. In satisfying the Predesign Phase deliverables, LAN developed a strong familiarity with the facility that will provide valuable expertise for the remainder of the project, demonstrating an understanding of the existing school facility and the DOE/NJSDA project goals.

Negotiation discussions with LAN achieved a clear understanding of the services required and resulted in LAN submitting a final fee proposal for the completion of Design Consultant Services consistent with the required level of effort. The NJSDA Project Team, Contract Management Division (CMD) and Design Studio have reviewed LAN's proposal and found it inclusive of all design services appropriate to provide the remaining Design Consultant Services through the completion of this Design-Bid-Build Project.

Members of the Authority
 Revised Planning Charter and Design Consultant Advancement
 Keansburg School District – Port Monmouth Road School Addition/Renovation Project
 December 7, 2016
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Included within the Design Consultant Scope of Services are Design and Construction Administration Phase Services associated with the replacement of Wing A and renovation of Wings B and C.

As detailed below, previous design consultant fees totaling \$335,514 had been allocated for completion of Predesign Phase Services. Of this original allocation \$158,449 of unused allowance funds are to be credited, resulting in an adjusted allocation of \$177,065 for Predesign Consultant Services. The negotiated value of \$1,870,231, shall provide for Design Consultant Services through completion of the project inclusive of the Design and Construction Administration costs and an allowance of \$585,330 for permitting, abatement oversight, monitoring and testing, resulting in a total compensation for Total Project Design Services of \$2,047,296.

CALCULATIONS

Predesign Phase Services:	
Predesign Fees	\$ 135,514
Predesign Allowances	<u>\$ 200,000</u>
Predesign Subtotal	\$ 335,514
Credit unused Predesign Allowances	<u>\$ (158,449)</u>
Adjusted Predesign Total	\$ 177,065
Design Phase Consultant Services	
Design & Construction Administration Phase Services	\$1,284,901
Allowances	<u>\$ 585,330</u>
Design Phase Total	\$1,870,231
Total Project Design Services	\$2,047,296

PROJECT BUDGET

As detailed in the attached Revised Planning Charter, the estimated cost of \$25.8 million for the project is inclusive of all prior expenditures including Predesign Services performed by LAN, as well as estimated future costs necessary for advancement of the current project scope. The budget is based upon the negotiated fees for Design Consultant Services, the reconciled construction cost estimate provided by LAN and the application of planning estimates to the current anticipated project scope. The Revised Planning Charter represents an increase of \$8,341,896 from the Revised Planning Charter approved in April 2014 due to increased estimated construction costs based upon more detailed investigation and options developed for the addition, renovation and necessary site work to support the project. Additionally, the design fees have increased based upon the final negotiated value for the remainder of design services and the furniture, fixtures, equipment and technology budgets have been increased to reflect more recent project experience.

Members of the Authority
 Revised Planning Charter and Design Consultant Advancement
 Keansburg School District – Port Monmouth Road School Addition/Renovation Project
 December 7, 2016
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RECOMMENDATION

The Members are requested to approve the Revised Planning Charter for the Port Monmouth Road School project. In so doing, the Board is providing the Authority with approval to:

1. Authorize LAN to proceed with Design and Construction Administration Phase Services for the negotiated amount included above;
2. Transfer \$8,341,896 from the Planning Reserve to the Port Monmouth Road School project;

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

Recommended by:

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

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

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

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

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

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

Prepared and Recommended by: Jack De Stefano, Program Officer, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
12/07/16

Supersedes Charter Dated
10/03/12

Region: Southern
District: Keansburg
Project Name: Port Monmouth Road ES
School Type: Elementary School
DOE # / Project #: 2400-040-13-0AED
Project Type (New/Add/Reno): Add/Reno
Project Location: Keansburg, NJ
Number of Students: 318

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

Funding Source
2012 Capital Plan

Project Budget: \$ 25,840,602

Funding Allocated
\$17,498,706

Anticipated Substantial Completion Date TBD

Anticipated School Occupancy Date TBD

Project Team Leader: Manuel Da Silva

District Local Share
\$0.00

Project Initiation Date: March-12

SDA Board - Project Charter Approval Date: 12/07/16

Charter Version and Date	Project Summary	
<input checked="" type="checkbox"/> Planning 10/03/12	Addition and Renovation to the Port Monmouth Road School to educate 318 Pre-K students including a single story addition containing classrooms, food service, nurse's area, support facilities and connection to the renovated facility; renovation of the existing school facility to include classrooms, gross motor skills area and support facilities, selective facility conditions improvements including a new HVAC system, fire protection system, building envelope repairs, and other systems upgrades; site improvements including required outdoor Physical Education/play areas and flood prevention improvements. Funding is included for the conversion of an SDA-owned site into parking for the Caruso Elementary School.	
<input type="checkbox"/> Preliminary		
<input type="checkbox"/> Final		
Purpose for Advancement of Current/Revised Project Charter		
Revision # and Date	The Revised Planning Charter is being advanced to update the scope and budget based upon the completion of Predesign services and negotiation of fees for the remainder of design services through completion of the project.	
<input type="checkbox"/> One 04/10/14		
<input checked="" type="checkbox"/> Two 12/07/16		
<input type="checkbox"/> Three		
District Project Goals		
<input type="checkbox"/> Four		In conjunction with the new Joseph Caruso ES Project, address overcrowding in grades Pre-K to 4.
<input type="checkbox"/> Five		
<input type="checkbox"/> Six		

Recommendation

Program Director - Program Operations _____ Date
 Manuel Da Silva

Managing Director - Capital Planning _____ Date
 Gregory Voronov

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
12/07/16

District / Project Name:	Keansburg / Port Monmouth Road ES
DOE # / Project #:	2400-040-13-0AED

Project Milestones	Date
School Occupancy Date	01/16/18

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

<u>Real Estate Services</u>	Start	Est.	Act.	Finish	Est.	Act.
Feasibility	Jun-12	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Oct-12	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<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"/>
Remediation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	No	Date				
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?	Unknown					
District Notified?		<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

<u>Design:</u>	Date	Est.	Act.		Est.	Act.
Design Start (NTP)	03/09/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Design Restart (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase	03/09/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/07/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design Phase	12/29/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	05/18/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design Development Phase	05/19/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>	09/12/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Construction Documents Phase	09/13/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>	01/05/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DCA Review	01/08/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>	04/06/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bid and Award	03/19/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>	08/15/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

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

Special Considerations

The SDA-owned site will be converted to parking area for the Caruso E.S. project at the conclusion of the Port Monmouth Road School project. For these project scope phasing reasons, the Planning Charter for the Port Monmouth Road School project was revised in March 2014 to incorporate scope and costs associated with this work rather than retain those elements in the Caruso E.S. Charter.

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		12/07/16
District / Project Name:	Keansburg / Port Monmouth Road ES	
DOE # / Project #:	2400-040-13-0AED	
2012 Capital Plan Funding Allocation		\$ 17,498,706
Special Considerations:		
<p>The project budget is inclusive of all prior expenditures including Predesign Services performed by LAN, as well as, estimated future costs necessary for advancement of the current project scope. The budget is based upon the negotiated fees for Design Consultant Services, the reconciled construction cost estimate provided by LAN and the application of planning estimates to the current anticipated project scope. This Charter includes funding for the conversion of an SDA-owned site into parking for the Caruso Elementary School.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
		1.45
New Addition	28,180	
Renovation	18,930	
Total Gross Building Area (GSF):	47,110	
Estimated Building Cost / GSF (unescalated)		
New Construction Cost/GSF	\$289.00	
Renovation Cost/GSF	\$267.00	
Construction Costs		
Addition Costs	\$8,144,020	
Renovation Costs	\$5,052,434	
Site Costs	\$1,350,700	
Demolition	\$510,900	
E-Rate (If separately bid)	\$0	
Cost Escalation 18 months at 5 % per year	\$1,129,000	
Design Contingency	\$1,758,000	
Construction Contingency	\$809,353	
Total Construction Costs	\$18,754,407	
Pre-Development Costs:		
Consultant Services	\$271,130	
Early Site Package (Demolition/Remediation)	\$0	
Land Acquisition	\$0	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs	\$271,130	
Other Costs: %		
Design	\$2,141,065	
Project Management (SDA Staff)	\$1,450,000	
PMF/CM	\$1,300,000	
FF&E	\$800,000	
Technology	\$800,000	
Commissioning	\$0	
Temporary Space	\$0	
Other Costs	\$324,000	
Total Other Costs	\$6,815,065	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$25,840,602	
Funding from Prior Allocation	\$0	
Funding from 2012 Capital Plan	\$25,840,602	

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

Charter Date

12/07/16

District / Project Name: Kearnsburg / Port Monmouth Road ES
DOE # / Project #: 2400-040-13-0AED

Project Budget:

	Planning Charter 4/10/14	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.45	1.45	0.00
Gross Building Area (GSF):			
New	23,000	28,180	(5,180)
Addition			
Renovation	20,036	18,930	1,106
Total Gross Area (GSF):	43,036	47,110	(4,074)
Construction Costs			
Addition Costs	\$5,865,000	\$8,144,020	(\$2,279,020)
Renovation Costs	\$2,043,000	\$5,052,434	(\$3,009,434)
Site Costs	\$1,402,000	\$1,350,700	\$51,300
Demolition	\$219,000	\$510,900	(\$291,900)
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$702,197	\$1,129,000	(\$426,803)
Design Contingency	\$1,306,463	\$1,758,000	(\$451,538)
Construction Contingency	\$544,210	\$809,353	(\$265,143)
Total Construction Costs	\$12,081,869	\$18,754,407	(\$6,672,537)
Pre-Development Costs:			
Consultant Services	\$294,049	\$271,130	\$22,919
Early Site Package (Demolition/Remediation)	\$0	\$0	\$0
Land Acquisition	\$0	\$0	\$0
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$0	\$0	\$0
Total Pre-Development Costs	\$294,049	\$271,130	\$22,919
Other Costs:			
Design Services	\$1,234,615	\$2,141,065	(\$906,450)
Project Management (SDA Staff)	\$1,560,000	\$1,450,000	\$110,000
PMF/CM	\$1,188,000	\$1,300,000	(\$112,000)
FF&E	\$495,291	\$800,000	(\$304,709)
Technology	\$440,258	\$800,000	(\$359,742)
Commissioning	\$0	\$0	\$0
Temporary Space	\$0	\$0	\$0
Other Costs	\$204,624	\$324,000	(\$119,376)
Total Other Costs	\$5,122,788	\$6,815,065	(\$1,692,277)
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$17,498,706	\$25,840,602	(\$8,341,896)
Funding from Prior Allocation	\$0	\$0	\$0
Funding from 2012 Capital Plan	\$17,498,706	\$25,840,602	(\$8,341,896)

Budget Variance Analysis:

The project budget represents an increase of approximately \$8.3 million from the Revised Planning Charter approved in April 2014 due to increased estimated construction costs based upon more detailed investigation and options developed for the addition and renovation necessary to support the project. Additionally, the design fees have increased based upon the final negotiated value for the remainder of design services and the furniture, fixtures, equipment and technology budgets have been increased to reflect more recent project experience.

Schedule Variance Analysis:

6

Resolution – 6b.

Revised Planning Charter - Design Consultant Services Advancement – Release of Funds from Program Reserve, Keansburg School District – Port Monmouth Road School Addition and Renovation Project

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that the Members of the Authority approve the transfer of funds from the Planning Reserve to a specific project; and

WHEREAS, in March 2012, the Members of the Authority (Members or Board) approved the Authority's 2012 Capital Plan which identified the Keansburg School District's (District) New Joseph C. Caruso Elementary School (Caruso E.S.) project for validation and advancement into Pre-Development; and

WHEREAS, in October 2012, the Board approved a unified approach to address District-wide overcrowding in the District by approving advancement of projects at two facilities, the first being the recently completed 122,140 square foot Caruso E.S. and the second being the renovation of and addition to the Port Monmouth Road School (PMRS); and

WHEREAS, on February 3, 2016, the Members approved the award of a contract to LAN Associates (LAN) for Pre-Design Phase Services for the PMRS and authorized LAN to proceed with there; and

WHEREAS, management has reported the findings and recommendations of the Pre-Design Phase completed by LAN and recommends Board approval in order that LAN might be engaged to provide Design and Construction Administration Phase Services for the PMRS project for a total lump sum fee of \$1,870,231, inclusive of \$585,330 in allowances; and

WHEREAS, management further recommends approval of the Revised Planning Charter which details project advancement recommendations and includes negotiated costs for the remaining Design Consultant Services and sets forth estimated project costs for the remainder of the PMRS project; and

WHEREAS, approval of the Revised Planning Charter will serve to transfer \$8,341,896 from the Planning Reserve to the PMRS project; and

WHEREAS, the project background, the recommended project scope, a description of the design services and the project budget are set forth in detail in the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the Revised Planning Charter for the Port Monmouth Road School project, in the Keansburg School District, and, in so doing, enable management to authorize LAN Associates to proceed with Design and Construction Administration Phase Services for the negotiated amount 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 authorize and approve the transfer of \$8,341,896 from the Planning Reserve to the Port Monmouth Road School project, with the Operating Authority governing the award of all professional services and construction contracts, and notification to the Board regarding 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, Revised Planning Charter and Design Consultant Services, Release of Funds from the Program Reserve, Keansburg School District–Port Monmouth Road School, dated December 7, 2016

Dated: December 7, 2016

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: December 7, 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 11/18/16

2011 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	645	\$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	795	\$39.0	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Existing Design	Phase 2 Award approved Nov. 2012 Board (Patock Construction)	12/8/11 7/11/12
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	\$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	698	\$49.3	Existing Design	Phase 2 Construction approved Aug. 2013 Board (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Existing Design	Construction Contract Approved Apr. 2012 Board (Terminal Construction).	12/20/11
New Brunswick	Redshaw ES	PK-5	906	990	\$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	932	\$73.6	Kit of Parts/ Design-Build	Award for D-B approved Mar. 2013 Board. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Existing Design	Construction Contract approved at May 2013 Board (Bock).	6/13/12 2/12/13
Paterson	PS 16	PK-8	641	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	814	\$16.8	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.

7



2011 & 2012 Portfolio Projects Activities Summary

as of 11/18/16

2012 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	763	\$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	758	842	\$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	318	\$17.5	Design-Bid-Build	Award for Design services approved Feb. 2016 Board.	TBD
New Brunswick	Robeson ES	PK-5	823	893	\$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	932	\$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	657	\$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	2,997	\$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	2,172	\$127.5	Existing Design	Construction Contract Approved Apr. 2013 Board (Epic Management).	9/27/12
West New York	Memorial HS	9-12	1,859	2,194	\$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.

7



2011 & 2012 Portfolio Projects Activities Summary

as of 11/18/16

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

District	Project	1				Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)			
East Orange	George Washington Carver ES	PK-5	470	512	\$42.0	Kit of Parts/ Design-Build	Preliminary Charter & Memo approved May 2015 Board. ESP Award approved Jul. 2016 Board.	4/26/16 1 QTR 17
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$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	305	\$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	432	\$36.1	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2016 Board. (Brockwell and Carrington)	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	504	\$35.4	Kit of Parts/ Design-Build	ROA for D-B advancing to Dec. 2016 Board.	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,391	\$110.0	Design-Build	DB Advertisement 9/30/16. Proposals due 12/21/16.	9/30/16
Passaic	New ES @ Leonard Place	K-5	628	698	\$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	1107	\$112.9	Design-Build	Preliminary Charter approved Apr. 2015 Board.	TBD
Pemberton	Denbo ES	PK-5	846	930	\$62.0	Design-Build	Preliminary Charter approved Jul. 2016 Board.	TBD
Perth Amboy	High School	HS	2,800	3,304	\$234.4	Design-Build	Preliminary Charter approved Jun. 2016 Board.	TBD
Perth Amboy	Seaman Avenue ES	K-5	724	804	\$56.8	Kit of Parts/ Design-Build	Award for D-B approved Jul. 2016 Board (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	839	56.9	Kit of Parts/ Design-Build	Preliminary Charter approved Sep. 2016 Board.	TBD
Union City	ES Grade Level	ES	TBD	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Vineland	New MS	6-8	562	624	\$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 11/18/16

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

District	Project	1				Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)			
Camden	High School	9-12	1,244	1,468	\$132.7	Design-Build	Preliminary Charter approved Oct. 2016 Board	TBD
Hoboken	Connors ES	ES	TBD	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-6	TBD	TBD	\$24.6	TBD	Revised Planning Charter approved Aug. 2016 Board.	TBD
Orange	High School	9-12	TBD	TBD	TBD	TBD	ROA for Pre-Design Services approved Apr. 2015 Board.	TBD
Trenton	Central HS	9-12	1,850	2,176	\$155.4	Design-Build	Award for D-B approved at Mar. 2016 Board (Terminal Construction).	12/19/14 9/29/15

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



Active Project Status Report Status as of 11/1/2016

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	Quarter Mile Lane ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 39,043,619
2	Elizabeth	New ES	New Construction	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 55,312,580
3	Garfield	New James Madison ES	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 29,650,092
4	Gloucester City	New ES/MS	New Construction	Construction	1Q 2017	On-target	Sep-17	On-target	\$ 63,829,937
5	Jersey City	Patricia Noonan ES (New ES #3)	New Construction	Construction	4Q 2016	On-target	Sep-17	On-target	\$ 54,004,014
6	New Brunswick	Paul Robeson Community ES	Addition/Renovation	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 47,012,849
7	Newark	South Street ES	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 69,876,694
8	Passaic City	New ES at Leonard Place	New Construction	Construction	3Q 2018	On-target	Sep-18	On-target	\$ 55,884,039
9	Perth Amboy	New Seaman Ave ES	New Construction	Design-Build Design Phase	1Q 2019	On-target	Sep-19	On-target	\$ 56,435,971
10	Trenton	New Central HS	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 155,404,000
11	Vineland	Lincoln Road MS (New Middle School)	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 49,787,025
12	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 11/1/2016**

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	4Q 2016	On-Target	\$ 6,526,284
2	Trenton	Hedgepeth-Williams School	Domestic Wate Line Replacement	Construction	4Q 2016	On-Target	4Q 2016	On-Target	\$ 2,153,476
3	Vineland	High School South	HVAC	Construction	Oct-16	Achieved	4Q 2016	On-Target	\$ 13,652,573

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: December 7, 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 transferred since the last Board Meeting:

Year of Occupancy	Project #	Project Type	District	School	Status
N/A	0540-030-12-0ACJ	Emergent	Bridgeton	Broad Street Elementary	Transferred

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Bridgeton					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
Burlington City					
2007	0600-020-01-0957	New High School	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 Elementary School	Land and/or School Transferred	04/14/10	Open contract(s)
2009	0680-190-01-0927	Dudley Elementary School	Land and/or School Transferred	02/06/12	Open contract(s)
2011	0680-245-01-0930	Morgan Village Academy	Land and/or School Transferred	02/25/13	Open contract(s) - Legal matter pending
Cumberland					
2009	0997-030-02-0926	Cumberland Regional High School	Land and/or School Transferred	06/25/10	Open contract(s) - Legal matter pending
East Orange					
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
Egg Harbor City					
2010	1300-X01-04-0ADY	New Middle School	Land and/or School Transferred	01/01/12	Open contract(s)
Egg Harbor Township					
2011	1310-005-04-0AEB	Egg Harbor Township High School			
Elizabeth					
Legacy	1320-X06-01-0866	#30 Ronald Reagan Academy	Land and/or School Transferred	07/09/12	Open contract(s) - Legal matter pending
2013	1320-240-03-0339	Victor Mravlag Elementary School # 21			
2016	1320-x07-01-0867	Frank J. Cicarell Academy (New Academic HS)			
Garfield					
2007	1700-N01-02-0114	Garfield Middle School	Land and/or School Transferred	06/25/09	Open contract(s) - Legal matter pending
Gloucester City					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Land and/or School Transferred	06/05/09	Open contract(s)
Harrison					
2007	2060-X01-01-0832	New Harrison High School	Land and/or School Transferred	10/23/12	Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of November 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 Elementary School #3 (Frank R. Conwell Elementary School #3)	Land and/or School Transferred	12/19/15	Open contract(s) - Legal matter pending
Legacy	2390-N02-99-0228	Jersey City Middle School # 4 (Frank R. Conwell Middle School #4)	Land and/or School Transferred	12/19/15	Open contract(s) - Legal matter pending
2007	2390-N03-99-0147	Heights Middle School #7			
2016	2390-190-01-0581	New Public School #20			
Keansburg					
2016	2400-E01-02-0116	New Caruso Elementary School			
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 Elementary School			
New Brunswick					
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 Elementary School	Land and/or School Transferred	09/28/11	Open contract(s) - Legal matter pending
2008	3570-X03-01-0665	Central High School	Land and/or School Transferred	03/28/12	Open contract(s) - Legal matter pending
2010	3570-X07-01-0693	Speedway Elementary School	Land and/or School Transferred	10/21/15	Open contract(s)
2016	3570-390-04-00BJ	Elliott Street Elementary School			
2016	3570-590-02-0315	Oliver Street Elementary School			
Orange					
2009	3880-120-01-0967	Park Ave Elementary School	Land and/or School Transferred	07/19/12	Open contract(s) - Legal matter pending
2010	3880-100-01-0968	Lincoln Ave Elementary School	Land and/or School Transferred	09/07/12	Open contract(s) - Legal matter pending
Passaic					
2015	3970-X01-01-X760	New Henry Street Elementary School			

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Paterson					
Legacy 2008	4010-N02-02-0393	Roberto Clemente Elementary School	Land and/or School Transferred	04/12/13	Unable to close due to upcoming repairs.
2008	4010-S01-02-0101	International High School			
2008	4010-270-02-0608	#24 Elementary School			
2016	4010-N01-02-0169	Dr. Hami Awadallah School (New Marshall Street ES)			
2016	4010-N09-04-00HP	New Public School #16			
Pemberton					
2011	4050-E01-02-0082	Pemberton Early Childhood Education Center	Land and/or School Transferred	02/01/13	Open contract(s)
Phillipsburg					
2016	4100-x01-99-0464	New High School			
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
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. Sabater 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	Elementary School #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			142		
Closed Capital and Demonstration Projects			95		
Capital and Demonstration Projects Not Closed			47		
Capital and Demonstration Projects Not Closed, Land and/or School Transferred			31		
Legal Matter			16		
Pending Audit			6		
Miscellaneous			9		

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

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Emergent Projects					
Bridgeton					
	0540-030-12-0ACJ	Broad Street Elementary School	Land and/or School Transferred	10/21/2016	Open contract(s)
Irvington					
	2330-090-12-0ACT	Chancellor Avenue Elementary School			
	2330-050-10-00CH	Irvington High School - Roof, HVAC, Bathroom			
Newark					
	3570-690-08-0GAK	Speedway			
	3570-720-08-0GAO	American History High School (Warren Street Elementary School)			
Orange					
	3880-115-10-00CM	Orange Middle School (Orange Preparatory Academy)			
Passaic					
	3970-050-12-0ADZ	Passaic City High School			
Trenton					
	5210-080-12-0ABZ	Hedgepeth-Williams School			
Vineland					
	5390-050-12-0ACK	Vineland High School South			
Emergent Project Totals					
Total Emergent Projects			73		
Emergent Projects Closed			63		
Emergent Projects Not Closed			10		
Emergent Projects Not Closed but Transferred			1		
Health and Safety Contract Totals					
Total Contracts			399		
# of Open Contracts			7		
# of Contracts Closed			392		
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: December 7, 2016

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

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

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period



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

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

NO DATA TO REPORT								
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Substantially Complete & Building Occupied

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

Burlington City	Burlington City H.S.	\$17,830,990	\$17,814,403	\$16,587	99.9%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement.	Project complete and building occupied. Working towards project close-out.
Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,305,993	\$123,639	91.4%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
Orange	Lincoln Ave E.S.	\$5,615,000	\$4,906,339	\$708,661	87.4%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	Project complete and building occupied. Working towards project close-out.
Orange	Park Avenue E.S.	\$3,360,000	\$3,275,103	\$84,897	97.5%	99%	1. Unforeseen asbestos abatement	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,313,389	\$302,731	93.4%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

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



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

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

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: December 7, 2016

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

Contracts Executed Report

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

Noteworthy Items during the reporting period:

- No data during the reporting period.

Amendments & Change Orders Report

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

Noteworthy Items during the reporting period:

- No Amendments for Design Services or Construction Management Services were executed during the reporting period.
- Execution of 12 Construction Services Change Orders totaling \$69k, of the 12 executed change orders none required board approval.

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

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report



Amendments & Change Orders Report

Reporting Period: 10/1/2016 through: 10/31/2016

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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														
No Data During the Reporting Period														
Professional Services														
Construction Services														
Contractor														
Paterson	Dr. Hanı Awadallah Elementary School	PA-0006-C04	6/18/2013	81	Ernest Bock & Sons, Inc.	10/11/2016	\$29,345,000	\$1,884,075	(\$30,000)			\$31,199,075	6.31%	
Paterson	Dr. Hanı Awadallah Elementary School	PA-0006-C04	6/18/2013	82	Ernest Bock & Sons, Inc.	10/11/2016	\$29,345,000	\$1,854,075	(\$610)			\$31,198,465	6.31%	
Paterson	New Union Avenue Middle School	PA-0011-C01	6/21/2016	1	Intercontinental Construction	10/24/2016	\$568,680	\$0	\$12,196			\$580,876	2.14%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	71	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,841,410	\$7,522			\$84,338,932	4.78%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	73	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,848,932	\$6,247			\$84,345,179	4.78%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	74	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,855,179	\$9,805			\$84,354,984	4.80%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	75	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,864,984	\$5,604			\$84,360,588	4.80%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	76	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,870,588	\$7,138			\$84,367,726	4.81%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	77	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,877,726	\$5,786			\$84,373,512	4.82%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	78	Epic Management, Inc.	10/11/2016	\$80,490,000	\$3,883,512	\$9,508			\$84,383,020	4.83%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	72	Epic Management, Inc.	10/24/2016	\$80,490,000	\$3,893,020	\$30,391			\$84,413,411	4.87%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	79	Epic Management, Inc.	10/28/2016	\$80,490,000	\$3,923,411	\$5,000			\$84,418,411	4.88%	
Contractor														
Construction Services														
									\$68,587					
										Total Change Order Summary	Total Change Orders			
Grand Totals									\$68,587	12				
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 *(no activity)*

SETTLEMENT CLAIMS (*no activity*)

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



MEMORANDUM

TO: Members of the Authority

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

DATE: December 7, 2016

SUBJECT: Contractor and Workforce Compliance Monthly Update for September 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 September 30, 2016 was \$40,334,257. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$22,115,816 (including minorities and women). This represents 56.84% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 15,635,213	40.77%
Small/ Minority Business Enterprises	\$ 5,009,853	12.42%
Small/Women Business Enterprises	\$ 1,470,750	3.65%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 22,115,816	56.84%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 December 7, 2016
 Page 2 of 4

Ethnic Breakdown

Through the month of September 30, 2016, the total SBE contracts awarded with minority participation were 20.16%.

Ethnicity	Contract Amount	Percentage
American Indian	\$ -0-	0.00%
Asian	\$ 1,834,910	8.30%
Black	\$ 1,575,000	7.12%
Hispanic	\$ 1,047,685	4.74%
Total	\$ 4,457,595	20.16%

WORKFORCE COMPLIANCE MONITORING

For the month of September, 2016, there was a contractor workforce of 879 on SDA projects. This represents a total of 49,680 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	60	4,004	8.06%
Hispanic	164	8,293	16.69%
American Indian	2	203	0.41%
Asian	0	0	0.00%
Total Minority Participation	226	12,500	25.16%
Total Non-Minority Participation	653	37,180	74.84%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 December 7, 2016
 Page 3 of 4

There was a contractor workforce of 682,527 total workforce hours and 7,013 total female workforce hours on SDA projects for the period of January 1, 2016 through September 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	682,527	100.00%
*Total Local County Workforce Hours	100,649	14.75%
Total Local County Non-Minority Workforce Hours	84,739	12.42%
Total Local County Female Workforce Hours	1,697	0.25%
Total Local County Minority Workforce Hours	15,910	2.33%
**Local County Workforce Hours by Ethnicity:		
Black	9,468	1.39%
Hispanic	5,709	0.84%
American Indian	733	0.11%
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
 December 7, 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 September 30, 2016.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Bridgeton, Buckshutem ES	9,588	432	4.51%	122	1.27%
Bridgeton, Quarter Mile Lane ES	28,963	4,600	15.88%	535	1.85%
Elizabeth, New Academic HS	11,015	1,214	11.02%	8,197	74.42%
Elizabeth, New Elementary School	32,838	7,232	22.02%	0	0.00%
Garfield, James Madison ES	2,863	457	15.96%	0	0.00%
Gloucester, New MS	140,927	27,979	19.85%	17,501	12.42%
Jersey City, PS #20	15,710	3,114	19.82%	506	3.22%
Jersey City, ES #3	74,725	24,377	32.62%	5,282	7.07%
Keansburg, Caruso ES	60,668	7,190	11.85%	13,058	21.52%
Newark, Elliott Street ES	885	203	22.94%	14	1.58%
Newark, Oliver Street ES	17,991	3,585	19.93%	595	3.31%
Newark, South Street ES	5,367	2,637	49.13%	869	16.19%
Paterson, PS #16	57,265	14,944	26.10%	5,825	10.17%
Paterson, Marshall Street ES	9,034	2,008	22.23%	873	9.66%
Paterson, International HS	2,349	140	5.96%	1,677	71.39%
Phillipsburg HS	177,345	13,291	7.49%	40,603	22.89%
Trenton HS	1,306	333	25.50%	0	0.00%
Vineland, Lincoln Ave MS	2,654	74	2.79%	0	0.00%
West New York, Harry L. Bain ES	7,775	6,650	85.53%	0	0.00%
Emergent Projects	16,767	2,404	14.34%	983	5.86%

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: December 7, 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 October 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.
- 5 grants impacting 3 districts were executed during the reporting period representing \$3.4M in total project costs and state share of \$1.3M.
- 43 grants impacting 16 districts were closed out during the reporting period representing \$12.6M in total project costs and state share of \$4.9M.
- 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

October 2016

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	64	523	504	280
Number of Grant Projects	167	5,369	4,090	1,279
Total Project Cost Estimate	\$ 175,418,452	\$ 8,921,090,014	\$ 7,652,205,192	\$ 1,268,884,822
Grant Amount	\$ 76,144,922	\$ 2,998,271,150	\$ 2,479,914,497	\$ 518,356,653
Amount Disbursed	N/A	\$ 2,660,646,537	\$ 2,479,914,497	\$ 180,732,040

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	\$ 43,083,499
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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	3	16
Number of Grant Projects	5	43
Total Project Cost Estimate	\$ 3,366,763	\$ 12,635,294
Grant Amount	\$ 1,346,705	\$ 4,939,232
Amount Disbursed	NA	\$ 4,939,233

* 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

October 2016

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Monmouth	Monmouth County Vocational School District	Monmouth Co. Voc.-Tech. H.S.-Culinary Education	\$ 32,775	\$ 13,110	Removal of 2,800 SF of asbestos floor tile in the Cosmetology Lab and replacement with chemical resistant quartz vinyl floor tiles
Monmouth	Monmouth County Vocational School District	Monmouth Co. Voc.-Tech. H.S.-Culinary Education	\$ 30,188	\$ 12,075	Removal of 2,800 SF of asbestos floor tile in the Dental Lab and replacement with chemical resistant quartz vinyl floor tiles
Ocean	Bay Head	Bay Head E.S.	\$ 863,800	\$ 345,520	Mechanical upgrades
Sussex	Sussex County Vocational School District	Sussex County Tech V.S.	\$ 1,830,000	\$ 732,000	Roof replacement at main building
Sussex	Sussex County Vocational School District	Sussex County Tech V.S.	\$ 610,000	\$ 244,000	Welding shop renovations
Grand Total		Grants Executed - 5	\$ 3,366,763	\$ 1,346,705	

NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$100,000 OR 10% OF THE CONTRACT VALUE *(no activity)*

COMMUNICATIONS MONTHLY REPORT

MEMORANDUM

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: December 7, 2016

SUBJECT: Monthly Communications Report

SDA Officials Break Ground for Addition/Renovation Project in New Brunswick



On November 3, SDA CEO Charles McKenna joined New Brunswick students and officials at a groundbreaking ceremony for the Paul Robeson Community School for the Arts addition/renovation project..

The 60,000 square-foot, 3-story addition will include a new multi-purpose room, 30 additional classrooms, four small instruction rooms, and two Basic Skills/ESL classrooms. The 59,400 square-foot existing school will be renovated.

This work will include the introduction of a fire sprinkler system and the renovation/rearrangement of spaces including the school’s food service area, media center, classrooms, nurse’s office, main office and student services suite.

SDA Officials Break Ground for New Lincoln Avenue Middle School in Vineland

On November 17, SDA CEO Charles McKenna joined Vineland students and officials at a groundbreaking ceremony for the new Lincoln Avenue Middle School.



Vineland’s new Lincoln Avenue Middle School will be a one-story, approximately 99,000 square foot facility designed to accommodate 620 students in grades six through eight. The new school will include 19 general classrooms, five

Communications Report

December 7, 2016

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science/project labs, three small group instruction rooms, specialized classrooms, instrumental and vocal music rooms, an art room, a life skills lab, a technology lab, a media center, a multipurpose room with stage, a cafeteria, a gymnasium and athletic fields.

Prepared by: Edye Maier

Reviewed by: Jane F. Kelly

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: Members of the Authority

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

DATE: December 7, 2016

SUBJECT: Monthly Financial Report – October 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 October 2016 year to date, Authority operating expenses, **\$15.2 million**, are **down \$2.9 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 **\$2.4M**. This variance is offset by the year to date allocation - of payroll expense to project cost – that is lower than projected, **(\$541K)**. The Authority is currently 27 FTEs under budget;
- Year to date spending reductions for MIS expense **\$328K**, Facilities & General Office expense **\$262K** and Professional & Contracted Services expense **\$237K**.

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

For October 2016 year to date, Authority operating expenses, **\$15.2 million**, are **\$561K** higher as compared to the corresponding prior year.

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

For October 2016 year to date, project expenditures, **\$326.5 million**, are **lower** by **\$17.6 million** as compared to the capital spending forecast for the *corresponding period*. The variance is due to lower than anticipated expenditures in construction work **\$9.3M**, property acquisitions **\$3.7M**, school furniture, equipment & technology **\$3.0M**, and project insurance **\$1.1M**.

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

For October 2016 year to date, project expenditures, **\$326.5 million**, have **decreased** by **\$19.2 million** as compared to the *corresponding prior year*. This variance is due to increased spending in; construction activity **\$5.7M** and the school furniture, equipment & technology **\$26.0M** (related to the multiple school openings in August and September). This increase in spending is offset by cost reductions in grant activity **\$16.4M**, property acquisitions (2015 purchase of Paterson Catholic) **\$30.0M**, project insurance (2015 down payment for the OCIP renewal agreement) **\$5.9M** and other related project activity **\$1.4M**.

Members of the Authority
December 7, 2016
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Other

Since program inception, 76.6% 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
October 2016
(Unaudited)

New Jersey Schools Development Authority Overview of Financial Position October 31, 2016

To: The Audit Committee

From: Sherman E. Cole, Controller

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

► Overall **Cash and Cash Equivalents** have decreased by \$335.4 million to \$282.1 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	1,421,607
■ Miscellaneous revenue	797,826
■ Project costs	(326,492,736)
■ SDA operating expenses	(12,876,583)
■ SDA capital expenditures	(404,371)
■ Deposits (primarily district local shares)	2,134,212
Net Change in Cash	\$ (335,420,045)

► **Prepaid Expenses** total \$399,005 as follows:

- Prepaid insurance of \$88,764.
- Prepaid rents of \$119,705 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$165,999.
- Other prepaids of \$24,537.

► **Capital Assets** total \$705,758 (net of accumulated depreciation of \$6,695,895), 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 \$88,185 and **Depreciation Expense** is \$149,299.

► **Accrued Liabilities** total \$113.9 million, as follows:

- Accrued project costs of \$25.8 million consisting of unpaid invoices (\$4.6 million); and retainage (\$21.2 million).
- Accrued net pension liability of \$58.4 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$5.2 million (PRO liability \$7.1 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 \$1.7 million.
- Post-employment benefits obligation of \$20.1 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$3.8 million, as follows:

- \$3.5 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$172.7 million.

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

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

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$10.105 billion.
- Project expenditures for the month and year-to-date periods total \$31.2 million and \$326.5 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 16,757,202	\$ 186,129,317	\$ 4,427,871,876
Design Services	177,505	3,374,153	409,784,645
PMF/CM Services	655,526	5,251,978	444,220,042
SDA Project Management	1,142,766	12,437,067	54,951,664
Property Acquisition, Relocation & Enviro	277,768	3,943,213	576,764,913
School Furniture, Fixtures & Equipment	3,190,355	29,394,331	139,284,139
Project Insurance	181,444	1,536,416	106,875,120
NJ State Inter-Agency Transfers	-	293,757	46,602,098
SDA District Grant & Funding Agreements	123,864	6,759,721	830,663,369
Regular Operating District Grant Agreements	8,806,496	72,978,176	2,669,579,089
Real-Time Project Audits	-	97,556	342,097
Property Management, Maintenance & Utils	36,504	630,281	15,559,179
Outside Legal & Claims Resolution Services	18,832	489,583	7,464,990
Other Project Costs	146,780	3,784,014	61,633,757
Project Credits	-	-	(54,902,944)
Total Project Expenditures	31,515,042	327,099,563	9,736,694,034
Less: Local Share Contributions	(325,450)	(606,827)	(181,776,880)
Project Expenditures (State Share)	\$ 31,189,592	\$ 326,492,736	\$ 9,554,917,154
2016 Capital Spending Forecast	<u>\$ 35,278,360</u>	<u>\$344,128,837</u>	

Allocations Since Program Inception

► **Program Funding & Expenditures**

	<u>Bonding Caps</u> ¹	<u>Total Funding</u> ²	<u>Paid to Date</u> ³
■ SDA Districts	\$ 8,900,000,000	\$ 9,010,445,443	\$ 6,902,516,756
■ Regular Operating Districts	3,450,000,000	3,493,438,180	2,970,417,298
■ Vocational Schools	150,000,000	151,735,666	109,440,099
Total - State Share	\$ 12,500,000,000	\$ 12,655,619,289	\$ 9,982,374,153

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

■ SDA Districts	76.6%
■ Regular Operating Districts	85.0%
■ Vocational Schools	72.1%
Total - State Share	78.9%

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 \$427,456,999.

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

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>Increase/ (Decrease)</u>
Personnel Expenses:			
Employee Salaries	\$ 15,344,413	\$ 16,826,639	\$ (1,482,226)
Employee Benefits	8,452,279	9,233,702	(781,423)
Direct Hire Temporary Employee Costs	169,075	313,980	(144,905)
Total Employee Salaries & Benefits Costs	23,965,767	26,374,321	(2,408,554)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	12,437,067	12,977,817	(540,750)
Salaries & Benefits Charged to Operating Expense	11,528,700	13,396,504	(1,867,804)
Temporary Staffing Services	126,596	108,330	18,266
Travel & Expense Reimbursements	22,736	27,972	(5,236)
Training & Professional Development	48,789	104,944	(56,155)
Total Personnel Expenses	11,726,821	13,637,750	(1,910,929)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,909,031	2,171,200	(262,169)
Information Systems	865,636	1,193,360	(327,724)
Professional & Other Contracted Services	154,222	390,730	(236,508)
Property & Casualty Insurance	340,296	344,170	(3,874)
SDA-Owned Automobiles	66,297	83,330	(17,033)
Communications & Outreach	240	420	(180)
Reserve for Unforeseen Events & New Initiatives	-	41,670	(41,670)
Total Operating Expenses (Non-Capital)	15,062,543	17,862,630	(2,800,087)
Capitalized Operating Expenses	88,185	221,670	(133,485)
Total Authority Operating Expenses	\$ 15,150,728	\$ 18,084,300	\$ (2,933,572)

2016 Annual Operating Budget

\$ 21,235,967

New Jersey Schools Development Authority Operating Expenses vs Prior Year October 31, 2016

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>2015 Year-To-Date</u>	<u>Increase/ (Decrease)</u>
Personnel Expenses:			
Employee Salaries	\$ 15,344,413	\$ 14,742,833	\$ 601,580
Employee Benefits	8,452,279	8,193,598	258,681
Direct Hire Temporary Employee Costs	169,075	277,453	(108,378)
Total Employee Salaries & Benefits Costs	23,965,767	23,213,884	751,883
Less: Employee Salaries & Benefits Costs Charged to Projects	12,437,067	11,838,781	598,286
Salaries & Benefits Charged to Operating Expense	11,528,700	11,375,103	153,597
Temporary Staffing Services	126,596	-	126,596
Travel & Expense Reimbursements	22,736	17,283	5,453
Training & Professional Development	48,789	30,174	18,615
Total Personnel Expenses	11,726,821	11,422,560	304,261
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,909,031	1,900,220	8,811
Information Systems	865,636	669,140	196,496
Professional & Other Contracted Services	154,222	196,833	(42,611)
Property & Casualty Insurance	340,296	321,173	19,123
SDA-Owned Automobiles	66,297	65,568	729
Communications & Outreach	240	-	240
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Operating Expenses (Non-Capital)	15,062,543	14,575,494	487,049
Capitalized Operating Expenses	88,185	14,654	73,531
Total Authority Operating Expenses	\$ 15,150,728	\$ 14,590,148	\$ 560,580

New Jersey Schools Development Authority

Employee Headcount

October 31, 2016

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<u>SDA Department</u>	<u>Current Month End</u>	<u>Budget</u>	<u>Increase/ (Decrease)</u>
Office of Chief Executive Officer (CEO)	3	3	0
CEO, Contract Management	11	13	-2
COS, Program Assessment & Development	7	9	-2
COS, Special Projects	9	9	0
Program Operations, Executive	5	6	-1
Program Operations, Capital Planning & Grants Admin.	23	26	-3
Program Operations, Safety	8	9	-1
Program Operations - Design Studio	16	16	0
Program Operations, Project Teams	55	65	-10
Corp Governance & Operations, Executive	3	3	0
Corporate Governance & Operations, Human Resources	8	8	0
Corporate Governance & Operations, Chief Counsel	13	14	-1
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, Real Estate Services	4	6	-2
Financial Operations, Procurement & Contract Services	9	10	-1
Financial Operations, Risk Management & Vendor Services	<u>11</u>	<u>11</u>	<u>0</u>
Total Full-Time Employees	<u>230</u>	<u>257</u>	<u>-27</u>

New Jersey Schools Development Authority

Statement of Net Position

October 31, 2016

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	<u>Current Month End</u>	<u>2015 Year End</u>	<u>Increase/ (Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 282,145,258	\$ 617,565,303	\$ (335,420,045)
Receivables	202,253	210,640	(8,387)
Prepaid Expenses	399,005	990,937	(591,932)
Capital Assets (Net of Accumulated Depr.)	705,758	766,872	(61,114)
Total Assets	<u>283,452,274</u>	<u>619,533,752</u>	<u>(336,081,478)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions	8,494,437	10,731,769	(2,237,332)
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 291,946,711</u>	<u>\$ 630,265,521</u>	<u>\$ (338,318,810)</u>
LIABILITIES			
Accrued Project Costs	\$ 33,687,791	\$ 75,870,757	\$ (42,182,966)
Net Pension Liability	58,417,776	58,417,776	
Accrued Other Post-Employment Benefits	20,052,984	18,204,915	1,848,069
Other Accrued Liabilities	1,696,664	4,507,110	(2,810,446)
Deposits	3,771,122	1,636,910	2,134,212
Total Liabilities	<u>117,626,337</u>	<u>158,637,468</u>	<u>(41,011,131)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions	1,615,990	1,615,990	-
NET POSITION			
Invested in Capital Assets	705,758	766,872	(61,114)
Restricted for Schools Construction:			
Special Revenue Fund	171,998,626	469,245,191	(297,246,565)
Net Position	<u>172,704,384</u>	<u>470,012,063</u>	<u>(297,307,679)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	<u>\$ 291,946,711</u>	<u>\$ 630,265,521</u>	<u>\$ (338,318,810)</u>

New Jersey Schools Development Authority
Statement of Activities
October 31, 2016

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	<u>Current</u> <u>Year-To Date</u>	<u>2015</u> <u>Year-To Date</u>	<u>Increase/</u> <u>(Decrease)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ 500,000,000	\$ (500,000,000)
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	1,421,607	372,203	1,049,404
Rental Income	797,734	686,247	111,487
Other Revenue-OPRA	92	207	(115)
Total Revenues	<u>2,219,433</u>	<u>501,058,657</u>	<u>(498,839,224)</u>
EXPENSES			
Administrative & General Expenses	15,062,543	14,575,494	487,049
Capital Depreciation	149,299	77,657	71,642
School Facilities Project Costs	284,315,270	317,462,291	(33,147,021)
Total Expenses	<u>299,527,112</u>	<u>332,115,442</u>	<u>(32,588,330)</u>
CHANGE IN NET POSITION	(297,307,679)	168,943,215	(466,250,894)
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>\$ 172,704,384</u>	<u>\$ 636,064,283</u>	<u>\$ (463,359,899)</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.