

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 5, 2017**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, April 5, 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)
David Moore (Treasury)
Bernard Piaia (DOE)
Michael Capelli
Kevin Egan
Lester Lewis-Powder
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Capelli, Mr. Egan, Ms. Hassett, Mr. Lewis-Powder, Mr. Moore and Mr. Piaia participated in the meeting by teleconference.

At the Chairman's request, Charles McKenna, chief executive officer; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; Gregory Voronov, managing director; Aidita Milsted, director; Corrado Minervini, director and Sean Murphy director, of the SDA participated in the meeting. Labinot Berlajolli of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey. 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 March 1, 2017 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Nixon, the March 1, 2017 Open Session meeting minutes were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Authority Matters

CEO Report

Mr. McKenna began his report by offering an update on the Trenton Central HS (TCHS) project. He reported that the design-builder, Terminal Construction, continues with design phase services. He said that footings, foundations, and under slab utility work is ongoing and structural steel erection had begun the previous month. He said that SDA staff is hoping that structural steel erection will be finished in early June.

Turning to projects in the Bridgeton School District, Mr. McKenna reported that for the Buckshutem Road ES project, the playground surface coating installation will be completed as soon as the weather permits. He said that the application for a certificate of occupancy (CO) will be submitted to Department of Community Affairs (DCA) following that installation and

inspection. In regard to the Quarter Mile Lane ES project, he said that renovation work on the existing school is ongoing and anticipated to be substantially complete this month.

With respect to the Camden HS project, Mr. McKenna advised the Members that the SDA provided comments to its environmental consultant, Brinkerhoff Environmental (Brinkerhoff), following review of Brinkerhoff's draft report. He added SDA staff anticipates the final report in the second quarter of this year. He said that the findings will inform the Authority's development of the school design.

Mr. McKenna reported that for the East Orange George Washington Carver ES project, building demolition is progressing well. He said that debris from the demolished above-ground structures is being exported from the site and the demolition of the subgrade structures is ongoing. He noted that SDA staff had advertised for design-build services for the project the previous month and price and technical proposals are due on April 12.

Mr. McKenna informed the Members that for the Elizabeth New ES project, building façade masonry installation work is ongoing. He said that electrical, mechanical, and plumbing trades continue to progress well. For the Garfield James Madison ES No. 10 project, he reported that masonry work is ongoing and electrical, mechanical, and plumbing trades are progressing. In regard to the Gloucester ES/MS project, he said that the turnover of the school to the district is complete.

Mr. McKenna reported that for the Harrison New ES project, Brockwell & Carrington is progressing well with design phase services. He said that asbestos abatement is complete and demolition of the existing structures will begin later this month. He informed the Members that SDA staff advertised for construction management (CM) services in February and that technical

and price proposals were received on March 10. He added that, following the evaluation and ranking of the technical proposals, interviews were conducted and the price proposals will be opened later in the day. He noted that this is a combined procurement together with the Irvington Madison Avenue ES project.

With respect to the Irvington Madison Avenue ES project, Mr. McKenna reported that the design-builder, Ernest Bock & Sons, Inc. (EBS) continues with design phase services. He said that SDA staff advertised for CM services in February and that price proposals will be opened later in the day.

Mr. McKenna said that schematic design phase services are ongoing for the Keansburg Port Monmouth Road ES project. For the Jersey City ES No. 3 project, he reported that substantial completion was achieved the previous month, with the exception of weather-sensitive items that will be completed as soon as the weather permits. He said that furniture, fixtures, technology and equipment work is complete. He informed the Members that the turnover of the school to the district is scheduled to take place in the current month. He noted that coordination with the district is underway.

In regard to the addition and renovation project at the Millville HS, Mr. McKenna reported that price and technical proposals for design-build services were received on February 8. He said that following evaluation and ranking of the technical proposals, price proposals were opened on March 2. He noted that Hall Construction Co., Inc. (Hall) was determined to be the highest ranked firm and a recommendation of award is on today's agenda. He noted that bid protests were filed by other bidders.

Mr. McKenna next gave an update on the New Brunswick Paul Robeson ES project. He said that structural steel erection, masonry, HVAC, and site work are ongoing. He reported that the DCA issued Hall permits for the remainder of the building.

Mr. McKenna reported that for the Newark South Street ES project, masonry work and electrical, plumbing, and electrical rough-in work is ongoing. He said that the DCA issued permits to EBS for the remainder of the building.

Turning to projects in the Orange School District, Mr. McKenna said that for the Cleveland ES project, design consultant LAN Associates, continues with design phase services. He said that bids for the early site package for demolition of three residential properties and associated site work was readvertised on February 21. He noted that a second pre-bid meeting is scheduled for April 10 and bids are due May 4. For the Orange HS project, he informed the Members that the SDA's design consultant, Kliment Halsband Architects, continues with design phase services.

Mr. McKenna reported that for the Passaic Leonard Place ES project, slab on grade concrete floor work is nearing completion. He said that design package #2 for structural steel was submitted to DCA and is under review. He added that structural steel erection is anticipated to begin within the next few weeks.

In regard to the Pemberton Denbo Crichton ES project, Mr. McKenna informed the Members that the early site package for the demolition of the Crichton School was advertised in February and bids are due April 12. He said that the SDA is developing a swing space package for the Haines School that will facilitate closure of the Crichton School to permit work to be done. He added that the SDA Design Studio continues development of the bridging design.

Mr. McKenna reported that for Perth Amboy Seaman Avenue ES project, the design-builder, Epic Management, Inc. (Epic), continues with design phase services and the construction kick-off meeting was held on March 13. He noted that Epic is mobilizing on-site.

Mr. McKenna said that for the Vineland New MS project, DCA issued permits to the design-builder, EBS, for the remainder of the building. He added that masonry work and steel erection continue and electrical, plumbing, and HVAC rough-in work is ongoing.

In continuing, Mr. McKenna reported that the punchlist has been issued and the contractor is progressing on completion of the West New York Harry L. Bain PS No. 6 project. He said that SDA staff is on schedule for a phased turnover of the school for a September reopening by the district. He added that coordination with the district is ongoing.

Mr. McKenna informed the Members that SDA staff settled an affirmative claim in connection with the Lincoln Avenue project in the Orange School District.

Turning next to ongoing procurement activity, Mr. McKenna said that, in addition to the design-build services award for the Millville HS project and the design consultant services task order contract awards that management will be presenting later in the meeting, other activity currently underway includes procurements for design-build services for the East Orange George Washington Carver ES project; construction services for the Orange Cleveland ES project, Pemberton Denbo/Crichton ES, Paterson Union Avenue MS and Newark Science Park HS projects; and CM services for the Harrison New ES and Irvington Madison Avenue ES projects.

Reporting on events, outreach and other SDA activities, Mr. McKenna reported that, on March 15 and 16, SDA staff worked at the NY Build 17 conference in an effort to expand the Authority's bidding pool for some of the larger upcoming projects. He said that staff is hopeful that their efforts will ultimately yield more competitive procurements.

Next, Mr. McKenna informed the Members that on March 24, SDA presented at the Alliance for Action's seminar "Where the Work is." He said that this event brought representatives from multiple state agencies together to share upcoming contract opportunities with the members of the Alliance for Action.

Mr. McKenna said that SDA staff recently launched the 2017 SMWBE Contractor training program with classes in Trenton and Newark. He noted that the program will run through May 17.

Mr. McKenna informed the Members that, on Friday, he will attend a tree-planting event at the Newark Oliver Street School.

Mr. McKenna reported that SDA staff is scheduled to appear with the Department of Education (DOE) at the Assembly Budget hearing later this month and at the Senate Budget hearing in early May.

In closing, Mr. McKenna advised the Board that the SDA will hold a beam signing event in Vineland on April 25 at 11 AM for the new Lincoln Avenue MS. He said that this event was rescheduled from its original date in March which was canceled due to inclement weather.

School Review Committee

Credit Amendment – The Ives Group/The Montoro Group Joint Venture; Design-Build Award and Approval of Final Charter – Millville School District Millville High School; Approval of Awards – Design Consultant Services for Limited-Scope Projects; Professional Services Consultant Contract, Assumption and Award, Release of Funds from Program Reserve – Paterson Public Schools – PS. No.5 – Emergent Project – Water Infiltration Remediation [INFORMATIONAL]

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the Committee met on March 20, 2017. He said that the Committee considered a proposed credit amendment for The Ives Group/The Montoro Group Joint Venture (Ives) in

connection with the Orange Cleveland Street ES addition and renovation project (the Project). Mr. Luckie explained that in August 2003, Ives was engaged by the NJ Schools Construction Corporation (SCC) to provide design services for the Project. He informed the Members that when the project later was not included in the SCC's 2005 Capital Plan, Ives was directed to suspend all work on the project upon completion of the design development phase that was ongoing at that time. He said that SDA's 2012 Capital Plan later identified a project to address facility conditions deficiencies at the Cleveland Street School, however, the scope of the new project was significantly different from the project scope for which Ives was engaged with the result that the Ives design was no longer appropriate to meet the needs and definition of the Project. He said that SDA's contract with Ives was then terminated for convenience in January 2015. Mr. Luckie reported that in August 2015, the SDA Board approved the award of a contract for design consultant services to LAN Associates for the Cleveland Street School addition-renovation project. He said that this credit amendment is necessary to de-obligate the unused contract funds to close-out Ives' contract. He added that SDA staff has reviewed all documents supporting this credit amendment and determined that the credit amendment is justified and the amount is reasonable and correct. Ms. Milsted provided the Members with additional project details.

Following discussion, Mr. Luckie said that the Committee recommends that the Board approve the proposed credit amendment for The Ives Group/The Montoro Group Joint Venture in the amount of \$657,730.75. Upon motion by Mr. Vargas and seconded by Mr. Nixon, the Board approved the proposed credit amendment for The Ives Group/The Montoro Group Joint Venture with its unanimous vote in favor of ***Resolution 5a.***

At Chairman's request, Mr. Luckie discussed management's recommendation for approval of a design-build award and final project charter in connection with the Millville HS project (the Project). He reported that the Project will involve additions and renovations to the existing 199,714 square foot school to educate approximately 2,026 students in grades nine through twelve. He said that this addition and renovation approach to the Project follows establishment of an initial planning charter and consideration of a two-school approach, a process which began in September 2013. He advised the Members that following completion of bridging design consultant predesign phase services and recommendation of a single concept plan, the Board approved a revised preliminary charter for the Project in January 2015. Mr. Luckie said that following approval of the revised charter, the bridging design consultant developed schematic design documents and then bridging documents to support procurement of a design-builder for the Project. He informed the Members that a package for design-build services for the Project was advertised on September 30, 2016 with "price" equaling 60% of the overall weight, and all "non-price" factors having a combined weight of 40%. He said that upon completion of the competitive procurement process, management recommends award of the contract in the amount of \$114,453,000 to Hall Construction Company, Inc. for design-build services for the Project. Mr. Luckie advised the Members that subsequent to completion of the procurement process and identification of the recommended awardee, SDA received notice of the filing of bid protests by two separate bidders in the process. He said that these bid protests are pending review and a final determination by the SDA Chief Financial Officer in consultation with the SDA Division of Chief Counsel. Mr. Luckie informed the Chairman that the Chief Counsel will be discussing certain legal issues regarding the bid protests in Executive Session and requested that the vote be taken later when the Members return to Open Session.

At Mr. Walsh's request, Mr. Luckie discussed the awards for design consultant services for limited-scope projects. He said that SDA management and staff recommend that the Members approve the award of contracts to twenty (20) firms for design consultant services that will provide viable, cost effective solutions for limited scope tasks such as emergent project work. He reported that these twenty (20) engagements, which were procured through a competitive process, will provide a pool of design consultants from which staff is authorized to assign task orders on an as-needed basis for time-sensitive, limited-scope projects requiring predesign, design and/or construction administration services and to amend or modify them as deemed necessary. He also said that the SDA Chief Executive Officer and staff would effectuate execution of individual planning charters for the projects for which design services will be assigned through these task orders. He advised the Members that the terms and provisions of the contracts to be awarded, the details of the competitive procurement process and the proposed methodologies to be followed in award of the task orders are outlined in the Board memorandum. Mr. Luckie said that each of the twenty contracts will individually have a not-to-exceed amount of \$3 million and an overall term of 3 years or until all existing obligations to deliver services have been completed.

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 awards for design consultant services for limited-scope projects were approved with the Board's unanimous vote in favor of *Resolution 5c*.

At Mr. Walsh's request, Mr. Luckie then discussed an informational item that had been presented by management regarding the Authority's assumption and award of a district-executed professional services consultant contract and associated release of funds from the

program reserve. He explained that the dollar amounts involved require notification to the Board rather than Board approval. He said that the two actions management is taking are to address an emergent water infiltration condition at the PS No. 5 School in the Paterson Public School District. He explained that SDA staff is planning to assume a district-executed professional services consultant contract with EIA Architects and Engineers (EIA) and to simultaneously award a contract for pre-design phase services to the firm for a project to address the emergent water infiltration conditions. He said that SDA staff is also notifying the Board of the release of funds from the program reserve to address the problems. He advised that the conditions that need attention involve perimeter roof flashing and issues with the roofing system. He reported that the roofing problems are causing clogs in the drainage system and damage to existing plaster and the ceiling below the parapet walls. He said that there are also problems with water infiltration damage in the stairwells and gym and at some window heads. He said that there also is potential lintel damage. Mr. Luckie said that if SDA later chooses to engage EIA for design and construction administration services for the emergent project, management will seek Board approval.

Public Comments

Mr. Walsh then opened the Public Comments portion of the Board Meeting. He asked Mr. Frank Faras, a resident of the City of Trenton, to address the Board. Mr. Faras said that he lives across the street from TCHS. He said that he filed an Open Public Records Act (OPRA) request to the Authority for the feasibility study (the study) conducted on the old TCHS. He said that in response to his request he was provided with a bunch of legal “gobbledygook”. He stated that the material he received from the Authority in response to his request was the same material he had received in response to his OPRA request to the DOE. He stated that he should have

received the complete refurbishing costs for the entire facility. Mr. Faras said that the materials he received included a structural assessment for the school's "building A" but did not include an assessment of the entire facility. He said that the State department and the legislature specifically require a feasibility study on the entire facility, "not the janitor's closet or building A". Mr. Faras then offered a description of the other buildings that comprised the old TCHS that were not included in the study. He said that the study should have included the cost of bringing all the buildings up to standards. He stated that one section of the old TCHS was built in 1956 to modern standards. He said that because the other TCHS buildings were not included in the study it questions the validity of the study. He said that it's kind of a waste of tax payers money not to refurbish the school which would have cost half the price of a new school. He said that this undermines the credibility of his State. He stated that the Governor is a good friend of the SDA and is present at groundbreaking ceremonies and for "photo-ops". He asked why the Board would not assist with the Governor's transparency initiative by completing a comprehensive study that includes the option of refurbishing the entire TCHS. Mr. Faras said that the SDA was handing out lucrative demolition and construction contracts at the same time that the Governor was soliciting campaign contributions for his presidential bid. Mr. Faras stated that he is perplexed that the SDA Board did not exert a greater effort by insisting that a more extensive feasibility study be done on TCHS when members of the public requested it prior to Board approval of the school's demolition.

Ms. Kelly then announced that the Board would be adjourning into Executive Session to discuss four items: 1) potential legal issues associated with the issuance of a change order for Terminal Construction Corporation for additional work and associated costs to satisfy acoustical performance requirements for the Gloucester City New ES/MS project; 2) a recommendation for

declaration of surplus property, determination of property value and authorization for the sale and conveyance of thirteen parcels of real property in the City of Camden; 3) legal issues associated with the Millville HS design-build services contract award; and 4) a recommendation for the settlement of claims by the Cumberland Regional HS District relating to the Cumberland Regional HS renovation project. She said that the Board's vote on these matters would occur upon return to Open Session.

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

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

Mr. Vargas said that a resolution pertaining to a declaration of surplus property, determination of property value and for the sale and conveyance of thirteen parcels of real property in the city of Camden had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Nixon, the Committee's recommendation in this matter was approved by the Board with its unanimous vote in favor of **Resolution A2**.

Mr. Luckie said that a resolution pertaining to the proposed change order for Terminal Construction Corporation for the Gloucester City New ES/MS project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Nixon, the recommended change order for Terminal Construction Corporation was approved with the Board's unanimous vote in favor of **Resolution A1**.

Next, Mr. Luckie said that a resolution pertaining to the award of a contract in the amount of \$114,453,000 to Hall Construction Company Inc. for design-build services and a final project charter for the Millville HS project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the recommended contract

award and final project charter were approved with the Board's unanimous vote in favor of ***Resolution 5b***.

Mr. Walsh said that a resolution pertaining to the settlement of claims by the Cumberland Regional High School District Relating to the Cumberland Regional HS renovation project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Nixon, the recommended settlement of claims was approved with the Board's unanimous vote in favor of ***Resolution A3***.

Adjournment

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

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its April 5, 2017 meeting.

/s/ Jane F. Kelly
Assistant Secretary