

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD TELECONFERENCE MEETING
WEDNESDAY, JULY 5, 2017 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

1. NOTICE OF PUBLIC MEETING

2. ROLL CALL

3. APPROVAL OF MEETING MINUTES

- a. Board Open Session Meeting Minutes of June 7, 2017
- b. Board Executive Session Meeting Minutes of June 7, 2017

4. AUTHORITY MATTERS

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

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

- a. Ernst & Young Contract for Independent Auditor Services (GP-0211-R01) - Contract Extension for 2017 and 2018 Financial Statement Audits

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

- a. Capital Plan Amendment – Hoboken School District - Substitution of 2012 Capital Plan Project
- b. Release of Funds from Program Reserve - Newark Public Schools District – Hawthorne Avenue Elementary School - Emergent Project – Exterior Masonry and Roof Replacement
- c. COMPANY NAME: Delric Construction Company, Inc.
DISTRICT: Egg Harbor Township School District
CONTRACT NO: ET-0087-C03
PMF/CM: NJSDA Self-Managed
SCHOOL NAME: Egg Harbor Township High School
CHANGE ORDER NO.: 1
REASON: Revised Scope of Work
AMOUNT: \$160,213.49
TIME EXTENSION: 0 Days
CONTRACT STATUS: 0% Paid to Date against the Current Contract Value
OCCUPANCY DATE: N/A

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
- 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. NO EXECUTIVE SESSION

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

10. ADJOURNMENT

APPROVAL OF MEETING MINUTES

JUNE 7, 2017 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 7, 2017**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, June 7, 2017 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (EDA)
Kevin Luckie (DCA)
Bernard Piaia (DOE)
Matthew Spadaccini (Treasury)
Kevin Egan
Michael Maloney
Loren Lemelle
Robert Nixon
Mario Vargas

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

At the Chairman's request, Charles McKenna, chief executive officer (by teleconference); Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Manuel Da Silva, vice president; Albert Barnes, chief counsel; Aidita Milsted, director; and Thomas Schrum, director of the SDA participated in the meeting. Labinot Berljajolli of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at 33 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Approval of Meeting Minutes

Mr. Walsh presented for consideration and approval the minutes of the Board's May 3, 2017 Open and Executive Session meetings. A copy of both meetings' minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the May 3, 2017 Open and Executive Session meeting minutes were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a/3b***.

Authority Matters

CEO Report

At the Chairman's request, Mr. Yosha provided the Members with the report of the CEO. He began the report with an update on the Trenton Central HS (TCHS) project. He reported that the design-builder has submitted final building design documents to the Department Community Affairs (DCA) and SDA staff is awaiting their release. He said that footings, foundations, structural steel, masonry, and under slab utility work is all ongoing.

Turning to projects in the Bridgeton School District, Mr. Yosha said that for the Buckshutem Road ES project, SDA staff had submitted an application for a certificate of

occupancy (CO) to DCA at the end of the previous month. With regard to the Quarter Mile Lane ES project, he reported that DCA had issued a temporary certificate of occupancy (TCO) the previous month and SDA staff expects to submit an application for a CO at the end of the current month.

With respect to the Camden HS project, Mr. Yosha informed the Members that the demolition package is being finalized for advertisement. For the East Orange George Washington Carver ES project, he said that a recommendation of award for design-build services is on the meeting agenda.

With regard to the Elizabeth New ES and the Garfield James Madison ES No. 10 projects, Mr. Yosha reported that all trades are progressing well. He said that for the Harrison New ES project, Brockwell & Carrington's preliminary design is under review by the SDA. He said that DCA issued demolition permits for three structures on adjoining sites and demolition activities are being scheduled. He added that a notice of award (NOA) for construction management (CM) services was issued the previous month.

Mr. Yosha advised the Members that for the Irvington Madison Avenue ES project, a NOA for CM services was issued the previous month and the design-builder continues with design phase services. He said that schematic design phase services are ongoing for the Keansburg Port Monmouth Road ES project. For the Jersey City ES No. 3 project, Mr. Yosha reported that SDA turned the school over to the district in April. He advised the Board that punch-list and closeout phase work is ongoing.

Next, Mr. Yosha informed the Members that for the Millville HS addition and renovation project, Hall Construction Inc. was issued a notice to proceed (NTP) with design phase services.

In regard to the New Brunswick Paul Robeson ES and Newark South Street ES projects, he said that masonry, HVAC, electrical and plumbing work is ongoing.

Mr. Yosha next gave an update on projects in the Orange School District. He reported that for the Cleveland ES project, design phase services are ongoing. He said that SDA staff issued a NTP for demolition services and associated site work to Yannuzzi Group earlier in the current week. He also advised the Board that design phase services are ongoing for the Orange HS project.

Mr. Yosha reported that steel erection is nearing completion for the Passaic Leonard Place ES project and that design package No. 2 is under review by the DCA. In regard to the Pemberton Denbo Crichton ES project, he informed the Members that demolition services for the school SDA is replacing will commence next month and that temporary space is being readied for the upcoming school year. He added that the SDA design studio continues development of the bridging design for the replacement school.

With respect to the Perth Amboy Seaman Avenue ES project, Mr. Yosha informed the Members that the design-builder continues with design phase services and has mobilized on-site. For the Vineland New MS project, he said that masonry, steel erection, roofing, electrical, plumbing, and HVAC work are all continuing and site paving and curbing work has commenced. In regard to the West New York Harry L. Bain PS No. 6 project, Mr. Yosha reported that phased turnover of the facility to the district has begun. He noted that turnover will be complete for a September reopening by the district.

Turning next to ongoing procurement activity, Mr. Yosha said that, later in the meeting, management would be presenting a design-build services award for the East Orange George Washington Carver ES project and construction services awards for emergent projects at the

Salem MS and Paterson Roberto Clemente ES. He said that other activity currently underway includes procurements for legal services, OCIP IV broker services, and business, real estate property & casualty insurance broker services.

Reporting on events, outreach and other SDA activities, Mr. Yosha informed the Members that SDA staff held beam-signing events on May 4 in Vineland for the new Lincoln Avenue MS project and on May 12 in Passaic City for the new Leonard Place ES project. Mr. Yosha also reported that Mr. McKenna and other SDA staff met with a representative of the “Healthy Schools Now” Coalition on May 9.

In concluding, Mr. Yosha, advised the Board that SDA staff will be holding a community meeting in Perth Amboy on June 13 to discuss the start of the Seaman Avenue ES project. He said that Communications staff is working to schedule an event in West New York to discuss the upcoming completion of the rehabilitation project at the Harry L. Bain School.

Audit Committee Report

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 May 15, 2017. He said that management had provided the Committee with the April 2017 New Funding Allocation and Capital Plan Update. He said that management had reported no changes in any of the SDA District reserve balances and that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$1.1 million during the reporting period due to reductions in state share for grant projects nearing completion.

Mr. Nixon then provided the April 2017 Monthly Financial Report. He advised that the Authority’s operating expenses (Actual vs. Budget) for the year-to-date period totaled \$8 million, down \$910,000 as compared to the budget for the corresponding period. He explained that the

decrease is mainly attributable to lower salary and benefit costs. He said that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$131.1 million, \$20.6 million higher as compared to the capital spending forecast for the corresponding period. He explained that the variance is attributable to increased activity in construction work (\$2.5 million), school furniture, fixtures and equipment (\$5.2 million) and grants (\$16.9 million). He advised that this variance is offset by decreased spending in property acquisitions, insurance, legal claims and other project related costs. Mr. Nixon then reported that project expenditures (Actual vs. Prior Year Actual), at \$131.1 million, are \$9.1 million higher as compared to the corresponding prior year period. He explained that the variance is due to increased spending on grants (\$21 million) and school furniture, equipment & technology (\$2 million). He reported that this increase is offset by spending reductions in construction costs (\$11.3 million) and other project related costs (\$2.8 million).

In conclusion, Mr. Nixon advised the Board that, since program inception, approximately 78.1% of the funds allocated for SDA districts have been disbursed. Additionally, he said that 96% of all disbursements relate to school facilities projects, while 4% relate to operating expenses. He noted that the estimated value of current school facilities project activity is approximately \$2.2 billion.

School Review Committee

Design-Build Award and Approval of Final Project Charter – East Orange School District – George Washington Carver Elementary School; Release of Funds from Program Reserve, Award of Contract, and Approval of the Final Project Charter - Paterson School District – New Roberto Clemente Elementary School - Emergent Project - Modifications to the Electrical Supply, Electro/Mechanical Equipment and Other Corrective Work; Release of Funds from Program Reserve, Award of Contract, and Approval of the Final Project Charter – Salem City School District – Salem Middle School – Emergent Project - Ceiling Repair and/or Replacement

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the Committee met on May 15, 2017. He said that the first matter for Board consideration involves a design-build award and final project charter in connection with the East Orange George Washington Carver ES project (the Project). He reported that, in January 2014, the Board approved an amendment to the Capital Plan Portfolio which authorized SDA to advance a project for the ES. He said that inclusion of this Project followed the Department of Education's (DOE) 2013 Educational Facilities Needs Assessment which identified Facilities Efficiency Standard compliance needs in the district. Mr. Luckie informed the Members that an SDA, DOE and district working group concluded that demolishing the vacant George Washington Carver ES and building a new educationally appropriate facility on the site would allow students currently housed in the district's Glenwood Avenue School to be relocated to the new facility. He added that the Project involves construction of an approximately 77,000 square foot facility on the district-owned site to educate approximately 470 students in grades Pre-K through 5. He said that following Board approval of the Project's preliminary charter, SDA staff developed schematic design documents that were approved by the district and DOE. He said that bridging documents were then developed to support procurement of a design-builder. Mr. Luckie advised the Members that the Authority advertised a package for design-build services on January 20, 2017 with "price" equaling 60% of the overall weight, and "all non-price factors" having a combined weight of 40%. He said that following the competitive procurement process, management is recommending award of a contract for design-build services in the amount of \$26,900,000 to Dobco, Inc. (Dobco) for the Project. He noted that, at the time of review, Dobco confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. Mr. Luckie said that along with the contract award, management

recommends that the Board approve the Project's final charter which represents the project budget inclusive of dollar values for the award of the design-build package.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Nixon, the design-build award and final project charter for the East Orange George Washington Carver ES project were approved with the Board's unanimous vote in favor of ***Resolution 6a***.

At the Chairman's request, Mr. Luckie discussed management's recommendation for a release of funds from the program reserve, contract award and final project charter for the Paterson New Roberto Clemente ES emergent project. He reported that the 109,000 square foot New Roberto Clemente Community School (the School) in the Paterson School District currently educates 682 students in grades 6 through 8. He noted that a CO for the School was issued on June 15, 2006. He said that, after conditions at the School were determined to constitute an emergent project and DOE approval was received, the district provided SDA staff with information needed to develop a scope of work to address the conditions. Mr. Luckie advised the Members that, after analyzing the information provided by the district, SDA staff performed additional site visits to assess the identified conditions which involve power abnormalities and delamination of the flooring and intumescent paint. He advised the Board that, using the Design Consultant Services Task Order Contract, SDA issued a limited NTP on June 18, 2015 to EI Associates, Architects & Engineers, PA (EI) to perform a power quality study to verify the cause of the power fluctuations and recommend corrective action. Mr. Luckie said that, based on the EI report, SDA determined that the most appropriate approach for addressing the conditions at the School, given the School's calendar, is to advance the project through the SDA's General Construction Task Order (GCTO) Contract. He informed the Members that the package would

be awarded on a time and materials basis by way of a rotational assignment to TCI Construction & Management Company, Inc. (TCI) who has confirmed its interest in the project. He said that the proposed final project charter represents the project budget inclusive of all not-to-exceed (NTE) dollar values for the award for construction, appropriate contingency, allowances, SDA staff costs, other costs, and prior allotment of funds. Mr. Luckie added that SDA staff has reviewed TCI's cost proposal for this most extensive solution, in the NTE amount of \$1,755,475, and determined that it is reasonable for the elements included in the scope of work. He added that \$2,486,344 would be released from the program reserve maintained for emergent projects. Ms. Milsted then provided the Members with additional project background details.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. Vargas, the release of funds from the program reserve, contract award and final project charter for the Paterson New Roberto Clemente ES emergent project were approved with the Board's unanimous vote in favor of ***Resolution 6b***.

At the Chairman's request, Mr. Luckie discussed management's recommendation for a release of funds from the program reserve, contract award and final project charter for the Salem MS emergent project. He reported that the Salem MS (the School) in the Salem City School District is a 101,800 square foot facility educating 432 students in grades 3 through 8. He said that in September 2016, a suspended acoustical panel ceiling at the School collapsed along with the lighting fixtures attached to it and the original plaster ceiling above it. He informed the Members that following a review by the district's Architect of Record and the DCA, the building was declared an unsafe structure and the district was required to vacate the building and relocate the students. Mr. Luckie advised the Board that, in October 2016, DOE, SDA and district staff

along with their consultants conducted an inspection and DOE subsequently issued pre-construction approval for an emergent project to address the ceiling conditions. He said that, based on this review and the results of additional site visits, SDA has determined that the most appropriate, efficient and timely way to address the emergent condition is to advance the project utilizing the SDA's GCTO Contract. He added that this GCTO engagement would provide design services, including development of architectural and structural details and documents and construction services. Mr. Luckie advised that the package would be awarded on a time and materials basis by way of a rotational assignment to Santorini Construction, Inc. (Santorini) who has confirmed its interest in the project. He said that SDA staff reviewed the cost proposal in the NTE amount of \$1,684,660, and determined that it was reasonable for the elements included in the scope of work. He said that management recommends that SDA proceed with the issuance of a task order to Santorini. Mr. Luckie reported that the final charter presented to the Board represents the project budget inclusive of NTE dollar values for the award for construction, appropriate contingency, allowances, SDA staff costs and other costs. He said that \$2,330,169 would be released from the program reserve maintained for emergent projects.

Mr. Luckie advised the Board that, after selection of the appropriate solution to address the emergent condition, the SDA program operations division will inform the Board of that selection and provide updated project cost information within the approved NTE value.

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

Public Comments

The Chairman then opened the Public Comments portion of the meeting. The Chairman called on Mr. Frank Faras, a resident of the City of Trenton, to address the Board. Mr. Faras advised the Board that he lives across the street from the TCHS site. He said that since no feasibility study was performed in connection with the cost of refurbishing TCHS vs. new school construction, he did some research into this issue in other jurisdictions. He said that he reviewed the American Institute of Architects (AIA) and the Bureau of Labor Statistics materials and focused on projects constructed in an area geographically similar to New Jersey and with a similar construction cost structure, namely Pennsylvania. He said that the AIA sent him information regarding 24 different schools that had been renovated in Pennsylvania in recent years, at a cost 10% to 50% less than what the cost of building a new school would have been. He said that some of these schools were originally built in the late 1800s and 1920s, similar to TCHS. He said that some of the schools also had water infiltration problems and were in worse condition than (the old) TCHS was. Mr. Faras said that, as a taxpayer, he believes that SDA is not spending his money properly. He said that, since there is no feasibility study, SDA is wasting taxpayer dollars. He said that he can only conclude that the reason for this is either incompetence or malfeasance.

The Chairman then asked Mr. Jerell Blakeley to address the Board. Mr. Blakeley said that he is a campaign organizer with the Healthy Schools Now Coalition and the NJ Work Environment Council. He stated that, as he has said previously, he believes that every student deserves access to healthy, safe and modern school facilities. He said that the Coalition agrees with the construction of the new TCHS. He thanked the Board and the SDA for building the new TCHS and expressed the appreciation of the Healthy Schools Now Coalition as well. He

then implored the Board to consider new construction for the Trenton Central HS West campus. Additionally, he expressed his appreciation for the upcoming work at the Salem MS, advising that the Coalition has been working closely with the unions and community in Salem to facilitate a swift remediation there. Mr. Blakeley said that he is before the Board today to inquire about the results of the latest round of emergent project requests. He asked when the list would be released and when work on the successful requests would begin. Additionally, Mr. Blakeley inquired as to what percentage of projects has been approved vs. all submitted requests and information as to why the number approved is lower than the total number of projects submitted. Mr. Yosha said that the DOE is close to finalizing its determination regarding the submitted requests for potential new emergent projects. He said that the percentage approved cannot be addressed until after the list has been finalized and that this is expected to happen in the near future. He explained that, once the list is finalized, letters will go out to the districts notifying them which projects have been approved and which projects have not been approved for advancement. Mr. Yosha then offered some general comments as to why certain projects might not advance, i.e. they involve maintenance issues and are not emergent in nature or are capital projects. In closing, Mr. Blakeley asked to be notified when the emergent project results are finalized. Mr. Yosha agreed.

Ms. Kelly then announced that the Board would be adjourning into Executive Session to discuss a contractual matter pertaining to the New Brunswick Paul Robeson ES project and issues pertaining to the Salem MS project. She said that neither matter will require Board action today.

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.

Adjournment

There being no further business to come before the Board, Mr. Walsh asked for a motion to adjourn the meeting. Upon motion by the Chairman and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its June 7, 2017 meeting.

/s/ Jane F. Kelly
Assistant Secretary

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

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

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the June 7, 2017 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were forwarded to the Governor on June 8, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's June 7, 2017 Open and Executive Session meetings are hereby approved.

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

Dated: July 5, 2017

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

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

ERNST & YOUNG CONTRACT FOR INDEPENDENT AUDITOR SERVICES (GP-0211-R01) - CONTRACT EXTENSION FOR 2017 AND 2018 FINANCIAL STATEMENT AUDITS



32 E. FRONT STREET
P.O. BOX 991
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609-943-5955

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MEMORANDUM

TO: The Members of the Authority

FROM: Robert Nixon
Audit Committee Chairman

DATE: July 5, 2017

SUBJECT: Ernst & Young Contract for Independent Auditor Services (GP-0211-R01)
Contract Extension for 2017 and 2018 Financial Statement Audits

The Members of the Authority are recommended to approve a two-year extension of the contract with Ernst & Young LLP ("EY" or "Consultant") for independent auditor services. All services for the initial three-year term of the agreement have been performed by EY covering the annual financial statement audits for calendar years 2014 through 2016. The contract also provides for, at the sole option of the Authority, two one-year extensions covering the 2017 and 2018 calendar year audits.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended on March 7, 2012, Board approval is required for the exercise of contract options requesting extension(s) to the original contract term for Board-approved contracts. The Board previously approved the EY contract in September 2014.

Background

By way of background, pursuant to Executive Order No. 122 ("EO 122"), the Audit Committee shall assist the Board in retaining an independent auditor to conduct an audit of the Authority's financial statements by making a recommendation to the Board after engaging in the auditor selection process delineated in EO 122.¹ In accordance with EO 122, the auditor selection process shall take place no less than once every five years, and shall be based upon public, competitive bidding principles.

In 2014, the Audit Committee engaged in a competitive procurement process, which resulted in the Audit Committee recommending to the Board the award of a contract to EY for independent auditor services. In September 2014, by and through the Audit Committee, the Board ratified the Audit Committee's recommendation by approving the award of a contract to EY.

¹ In order to ensure the independence of the auditor selection process, an evaluation committee, consisting of no less than three Board members, shall be established by the Board to conduct the solicitation and evaluation of eligible auditors. The role of staff of the Authority shall be limited to providing assistance with the RFP design.

*New Jersey Schools Development Authority
Independent Auditor Services
GP-0211-R01*

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The scope of services set forth in the contract provides that the Consultant conduct an annual audit of the Authority's financial statements and shall review the results of such financial statement audit with the Authority's management and the Audit Committee. Additionally, as set forth in the agreement, the independent auditor shall review with the Audit Committee the annual management letter discussing, among other things, any audit issues or internal control weaknesses identified during the audit.

The annual lump sum fees provided in the current EY contract are as follows:

Year 1 (2014)	Year 2 (2015)	Year 3 (2016)	Optional Year 4 (2017)	Optional Year 5 (2018)
\$99,000	\$102,500	\$106,000	\$109,500	\$113,500

Recommendation:

The Members of the Authority, by and through the Audit Committee, are recommended to approve a two-year extension of the Ernst & Young LLP contract (GP-0211-R01) for independent auditor services by exercising both optional years provided for in the current contract. The annual lump sum fees for the 2017 and 2018 financial statement audits are \$109,500 and \$113,500, respectively.

Resolution—5a.

Contract Extension GP-0211-R01
2017 and 2018 Financial Statement Audits

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) provides that the exercise of an option to extend a Board approved contract requires the approval of the Members of the Authority; and

WHEREAS, in 2014, following a competitive procurement process, the SDA Audit Committee recommended Board approval of a contract to Ernst & Young, LLP (E&Y) for independent auditor services for the Authority; and

WHEREAS, in 2014, the Members of the Authority approved an agreement whereby the Authority engaged E&Y to provide independent auditor services for a three-year term including calendar years 2014 through 2016; and

WHEREAS, the agreement between the SDA and E&Y provides that the Authority, in its sole discretion, may exercise an option to extend the agreement for two one-year terms for calendar years 2017 and 2018 at lump sum fees of \$109,500 and \$113,500 respectively; and

WHEREAS, the SDA Audit Committee has determined that it is reasonable, appropriate and in the best interest of the SDA and the state's taxpayers to extend the 2014 agreement between SDA and E&Y for independent auditor services for the two optional one year periods covering calendar years 2017 and 2018, through the Authority's exercise of the agreement's optional extension provision; and

WHEREAS, the provisions of the agreement are wholly consistent with Executive Order No. 122 and the SDA's procurement rules and regulations.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve SDA's exercise of both optional years as set forth in the Authority's 2014 agreement with Ernst & Young, LLP (GP-0211-R01) for independent auditor services, such extension to be applicable to the Authority's 2017 and 2018 calendar year audits, for the respective lump sum fees of \$109,500 (2017) and \$113,500 (2018) consistent with the provisions of the memorandum presented to the Board on this date and incorporated herein.

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

Attached: Memorandum, Contract Extension (GP-0211-R01), Ernst & Young, 2017 and 2018
Financial Statement Audits, dated July 5, 2017

Dated: July 5, 2017

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

**CAPITAL PLAN AMENDMENT - HOBOKEN SCHOOL DISTRICT - SUBSTITUTION OF 2012
CAPITAL PLAN PROJECT**



MEMORANDUM

6

TO: Members of the Authority

FROM: Paul Hamilton
Director Program Planning

Gregory Voronov
Managing Director, Program Operations

DATE: July 5, 2017

RE: Capital Plan Amendment – Hoboken School District
Substitution of 2012 Capital Plan Project

INTRODUCTION

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. That Plan identified a project to address facilities conditions deficiencies at the Hoboken School District's Thomas G. Connors Elementary School (Connors School). Working with representatives of the Hoboken School District, the City of Hoboken and the New Jersey Department of Education (DOE), SDA's staff and Site Consultant (SC) have reviewed and validated District needs and we have identified an alternative solution to best address those needs. We are writing to advise the Members of the SDA staff's recommendation for advancement of a project at the A.J. Demarest School (Demarest School) which shall serve as an alternative to advancement of a project at the Connors School.

BACKGROUND

The Connors School is a 64,170 square foot facility, built in 1908, educating 314 students in grades PK-6. The A.J. Demarest School is a 79,691 square foot facility, built in 1910, with a capacity of 450 students.

Working Group Activities

A Working Group comprised of District, DOE and SDA staff was convened to review and validate current District needs and review the proposed Connors School project. Significantly, the validation process has included a review of the flooding history at the Connors School, the effects of weather events upon the facility and current Federal Emergency Management Agency (FEMA) classification.

During the course of project validation it was determined that the Connors School is located entirely within a 100 year floodplain area designated by FEMA as a "Special Flood Hazard Area - High Risk". The Connors School experienced basement flooding and extensive damage during Super Storm Sandy and is prone to other flooding events based upon discussion with the District. Due to regulatory limitations imposed by virtue of the facility's location within a "Special Flood Hazard Area - High Risk," the value and extent of renovations that may be completed at the facility are greatly diminished and would result in a reduction of the facility's educational capacity. The reduction in capacity is due to the need to relocate existing mechanical equipment contained within the basement of the facility to a higher floor to mitigate against potential future flooding events.

Due to the impact resulting from the regulatory limitations affecting the Connors School, as well as the general concerns of investing in a building that is prone to flooding, the Working Group conducted an assessment of the Demarest School, which is located within close proximity to the Connors School and currently houses District administrative offices and space leased to a Pre-K community provider and a Charter School operator. The Working Group review preliminarily determined that the Demarest School

Members of the Authority
Capital Plan Amendment – Hoboken School District
Project Substitution
July 5, 2017
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is capable of being utilized as a replacement for the Connors School based upon capacity, core group spaces, facility conditions, cost and FEMA floodplain classification.

The majority of the Demarest School is located within the 500 year floodplain defined by FEMA as an area of minimal flood hazard. During Super Storm Sandy the Demarest School experienced no flooding and incurred no damage. However, based upon current mapping a small portion of the Demarest School site is located within the 100 year floodplain. In February 2016 SDA staff informed Members of the School Review Committee of factors related to the Connors and Demarest facilities and in June 2016 engaged a Site Consultant to undertake a series of focused investigations at the Demarest School to determine the ability to mitigate against any impacts of a portion of the property being located within the 100 year floodplain.

Based upon the results of the Site Consultant's investigations and in consultation with the District and the City's local flood hazard administrator it has been determined that a limited scope of dry flood proofing of the Demarest School, in accordance with Federal, State and Local regulations would serve to mitigate the impacts of the portion of the property located within the 100 year floodplain. Doing so will render reasonable the advancement of a comprehensive facility condition deficiency project at the facility.

It is expected that a project at the Demarest School may include work on the building's mechanical systems, work to address other facility conditions, as well as work necessary to implement the District's educational programs. The scope of work will be more fully developed following the engagement of a design consultant and the completion of pre-design services. The estimated funding necessary to implement the anticipated work at the facility is consistent with the estimated costs that had been allocated for work at the Connors School.

AMENDMENT TO CAPITAL PLAN – PROJECT SUBSTITUTION

For the reasons described above, we recommend advancement of a project at the Demarest School to serve as a substitution for the previously identified project at the Connors School.

RECOMMENDATION

The Members of the Authority are requested to approve the amendment to the NJSDA's Capital Plan to substitute the Demarest School for advancement in place of the previously identified Connors School. In so doing, the Board is providing the Authority with approval to procure necessary professional services in relationship to this project. The Operating Authority will govern the award of all professional services contracts.

/s/ Paul Hamilton

Paul Hamilton, Director Program Planning

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

Prepared by: H. Mike Wielage, Program Officer, Program Operations
Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations & Strategic Planning

Resolution—6a.

Capital Plan Amendment – Substitution of 2012 Capital Plan Project - Hoboken School District

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that Authority Capital Plans receive approval by the Members of the Authority; and

WHEREAS, in March 2012, the Members of the Authority approved the Authority's 2012 Capital Plan which identified a project to address facilities conditions deficiencies at the Thomas G. Connors Elementary School (Connors School) in the Hoboken School District for advancement; and

WHEREAS, the Connors School is a 64,170 square foot facility, built in 1908, educating 314 students in grades Pre-K to 6; and

WHEREAS, subsequent to Board approval of the 2012 Capital Plan, representatives of the Hoboken School District, the City of Hoboken, the New Jersey Department of Education (DOE) and SDA's staff and Site Consultant (the Working Group) reviewed and validated District needs and identified an alternative solution to best address those needs; and

WHEREAS, the validation process included a review of the flooding history at the Connors School, the effects of weather events upon the facility and its current Federal Emergency Management Agency (FEMA) classification; and

WHEREAS, the Working Group considered that the Connors School is located entirely within a 100 year floodplain area, has been designated as a "Special Flood Hazard Area - High Risk" and has experienced and is prone to experience future flooding; and

WHEREAS, regulatory limitations imposed by the Connors School's location has impacted the value and extent of renovations that may be completed at the facility resulting in a reduction of the facility's educational capacity; and

WHEREAS, the A.J. Demarest School (Demarest School) in the Hoboken School District is a 79,691 square foot facility, built in 1910, with a capacity of 450 students; and

WHEREAS, the Working Group determined that the Demarest School is capable of being utilized as a replacement for the Connors School based upon capacity, core group spaces, facility conditions, cost and FEMA floodplain classification; and

WHEREAS, for the reasons set forth in the memorandum presented to the Board on this date, SDA management recommends advancement of a project at the Demarest School to substitute for the previously identified project at the Connors School and Board approval of an amendment to the Capital Plan to this end; and

WHEREAS, the estimated funding necessary to implement the anticipated work at the Demarest School is consistent with the estimated costs that had been allocated for work at the Connors School.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve an amendment to the SDA's 2012 Capital Plan to substitute the A.J. Demarest School in the Hoboken School District for advancement in place of the District's previously identified Thomas G. Connors Elementary School.

BE IT FURTHER RESOLVED, that in approving this amendment to the 2012 Capital Plan, the Members of the Authority authorize management to procure necessary professional services in relation to this project, with the Operating Authority governing the award of all professional services contracts.

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: Capital Plan Amendment – Substitution of 2012 Capital Plan Project, Hoboken School District, dated July 5, 2017

Dated: July 5, 2017

**RELEASE OF FUNDS FROM PROGRAM RESERVE - NEWARK PUBLIC SCHOOLS
DISTRICT - HAWTHORNE AVENUE ELEMENTARY SCHOOL - EMERGENT
PROJECT - EXTERIOR MASORY AND ROOF REPAIR**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

TO: Members of the Authority

FROM: Gregory Voronov, Managing Director, Program Operations

RE: District: Newark Public Schools District
School: Hawthorne Avenue Elementary School
Description: Emergent Project – Exterior Masonry & Roof Replacement
Funding Requested: \$1,758,000

SUBJECT: Release of Funds from Program Reserve
Newark Public Schools District – Hawthorne Avenue Elementary School
Emergent Project – Exterior Masonry & Roof Replacement

DATE: July 5, 2017

INTRODUCTION:

I am writing to recommend approval of the release of funds from the Program Reserve maintained for emergent projects and emergency situations to address an emergent condition at the Hawthorne Avenue School in Newark. This project is being advanced pursuant to NJSDA delegation for District management consistent with statutory and regulatory provisions. The release of funding requested is \$1,758,000.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010 as amended on March 7, 2012, Board approval is required for the release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000. The funding requested to address the emergent project at this school exceeds \$500,000.

BACKGROUND:

The Hawthorne Avenue School, built in 1895, is an approximately 81,000 square foot facility that educates 390 students in grades Pre-K to 8. As a result of joint NJSDA and NJDOE site visits conducted in the Newark School District to review potential emergent conditions within the district, the NJDOE issued Pre-Construction Approval on July 18, 2012 for an emergent project to address conditions related to the building's exterior masonry and roofing system. Considerations supporting the decision to delegate included the District's successful prior management of similar emergent projects and recognition of the lack of complexity of this project.

After receipt of Pre-Construction Approval from the NJDOE, the NJSDA issued a grant offer to the District to allow for the advancement of the project. Upon receipt of necessary documentation from the District the grant agreement was executed on March 18, 2013. Subsequent to the execution of the grant the project was placed on hold pending the District resolution of the planned future use for the facility as it undertook District-wide assessment of its buildings and potential consolidation of facilities. Upon the

Members of the Authority
 Release of Program Reserve
 Newark School District – Hawthorne Avenue Elementary School – Emergent Project
 July 5, 2017
 Page 2

completion of that review the District informed SDA in May, 2016 that the Hawthorne Avenue Elementary School would continue to be utilized as a school facility for the foreseeable future and the masonry and roof needed to be addressed for the continued operation of the school.

The District engaged CTS Group Architecture and Planning to review the emergent condition and develop a scope of work to address the exterior masonry and roofing system. Due to the age and deteriorated condition of the building's exterior masonry and roof, the architect's recommended scope calls for extensive repairs to the exterior masonry over the entire building, repairs to brick parapet walls, and selective lintel repairs and re-pointing of mortar joints. The scope of work also includes replacement of the existing roofing system. The scope has been reviewed by NJSDA staff to ensure it adequately addresses the identified condition and does not include work above that required to remedy the condition. Based upon the construction cost estimate and estimated costs for professional services and other costs that have been reviewed by the NJSDA, the cost of the project including appropriate contingency is \$1,758,000:

Budget Summary

▪ Construction Costs	\$ 1,320,000
▪ Construction Contingency (15%)	\$ 198,000
▪ Design Costs	\$ 113,000
▪ Construction Administration/Management	\$ 61,000
▪ <u>Other Costs (5%)</u>	<u>\$ 66,000</u>
▪ Total	\$ 1,758,000

RECOMMENDATION:

The Members are requested to approve the release of \$1,758,000 from the Program Reserve to address the emergent exterior masonry and roofing system project at the Newark Public Schools District Hawthorne Avenue School.

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

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

Resolution—6b.**Release of Funds from Program Reserve**

District:	Newark Public Schools District
School:	Hawthorne Avenue Elementary School
Description:	Emergent Project – Exterior Masonry & Roof Replacement
Funding Requested:	\$1,758,000

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve the release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000; and

WHEREAS, the Hawthorne Avenue School (the Hawthorne School), built in 1895, is an approximately 81,000 square foot facility that educates 390 students in grades Pre-K to 8 in the Newark Public Schools District (District); and

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

WHEREAS, in March 2013, after receipt of pre-construction approval, SDA issued a grant offer to the District to allow for the advancement of the Project; and

WHEREAS, following completion of a review by the District, it was determined that the Project would advance pursuant to SDA delegation for district management consistent with statutory and regulatory provisions; and

WHEREAS, subsequent to execution of the grant, the Project was placed on hold while the District reviewed and assessed its buildings and determined their future use; and

WHEREAS, upon the completion of the review and assessment process, the District informed SDA in May 2016 that the Hawthorne School would continue to be utilized as a school facility for the foreseeable future and that the Project needed to advance for the continued operation of the school; and

WHEREAS, the Project's scope has been reviewed by SDA staff to ensure that it adequately addresses the identified condition and does not include work above that required to remedy the condition; and

WHEREAS, based upon the construction cost estimate and estimated costs for professional services and other costs that have been reviewed by the SDA, the cost of the Project including appropriate contingency is \$1,758,000; and

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

WHEREAS, the funding requested to address the Project is \$1,758,000 which exceeds \$500,000 and thus necessitates Board approval; and

WHEREAS, executive management and associated program staff recommend Board approval of the release of \$1,758,000 from the program reserve to address the emergent exterior masonry and roofing system project at the Hawthorne School in the Newark Public Schools District.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize approve the release of \$1,758,000 from the Program Reserve to address the emergent exterior masonry and roofing system project at the Hawthorne Avenue School in the Newark Public Schools District.

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

Attached: Memorandum, Release of Funds from Program Reserve - Newark Pubic Schools District – Hawthorne Avenue Elementary School, Emergent Project – Exterior Masonry Repairs & Roof Replacement, dated, July 5, 2017

Dated: July 5, 2017

CHANGE ORDER - DELRIC CONSTRUCTION COMPANY, INC.



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Corrado Minervini
Program Director, Program Operations

DATE: July 5, 2017

SUBJECT: Egg Harbor Township School District
Egg Harbor Township High School
Remedial Roof Work to address a Condensation Condition

COMPANY NAME: Delric Construction Company, Inc.
DISTRICT: Egg Harbor Township School District
CONTRACT NO: ET-0087-C03
PMF/CM: NJSDA Self-Managed
SCHOOL NAME: Egg Harbor Township High School
CHANGE ORDER NO.: 1
REASON: Revised Scope Of Work
AMOUNT: \$160,213.49
TIME EXTENSION: 0 Days
CONTRACT STATUS: 0% Paid to Date against the Current Contract Value
OCCUPANCY DATE: N/A

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of Change Order No. 1 in the amount of \$160,213.49 to address a modification to the scope of work necessary to address a condensation condition at the Egg Harbor Township High School in the Egg Harbor Township School District (District). Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a change order which singularly exceeds \$500,000 or singularly or in the aggregate is greater than 10% of the contract value requires approval by the Members of the Authority. Change Order No. 1 exceeds 10% of the contract value.

I am also requesting approval from the Members of the Authority to establish the adjusted construction contract value as the baseline construction contract value for the purpose of the application of ongoing Operating Authority requirements. The reestablished value for this purpose shall be the contract value inclusive of Change Order No. 1.

Members of the Authority
Change Order – Delric Construction Company, Inc.
Egg Harbor Twp. School District – Egg Harbor Twp. High School
July 5, 2017
Page 2 of 4

BACKGROUND

In May 2012, Sambe Construction Inc. (Sambe) completed a 115,000 square foot addition to the existing Egg Harbor Township High School located in Egg Harbor Township. The addition included the construction and installation of a standing seam metal roof. The ceilings of upper floor classrooms and other locations have exhibited moisture damage due to condensation.

NJSDA believes the condensation problems are the result of a combination of design errors and omissions and construction defects related to the standing seam metal roof design and installation. Litigation with Sambe and, separately, the Project's design consultant is addressing responsibility for the condensation condition and for the payment of the costs of design and construction required to remedy the condition.

To effectively address the condition, the NJSDA engaged a contractor through the NJSDA General Construction Services Task Order (GCTO) procurement process to delineate the existing facilities conditions, to develop and assess corrective options and to advance the most appropriate scope of work for the correction of the deficiencies identified.

GC Task Order and Task Order Issuance

At the August 3, 2016 Board Meeting, the Members of the Authority approved the use of the GCTO Contract. The GCTO Contract has been structured so that the Authority has a pool of contractors to perform certain work. Overall, no individual task order can exceed \$3 million and no individual firm can receive more than \$5 million of work per region during the duration of the pool. Bidders were required to select a region (North, South, or both) for task order assignments and accept the defined cost multiplier of 1.10, as decided by the Authority, for use in establishing compensation for those task order assignments to be performed, at least for the initial phases, on a time and materials basis. GCTO work may also be assigned on a lump sum basis after competitive bidding among Task Order Contractors.

NJSDA determined to advance the remedial work by way of a GCTO rotational assignment. Procurement staff contacted Delric Construction Company, Inc. (Delric) on December 7, 2016, and confirmed its interest in the project.

On March 1, 2017, the Members of the Authority approved the award of the construction contract to Delric for a N.T.E. value in the amount of \$1,141,371.00.

SCOPE OF WORK

Beginning December 15, 2016 through January 31, 2017 site visits were conducted with Delric to review the school building's roof and other conditions, and discuss appropriate options to perform the corrective work to address and fully remedy the condensation condition that currently exists. NJSDA staff instructed Delric to engage a design consultant necessary for

Members of the Authority
 Change Order – Delric Construction Company, Inc.
 Egg Harbor Twp. School District – Egg Harbor Twp. High School
 July 5, 2017
 Page 3 of 4

developing a proposal, cost estimate and schedule that recognizes an approach to first defining and then implementing the appropriate action(s) to address the non-compliant conditions, as follows:

- Review the existing facility conditions and plans to evaluate potential appropriate solutions for corrective work;
- Perform a conditions assessment and provide a conditions assessment report;
- Develop up to three (3) alternate solutions for NJSDA review and consideration to remedy the conditions and corresponding cost and schedule estimates;
- Deliver to NJSDA a Draft Report, providing recommended corrective action and a construction cost proposal inclusive of all specified services and deliverables related to:
 1. Investigation Activities
 2. Reports
 3. Design Activities
 4. Construction Services, and
 5. Schedule
- Perform Construction Services consistent with NJSDA-selected solution;
- Prepare plans and specifications to secure construction permits and prepare record set drawings/plans at the completion of the project.

REASON FOR CHANGE

After review by the NJSDA of Delric's Conditions Report, the NJSDA initially selected a construction solution that included:

- Removal of the existing standing seam metal roof panels and insulation;
- Installation of a new single four (4) inch layer of rigid insulation board;
- Installation of a continuous vapor barrier; and
- Installation of a new standing seam metal roof.

After further consideration, and for preventive purposes, we believe the following additional scope items are an appropriate adjustment:

- Installation of new roofing board over existing metal deck with continuous vapor barrier; and
- Installation of a second layer of rigid insulation board, chemically bonded to the first layer with joints staggered to eliminate air infiltration

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

Members of the Authority
 Change Order – Delric Construction Company, Inc.
 Egg Harbor Twp. School District – Egg Harbor Twp. High School
 July 5, 2017
 Page 4 of 4

CALCULATIONS

a.	Original Contract Amount	\$	1,141,371
b.	Change Orders to Date (excluding proposed change order)	\$	-
c.	Proposed Change Order Amount	\$	160,213
d.	Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$	160,213
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		14%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	1,301,584

RECOMMENDATION

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

1. Change Order No. 1 in the amount of \$160,213.49. In accordance with the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a change order which singularly exceeds \$500,000 or singularly or in the aggregate is greater than 10% of the contract value requires approval by the Members of the Authority. Change Order No. 1 exceeds 10% of the contract value.
2. Reestablishment of the adjusted construction Contract value as the baseline construction Contract value for the purpose of the application of ongoing Operating Authority requirements. The reestablished value for this purpose shall be the contract value inclusive of Change Order No. 1.

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

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning
 Reviewed and Recommended by: Manuel Da Silva, Vice President, Construction Operations
 Reviewed and Recommended by: Robert Ryan, Deputy Director, Program Operations
 Reviewed and Recommended by: Gabriel Salas, Program Officer, Program Operations
 Reviewed and Recommended by: Akela Wright, Program Officer, Program Operations
 Prepared and Recommended by: Ted Bosnjak, Program Officer, Program Operations

Resolution—6c.

Egg Harbor Township High School District – Egg Harbor Township High School
Remedial Work to Address a Roof Condition
Revised Scope of Work

6

COMPANY NAME: Delric Construction Company, Inc.
DISTRICT: Egg Harbor Township School District
CONTRACT NO: ET-0087-C03
PMF/CM: NJSDA Self-Managed
SCHOOL NAME: Egg Harbor Township High School
CHANGE ORDER NO.: 1
REASON: Revised Scope of Work
AMOUNT: \$160,213.49
TIME EXTENSION: 0 Days
CONTRACT STATUS: 0% Paid to Date against the Current Contract Value
OCCUPANCY DATE: N/A

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) provides that change orders that singularly exceed \$500,000 or singularly or in the aggregate are greater than 10% of the contract value requires approval by the Members of the Authority; and

WHEREAS, in May 2012, Sambe Construction Inc. (Sambe) completed a 115,000 square foot addition to the existing Egg Harbor Township High School (EHTHS) in the Egg Harbor Township School District which included the construction and installation of a standing seam metal roof; and

WHEREAS, the ceilings of upper floor classrooms and other locations at EHTHS exhibited moisture damage due to condensation; and

WHEREAS, such condensation problems were determined to be the result of design errors and omissions and construction defects with the result that litigation was filed in connection with the matter; and

WHEREAS, during the pendency of the litigation, it was determined imperative that the underlying condensation condition be addressed (the Project); and

WHEREAS, in August 2016, the SDA Board approved the Authority's use of its General Construction Services Task Order (GCTO) contract to delineate the existing facilities conditions at EHTHS, to develop and assess corrective options and to advance the most appropriate scope of work for the correction of the deficiencies identified; and

WHEREAS, on December 7, 2016, Delric Construction Company, Inc. (Delric), the next contractor in the GCTO rotation, confirmed its interest in the project; and

WHEREAS, between December 15, 2016 and January 31, 2017, site visits were conducted to review the building's roof and other conditions and to discuss appropriate options to perform the corrective work; and

WHEREAS, on February 3, 2017, Delric provided the SDA with a cost estimate to complete the entirety of the scope of work; and

WHEREAS, the recommended award in the not-to-exceed amount of \$1,141,371 and approved by the Members of the Authority on March 1, 2017, represented Delric's cost proposal for the most extensive solution for the required corrective work to address the non-compliant condition related to the metal roof; and

WHEREAS, on May 25, 2017, the SDA received the final emergent conditions report from Delric outlining three (3) corrective options to remedy the existing roof condition per Delric's scope of work; and

WHEREAS, SDA determined that Option No. 2 was the best option to address the roof work; and

WHEREAS, this final recommended and accepted option includes additional scope of work above and beyond the option that Delric had used as the basis for the Project cost proposal; and

WHEREAS, it is therefore necessary to revise the Project's scope and to authorize the issuance of Change Order No. 1 in order to provide additional funds in the amount of \$160,213.49 to advance the Project; and

WHEREAS, Change Order No. 1, in the amount of \$160,213.49, is greater than 10% of the contract value and thus requires Board approval; and

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

WHEREAS, management further recommends that the Board authorize and approve establishment of the adjusted construction contract value as the baseline construction contract value for the purpose of the application of ongoing operating authority requirements, with such reestablished value equaling the contract value inclusive of Change Order No. 1; and

WHEREAS, the Project background, Project scope and reason for the change are described in detail in the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Change Order No. 1 in the amount of \$160,213.49 to modify the scope of remedial work to address a roof condition at the Egg Harbor Township High School in the Egg Harbor Township School District consistent with 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 establishment of the adjusted construction contract value as the baseline construction contract value for the purpose of the application of ongoing operating authority requirements, with such reestablished value equaling the contract value inclusive of Change Order No. 1.

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, Delric Construction Company, Inc., Remedial Work to address a Roof
Roof Condition, Revised Scope of Work, Egg Harbor Township High School, Egg
Harbor Township School District, dated July 5, 2017

Dated: July 5, 2017

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: July 5, 2017

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

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

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



2011 & 2012 Portfolio Projects Activities Summary

as of 6/21/17

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	School occupied Sep. 2016. (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 Oct. 2013 Board. (Bock)	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Existing Design	School occupied Sep. 2016. (Patock)	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	School occupied Sep. 2016. (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Existing Design	School occupied Sep. 2014. (Terminal Construction)	12/20/11
New Brunswick	Redshaw ES	PK-5	906	990	\$51.2	Kit of Parts/ Design-Build	School occupied Jan. 2015. (Hall Construction)	5/29/12
Newark	Oliver St. ES	PK-8	848	932	\$73.6	Kit of Parts/ Design-Build	School occupied May 2016. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	6/13/12 2/12/13
Paterson	PS 16	PK-8	641	705	\$62.4	Kit of Parts/ Design-Build	School occupied Sep. 2016. (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 Apr. 2016 Board. (Paul Otto)	2/27/12 12/29/15

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



2011 & 2012 Portfolio Projects Activities Summary

as of 6/21/17

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	\$65.3	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	School occupied Sep. 2016. (Hall Construction)	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	318	\$25.8	Design-Bid-Build	Revised Planning Charter approved Dec. 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	School occupied Jan. 2016. (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	Advertisement for D-B 6/13/17.	6/13/17
Phillipsburg	High School	9-12	1,846	2,172	\$127.5	Existing Design	School occupied Sep. 2016. (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 delegated to District via 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 6/21/17

2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended 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*
East Orange	George Washington Carver ES	PK-5	470	512	\$42.0	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2017 Board. (Dobco)	4/26/16 1/20/17
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$55.3	Kit of Parts/ Design-Build	Award for D-B approved 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	Award for D-B approved Dec. 2016 Board. (Bock)	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,391	\$110.0	Design-Build	Award for D-B approved Apr. 2017 Board. (Hall Construction)	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.	3/2/17 TBD
Pemberton	Denbo ES	PK-5	846	930	\$62.0	Design-Build	Preliminary Charter approved Jul. 2016 Board. ESP award approved Apr. 2017 Board.	3/1/17 TBD
Perth Amboy	High School	HS	2,800	3,304	\$234.4	Design-Build	Preliminary Charter approved Jun. 2016 Board.	4 QTR 17
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.	3 QTR 17
Union City	ES Grade Level	7-9	756	840	\$64.2	Kit of Parts/ Design-Build	Preliminary Charter approved Mar. 2017 Board.	4 QTR 17
Vineland	Lincon Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	Award for D-B approved Jan. 2016 Board. (Bock)	9/24/15

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



2011 & 2012 Portfolio Projects Activities Summary

as of 6/21/17

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	1,468	\$132.7	Design-Build	Preliminary Charter approved Oct. 2016 Board. ESP advertised 6/9/17.	6/9/17 TBD
Hoboken	Connors ES	ES	TBD	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-6	306	336	\$24.3	Design-Bid-Build	Preliminary Charter approved Mar. 2017 Board.	2/21/17 TBD
Orange	High School	9-12	1,440	1,694	\$46.2	Design-Bid-Build	Planning Charter approved Jan. 2017 Board.	TBD
Trenton	Central HS	9-12	1,850	2,176	\$155.4	Design-Build	Award for D-B approved Mar. 2016 Board. (Terminal)	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 6/1/2017

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	Substantial Completion	Apr-17	Achieved	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	Substantial Completion	Dec-16	Achieved	2017	Achieved	\$ 65,269,937
5	Harrison	New Elementary School	New Construction	Design-Build Design Phase	2Q 2019	On-target	Sep-19	On-target	\$ 36,115,640
6	Irvington	New Madison Ave ES	New Construction	Design-Build Design Phase	2Q 2019	On-target	Sep-19	On-target	\$ 38,589,795
7	Millville	Millville Senior High School	Addition/Renovation	Design-Build Design Phase	3Q 2022	On-target	Phased	On-target	\$ 137,185,832
8	New Brunswick	Paul Robeson Community ES	Addition/Renovation	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 47,012,849
9	Newark	South Street ES	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 69,876,694
10	Passaic City	New ES at Leonard Place	New Construction	Construction	3Q 2018	On-target	Sep-18	On-target	\$ 55,884,039
11	Perth Amboy	New Seaman Ave ES	New Construction	Design-Build Design Phase	1Q 2019	On-target	Sep-19	On-target	\$ 56,435,971
12	Trenton	New Central HS	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 155,404,000
13	Vineland	Lincoln Road MS (New Middle School)	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 49,787,025
14	West New York	Harry L. Bain ES	Renovation	Construction	3Q 2017	On-target	Sep-17	On-target	\$ 16,848,500



**Active Project Status Report
Status as of 6/1/2017**

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	2Q 2017	On-Target	\$ 6,526,284
2	Trenton	Hedgepeth-Williams School	Domestic Wate Line Replacement	Construction	Dec-16	Achieved	2Q 2017	On-Target	\$ 2,153,476
3	Vineland	High School South	HVAC	Construction	Oct-16	Achieved	2Q 2017	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/ Ayisha Cooper, Research Specialist

Date: July 5, 2017

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
2016	3570-590-02-0315	Capital Plan	Newark	Oliver Street Elementary School	Transferred

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of June 1, 2017**

Year of Occupancy	DOE #	School	Disposition	School Transfer Date	Outstanding Issues Preventing Complete Close-out
Bridgeton					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
Burlington City					
2007	0600-020-01-0957	New High School	Project Transferred	12/29/11	Open contract(s) - Legal matter pending
Camden					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Project Transferred	01/09/12	Open contract(s) - Pending audit completion
2009	0680-350-01-0938	HB Wilson Elementary School	Project Transferred	04/14/10	Open contract(s)
2009	0680-190-01-0927	Dudley Elementary School	Project Transferred	02/06/12	Open contract(s)
2011	0680-245-01-0930	Morgan Village Academy	Project Transferred	02/25/13	Open contract(s) - Legal matter pending
Cumberland					
2009	0997-030-02-0926	Cumberland Regional High School	Project 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	Project Transferred	12/01/09	Open contract(s) - Pending audit completion
Egg Harbor City					
2010	1300-X01-04-0ADY	New Middle School	Project 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	Project 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	Project Transferred	06/25/09	Open contract(s) - Legal matter pending
Gloucester City					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Project Transferred	06/05/09	Open contract(s)
Harrison					
2007	2060-X01-01-0832	New Harrison High School	Project Transferred	10/23/12	Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of June 1, 2017**

Year of Occupancy	DOE #	School	Disposition	School Transfer Date	Outstanding Issues Preventing Complete Close-out
Jersey City					
Legacy	2390-N01-99-0227	New Elementary School #3 (Frank R. Conwell Elementary School #3)	Project 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)	Project 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	Project 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	Project Transferred	08/19/11	Open contract(s) - Pending audit completion
2014	3530-060-03-1032	A. Chester Redshaw Elementary School	Project Transferred	01/15/16	Open contract(s)
Newark					
Legacy	3570-x01-01-0617	Science Park	Project Transferred	05/03/13	Open contract(s) - Legal matter pending
2008	3570-X03-01-0665	Central High School	Project Transferred	03/28/12	Open contract(s) - Legal matter pending
2010	3570-X07-01-0693	Speedway Elementary School	Project Transferred	10/21/15	Open contract(s)
2016	3570-390-04-00BJ	Elliott Street Elementary School	Project Transferred	01/31/17	Open contract(s)
2016	3570-590-02-0315	Oliver Street Elementary School	Project Transferred	05/18/17	Open contract(s)
Passaic					
2015	3970-X01-01-X760	New Henry Street Elementary School			
Paterson					
Legacy	4010-N02-02-0393	Roberto Clemente Elementary School	Project 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			

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of June 1, 2017**

Year of Occupancy	DOE #	School	Disposition	School Transfer Date	Outstanding Issues Preventing Complete Close-out
Pemberton					
2011	4050-E01-02-0082	Pemberton Early Childhood Education Center	Project 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	Project 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	Project Transferred	10/27/11	Open contract(s) - Pending audit completion
2012	5240-N03-02-0397	Columbus Elementary School	Project Transferred	02/24/15	Open contract(s) - Legal matter pending
Vineland					
2007	5390-N05-04-000C	Gloria M. Sabater Elementary School - Demonstration Project	Project Transferred	05/06/11	Open contract(s) - Pending audit completion
West New York					
2009	5670-065-01-0559	Elementary School #2	Project Transferred	05/14/13	Open contract(s) - Legal matter pending
2012	5670-070-01-0556	West New York #3	Project Transferred	01/29/14	Open contract(s) - Legal matter pending
Capital and Demonstration Projects Totals					
Total Capital and Demonstration			142		
Closed Capital and Demonstration			98		
Capital and Demonstration Projects			44		
Capital and Demonstration Projects Not Closed, Project Transferred			30		
			Legal Matter	13	
			Pending Audit	6	
			Miscellaneous	11	

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of June 1, 2017**

Year of Occupancy	DOE #	School	Disposition	School Transfer Date	Outstanding Issues Preventing Complete Close-out
Emergent Projects					
Bridgeton					
	0540-030-12-OACJ	Broad Street Elementary School	Project Transferred	10/21/2016	Open contract(s)
Irvington					
	2330-090-12-OACT	Chancellor Avenue Elementary School			
	2330-050-10-00CH	Irvington High School - Roof, HVAC, Bathroom			
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			71		
Emergent Projects Closed			63		
Emergent Projects Not Closed			8		
Emergent Projects Not Closed but Transferred			1		
Health and Safety Contract Totals					
Total Contracts			399		
# of Contracts Closed			392		
# of Open Contracts			7		
Open Design Contracts					
Total Contracts			109		
# of Contracts Closed			98		
# of Open Contracts			11		

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: July 5, 2017

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:

Egg Harbor City Middle School – Revised Final Project Charter to establish revised final budget necessary to complete corrective HVAC work necessary to achieve a Certificate of Occupancy.



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

Reporting Period: Jan. 1, 2008 to May 31, 2017

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.	\$19,180,848	\$19,100,848	\$80,000	99.6%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement. 3. Unforeseen HVAC corrective work	Project substantially complete and building occupied. HVAC corrective work scheduled for completion in Q3 2017.
Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,305,993	\$123,639	91.4%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
Orange	Lincoln Ave E.S.	\$5,615,000	\$4,906,339	\$708,661	87.4%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	Project complete and building occupied. Working towards project close-out.
Orange	Park Avenue E.S.	\$3,360,000	\$3,275,103	\$84,897	97.5%	99%	1. Unforeseen asbestos abatement	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,313,389	\$302,731	93.4%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

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



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy
 Reporting Period: May 2017

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



Revisions to Project Charters
Reporting Period: May 2017

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
1	Egg Harbor City	Egg Harbor City Middle School	Budget Increase	\$ 1,345,393	9.37%	Board Approval	Revised Final Project Charter to provide necessary funding to complete corrective HVAC work necessary to achieve a Certificate of Occupancy

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: July 5, 2017

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

Contracts Executed Report

This report contains the activity of Contracts executed during the period May 1 through May 31, 2017.

Noteworthy Items during the reporting period:

- Execution of 1 contract for Design-Build services for the Millville High School addition and renovation project to Hall Construction Co., Inc. for \$114,453,000.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period May 1 through May 31, 2017.

Noteworthy Items during the reporting period:

- Execution of 1 Amendments for Design Services totaling a credit of \$67k that did not require board approval.
- Execution of 11 Construction Services Change Orders totaling \$2.2M, of the 11 executed change orders 2 required board approval totaling \$2.1M.

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

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

- No Activity to Report



Contracts Executed Report

Reporting Period: 5/1/2017 through: 5/31/2017

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 2. Construction Services										
Contractor										
Milville	High School	RenoAdd	DB	ST-0046-B01	Hall Construction Co., Inc.		\$114,453,000	5/24/2017	\$94,948,000	\$94,948,000
Contractor										
Part 2. Construction Services							\$114,453,000			\$94,948,000



Contracts Executed Report

Reporting Period: 5/1/2017 through: 5/31/2017

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 4. Other Contracts & Services										
Others										
Bridgeton	Quarter Mile Lane E.S.	RenoAdd	FFE	ST-0044-Q22	Community Products LLC dba Community Playthings		\$181,709	05/24/2017	-	
Gloucester City	New Elementary/Middle School	New	FFE	ST-0014-K27	DynTek Services, Inc.		\$12,974	05/05/2017	-	
Jersey City	Patricia M. Noonan E. S. (formerly New ES#3)	New	FFE	JE-0021-K21	Diversant		\$22,175	05/04/2017	-	
Pemberton Township	Alexander Denbo E.S.	RenoAdd	FFE	WT-0023-F01	Vanguard Modular Building Systems, LLC		\$22,540	05/23/2017	-	
Phillipsburg	New HS (-x01)	New	FFE	NT-0003-K27	Diversant		\$14,250	05/11/2017	-	
Others										
Part 4. Other Contracts & Services							\$253,648			
							Total Contract Award			Total Contracts Awarded
Grand Totals - Professional and Construction Services Combined							\$114,706,648			6

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

Project Types Legend
 HS Health & Safety
 New New Constuction
 Add Addition
 RenoAdd Addition & Renovation
 Reno Renovation

Contract Types Legend
 Construction Construction
 Design Design or Site Investigation
 DB Design-Build
 FFE Furniture, Fixtures, and Equipment
 ProjectMgmt Project Management Firm
 PreDevelopment Predevelopment or Demolition
 Testing Testing

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



Amendments & Change Orders Report

Reporting Period: 5/1/2017 through: 5/31/2017

7

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	
Professional Services														
Design Consultant														
Bridgeton	Broad Street E.S.	EP-0078-A01	10/29/2013	2	RSC Architects	5/5/2017	\$188,865	\$4,900	(\$66,536)			\$127,230	-32.63%	
Design Consultant														
Professional Services														
									(\$66,536)					
Construction Services														
Contractor														
Camden City	H. B. Wilson E.S.	CA-0004-N01	7/15/2013	4	Silverlands Services, Inc.	5/17/2017	\$1,072,444	(\$92,148)	\$4,539			\$984,835	-8.16%	
Egg Harbor City	New Middle School	ET-0097-C02	8/21/2015	1	I.E.W. Construction Group, Inc.	5/5/2017	\$389,789	\$0	\$19,287			\$409,076	4.94%	
Egg Harbor City	New Middle School	ET-0097-C02	8/21/2015	2	I.E.W. Construction Group, Inc.	5/5/2017	\$389,789	\$19,287	\$12,776			\$421,852	8.22%	
Egg Harbor City	New Middle School	ET-0097-C02	8/21/2015	3	I.E.W. Construction Group, Inc.	5/5/2017	\$389,789	\$32,063	\$5,683			\$427,535	9.68%	
Egg Harbor City	New Middle School	ET-0097-C02	8/21/2015	4	I.E.W. Construction Group, Inc.	5/23/2017	\$389,789	\$37,745	\$1,075,000	Y	5/3/2017	\$1,502,535	285.47%	
Irvington Township	Madison Avenue E.S.	ES-0027-N01	4/4/2016	2	D&K Construction Co., Inc.	5/9/2017	\$3,043,185	\$6,400	\$12,600			\$3,062,185	.62%	
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/2013	95	Epic Management, Inc.	5/5/2017	\$80,490,000	\$4,665,120	\$57,906			\$85,213,026	5.86%	
Trenton	Roebing School	WT-0008-C05	12/2/2004	13	Cobra Construction Co., Inc.	5/4/2017	\$7,626,000	\$4,014,716	(\$15,000)			\$11,625,716	52.44%	
West New York	Harry L. Bain E.S.	HU-0026-C01	5/11/2016	17	Paul Otto Building Co., Inc.	5/30/2017	\$10,978,000	\$236,222	\$5,576			\$11,219,798	2.20%	
Gloucester City	New Elementary/Middle School	ST-0014-B01	8/6/2014	5	Terminal Construction Corp.	5/5/2017	\$40,000,000	\$821,413	\$1,038,564	Y	4/5/2017	\$41,859,977	4.64%	
Jersey City	Patricia M. Noonan E. S. (formerly New ES#3)	JE-0021-B01	7/16/2013	2	Dobco, Inc.	5/17/2017	\$33,487,500	\$351,953	(\$9,812)			\$33,829,641	1.02%	
Contractor														
Construction Services														
									\$2,207,119					
										Total Change Order Summary		Total Change Orders		
Grand Totals										\$2,140,583		12		



Amendments & Change Orders Report

Reporting Period: 5/1/2017 through: 5/31/2017

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

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



MEMORANDUM

TO: Members of the Authority

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

DATE: July 5, 2017

SUBJECT: Contractor and Workforce Compliance Monthly Update for April 2017

Vendor Services staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA's SBE goals, policies and procedures, including:

- Small Business Enterprise subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Detailed process procedures to monitor and track the progress made toward these goals throughout the life cycle of each project

At these meetings, vendors are strongly encouraged to identify and hire minority-owned and women-owned firms, as well as locally-based enterprises, for diverse business participation on all school building projects. Additional outreach strategies are discussed and utilized.

SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE MONITORING

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through April 30, 2017 was \$68,490,221. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$20,918,251 (including minorities and women). This represents 30.54% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 20,230,251	29.53%
Small/ Minority Business Enterprises	\$ 125,000	0.18%
Small/Women Business Enterprises	\$ 563,000	0.83%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 20,918,251	30.54%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 July 5, 2017
 Page 2 of 4

Ethnic Breakdown

Through the month of April 30, 2017 the total SBE contracts awarded with minority participation was 0.60%.

Ethnicity	Contract Amount	Percentage
American Indian	\$ -0-	0.00%
Asian	\$ 125,000	0.60%
Black	\$ -0-	0.00%
Hispanic	\$ -0-	0.00%
Total	\$ 125,000	0.60%

WORKFORCE COMPLIANCE MONITORING

For the month of April 2017, there was a contractor workforce of 717 on SDA projects. This represents a total of 58,152 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	81	7,731	13.29%
Hispanic	104	9,122	15.69%
American Indian	0	0	0.00%
Asian	0	0	0.00%
Total Minority Participation	185	16,853	28.98%
Total Non-Minority Participation	532	41,299	71.02%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 July 5, 2017
 Page 3 of 4

There was a contractor workforce of 184,107 total workforce hours and 1,522 total female workforce hours on SDA projects for the period of January 1, 2017 through April 30, 2017. The following table highlights the *Local County Contractor Workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	184,107	100.00%
*Total Local County Workforce Hours	11,919	6.47%
Total Local County Non-Minority Workforce Hours	6,231	3.38%
Total Local County Female Workforce Hours	68	0.04%
Total Local County Minority Workforce Hours	5,688	3.10%
**Local County Workforce Hours by Ethnicity:		
Black	4,686	2.55%
Hispanic	1,002	0.54%
American Indian	0	0.00%
Asian	0	0.00%

*Total workforce and total local county workforce represent all laborers including females.

**Minority breakdown represents Black, Hispanic, American Indian, and Asian laborers. Minority female laborers are captured as female laborers only and are not included in the minority breakdown.

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 July 5, 2017
 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, 2017 through April 30, 2017.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Bridgeton, Quarter Mile Lane ES	5,480	721	13.16%	0	0.00%
Elizabeth, New Elementary School	56,581	19,862	35.10%	0	0.00%
Garfield, James Madison ES	6,590	1,344	20.39%	0	0.00%
Gloucester, New MS	2,195	216	10.19%	65	2.96%
Harrison ES	664	520	78.31%	0	0.00%
Jersey City, ES #3	2,420	368	15.21%	32	1.32%
New Brunswick, Paul Robeson School	22,267	4,790	21.51%	1,815	8.15%
Newark, South Street ES	7,513	1,603	21.34%	536	7.13%
Passaic, Leonard Place ES	4,835	816	16.88%	675	13.96%
Perth Amboy, Seaman Avenue	361	0	0.00%	160	44.32%
Trenton HS	44,990	14,466	32.15%	8,005	17.79%
Vineland, Lincoln Ave MS	12,193	2,155	17.67%	699	5.73%
West New York, Harry L. Bain ES	17,836	8,499	47.65%	0	0.00%
Emergent Projects	182	0	0.00%	0	0.00%

Prepared by: Charlotte Brooks
 JaDawna Brown-Mooney

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: July 5, 2017

SUBJECT: Regular Operating District Grant Activity Report
(For Informational Purposes Only)

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of May 2017. Also included is a detailed list of grants executed and grants offered during the reporting period.

Monthly Update:

- No grants were offered during the reporting period.
- 2 grants impacting 2 districts were executed during the reporting period representing \$0.6M in total project costs and state share of \$0.3M.
- 66 grants impacting 27 districts were closed out during the reporting period representing \$53.3M in total project costs and state share of \$20.5M.
- Since inception, over \$2.7B has been disbursed to 524 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Monthly Regular Operating District Grant Report - Summary

May 2017

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	43	524	510	242
Number of Grant Projects	115	5,391	4,316	1,075
Total Project Cost Estimate	\$ 119,352,919	\$ 8,969,646,252	\$ 7,863,675,566	\$ 1,105,970,686
Grant Amount	\$ 50,627,853	\$ 3,024,385,070	\$ 2,565,596,917	\$ 458,788,152
Amount Disbursed	N/A	\$ 2,727,888,788	\$ 2,565,596,917	\$ 162,291,870

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
Total ROD Grant Funding remaining for new Grant Projects	\$ 44,320,760

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	2	27
Number of Grant Projects	2	66
Total Project Cost Estimate	\$ 610,564	\$ 53,288,259
Grant Amount	\$ 309,745	\$ 20,547,230
Amount Disbursed	NA	\$ 20,547,230

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

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

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Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

May 2017

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Hudson	North Bergen	North Bergen H.S.	\$ 363,314	\$ 210,845	Convert maintenance room into a SE classroom for cognitively Impaired students.
Monmouth	Howell Township	Ardena E.S.	\$ 247,250	\$ 98,900	Repointing of block/brick
Grand Total		Grants Executed - 2	\$ 610,564	\$ 309,745	

**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: July 5, 2017

SUBJECT: Monthly Communications Report

SDA Issues Biannual Report

The SDA released its Biannual Report on the School Facilities Construction Program. The report summarizes activities of the SDA for the time period of October 1, 2016 through March 31, 2017. The report, required to be submitted to the Governor and the Legislature pursuant to the Educational Facilities Construction and Financing Act, is available on the SDA website: www.NJSDA.gov.

Community Meetings

SDA continued its efforts to provide residents surrounding construction sites with an opportunity to ask questions or raise concerns regarding the potential impacts of SDA construction projects. On June 13, the SDA hosted a community meeting to discuss the upcoming construction work associated with the new Seaman Avenue Elementary School in Perth Amboy.

SDA staff also attended community meetings in Camden on June 21, 2017 to provide an update on the new Camden High School project.

Salem City Tour

CEO Charles McKenna joined Senator Steve Sweeney and local officials on a tour of the St. Mary's School, a former parochial school in Salem City. This facility is being considered as potential swing space to accommodate some of the students who were displaced following a ceiling collapse at the Salem Middle School.

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: July 5, 2017

SUBJECT: Monthly Financial Report – May 2017

The Office of the Chief Financial Officer is providing the attached monthly financial report to the Members of the Authority for their information. Included on pages 1 and 2 of this report is a “Financial Summary” of the Authority’s activities for the year. On pages, 3 and 4 of the report is a summary of the Authority’s operating expenditures. Page 5 contains a breakdown of the Authority’s headcount information by department/division. The basic financial statements follow on pages 6 and 7.

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

For May 2017 year to date, Authority operating expenses, **\$9.7 million**, are **down \$1.0 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 **\$884K**. The Authority is currently 19 FTEs under budget. This variance is offset by the year to date allocation - of payroll expense to project cost - that is lower than projected, **(\$391K)**;
- Lower MIS spending for system hardware and MIS projects **\$189K**.

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

For May 2017 year to date, Authority operating expenses, **\$9.7 million**, are **\$954K** higher as compared to the corresponding prior year. This variance is primarily due to the impact of a non-cash accrual for pension expense recorded for GASB 68.

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

For May 2017 year to date, project expenditures, **\$157.5 million**, are **higher** by **\$17.4 million** as compared to the capital-spending forecast for the *corresponding period*. The variance is due to increased activity in construction work **\$2.9M**, school furniture, fixtures and equipment **\$4.6M**, and grants **\$14.7M**. The variance is offset by decreased spending in property acquisitions **\$1.6M** and other project related costs **\$3.2M**.

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

For May 2017 year to date, project expenditures, **\$157.5 million**, have **increased** by **\$2.2 million** as compared to the *corresponding prior year*. This variance is primarily due to spending increases in grants **\$24M**. Offsetting these cost increases are spending reductions in construction **\$18M** and other project related costs **\$3.8M**.

Members of the Authority
July 5, 2017
Page 2

Other

Since program inception, 78.4% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception 96% of all SDA disbursements relate to school facilities projects and 4% relate to operating expense.

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

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
May 2017
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

May 31, 2017

To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, May 31, 2017.

► Overall **Cash and Cash Equivalents** have decreased by \$164.5 million to \$392.7 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	1,218,286
■ Miscellaneous revenue	25,039
■ Project costs	(157,502,421)
■ SDA operating expenses	(8,081,650)
■ SDA capital expenditures	-
■ Deposits (primarily district local shares)	(200,655)
Net Change in Cash	\$ (164,541,401)

► **Prepaid Expenses** total \$453,635 as follows:

- Prepaid insurance of \$310,994.
- Prepaid MIS maintenance service contracts of \$141,870.
- Other prepaids of \$771.

► **Capital Assets** total \$620,747 (net of accumulated depreciation of \$6,816,904), 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 \$0 and **Depreciation Expense** is \$86,357.

► **Accrued Liabilities** total \$131.0 million, as follows:

- Accrued project costs of \$18.7 million consisting of unpaid invoices (\$4.3 million); and retainage (\$14.4 million).
- Accrued net pension liability of \$73.2 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$4.2 million (PRO liability \$6.1 million, offset by expected cost recoveries of \$1.9 million).
- Estimated liability for loss contingencies totaling \$3.6 million (contractor claims \$3.6 million).
- Estimated liability for loss contingencies totaling \$4.3 million (Cumberland HS \$4.3 million).
- Payroll related liabilities of \$1.5 million.
- Post-employment benefits obligation of \$25.4 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$3.3 million, as follows:

- \$3.2 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$276.4 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation May 31, 2017

► **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 \$10.448 billion.
- Project expenditures for the month and year-to-date periods total \$26.4 million and \$157.5 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 16,987,330	\$ 77,096,767	\$ 4,540,164,135
Design Services	288,010	1,167,031	410,154,516
PMF/CM Services	547,814	2,710,645	447,961,752
SDA Project Management	1,127,772	5,801,603	63,175,012
Property Acquisition, Relocation & Enviro	431,766	2,071,960	579,392,901
School Furniture, Fixtures & Equipment	147,205	8,559,810	149,368,557
Project Insurance	81,504	64,610	107,676,191
NJ State Inter-Agency Transfers	-	79,922	48,766,622
SDA District Grant & Funding Agreements	102,618	13,083,696	844,181,963
Regular Operating District Grant Agreements	6,523,211	45,592,280	2,736,419,739
Real-Time Project Audits	-	30,349	468,867
Property Management, Maintenance & Utils	55,121	356,103	16,005,911
Outside Legal & Claims Resolution Services	77,060	325,376	7,868,912
Other Project Costs	38,763	611,264	62,910,723
Project Credits	-	-	(54,902,944)
Total Project Expenditures	26,408,174	157,551,416	9,959,612,857
Less: Local Share Contributions		(48,995)	(182,529,630)
Project Expenditures (State Share)	\$ 26,408,174	\$ 157,502,421	\$ 9,777,083,227
 2017 Capital Spending Forecast	 \$ 29,592,385	 \$ 140,081,487	

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	\$ 9,011,547,458	\$ 7,063,287,263
■ Regular Operating Districts	3,450,000,000	3,493,882,171	3,040,484,849
■ Vocational Schools	150,000,000	151,753,425	111,688,306
Total - State Share	\$ 12,500,000,000	\$ 12,657,183,054	\$ 10,215,460,418

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

■ SDA Districts	78.4%
■ Regular Operating Districts	87.0%
■ Vocational Schools	73.6%
Total - State Share	80.7%

1 Of the \$12.5 billion authorized for the school construction program, \$10,447,702,648 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 \$438,377,191.

New Jersey Schools Development Authority Operating Expenses vs Budget May 31, 2017

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<u>Category</u>	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>Increase/ (Decrease)</u>
Personnel Expenses:			
Employee Salaries	\$ 7,602,291	\$ 8,089,898	\$ (487,607)
Employee Benefits	5,978,456	6,336,909	(358,453)
Direct Hire Temporary Employee Costs	83,433	121,110	(37,677)
Total Employee Salaries & Benefits Costs	13,664,180	14,547,917	(883,737)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	5,801,603	6,192,599	(390,996)
Salaries & Benefits Charged to Operating Expense	7,862,577	8,355,318	(492,741)
Temporary Staffing Services	69,125	62,500	6,625
Travel & Expense Reimbursements	6,524	13,895	(7,371)
Training & Professional Development	14,500	55,801	(41,301)
Total Personnel Expenses	7,952,726	8,487,514	(534,788)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	991,589	1,099,725	(108,136)
Information Systems	422,217	611,410	(189,193)
Professional & Other Contracted Services	118,783	228,210	(109,427)
Property & Casualty Insurance	168,364	170,330	(1,966)
SDA-Owned Automobiles	33,059	47,915	(14,856)
Communications & Outreach	1,251	210	1,041
Reserve for Unforeseen Events & New Initiatives	-	20,835	(20,835)
Total Operating Expenses (Non-Capital)	9,687,989	10,666,149	(978,160)
Capitalized Operating Expenses	-	68,750	(68,750)
Total Authority Operating Expenses	\$ 9,687,989	\$ 10,734,899	\$ (1,046,910)
 2017 Annual Operating Budget		 \$ 22,924,694	

New Jersey Schools Development Authority
Operating Expenses vs Prior Year
May 31, 2017

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2016</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Personnel Expenses:			
Employee Salaries	\$ 7,602,291	\$ 7,672,818	\$ (70,527)
Employee Benefits	5,978,456	5,335,716	642,740
Direct Hire Temporary Employee Costs	83,433	80,901	2,532
Total Employee Salaries & Benefits Costs	13,664,180	13,089,435	574,745
Less: Employee Salaries & Benefits Costs Charged to Projects	5,801,603	6,075,830	(274,227)
Salaries & Benefits Charged to Operating Expense	7,862,577	7,013,605	848,972
Temporary Staffing Services	69,125	37,943	31,182
Travel & Expense Reimbursements	6,524	11,234	(4,710)
Training & Professional Development	14,500	26,074	(11,574)
Total Personnel Expenses	7,952,726	7,088,856	863,870
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	991,589	941,614	49,975
Information Systems	422,217	344,108	78,109
Professional & Other Contracted Services	118,783	76,327	42,456
Property & Casualty Insurance	168,364	170,196	(1,832)
SDA-Owned Automobiles	33,059	34,094	(1,035)
Communications & Outreach	1,251	240	1,011
Reserve for Unforseen Events & New Initiatives	-	-	-
Total Operating Expenses (Non-Capital)	9,687,989	8,655,435	1,032,554
Capitalized Operating Expenses	-	78,518	(78,518)
Total Authority Operating Expenses	\$ 9,687,989	\$ 8,733,953	\$ 954,036

New Jersey Schools Development Authority

Employee Headcount

May 31, 2017

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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)	2	3	-1
CEO, Contract Management	10	12	-2
COS, Program Assessment & Development	7	9	-2
COS, Special Projects	9	9	0
Program Operations, Executive	5	5	0
Program Operations, Capital Planning & Grants Admin.	24	26	-2
Program Operations, Safety	8	8	0
Program Operations - Design Studio	16	16	0
Program Operations, Project Teams	51	59	-8
Corp Governance & Operations, Executive	3	3	0
Corporate Governance & Operations, Human Resources	7	8	-1
Corporate Governance & Operations, Chief Counsel	13	15	-2
Corporate Governance & Operations, Information Systems	16	16	0
Corporate Governance & Operations, Facilities	5	5	0
Corporate Governance & Operations, Communications	7	8	-1
Financial Operations, Executive	5	5	0
Financial Operations, Controller	12	12	0
Financial Operations, Real Estate Services	5	5	0
Financial Operations, Procurement & Contract Services	9	9	0
Financial Operations, Risk Management & Vendor Services	<u>11</u>	<u>11</u>	<u>0</u>
Total Full-Time Employees	<u>225</u>	<u>244</u>	<u>-19</u>

New Jersey Schools Development Authority
Statement of Net Position
May 31, 2017

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	<u>Current</u> <u>Month End</u>	<u>2016</u> <u>Year End</u>	<u>Increase/</u> <u>(Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 392,704,918	\$ 557,246,319	\$ (164,541,401)
Receivables	193,412	201,378	(7,966)
Prepaid Expenses	453,635	850,418	(396,783)
Capital Assets (Net of Accumulated Depr.)	620,747	707,104	(86,357)
Total Assets	<u>393,972,712</u>	<u>559,005,219</u>	<u>(165,032,507)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions	19,756,924	21,939,702	(2,182,778)
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 413,729,636</u>	<u>\$ 580,944,921</u>	<u>\$ (167,215,285)</u>
LIABILITIES			
Accrued Project Costs	\$ 30,797,054	\$ 72,842,226	\$ (42,045,172)
Net Pension Liability	73,160,190	72,439,355	720,835
Accrued Other Post-Employment Benefits	25,396,915	24,500,963	895,952
Other Accrued Liabilities	1,612,652	4,200,487	(2,587,835)
Deposits	3,279,634	3,480,289	(200,655)
Total Liabilities	<u>134,246,445</u>	<u>177,463,320</u>	<u>(43,216,875)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions	3,074,757	3,074,757	-
NET POSITION			
Invested in Capital Assets	620,747	707,104	(86,357)
Restricted for Schools Construction:			
Special Revenue Fund	275,787,687	399,699,740	(123,912,053)
Net Position	<u>276,408,434</u>	<u>400,406,844</u>	<u>(123,998,410)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	<u>\$ 413,729,636</u>	<u>\$ 580,944,921</u>	<u>\$ (167,215,285)</u>

New Jersey Schools Development Authority
Statement of Activities
May 31, 2017

7

	<u>Current Year-To Date</u>	<u>2016 Year-To Date</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ -	-
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	1,218,286	764,693	453,593
Rental Income	25,019	758,409	(733,390)
Other Revenue-OPRA	20	40	(20)
Total Revenues	<u>1,243,325</u>	<u>1,523,142</u>	<u>(279,817)</u>
EXPENSES			
Administrative & General Expenses	9,687,989	8,655,435	1,032,554
Capital Depreciation	86,357	62,509	23,848
School Facilities Project Costs	115,467,389	118,144,865	(2,677,476)
Total Expenses	<u>125,241,735</u>	<u>126,862,809</u>	<u>(1,621,074)</u>
CHANGE IN NET POSITION	(123,998,410)	(125,339,667)	1,341,257
Beginning of Period Net Position	<u>400,406,844</u>	<u>470,012,063</u>	<u>(69,605,219)</u>
NET POSITION END OF PERIOD	<u>\$ 276,408,434</u>	<u>\$ 344,672,396</u>	<u>\$ (68,263,962)</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.