

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, JANUARY 2, 2019 AT 9:15A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

- 1. NOTICE OF PUBLIC MEETING**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF MEETING MINUTES**
 - a. Board Open Session Meeting Minutes of December 5, 2018
 - b. Board Executive Session Meeting Minutes of December 5, 2018
- 5. AUTHORITY MATTERS**
 - a. CEO Report
 - b. Chairman's Report
- 6. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. 2019 Proposed Operating Budget
- 7. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Construction Management Services – Camden City School District - Camden High School
- 8. MONTHLY REPORTS**
 - a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Close Out Status Report
 - iii. Project Status Reports
 - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
 - v. Contract Terminations Report (*no activity*)
 - vi. Settlement Activities Report (*no activity*)
 - vii. Contractor and Workforce Compliance Report
 - viii. Regular Operating District Grant Activity Report
 - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
 - x. Communications Report
 - xi. Monthly Financial Report
 - xii. Design Contract De-Obligations Report (*no activity*)
- 9. PUBLIC COMMENTS**
- 10. ADJOURNMENT**

APPROVAL OF MEETING MINUTES

DECEMBER 5, 2018 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, DECEMBER 5, 2018**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, December 5, 2018 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

- Robert Nixon, Acting Chairman
- Donna Sullivan (EDA)
- Kevin Luckie (DCA)
- Bernard Piaia (DOE)
- Michael Kanef (Treasury)
- Kevin Egan
- Richard Elbert
- Lester Lewis-Powder
- Michael Maloney
- Mario Vargas

being a quorum of the Board. Mr. Elbert, Mr. Lewis-Powder, and Mr. Piaia participated in the meeting by teleconference.

At the Chairman’s request, Lizette Delgado Polanco, chief executive officer; Roy Garcia, chief of staff; Andrew Yosha, chief operating officer; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Manuel Da Silva, vice president; Pamela Luster, vice president; Patricia Cabrera, deputy chief of staff; Albert Barnes, chief counsel; and Sean Murphy, director of the SDA, participated in the meeting. Adam Sternbach of the Governor’s Authorities Unit also participated in the meeting.

The meeting was called to order by Mr. Nixon, 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 20 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Pledge of Allegiance

Led by Mr. Nixon, the Members and all assembled recited the Pledge of Allegiance.

Next, Mr. Nixon asked that, during the course of the day, those present join those across the United States who are honoring the life of former President George H. W. Bush. He also asked that during the holiday season, those attending keep in mind the troops and first responders who ensure our freedom.

Approval of Meeting Minutes

The Chairman then presented for consideration and approval the Minutes of the November 7, 2018 Open and Executive Session meetings. Staff had provided a copy of both sets of minutes and a resolution to the Members for review in advance of the meeting. Mr. Vargas expressed his concern with the comments of one individual who had addressed the Board in November. He expressed his hope that the remarks were simply the view of one person and not the state of the SDA at this time. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the Board approved the Open and Executive Session meeting minutes of the November 7, 2018 SDA Board meeting with the Members' unanimous vote in favor of ***Resolution 4a/4b***.

Authority Matters

CEO Report

Mr. Nixon asked Chief Executive Officer (CEO) Delgado Polanco for the Report of the CEO. Ms. Delgado Polanco said that before beginning her formal report today, she wanted to share with the Board a video that staff recently produced and that the SDA will be using at upcoming community meetings. Upon conclusion of the video presentation, the CEO said that the community meeting at which the video will be unveiled is scheduled for December 11 in Camden. She said that staff will inform the community that the SDA isn't there to impose on them but rather to work together with them. She added that staff will be holding community meetings wherever the SDA is breaking ground. She invited the Members to join staff at these events.

Turning to Authority events, outreach and other activities, the CEO reported that staff is working on a strategic outreach campaign called "Our Kids Deserve Better" to generate third party support for the reauthorization of SDA bonding. She said that this will involve meetings with third party supporters, media outreach, newsletters, website items, etc.

Ms. Delgado Polanco advised that a contest is being held in the four schools that SDA opened this school year (Vineland, Paul Robeson, South Street and James Madison) to develop a new SDA logo. She said that, from December through January, students will have the opportunity to submit suggestions for a new logo. She advised that one suggestion from each school will be chosen and given to the Governor's Office for approval/selection. She noted that the SDA Communications Team would then design a professional logo based on the selected theme.

Ms. Delgado Polanco said that SDA will be participating in upcoming events including the Camden HS open house/information session (December 11); and the Perth Amboy HS and Dayton Educational Complex in Passaic open house/information sessions (to be scheduled in January).

Next, the CEO provided an update on projects in design. She said that for the Camden HS project, Ernest Bock & Sons, Inc. (EBS) continues with design phase services. She added that, as previously reported, LAN Associates continues with design phase services for the Keansburg Port Monmouth Road ES project. In regard to the Passaic Dayton Avenue Educational Campus project, she advised that Terminal Construction (Terminal) continues with design phase services. She said that bridge demolition and pile driving are ongoing and underground mechanical, electrical and plumbing (MEP) will soon commence. For the Paterson Union Avenue MS project (former site of Don Bosco Academy), Ms. Delgado Polanco reported that design phase services are ongoing. She noted that for the Perth Amboy HS project, staff is finalizing procurement documents and anticipates an advertisement for design-build services later this month.

Turning to projects with early site packages, Ms. Delgado Polanco informed the Members that for the Plainfield Woodland ES project, Phase 2 asbestos abatement is nearing completion.

At this time, Mr. Piaia joined the call.

With respect to projects in the procurement stage, the CEO advised that for the Orange Cleveland ES and Orange HS projects, Two Brothers Contracting was issued a notice of award last month (November) for abatement and selective demolition. She said that a recommendation for contract awards for construction manager (CM) services for each project is on today's agenda. She added that proposals for general construction (GC) services at each of the two

schools are due the first quarter of 2019. She advised the Board that CM proposals for the Camden HS project are currently under review and staff expects to advance a recommendation for contract award at the January 2019 Board meeting.

Next, Ms. Delgado Polanco gave an update on design-build projects in construction. She informed the Members that for the East Orange George Washington Carver ES project, Dobco, Inc. (Dobco), the design-builder, continues with design phase services. She added that structural steel work is nearing completion and masonry and cold form metal steel framing installation is ongoing. For the Harrison New ES project, she said that design phase services are ongoing. She advised that Brockwell & Carrington continues with the installation of footings, foundations and grade beams, along with concrete masonry unit and under-slab utilities. With respect to the Irvington Madison Avenue ES project, she reported that EBS continues with the installation of roofing, masonry, exterior brick veneer, interior partitions and MEP rough-in. She added that interior wall and ceiling finish work is ongoing.

In continuing, the CEO reported that for the Millville HS addition and renovation project, Hall Construction continues with design phase services. She added that Phase I construction and renovation activities are complete and Phase II demolition and renovation work is ongoing. For the Passaic Leonard Place ES project, she advised that Dobco continues with the installation of interior finish work and that building HVAC and temporary heat are operational. In regard to the Pemberton Denbo Crichton ES project, she reported that EBS, the design builder, continues with design phase services. She said that slab on grade installation is ongoing and steel work is scheduled to begin later this month. Ms. Delgado Polanco informed that Members that for the Perth Amboy Seaman Avenue ES project, Epic Management, Inc. (Epic) continues with design phase services. She noted that electrical, plumbing, interior partition and HVAC rough-in work is

ongoing. For the Trenton Central HS project, she reported that Terminal continues with interior finishes, HVAC, fire suppression, electric, and plumbing.

Turning to projects in closeout, the CEO said that for the Elizabeth New ES, Vineland Lincoln Avenue MS and Newark South Street ES projects, design-builders Torcon and EBS continue with closeout activities.

Turning next to ongoing procurement activity, Ms. Delgado Polanco said that activity currently underway includes procurements for GC services for the Orange HS and Orange Cleveland ES projects; and construction management services for the Camden HS project.

Next, the CEO informed the Members that the Authority received \$350 million of new bond money on November 28.

Audit Committee

2019 Operating Budget – Approval of Awards – Furniture, Fixtures and Equipment (GP-0251-F01)

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on November 19, 2018 at which time management provided the Committee with the October 2018 New Funding Allocation and Capital Plan Update. He advised that there was an \$800,000 decrease in the 2011 Capital Plan Emergent Projects Reserve balance following the Board-approved release of additional funds for the Newark Hawkins School and Wilson Avenue Annex structural chimney repair projects. He said that there were no changes in any of the other reserve balances for the SDA Districts during the reporting period. Additionally, he reported that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$500,000 during the reporting period due to reductions in state share for grant projects nearing completion.

Mr. Nixon then provided the October 2018 Monthly Financial Report. He advised that the Authority’s operating expenses (Actual vs. Budget) for the year-to-date period totaled \$14

million, \$2.2 million lower as compared to the operating budget for the corresponding year. He said that the variance is attributable to lower personnel expenses and timing differences with regards to the scheduled replacement of the Primavera Contract Management System. He said that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$263.4 million--\$55.9 million lower as compared to the capital spending forecast for the corresponding period. He advised the Committee that this variance is due to lower construction costs as well as spending decreases in grant activity, school furniture purchase, property acquisition and payroll expense allocations. Mr. Nixon then reported that project expenditures (Actual vs. Prior Year Actual), at \$263.4 million, have decreased by \$38 million as compared to the corresponding prior year period. He explained that the variance is due to decreased spending in construction, grants activity, school furniture purchases and property acquisitions. He noted, however, that this decreased spending is offset in part by the 2017 OCIP II premium audit credit for project insurance and other project related activities. Mr. Nixon also reported that, since program inception, the Authority has disbursed approximately 82% of the funds authorized for SDA districts. Additionally, he said that, since program inception, 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses.

Next, Mr. Nixon reported that, for informational purposes, management discussed a proposed lease modification and lease extension (Lease) for administrative office space at 375 Carter Highway, Newark, New Jersey. He explained that the proposed Lease pertains to the SDA's Newark office space. He advised that matter was presented to the Real Estate Committee for advancement the same day. He said that Mr. Vargas will discuss this matter with the Board when he provides the Real Estate Committee's report.

In continuing, Mr. Nixon reported that management presented an outline of the 2018-2019 Strategic Communications Assessment and Communications Plan Strategy (Plan). He noted that the Plan highlighted communications strategies for social & digital media, events, videos, website design and marketing. He said that the strategy is designed to be proactive in its approach. He noted that the Authority is partnering with other state entities to better address the SDA districts' and communities' overall needs.

Next, Mr. Nixon reported that Ernst & Young (E&Y) had provided the Committee with the 2018 SDA Audit Plan. He said that E&Y had outlined the audit services and deliverables and provided the Committee with an overview of the audit timetable along with their (E&Y's) processes and procedures. He said that E&Y's presentation also highlighted areas of audit emphasis and discussed General Accounting Standards Board (GASB) practices. He said that E&Y also had discussed financial reporting in accordance with the requirements of the GASB rules and provided a summary of their required communications. Mr. Nixon advised the Board that, at the conclusion of the regular meeting, the Committee Members met privately, without management present, with E&Y in accordance with Executive Order 122 (EO122). He said that the Audit Committee Members also will be meeting with the SDA's acting director of Internal Audits on December 17, without management present, in accordance with EO122.

Mr. Nixon then presented the proposed Interim 2019 Operating Budget ("Budget"). He explained that management had presented the Audit Committee with a proposed 2019 Operating Budget at both its October and November meetings. However, he advised that discussions are ongoing regarding some aspects of the proposed Budget that require revisions. He said that it has been determined that the best course is to continue operating under current spending levels until discussions are finalized for formal adoption by the Board. Mr. Guarriello advised that the

Interim Budget will cover expenses thru the end of February 2019 for a total amount of \$3.2 million. He noted that the Interim Budget allows the Authority to continue its good work consistent with current spending levels, including contractual increases as required. Mr. Guarriello explained that when the 2019 Operating Budget is presented to the Members it will be a twelve (12) month budget. After a brief discussion, Mr. Nixon asked if there were any further questions or comments regarding the Budget. Hearing none, he called for a vote to approve the Interim 2019 Operating Budget.

Following discussion, upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Board approved the proposed Interim 2019 Operating Budget with its unanimous vote in favor of **Resolution 6a**.

Lastly, Mr. Nixon said that the Members of the Audit Committee are recommending that the Board of Directors approve the award of contracts for Furniture, Fixtures and Equipment. Referencing materials previously provided to the Members in advance of the meeting, he explained that the SDA previously procured term contracts for the manufacture, delivery and installation of furniture, fixtures and equipment (FF&E), with the current contracts expiring in March 2019. He said that, in June 2018, SDA advertised a procurement for FF&E term contracts and twenty-five (25) firms submitted their qualifications for consideration. Mr. Nixon explained that the new pool of twenty-one (21) FF&E firms listed in table three (3) of the memorandum will form the content of a "catalog" of available items for selection by school district officials to furnish and equip schools constructed or renovated by the SDA. He said that the contracts will have a three (3) year term with an option to extend each contract for one (1) additional year at the sole discretion of the SDA. He said that the total not-to-exceed amount, including all awardees, is \$55 million. Mr. Nixon advised that after review of the RFP and comments from staff, the

Committee recommends that the Board approve the award of contracts for FF&E to the firms listed in table three (3) of the memorandum. Mr. Murphy advised that fourteen (14) of the firms are carried over from the last contracts and seven (7) are new firms.

After discussion, upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Board approved the proposed contract awards (GP-0251-F01) for Furniture Fixtures and Equipment with its unanimous vote in favor of *Resolution 6b*.

School Review Committee

Construction Management Services – Orange Public Schools District – Orange High School and Cleveland Street Elementary School

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on November 19, 2018. He said that the Committee is recommending awards for construction management services for the Orange HS (High School Project) and Orange Cleveland Street ES (Cleveland Project) projects. He said that the Orange Cleveland Street ES addition and renovation project includes renovations to address facility conditions deficiencies. He added that the project also will provide an 11,550 square foot addition to address overcrowding at the elementary school grade level identified by the Department of Education (DOE) based upon its 2013 Educational Facilities Needs Assessment (EFNA). He noted that the Cleveland Project also will allow a change in grade alignment to Pre-K through Grade 6 consistent with the district's approved Long Range Facilities Plan (LRFP). Mr. Luckie explained that the High School Project will include construction of a 50,000 square foot, two (2) story addition to the existing Orange HS facility, along with selective educational program driven renovations and systems upgrades; an enclosed connecting bridge between Orange HS and Orange Preparatory Academy; and site improvements that will include site utility work and replacement of existing parking that is being displaced by the addition. He said that the

High School Project will allow for a district-wide change in grade alignment, consistent with the district's LRFP to address district-wide overcrowding at all grade levels identified by the DOE, also based upon its 2013 EFNA. Mr. Luckie informed the Members that a multi-project procurement package for construction management services for both projects was advertised as a "price and other factors" solicitation beginning on August 23, 2018. He said that the SDA advertised that it would make awards to two separate construction management firms—one firm for the Cleveland Project and one firm for the High School Project. He added that for this multi-project procurement, price was weighted as 40% of the final combined score, and all non-price other factors were weighted as 60% of the final combined score. He said that, following the procurement process, management is recommending award of the High School Project to Cambridge Construction Management, Inc. (Cambridge) in the approximate amount of \$1,505,000 and the Cleveland Project to Epic in the approximate amount of \$1,185,000 for construction management services. Mr. Luckie noted that both Epic and Cambridge have confirmed that their price proposals are inclusive of all scope elements contained in the contract documents for their respective projects.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Egan and seconded by Mr. Vargas, the construction management services awards for the Orange HS and Orange Cleveland Street ES projects were approved with the Board's unanimous vote in favor of ***Resolution 7a***.

Mr. Luckie advised the Members that the Committee also would be presenting a proposed settlement when the Board adjourns into Executive Session.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. He asked that all who come forward to address the Board limit their remarks to 3 minutes. He invited Mr. David Barie to come to the podium.

Mr. Barie prefaced his remarks by stating that he had participated in the design of the projects that were the subject of the video that was presented earlier in the meeting. He said that he believes that this gives him some standing to make the following observations and assertions. He said that when he spoke to the Board the previous month he had introduced himself as a former SDA employee and advocated for reinstatement of his former supervisor who also had been terminated. He said that he had also indicated his desire to advocate on behalf of current SDA employees and was here this month to do just that. Mr. Barie said that, the previous month, he had said that he believed that the decision to terminate him was part of a vendetta. He said that he did not mention at that time that the person who terminated him was the Authority's then Chief of Staff who is an alleged sexual predator and who left SDA one week after effectuating the terminations. He then made disparaging comments regarding various individuals currently remaining at the SDA. The Chairman requested that Mr. Barie be respectful in his remarks while assuring him that his first amendment rights were very much in effect. Mr. Barie said that he has no way of knowing what motivates the Members to serve on the Board but asked them to listen to what he has to say as it will be the most important information they will receive while a Board Member. He said that SDA has been managed through fear and intimidation for almost a decade. He said that a bullying culture exists. He then made disparaging comments about an SDA employee that he deemed the "bully in chief". He then provided the CEO with his observations regarding that employee's behaviors and asked that the Members use their positions to intercede on behalf of the current SDA staff. He indicated that he may return the following month to

inquire as to how two current SDA managers who are sexual harassers remain on staff at the Authority which professes to have a zero tolerance policy.

Mr. Nixon then announced that the Board would be adjourning into Executive Session. Ms. Kelly said that the Board has resolved to adjourn into Executive Session to discuss two matters: 1) a recommendation of proposed settlement in lieu of prospective litigation relating to the Long Branch HS; and 2) a request for extension and modification of lease for the Authority's administrative office space at 375 McCarter Highway, Newark, New Jersey. She said that the Board's votes on these matters would be taken upon its 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. Luckie said that, following discussion in Executive Session, the School Review Committee recommends that the Board approve management's proposed settlement in lieu of prospective litigation relating to the Long Branch HS. Upon motion duly made by Ms. Sullivan and seconded by Mr. Kanef, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A1***.

Next, Mr. Vargas said that, following discussion in Executive Session, the Real Estate Committee recommends that the Board approve management's request for extension and modification of lease for the SDA's administrative office space at 375 McCarter Highway, Newark, New Jersey. Upon motion duly made by Mr. Luckie and seconded by Ms. Sullivan, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A2***.

Adjournment

There being no further business to come before the Board, 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 December 5, 2018 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—4a./4b.**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 December 5, 2018 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were forwarded to the Governor on December 6, 2018.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's December 5, 2018 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: January 2, 2019

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

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

PROPOSED 2019 OPERATING BUDGET



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

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MEMORANDUM

TO: The Members of the Authority

FROM: Lizette Delgado Polanco, Chief Executive Officer
Donald Guarriello, Chief Financial Officer

RE: Proposed 2019 Operating Budget

DATE: January 2, 2019

Justification for Budget Request

Pursuant to Article V, Section 5.1.B of the Authority's By-Laws, the Chief Executive Officer is required to prepare and submit a proposed annual budget for the Authority for adoption by the Members. Accordingly, in support of the Authority's current and projected project activities and other initiatives, we are submitting to the Board of Directors for their consideration a calendar year 2019 Operating Budget of \$19.2M, an increase of \$1.5M over the 2018 Operating Budget. The 2019 Operating Budget includes a proposed headcount of 257 full-time equivalents (FTE) which is unchanged from the current year budget.

Budget Approach

To appropriately assign accountability, operating expenses are budgeted on a departmental basis. Departmental budget information supplied to the budget team is aggregated to arrive at divisional and Authority totals. Once approved, the budget is apportioned for 2019 monthly reporting.

Consistent with prior years, a portion of the Authority's employee salaries and benefits costs will be appropriately charged to school facilities projects based upon employee weekly time sheet data. For budget year 2019, the Authority has estimated the amount of such costs to be charged to school facilities projects at \$15.6M, which amount has been backed out of operating expense as presented in the attached materials.

Beginning in the 2019 Budget Year, we will account for capital spending on a separate schedule, and will seek Board approval for a total budgeted amount, across multiple years if applicable, for these items and report on their progress and spending through completion. Separately, the Authority will be revising its capitalization policy to match the thresholds used by the State of New Jersey. As such, certain purchases including automobiles utilized by

The Members of the Authority

January 2, 2019

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Construction Operations and Safety field staff in their management of school facilities projects will be expensed in the year purchased as their individual cost is below the State's capitalization threshold. The 2019 Operating Budget includes \$80,000 for the replacement of vehicles that are nearing the end of their useful lives.

Beginning in the final quarter of 2018, the Authority has restructured its operations in order to increase interdepartmental efficiencies and place a greater emphasis on teamwork and communications, as well as legislative and community outreach in furtherance of the Authority's objective of marshalling support for the next round of funding for capital projects. Below is a summary of the reorganization's impact on the 2019 Operating Budget along with other significant budget items:

Significant Operating Budget Items

- Employee salaries charged to operating expense are projected to increase by \$959K as compared to the current year budget to approximately \$9.8M. This is due to the filling and retitling of positions needed as part of the reorganization – some of which are at higher salaries than budgeted for the vacant positions they filled. In addition, promotional increases and equity adjustments were made for a number of existing staff members. Lastly, the amount of salaries estimated to be charged to school facilities projects is expected to decrease \$373K.
- Employee benefit costs charged to operating expense are projected to increase by \$178K as compared to the current year budget to approximately \$3.8M. This is primarily due to increased costs for Health Insurance of \$184K, Pensions \$106K and Social Security contributions of \$72K. These increases are partially offset by lower Prescription Drug coverage, which fell by \$108K, and an increase in employee benefit costs charged to projects of \$73K as a larger share of employee time charged to projects is anticipated to be from full-time staff, as opposed to temporary employees.

Overall, employee benefit costs are estimated to comprise approximately 41% of gross payroll in 2019.

- Information Systems expenses are \$170K higher than the current year budget due to additional costs for Internet Service Provider of \$65K, System Hardware \$29K, System Maintenance \$26K and the cost of Technology Projects, which is projected to increase by \$49K.
- The 2019 Operating Budget also includes an increase of \$99K in the Communication and Outreach portion of the budget due to a more robust and necessary proactive approach to sharing information and educating the relevant community about the important work of the

The Members of the Authority
January 2, 2019
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NJSDA through social media, marketing, and other communication outlets, promoting enhanced competition, inclusion and support.

- General Office & Facilities costs are expected to increase \$17K due mainly to increases in office Furniture Purchases for a replacement filing system in the Central File Room and furniture for the expanded Newark space which will accommodate approximately 30 NJSDA staff.

Proposed 2019 Capital Budget and Carryforward Items

- Replacement of Contract Manager Project Management system – this work began in 2018 and is estimated to have a total cost of \$2.5M, plus an additional \$450K in capitalized staffing costs in the 2019 Budget (\$300K of which is anticipated to be spent in 2019).

Accompanying Materials

The accompanying 2019 Operating Budget materials include the following: (1) Budget Summary, (2) Capital Budget and Carryforward Items, (3) Employee Headcount Report by department; (4) 5-Year Budget Comparison Report, and (5) Budget Detail Report.

Recommendation

The Members of the Authority are recommended to approve the proposed 2019 Operating Budget and 2019 Capital Budget and Carryforward Items as presented in the accompanying materials.

If approved, the proposed 2019 Operating Budget will replace in its entirety the two-month 2019 Interim Operating Budget approved by the Members of the Authority at the December 5, 2018 Board Meeting.

Prepared by: Robert Carney and James Wiegartner



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Summary
Presentation to the Board of Directors**

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	Proposed 2019 Budget	2018 Budget	2018 Reforecast	Over/(Under)	
				2019 Budget vs 2018 Budget	2019 Budget vs 2018 Reforecast
Authority Operating Expenses					
Personnel Expenses:					
Employee Salaries	\$ 20,620,593	\$ 19,906,047	\$ 18,764,529	\$ 714,546	\$ 1,856,064
Employee Benefits	8,459,920	8,209,129	7,333,394	250,791	1,126,526
Direct Hire Temporary Employee Costs	161,476	290,655	140,000	(129,179)	21,476
Total Employee Salaries & Benefits Costs	29,241,989	28,405,831	26,237,923	836,158	3,004,066
<u>Less:</u> Employee Salaries Costs Charged to Projects	(10,974,530)	(11,347,683)	(10,703,170)	373,153	(271,360)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(4,648,810)	(4,576,086)	(4,286,845)	(72,724)	(361,965)
Salaries & Benefits Costs Charged to Operating Expense	13,618,649	12,482,062	11,247,908	1,136,587	2,370,741
Temporary Staffing Services	150,000	150,000	150,000	-	-
Travel & Expense Reimbursements	45,200	38,075	28,475	7,125	16,725
Training & Professional Development	155,400	146,800	100,359	8,600	55,041
Total Personnel Expenses	13,969,249	12,816,937	11,526,742	1,152,312	2,442,507
Non-Personnel Operating Expenses:					
Facilities & General Office Expenses	2,678,673	2,661,834	2,613,330	16,839	65,343
Information Systems	1,300,000	1,130,400	1,497,400	169,600	(197,400)
Professional & Other Contracted Services	584,300	593,100	447,750	(8,800)	136,550
Property & Casualty Insurance	347,000	343,000	343,000	4,000	4,000
SDA-Owned Automobiles	195,000	115,000	90,000	80,000	105,000
Communications & Outreach	100,000	1,000	1,800	99,000	98,200
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	-	-
Total Operating Expenses (Non-Capital)	\$ 19,224,222	\$ 17,711,271	\$ 16,570,022	\$ 1,512,951	\$ 2,654,200
Total Full-Time Employees (FTEs)	257	257	223	-	34



**New Jersey Schools Development Authority
Proposed 2019 Capital Budget and Carryforward Items
Presentation to the Board of Directors**

Budget Year	Budget Amount	Capital Expenditures			Project Funds No Longer Required	2019 Budget and Carry-forwards
		2018 **	Pre-2018	Total		

Description of Capital Item:

CM Software System - Estimated SDA Staff Time	2019 *	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000
CM Software System Purchase & Development	2018	2,500,000	160,000	-	160,000	-	2,340,000
Automobile Purchases	2018	55,000	53,997	-	53,997	1,003	-
eDocument System Enhancement	2018	16,000	-	-	-	16,000	-
Leasehold Improvement - Trenton Office	N/A	-	58,176	-	58,176	-	-
Furniture Purchase - Design Studio	N/A	-	43,793	-	43,793	-	-
Totals		\$ 3,021,000	\$ 315,966	\$ -	\$ 315,966	\$ 17,003	\$ 2,790,000

* Board approval required.

** Projected amount.



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Employee Headcount
Budget Presentation to the Board of Directors**

SDA Division/Unit	Employee Headcount			Proposed Headcount vs.	
	Proposed 2019 Budget	2018 Budget	12/1/2018 Actual	2019 Budget	12/1/2018 Actual
Office of Chief Executive Officer (CEO)	3	3	3	-	-
Office of Chief of Staff (COS)	5	0	5	5	-
Human Resources	7	8	4	(1)	3
Communications	5	10	4	(5)	1
Legislative Affairs	2	0	2	2	-
Special Projects	3	10	2	(7)	1
SMWBE	11	0	11	11	-
Office of Corporate Governance & Legal Affairs	5	3	5	2	-
Chief Counsel	16	15	12	1	4
Policy	3	0	2	3	1
Internal Audits	5	9	4	(4)	1
Office of Construction Operations	1	0	1	1	-
Project Teams	46	65	37	(19)	9
Office of Chief Operating Officer	3	6	2	(3)	1
Office of Real Estate Services & Predevelopment	10	0	8	10	2
Planning & Program Operations	11	13	9	(2)	2
Design Studio	20	16	15	4	5
Office of Administrative Operations	3	0	3	3	-
Vendor Development	3	0	3	3	-
Grants Administration	14	14	12	-	2
Property Management	5	5	5	-	-
Central Records Management	4	0	3	4	1
Facilities	7	6	7	1	-
Information Systems	15	16	15	(1)	-
Office of Chief Financial Officer	1	0	1	1	-
Procurement	9	10	9	(1)	-
Financial Accounting & Disbursements	13	12	13	1	-
Financial Operations	12	17	11	(5)	1
Risk Management	9	11	9	(2)	-
Safety	6	8	6	(2)	-
Total Full-Time Employees (FTEs)	257	257	223	-	34

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



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Summary Comparison
2019 - 2015**

	Proposed 2019 Budget	2018 Budget	2017 Budget	2016 Budget	2015 Budget
Authority Operating Expenses					
Personnel Expenses:					
Employee Salaries	\$ 20,620,593	\$ 19,906,047	\$ 19,880,983	\$ 20,260,791	\$ 19,766,360
Employee Benefits	8,459,920	8,209,129	8,132,016	8,427,627	8,240,798
Direct Hire Temporary Employee Costs	161,476	290,655	290,655	376,775	486,815
Total Employee Salaries & Benefits Costs	29,241,989	28,405,831	28,303,654	29,065,193	28,493,973
<u>Less: Employee Salaries Costs Charged to Projects</u>	<u>(10,974,530)</u>	<u>(11,347,683)</u>	<u>(10,895,427)</u>	<u>(11,158,927)</u>	<u>(10,686,361)</u>
<u>Less: Employee Benefits Costs Charged to Projects</u>	<u>(4,648,810)</u>	<u>(4,576,086)</u>	<u>(4,438,647)</u>	<u>(4,535,164)</u>	<u>(4,394,580)</u>
Salaries & Benefits Costs Charged to Operating Expense	13,618,649	12,482,062	12,969,580	13,371,102	13,413,032
Temporary Staffing Services	150,000	150,000	150,000	130,000	130,000
Travel & Expense Reimbursements	45,200	38,075	35,475	33,700	37,990
Training & Professional Development	155,400	146,800	135,359	126,194	113,895
Total Personnel Expenses	13,969,249	12,816,937	13,290,414	13,660,996	13,694,917
Non-Personnel Operating Expenses:					
Facilities & General Office Expenses	2,678,673	2,661,834	2,639,330	2,605,440	2,564,500
Information Systems	1,300,000	1,130,400	1,482,400	1,430,445	1,227,700
Professional & Other Contracted Services	584,300	593,100	538,250	504,500	469,500
Property & Casualty Insurance	347,000	343,000	408,800	413,000	432,000
SDA-Owned Automobiles	195,000	115,000	115,000	100,000	99,000
Communications & Outreach	100,000	1,000	500	500	500
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	50,000	50,000
Total Operating Expenses (Non-Capital)	\$ 19,224,222	\$ 17,711,271	\$ 18,524,694	\$ 18,764,881	\$ 18,538,117
Total Full-Time Employees (FTEs)	257	257	257	257	257



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2019 Budget	2018 Budget
CURRENT APPROVED HEADCOUNT	<u>257</u>	
Active as of 10/1/2018	223	
Open/Re-Titled	34	
Requested (New)	0	
PROPOSED HEADCOUNT	<u>257</u>	<u>257</u>
 AUTHORITY OPERATING EXPENSES		
PERSONNEL EXPENSES:		
Employee Salaries & Benefits		
Employee Salaries	\$20,620,593	\$19,906,047
Employee Benefits	8,459,920	8,209,129
Direct Hire Temporary Employee Costs	161,476	290,655
Total Employee Salaries & Benefits Costs	29,241,989	28,405,831
<u>Less:</u> Employee Salaries Costs Charged to Projects	(10,974,530)	(11,347,683)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(4,648,810)	(4,576,086)
Total Salaries & Benefits Costs Charged to Operating Expense	<u>13,618,649</u>	<u>12,482,062</u>
Temporary Staffing Services	<u>150,000</u>	<u>150,000</u>
Travel & Expense Reimbursements		
Mileage Reimbursements	15,700	14,300
Other Travel Reimbursements Incl Tolls & Parking	26,500	23,775
Business Meetings/Lodging & Meals	3,000	0
Total Travel & Expense Reimbursements	<u>45,200</u>	<u>38,075</u>
Training & Professional Development		
Outside Training Incl Conferences & Seminars	64,800	63,650
HR Training - Authority Wide	30,000	25,000
Publications & Subscriptions	23,600	22,650
Professional Memberships & Licenses	12,000	10,500
Tuition Reimbursement	25,000	25,000
Total Training & Professional Development	<u>155,400</u>	<u>146,800</u>
TOTAL PERSONNEL EXPENSES	<u>13,969,249</u>	<u>12,816,937</u>



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2019 Budget	2018 Budget
NON-PERSONNEL OPERATING EXPENSES:		
FACILITIES & GENERAL OFFICE EXPENSES		
Office Leases & Parking		
Trenton	1,472,181	1,419,964
Newark	156,522	203,000
Total Office Leases & Parking	<u>1,628,703</u>	<u>1,622,964</u>
Telephone		
Private-VolP	0	18,000
Cellular	129,800	131,000
Cellular - GPS/Engine & Maint Status	5,000	5,000
Miscellaneous Charges	18,000	18,000
Total Telephone	<u>152,800</u>	<u>172,000</u>
Utilities		
Trenton Front St	225,000	225,000
Newark	30,000	30,000
Total Utilities	<u>255,000</u>	<u>255,000</u>
Postage & Delivery		
Meter Usage	6,000	9,000
Post Office Box Rental	1,270	1,270
State of NJ	400	400
Package Delivery	5,000	7,200
Total Postage & Delivery	<u>12,670</u>	<u>17,870</u>
Furniture & Equipment		
Furniture Purchases	21,000	5,000
Equipment Purchases	10,000	5,000
Equipment Maintenance	55,000	55,000
Fixtures & Tools	0	2,000
Total Furniture & Equipment	<u>86,000</u>	<u>67,000</u>



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2019 Budget	2018 Budget
Office Supplies		
Stationary & Supplies	22,000	25,000
Printer & Copier Paper	20,000	20,000
Toner	50,000	50,000
Business Cards	<u>2,000</u>	<u>2,000</u>
Total Office Supplies	<u>94,000</u>	<u>97,000</u>
Building Security		
Building Security	<u>2,500</u>	<u>2,500</u>
Total Building Security	<u>2,500</u>	<u>2,500</u>
Janitorial		
Custodial Services	0	10,000
Carpet Maintenance	<u>10,000</u>	<u>10,000</u>
Total Janitorial	<u>10,000</u>	<u>20,000</u>
Mechanical Maintenance		
Repairs & Maintenance	25,000	25,000
Common Area Maintenance Fees	<u>372,000</u>	<u>360,000</u>
Total Mechanical Maintenance	<u>397,000</u>	<u>385,000</u>
Other		
Refreshments & Supplies	21,000	6,000
Employee Services	6,000	3,500
Recruitment Expense	<u>13,000</u>	<u>13,000</u>
Total Other	<u>40,000</u>	<u>22,500</u>
TOTAL FACILITIES & GENERAL OFFICE EXPENSES	<u>2,678,673</u>	<u>2,661,834</u>
INFORMATION SYSTEMS		
System Maintenance	<u>646,000</u>	<u>620,000</u>
Media Storage	<u>28,600</u>	<u>28,600</u>
System Supplies	<u>42,000</u>	<u>34,000</u>



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2019 Budget	2018 Budget
System Software		
General	20,000	32,800
Total System Software	<u>20,000</u>	<u>32,800</u>
System Hardware		
General	69,800	38,000
Server	0	36,000
Workstation Purchases/Upgrades	34,000	0
Total System Hardware	<u>103,800</u>	<u>74,000</u>
Technology Projects		
RES DB Integration Changes and Revisions to Templates	50,000	0
HR Applicant Tracking/Training System	0	60,000
Document Management & Feasibility	20,000	0
Authority Infrastructure Projects	0	36,000
Newark Office Fitout	75,000	0
Total MIS Projects	<u>145,000</u>	<u>96,000</u>
External Services		
Internet Service Provider	201,600	137,000
On-Line Board Books	15,000	15,000
Other On-Line Subscription Services	70,000	65,000
Total External Services	<u>286,600</u>	<u>217,000</u>
Information Systems Training (Authority Wide)	<u>28,000</u>	<u>28,000</u>
TOTAL INFORMATION SYSTEMS	<u>1,300,000</u>	<u>1,130,400</u>
PROFESSIONAL & OTHER CONTRACTED SERVICES		
Auditing		
Independent Auditor Services	114,000	111,100
Total Auditing	<u>114,000</u>	<u>111,100</u>



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2019 Budget	2018 Budget
Other Professional Services		
ADP Payroll Services	40,000	45,000
Actuary Services	6,500	6,000
IT Consulting Services	143,500	151,000
Total Other Professional Services	<u>190,000</u>	<u>202,000</u>
Interagency Agreements		
DAG Legal Services	200,000	200,000
Total Interagency Agreements	<u>200,000</u>	<u>200,000</u>
Other		
Document Storage (Off Site)	65,000	65,000
Computer Checks	300	0
Shredding Services	5,000	5,000
Bank Service Charges	10,000	10,000
Total Other	<u>80,300</u>	<u>80,000</u>
TOTAL PROFESSIONAL & OTHER CONTRACTED SVCS	<u>584,300</u>	<u>593,100</u>
PROPERTY & CASUALTY INSURANCE		
Package-Owned	34,000	33,000
Automobile	40,000	36,000
Umbrella Liability	22,000	22,000
Umbrella Liability-Excess	14,000	14,000
Public Officials Liability	177,000	177,000
Public Officials Liability-Excess	60,000	61,000
TOTAL PROPERTY & CASUALTY INSURANCE	<u>347,000</u>	<u>343,000</u>
SDA-OWNED AUTOMOBILES		
Automobile Purchase Cost	80,000	0
Central Motor Pool Charges	115,000	115,000
TOTAL SDA-OWNED AUTOMOBILES	<u>195,000</u>	<u>115,000</u>



**New Jersey Schools Development Authority
Proposed 2019 Operating Budget Detail
Presentation to the Board of Directors**

	Proposed 2019 Budget	2018 Budget
COMMUNICATIONS & OUTREACH		
Outreach		
Events/Conferences	10,000	0
Shows/Exhibits	0	500
Community Outreach	65,000	500
Outreach Total	<u>75,000</u>	<u>1,000</u>
Promotional Materials		
Marketing Outreach	10,000	0
Advertising/Sponsorship	15,000	0
Promotional Materials Total	<u>25,000</u>	<u>0</u>
TOTAL COMMUNICATIONS & OUTREACH	<u>100,000</u>	<u>1,000</u>
RESERVE FOR UNFORSEEN EVENTS & NEW INITIATIVES	<u>50,000</u>	<u>50,000</u>
TOTAL OPERATING EXPENSES (NON-CAPITAL)	<u>\$ 19,224,222</u>	<u>\$ 17,711,271</u>

Resolution—6a.**Approval of the Fiscal Year 2019 SDA Annual Operating Budget****Resolution**

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

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

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

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

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

WHEREAS, pursuant to Article V. Section 5.1B of the bylaws of the Authority, the Chief Executive Officer has submitted to the Audit Committee for consideration a proposed operating budget for the Authority’s Fiscal Year 2019; and

WHEREAS, at its October 15, 2018, November 19, 2018 and December 17, 2018 meetings the Audit Committee reviewed and discussed the FY 2019 budget proposal; and

WHEREAS, pursuant to Article VII A.1 of the Audit Committee Charter and following deliberations, the Audit Committee recommends for approval by the Members of the Authority the budget proposal recommended by SDA management for FY 2019 and it is so presented in the attachment hereto.

NOW THEREFORE BE IT RESOLVED, that the Board hereby approves the attached FY 2019 Annual Operating Budget and 2019 Capital Budget and Carryforward Items for staffing, general and administrative expenses and capital expenditures in support of SDA operations totaling \$19,224,222 and authorizes the Chief Executive Officer to expend funds on behalf of the Authority pursuant to this budget as required.

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

Attached: Proposed FY 2019 Annual Operating Budget Memorandum and Attachment, dated
January 2, 2019

Dated: January 2, 2019

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

**CONSTRUCTION MANAGEMENT SERVICES - CAMDEN CITY SCHOOL DISTRICT
- CAMDEN HIGH SCHOOL**



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

MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

RE: District: Camden
School: Camden High School
Description: Construction Management Services
Package No.: CA-0022-M01
Estimated Fee: \$2,800,000
Award: \$2,645,285
Contractor: Ernest Bock & Sons, Inc.

DATE: January 2, 2019

SUBJECT: Construction Manager Award

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of the award of a contract for Construction Management (CM) Services. This contract is for services to manage the design-build construction of the Camden High School (Camden H.S.) in the Camden City School District.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Board approval is required for the award of consultant contracts greater than \$100,000. Funding for this engagement is available within the Project Budget, in accordance with the Final Project Charter approved by the Members on August 1, 2018.

BACKGROUND

The new Camden H.S. project will consist of the construction of an approximately 277,026 SF building to educate approximately 1,200 students in grades 9 through 12 on the site of the prior Camden High School facility. The new facility will consist of four (4) small learning communities, a main gymnasium, an auxiliary gymnasium and auditorium.

On August 5, 2015, the NJSDA Board approved a recommendation of award for pre-design services to Design Ideas Group Architecture (DIG) to evaluate the existing Camden H.S.

After the completion of DIG's assessment, NJSDA Executive Leadership recommended replacement of Camden H.S. with a new, modern, educationally appropriate facility. On October 5, 2016, the Members of the Board approved a Preliminary Project Charter, thereby approving demolition of the existing

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 Camden – Camden High School
 Construction Manager Award
 January 2, 2019
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Camden H.S. facility utilizing an Early Site Package, construction of a new facility utilizing Kit of Parts design and a Design-Build delivery method, and related site development work.

On August 2, 2017, the NJSDA Board approved the award of a Demolition contract to USA Environmental Management Inc. The abatement and demolition of the prior facility commenced in September 2017, and was completed in September 2018.

On August 1, 2018, the Members of the Authority approved the Final Project Charter and the award of a Design Build Construction contract to Ernest Bock & Sons, Inc. (Bock). On August 16, 2018, Bock was issued a Notice of Award for the construction of the Camden H.S. facility, and on September 26, 2018, Bock received the Notice to Proceed for the design phase of the project.

PROCUREMENT PROCESS

This package for CM Services was advertised as a “Price and Other Factors” solicitation beginning October 4, 2018 on the NJSDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. In addition, the advertisement was distributed to those firms that are pre-qualified in the area of Construction Management (P029) by both the Department of Treasury-Division of Property Management and Construction and the NJSDA. For this procurement, price was weighted as 40% of the overall weight, and all non-price factors had a combined weight of 60%.

A Selection Committee consisting of five (5) NJSDA staff members was established.

Proposals were received from eight (8) firms by November 8, 2018. Qualifications and Technical Proposals were evaluated by the Selection Committee. Evaluations were based upon the information provided by the firms in response to the RFQ/RFP for this project. The committee members evaluated the Qualifications and Technical Proposals for Construction Management Services separately based on the following criteria:

- Firm’s CM Experience on Similarly Sophisticated Projects
- Staffing Proposal
- Key Team Members’ Experience on Similarly Sophisticated Projects

Each Selection Committee member evaluated each Qualifications and Technical Proposal, assigning a raw score for each criterion on a scale of 0 to 10 as follows:

- Outstanding (9-10): depth and quality of response offers significant advantages.
- Superior (7-8): exceeds RFQ/RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFQ/RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFQ/RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFQ/RFP but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

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Weighting factors were applied to each of the Selection Committee member's raw scores for each criterion to arrive at a total weighted score as indicated in Table 1 below:

TABLE 1

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Firm's CM Experience on Similarly Sophisticated Projects	2.0	20
Staffing Proposal	3.0	30
Key Team Members' Experience on Similarly Sophisticated Projects	5.0	50
Total Possible Points		100

For each firm's Qualifications and Technical Proposal, the individual criteria scores awarded by a particular Selection Committee member were added together to calculate a score for that Qualifications and Technical Proposal. The maximum score for a Qualifications and Technical Proposal is 100. All of the scores awarded by the Selection Committee members to a particular firm's Qualifications and Technical Proposal were added together and averaged to arrive at a Final Qualifications and Technical Proposal Score for each firm. The firms, their scores and rankings are listed in Table 2 below:

TABLE 2

Firm	Final Qualifications and Technical Proposal Score	Qualifications and Technical Proposal Rank
CBRE Heery, Inc.	66.300	1
Joseph Jingoli & Son, Inc.	49.900	2
STV Construction, Inc.	41.200	3
Epic Management, Inc.	41.000	4
AECOM Technical Services, Inc.	34.200	5
Gilbane Building Company	33.400	6
Greyhawk North America, LLC	31.800	7
Remington & Vernick Engineers	19.200	8

The RFQ/RFP stipulated that a shortlist of the six (6) highest-ranked firms would be determined based on the Final Qualifications and Technical Proposal Scores. The shortlisted firms participated in interviews with the Selection Committee on December 3, 2018. The interviews allowed the firms to expand and detail their firm and team experience with respect to NJSDA requirements for construction management services. The Selection Committee interviewed each of the shortlisted firms and evaluated each firm on Interview Criteria and Weighting Factors that were the same as those used in the evaluation of the Qualifications and Technical Proposals, as detailed above.

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The individual criteria scores awarded by a particular Selection Committee member were added together to calculate an Interview Score for that firm. The maximum Interview Score is 100. All of the Interview Scores awarded to a particular firm by the Selection Committee members were added together and averaged to arrive at a Final Interview Score for each firm. The shortlisted firms, their scores and rankings are listed in Table 3 below:

TABLE 3

Firm	Final Interview Score	Interview Rank
CBRE Heery, Inc.	76.000	1
Joseph Jingoli & Son, Inc.	69.600	2
Epic Management, Inc.	61.400	3
STV Construction, Inc.	59.800	4
AECOM Technical Services, Inc.	59.700	5
Gilbane Building Company	58.300	6

The Final Interview Score for each shortlisted firm was added to the Final Qualifications and Technical Proposal Score for each such firm, and the two scores were averaged to arrive at a Non-Price Score for each shortlisted firm. The maximum Non-Price Score is 100. The shortlisted firms, their scores and rankings are listed in Table 4 below:

TABLE 4

Firm	Non-Price Score	Non-Price Rank
CBRE Heery, Inc.	71.150	1
Joseph Jingoli & Son, Inc.	59.750	2
Epic Management, Inc.	51.200	3
STV Construction, Inc.	50.500	4
AECOM Technical Services, Inc.	46.950	5
Gilbane Building Company	45.850	6

Once all Non-Price Scores for all shortlisted firms were calculated, the NJSDA opened the sealed Price Proposals and reviewed them for responsiveness. The Price Proposals were publicly opened on December 6, 2018 and the bids were read aloud as required by law.

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

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

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TABLE 5

Firm	Bid Price	Price Score	Price Rank
Joseph Jingoli & Son, Inc.	\$2,500,000.00	100.000	1
CBRE Heery, Inc.	\$2,645,285.00	94.189	2
AECOM Technical Services, Inc.	\$2,787,040.00	88.518	3
Epic Management, Inc.	\$2,913,700.00	83.452	4
Gilbane Building Company	\$3,186,400.00	72.544	5
STV Construction, Inc.	\$3,381,331.45	64.747	6

After the Price Scores were determined for all shortlisted firms, the Price Scores were adjusted by a weighting factor of 40%. The Non-Price Scores for “Other Factors” criteria were adjusted by a weighting factor of 60%. The Price Score and Non-Price Score for each shortlisted firm were added together for a Final Combined Score.

The maximum Final Combined Score is 100. The Final Combined Scores and Final Rankings are listed in Table 6 below:

TABLE 6

Firm	Raw Non-Price Score	Raw Price Score	Weighted Non-Price Score (60%)	Weighted Price Score (40%)	Final Combined Score	Final Rank
CBRE Heery, Inc.	71.150	94.189	42.690	37.675	80.365	1
Joseph Jingoli & Son, Inc.	59.750	100.000	35.850	40.000	75.850	2
Epic Management, Inc.	51.200	83.452	30.720	33.381	64.101	3
AECOM Technical Services, Inc.	46.950	88.518	28.170	35.407	63.577	4
Gilbane Building Company	45.850	72.544	27.510	29.018	56.528	5
STV Construction, Inc.	50.500	64.747	30.300	25.899	56.199	6

The highest ranked firm was CBRE Heery, Inc.

The bid submitted by CBRE Heery, Inc. was less than the NJSDA estimate. In order to ensure the firm’s Price Proposal was inclusive of all scope elements, a conference was conducted on December 10, 2018 with CBRE Heery, Inc. and staff from Procurement, Program Operations and Financial Operations to review the bid. At the time of the review, CBRE Heery, Inc. confirmed that its Price Proposal is inclusive of all scope elements contained in the Contract Documents.

The Program Director–Program Operations and the Director–Financial Operations recommend award of the contract to CBRE Heery, Inc.

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RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the firm with the highest Final Combined Score, CBRE Heery, Inc., in the amount of \$2,645,285 for Construction Management Services for the Camden H.S. project located in the Camden City School District.

Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

/s/ Sean Murphy
Sean Murphy
Director, Procurement

Reviewed and Recommended by: Andrew Yosha, Chief Operating Officer
Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer
Reviewed and Recommended by: Manuel Da Silva, Vice President, Construction Operations
Reviewed and Recommended by: Gregory Voronov, Managing Director, Program Operations
Reviewed and Recommended by: Andrew Oakley, Program Director, Program Operations
Reviewed and Recommended by: Robert Carney, Financial Operations Director

Resolution—7a.

Construction Manager Award

District:	Camden
School:	Camden High School
Description:	Construction Management Services
Package No.:	CA-0022-M01
Estimated Fee:	\$2,800,000
Award:	\$2,645,285
Contractor:	Ernest Bock & Sons, Inc.

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Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve the award of consultant contracts greater than \$100,000; and

WHEREAS, early site package and demolition activities have been completed on site in preparation for construction of a new Camden High School (CHS) in the Camden City School District; and

WHEREAS, construction of the new CHS will involve a kit of parts design and a design-build delivery method, and related site development work; and

WHEREAS, on August 1, 2018, the Members of the Authority approved the final project charter and the award of a design build construction contract to Ernest Bock & Sons, Inc. (Bock) for the CHS project; and

WHEREAS, on August 16, 2018, Bock was issued a notice of award for the construction of CHS, and on September 26, 2018, Bock received the notice to proceed for the design phase of the project; and

WHEREAS, on October 4, 2018, a package for construction management (CM) services was advertised as a “price and other factors” procurement with price weighted as 40% of the overall weight, and all non-price factors having a combined weight of 60%; and

WHEREAS, upon completion of the procurement process, the program director–program operations and director–financial operations recommend award of the contract in the amount of \$2,645,285 to CBRE Heery, Inc. for the CHS project; and

WHEREAS, the details of the CM services procurement process conducted by management are comprehensively set forth in the memorandum presented to the Board on this date; and

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

WHEREAS, prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of a contract to the firm with the highest final combined score, CBRE Heery, Inc., in the amount of \$2,645,285 for construction management services for the Camden High School project in the Camden City School District.

BE IT FURTHER RESOLVED, that prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

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

Attached: Memorandum, Construction Manager Award, (Package No. CA-0022-M01), Camden City School District, Camden High School, dated January 2, 2019

Dated: January 2, 2019

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: January 2, 2019

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 12/18/18

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	School occupied Sep. 2017. (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	School occupied Sep. 2017. (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	Dr. Maya Angelou 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	School occupied Sep. 2017. (Paul Otto)	2/27/12 12/29/15

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

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2011 & 2012 Portfolio Projects Activities Summary

as of 12/18/18

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	School occupied Sep. 2017. (Terminal)	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 Aug. 2017 Board.	1 QTR 19
New Brunswick	Robeson ES	PK-5	823	893	\$48.5	Kit of Parts/ Design-Build	School occupied Sep. 2018 (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	School occupied Sep. 2018. (Bock)	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	\$240.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2017 Board. (Terminal)	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.

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2011 & 2012 Portfolio Projects Activities Summary

as of 12/18/18

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	\$41.2	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	School occupied Sep. 2017. (Torcon)	6/9/14
Garfield	James Madison ES	K-5	275	305	\$29.7	Existing Design	School occupied Sep. 2018. (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	2,384	\$137.5	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	\$113.9	Design-Build	Award for D-B approved Sep. 2018 Board. (Epic Management)	3/2/17 4/26/18
Pemberton	Denbo-Crichton ES	PK-5	846	930	\$58.7	Design-Build	Award for D-B approved Jan. 2018 Board. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,304	\$234.4	Design-Build	Preliminary Charter approved Jun. 2016 Board.	4 QTR 18/ 1 QTR 19
Perth Amboy	Seaman Avenue ES	K-5	724	804	\$56.4	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	ESP ROA approved Aug. 2018 Board.	5/23/18 2 QTR 19
Union City	New Grade 7 to 9 School	7-9	756	840	\$64.2	Kit of Parts/ Design-Build	Preliminary Charter approved Mar. 2017 Board.	TBD
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	School occupied Sep. 2018. (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 12/18/18

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	\$132.6	Design-Build	Award for D-B approved Aug. 2018 Board. (Bock)	6/9/17 3/23/18
Hoboken	Demarest ES	ES	TBD	TBD	TBD	Design-Bid-Build	Substitution of Demarest ES approved Jul. 2017 Board. Procurement for Pre-Design Services Underway.	TBD
Orange	Cleveland St. ES	PK-6	306	336	\$24.3	Design-Bid-Build	Advertisement for GC 11/14/18, Proposals due 1/31/19.	9/10/18 11/14/18
Orange	High School	9-12	1,440	1,694	\$46.2	Design-Bid-Build	Advertisement for GC 10/12/18, Proposals due 1/24/19.	10/12/18
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 12/1/2018

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	Camden	New Camden High School	New Construction	Design-Build Design Phase	3Q 2021	On-target	Sep-21	On-target	\$ 132,569,255
2	East Orange	New GW Carver ES	New Construction	Construction	4Q 2019	On-target	Sep-20	On-target	\$ 41,179,670
3	Harrison	New Elementary School	New Construction	Construction	1Q 2019	On-target	Sep-19	On-target	\$ 36,115,640
4	Irvington	New Madison Ave ES	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 38,589,795
5	Millville	Millville Senior High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 137,503,832
6	Passaic City	New ES at Leonard Place	New Construction	Construction	1Q 2019	On-target	Sep-19	On-target	\$ 55,884,039
7	Passaic City	New Dayton Avenue Educational Campus	New Construction	Design-Build Design Phase	2Q 2022	On-target	Sep-22	On-target	\$ 240,923,270
8	Paterson	New Union Ave MS	New Construction	Design-Build Design Phase	2Q 2021	On-target	Sep-21	On-target	\$ 113,902,274
9	Perth Amboy	New Seaman Ave ES	New Construction	Construction	1Q 2019	On-target	Sep-19	On-target	\$ 56,435,971
10	Pemberton	New Denbo ES	New Construction	Construction	1Q 2021	On-target	Sep-20	On-target	\$ 58,703,414
11	Trenton	New Central HS	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 155,404,000

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**Active Project Status Report
Status as of 12/1/2018**

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	Newark	Marin School	HVAC Repairs	GC TO w/ Design	1Q 2019	On-Target	1Q 2019	On-Target	\$ 204,000
2	Newark	Hawking School	Chimney Repairs	GC TO w/ Design	2Q 2019	On-Target	3Q 2019	On-Target	\$ 637,888
3	Newark	Wilson School Annex	Chimney Repairs	GC TO w/ Design	2Q 2019	On-Target	3Q 2019	On-Target	\$ 211,386
4	Paterson	New Roberto Clemente	HVAC & Corrective Work	GC TO w/ Design	1Q 2019	On-Target	2Q 2019	On-Target	\$ 2,528,884
5	Plainfield	Plainfield High School	Structural Repairs - Stairs	GC TO w/ Design	3Q 2019	On-Target	4Q 2019	On-Target	\$ 1,202,774

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: January 2, 2019
Subject: Project Close-Out Status Report

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The attached report provides a status of the following:

- All SDA managed Capital Plan projects which have achieved school occupancy but have not yet been contractually and administratively closed
- All SDA managed Emergent projects which are either (1) currently active, or (2) complete yet have not been contractually and administratively closed
- Projects which have achieved project transfer to the district yet have outstanding open contracts
- A running total of all school facilities projects, health and safety contracts, and suspended design contracts which have been closed

Projects closed since the last report will appear highlighted.


SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of December 1, 2018

Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Bridgeton					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
2017	0540-100-13-0ACO	Quarter Mile Lane 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)
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)
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)			
2017	1320-N20-13-0AEG	Halloran Elementary School	Project Transferred	06/12/18	Open contract(s)
Garfield					
2007	1700-N01-02-0114	Garfield Middle School	Project Transferred	06/25/09	Open contract(s) - Legal matter pending
2018	1700-205-03-0315	James Madison Elementary School #10			
Gloucester City					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Project Transferred	06/05/09	Open contract(s)
2017	1770-N01-03-0188	Gloucester City Middle School	Project Transferred	04/17/18	Open contract(s)
Harrison					
2007	2060-X01-01-0832	New Harrison High School	Project Transferred	10/23/12	Open contract(s)

SPECIAL PROJECTS DIVISION					
PROJECT STATUS REPORT - As of December 1, 2018					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Jersey City					
Legacy	2390-N01-99-0227	New Elementary School #3 (Frank R. Conwell ES #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 MS #4)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
2016	2390-190-01-0581	New Public School #20	Project Transferred	08/11/17	Open contract(s)
2017	2390-X03-01-0587	Patricia M. Noonan ES (New PS #3)	Project Transferred	12/14/17	Open contract(s)
2007	2390-N03-99-0147	Heights Middle School #7			
Keansburg					
2016	2400-E01-02-0116	New Caruso Elementary School	Project Transferred	08/13/18	Open contract(s)
Long Branch					
2008	2770-X03-01-0635	Long Branch High School & Athletic Fields	Project Transferred	12/07/12	Open contract(s) - Legal matter pending
New Brunswick					
2010	3530-N05-03-0791	New Brunswick High School - Demonstration Project	Project Transferred	08/19/11	Open contract(s)
2018	3530-123-03-1034	Paul Robeson Community Elementary School	Project Transferred	10/23/18	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	3570-590-02-0315	Oliver Street Elementary School	Project Transferred	05/18/17	Open contract(s)
2018	3570-640-02-0311	South Street ES			
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	Needed repairs being addressed
2016	4010-N09-04-00HP	New Public School #16	Project Transferred	07/31/17	
2016	4010-N01-02-0169	Dr. Hami Awadallah School (New Marshall Street ES)	Project Transferred	03/15/18	Open Contract(s)
2008	4010 -S01-02-0101	International High School			
2008	4010-270-02-0608	#24 Elementary School			
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	Project Transferred	06/07/18	Open contract(s)
Trenton					
2008	5210-N02-01-0912	Daylight/Twilight Alternative School - Demonstration Project	Project Transferred	12/01/08	Open contract(s)
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

SPECIAL PROJECTS DIVISION					
PROJECT STATUS REPORT - As of December 1, 2018					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Vineland					
2007	5390-N05-04-000C	Gloria M. Sabater Elementary School - Demonstration Project	Project Transferred	05/06/11	Open contract(s)
2018	5390-N02-02-0245	Lincoln Avenue Middle School			
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
2017	5670-100-12-0AEE	Harry L. Bain E.S.			
Capital and Demonstration Projects Totals					
Total Capital and Demonstration			151		
Closed Capital and Demonstration Projects			103		
Capital and Demonstration Projects Not Closed			48		
Capital and Demonstration Projects Not Closed, Project Transferred			33		
			Legal Matter	12	
			Pending Audit	1	
			Miscellaneous	35	
Emergent Projects					
Camden					
	0680-170-12-0ACF	Cramer Elementary School			
Irvington					
	2330-090-12-0ACT	Chancellor Avenue Elementary School	Project Transferred	3/20/2018	Open contract(s)
Paterson					
	4010-N02-12-0ABX	Roberto Clemente ES			
Salem					
	4630-090-17-0AEQ	Salem Middle School	Project Transferred	10/18/18	Open contract(s)
Trenton					
	5210-080-12-0ABZ	Hedgepeth-Williams School	Project Transferred	03/01/18	Open contract(s)
Vineland					
	5390-050-12-0ACK	Vineland High School South			
Emergent Project Totals					
Total Emergent Projects			73		
Emergent Projects Closed			67		
Emergent Projects Not Closed			6		
Emergent Projects Not Closed but Transferred			3		
Health and Safety Contract Totals					
Total Contracts			399		
# of Contracts Closed			394		
# of Open Contracts			5		

SPECIAL PROJECTS DIVISION					
PROJECT STATUS REPORT - As of December 1, 2018					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
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: January 2, 2019

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:

Revised Preliminary Project Charter for the Orange Cleveland Street Elementary School Addition and Renovation project.



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

Reporting Period: Jan. 1, 2008 to November 30, 2018

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

NO DATA TO REPORT

Substantially Complete & Building Occupied

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

Burlington City	Burlington City H.S.	\$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 complete and building occupied. Working towards project close-out.
Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,305,993	\$123,639	91.4%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
New Brunswick	Paul Robeson Community ES	\$1,599,650	\$2,180,000	\$0	100.0%	90%	Unforeseen structural repairs. On Oct. 4, 2017 Change Order No. 1 for the value of \$2,180,000 was approved by the Member to address unforeseen structural repairs to the existing Robeson ES which served to fully exhaust the project contingency.	The project has received a Certificate of Occupancy and achieved a September 2018 occupancy by the school district.
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, amendment



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy

Reporting Period: November 2018

#	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: November 2018

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
1	Orange Township	Cleveland Street ES Addition & Renovation	Budget Increase	\$ 720,400	2.94%	Board Approved	Charter revision to incorporate costs for design and construction related to advancement of abatement and selective demolition separate from the main contract for the addition and renovation.

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: January 2, 2019

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 November 1 through November 30, 2018.

Noteworthy Items during the reporting period:

- Execution of two contracts for pre-design services for emergent projects:
 - Newark Cleveland ES – STV Architects - \$186,450
 - Newark Technology HS – STV Architects - \$200,345

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period November 1 through November 30, 2018.

Noteworthy Items during the reporting period:

- Execution of 2 Construction Services Change Orders totaling \$299k, of the 2 executed change orders none required board approval.

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

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

- No Activity to Report



Contracts Executed Report

Reporting Period: 11/1/2018 through: 11/30/2018

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 1. Professional Services											
Design Consultant											
Newark	Cleveland E.S.	Emergent	Design	EP-0109-A01	STV Architects, Inc.		\$186,450	11/7/2018			
Newark	Technology H.S.	Emergent	Design	EP-0112-A01	STV Architects, Inc.		\$200,345	11/7/2018			
Design Consultant											
Part 1. Professional Services							\$386,795				
							Total Contract Award	Total Contracts Awarded			
Grand Totals - Professional and Construction Services Combined							\$386,795	2			

8

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

Project Types Legend

- HS Health & Safety
- New New Constuction
- Add Addition
- RenoAdd Addition & Renovation
- Reno Renovation
- Emergent Emergent

Contract Types Legend

- Aquisition Property Acquisition Related Costs
- Appraisal Appraisal, Appraisal Review, NRE
- Construction Construction
- Design Design or Site Investigation
- DB Design-Build
- E-Rate E-Rate
- FFE Furniture, Fixtures, and Equipment
- General General Program Cost
- Legal Legal
- Material Material Supply
- ProjectMgmt Project Management Firm
- PreDevelopment Predevelopment or Demolition
- Relocation Relocation Services
- SiteInvstgtn Site Investigation
- Testing Testing
- Title Title Services

MWSBE CERTIFICATIONS

- M = Minority Business Enterprise
- W = Women Business Enterprise
- S = Small Business Enterprise



Amendments & Change Orders Report

Reporting Period: 11/1/2018 through: 11/30/2018

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	
Construction Services														
Contractor														
Millville	High School	ST-0046-B01	5/24/2017	1	Hall Construction Co., Inc.	11/30/2018	\$114,453,000	\$0	\$224,398			\$114,677,398	0.19%	
Trenton	Trenton Central H.S.	WT-0022-B01	4/7/2016	3	Terminal Construction Corp.	11/7/2018	\$115,950,000	\$1,558,908	\$75,000			\$117,583,908	1.40%	
Contractor														
Construction Services														
									\$299,398					
										Total Change Order Summary		Total Change Orders		
Grand Totals										\$299,398		2		
Column Description Legend														
CO Execution Date			Date the Change Order was entered into the SIMS system											
Revised Contract Amount			Current value of the contract (excluding additional assignments) including current change order											

CONTRACT TERMINATIONS REPORT *(no activity)*

SETTLEMENT CLAIMS *(no activity)*

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Aaron Goss /s/ Aaron Goss
Director SMWBE Initiative & Diversity Management Division
Office of the Chief Of Staff

DATE: January 2, 2019

SUBJECT: Contractor and Workforce Compliance Monthly Update for October 2018

SMWBE and Diversity Management 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 October 31, 2018 was \$205,356,932. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was 53,571,083 (including minorities and women). This represents 26.09% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 37,769,292	18.39%
Small/ Minority Business Enterprises	\$ 5,548,360	2.70%
Small/Women Business Enterprises	\$ 10,253,431	5.00%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 53,571,083	26.09%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 January 2, 2019
 Page 2 of 4

Ethnic Breakdown

Through the month of October 2018, the total SBE contracts awarded with minority participation was 0%.

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

WORKFORCE COMPLIANCE MONITORING

For the month of October 2018, there was a contractor workforce of 734 on SDA projects. This represents a total of 59,845 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	72	6,020	10.06%
Hispanic	104	7,328	12.25%
American Indian	1	89	0.15%
Asian	0	0	0.00%
Total Minority Participation	177	13,437	22.45%
Total Non-Minority Participation	557	46,408	77.55%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 January 2, 2019
 Page 3 of 4

There was a contractor workforce of 700,706 total workforce hours and 8,367 total female workforce hours on SDA projects for the period of January 1, 2018 through October 31, 2018. The following table highlights the *Local County Contractor Workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	700,706	100.00%
*Total Local County Workforce Hours	77,238	11.02%
Total Local County Non-Minority Workforce Hours	38,376	5.48%
Total Local County Female Workforce Hours	764	0.11%
Total Local County Minority Workforce Hours	38,862	5.55%
**Local County Workforce Hours by Ethnicity:		
Black	26,734	3.82%
Hispanic	11,960	1.71%
American Indian	168	0.02%
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
 January 2, 2019
 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, 2018 through October 31, 2018.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
East Orange, George W Carver ES	12,030	3,434	28.55%	866	7.20%
Garfield, James Madison ES	32,380	5,306	16.39%	0	0.00%
Harrison, ES	7,120	1,437	20.18%	0	0.00%
Irvington, Madison Avenue ES	50,959	19,826	38.91%	7,076	13.89%
Millville, HS	18,157	4,256	23.44%	2,387	13.15%
New Brunswick, Paul Robeson School	10,676	1,604	15.02%	48	0.45%
Newark, South Street ES	69,988	26,018	37.17%	7,415	10.59%
Passaic, Leonard Place ES	67,844	15,368	22.65%	10,900	16.07%
Passaic, Dayton Ave ES	2,975	1,115	37.48%	0	0.00%
Pemberton, Denbo-Crichton ES	5,447	1,488	27.32%	1,212	22.25%
Perth Amboy, Seaman Avenue ES	90,691	18,177	20.04%	13,664	15.07%
Trenton, Central HS	286,169	75,369	26.34%	28,752	10.05%
Vineland, Lincoln Avenue MS	30,763	2,248	7.31%	0	0.00%
Emergent Projects	15,507	7,110	45.85%	5,448	35.13%

Prepared by: Charlotte Brooks
 Zaida Olszak

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: January 2, 2019

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 November 2018. 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.
- No grants were executed during the reporting period.
- 9 grants impacting 8 districts were closed out during the reporting period representing \$6.3M in total project costs and state share of \$2.6M.
- Since inception, over \$2.8B 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
 November 2018

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	5	524	514	157
Number of Grant Projects	9	5,409	4,794	615
Total Project Cost Estimate	\$ 7,391,389	\$ 8,961,586,521	\$ 8,319,510,133	\$ 642,076,388
Grant Amount	\$ 3,142,910	\$ 3,015,347,449	\$ 2,732,064,963	\$ 283,282,486
Amount Disbursed	N/A	\$ 2,842,893,930	\$ 2,732,064,963	\$ 110,828,967

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
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Total ROD Grant Funding remaining for new Grant Projects	\$ 79,090,144
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1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	-	8
Number of Grant Projects	-	9
Total Project Cost Estimate	\$ -	\$ 6,314,552
Grant Amount	\$ -	\$ 2,646,771
Amount Disbursed	NA	\$ 2,646,771

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

COMMUNICATIONS MONTHLY REPORT



STATE OF NEW JERSEY

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

TO: Members of the Authority
 FROM: /s/ Tony Bianchini, Director of Communications
 DATE: December 19, 2018
 SUBJECT: Monthly Communications Report

Building Tomorrow's Schools Today Video

The Communications Department publicly released the "Building Tomorrow's Schools Today" video at the December 11th information session in Camden. It was also posted on our website, YouTube and social media accounts on December 12th. You can view the video on our website:

<https://www.njsda.gov/NJSDA/Home/PresentationVideo> or on YouTube: <https://youtu.be/ipIjNynB9fo>

Results (As of 12/19/18)

- Website views: 164 views
- YouTube: 364 views
- Facebook:
 - 8,424 people reached
 - 204 engagements
 - 145 post clicks
 - 43 likes
 - 4 comments
 - 12 shares

Reauthorization of SDA Bonding campaign

In conjunction with the Legislative Affairs and Special Projects Departments, the Communications Department is finalizing the campaign to generate third party support for the reauthorization of SDA bonding. The campaign includes publicizing images of schools that we are visiting during our 31 SDA District tour. We plan to meet with third party supporters (community groups, business groups, school districts) to garner their support for the campaign in the form of media relations (Letters to Editor, Op-eds), sharing on social media and with their networks through various communications methods (newsletters, websites, postcards, letter writing).

NJSDA Website

The Communications Department continues to make improvements to the NJSDA website (www.njsda.gov) on a weekly basis. We encourage you to view some of the website's recent updates including:

- Adding new slider images to homepage and making them linkable to key pages on our website (Building Tomorrow's Schools Today Video, About Us, Visit Our Projects, Doing Business with Us).
- Improving how the website looks on mobile phones.
- Adding social media feeds to our homepage

Communications Report

January 2, 2019

Page 2 of 2

- Improving the header and footer on the homepage
- Adding a site map to the bottom of the homepage
- Adding a Video page and Fact Sheet page to the Public Information section
- Converting all PDF webpages to HTML/regular webpages

Future updates to the website include: adding a CEO Message and News Section to the homepage; and adding more images of events, kids and management team headshots.

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Increase in Social Media Users

SDA continues to grow its social media followers since we launched these accounts in September. You'll now can read about SDA news, events, projects and contractors on a variety of Social Media platforms. Please follow us on: Facebook, Twitter, Instagram and Snapchat: @NewJerseySDA; and on LinkedIn: Search New Jersey Schools Development Authority.

Current Statistics (as of December 19th)

- Facebook = 138 followers (11/30 = 72)
- Twitter = 249 (11/30 = 189)
- Instagram = 396 (11/30 = 301)
- LinkedIn = 410 (11/30 = 394)

Events

December 11 – Camden High School Community Information session

On Tuesday, December 11, the SDA held a community open house in the gymnasium at the Early Childhood Development Center to discuss the upcoming construction of the new Camden High School. The community information session was held from 5:00-6:30 p.m. and more than 100+ local/school officials and members of the Camden community attended the event. The program format was a speaking portion followed by information stations. The information stations gave attendees to view more than a dozen display boards and ask questions to project team members. Camden's Local Tapinto.net covered the event: <https://www.tapinto.net/towns/camden/articles/sda-meets-with-camden-community-to-give-update-on-camden-high-project>

Upcoming Events

- January 24, 2019 – Woodland Elementary School open house/information session in Plainfield
- January 31, 2019 – Dayton Avenue Educational Complex open house/information session in Passaic
- January TBD – Carver Elementary beam signing with Lt. Gov. Oliver
- January TBD – Dayton Avenue Educational Complex groundbreaking
- January TBD – Woodland Elementary in Plainfield demo event.
- February 2019 – Perth Amboy High School open house/information session

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: Members of the Authority

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

DATE: January 2, 2019

SUBJECT: Monthly Financial Report – November 2018

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. The basic financial statements follow on pages 6 and 7.

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

For November 2018 year to date, Authority operating expenses, **\$15.4 million**, are **\$2.5 million** lower than budget projections for the corresponding period. The positive variance is attributed to:

- A decline in personnel expense, **\$2.6M**, offset by the lower-than-projected allocation of payroll cost to project expenditures, **(\$2.1M)**. The Authority is currently 28 FTEs under budget;
- Year to date spending reductions related to: Contract Services, **\$251K** (including Audit Fees, Project Services and DAG Fees); Facilities & General Office Expenses, **\$172K**; and Information Systems, **\$223K**; and
- Timeline and scheduling differences for the replacement of the Primavera Contract Management System, **\$1.2M**.

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

For November 2018 year to date, Authority operating expenses, **\$15.4 million**, are **\$794K** higher when compared to the corresponding prior year. The negative variance is primarily attributable to the lower-than-projected payroll expense allocation to project expenditures, **(\$675K)**. The Authority is 10 FTE’s higher in 2018.

Members of the Authority
January 2, 2019
Page 2

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

For November 2018 year to date, project expenditures, **\$290.8 million**, have **decreased** by **\$59.9 million** when compared to the capital spending forecast for the *corresponding period*. This variance is directly tied to spending reductions in: construction work, **\$39.7M**; grant activity, **\$10.2M**; school furniture purchases, **\$3.9M**; property acquisitions, **\$2.2M**; inter-agency fees, **\$1.3M**, and the allocation of payroll expense - from operations to developing construction projects - **\$2.1M**.

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

For November 2018 year to date, project expenditures, **\$290.8 million**, are **lower** by **\$36.5 million** when compared to the *corresponding prior year*. The cumulative variance is comprised of expenditure declines in comparative contract designations including; construction work, **\$33.4M**, grant activity, **\$16.5M**, school furniture purchases, **\$1.5M** and property acquisitions, **\$1.1M**. The reciprocal offset for this variance is related to the 2017 OCIP II premium audit credit for project insurance (general liability and workman's compensation), **\$15.2M**.

Other

Since program inception, 82.5% 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 \$1B.

Attachment

**New Jersey Schools Development Authority
Monthly Financial Report
November 2018
(Unaudited)**

New Jersey Schools Development Authority

Overview of Financial Position

November 30, 2018

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, November 30, 2018.

► Overall **Cash and Cash Equivalents** have increased by \$50.2 million to \$590 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ 350,000,000
■ Investment earnings	6,107,399
■ Miscellaneous revenue	7,269
■ Project costs	(290,834,780)
■ SDA operating expenses	(15,297,966)
■ SDA capital expenditures	(216,541)
■ Deposits (primarily district local shares)	435,481
Net Change in Cash	\$ 50,200,862

► **Prepaid Expenses** total \$263,861 as follows:

- Prepaid insurance of \$35,322.
- Prepaid rents of \$127,577 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$71,657.
- Other prepaids of \$29,305.

► **Capital Assets** total \$555,081 (net of accumulated depreciation of \$6,981,592), 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 \$216,541 and **Depreciation Expense** is \$184,375.

► **Accrued Liabilities** total \$121.5 million, as follows:

- Accrued project costs of \$26 million consisting of unpaid invoices (\$11 million) and retainage (\$15 million).
- Accrued net pension liability of \$60.1million.
- Post-employment benefits obligation of \$27.3 million.
- Accrued OPEB payable of \$0.3 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$1.7 million (PRO liability \$3.6 million, offset by expected cost recoveries of \$1.9 million).
- Estimated liability for loss contingencies totaling \$4.3 million.
- Payroll related liabilities of \$1.7 million.
- Other accrued liabilities of \$0.1 million.

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

- \$3.8 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$466.9 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation November 30, 2018

► School Facilities Construction Bond / Note Proceeds & Project Expenditures

- During the current year to date, the SDA has received \$350 million bond and note proceeds. The total amount of proceeds received since program inception is \$11.148 billion.
- Project expenditures for the month and year-to-date periods total \$27.4 million and \$290.8 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 16,549,201	\$ 158,763,753	\$ 4,833,643,162
Design Services	(476,643)	1,275,892	413,636,398
PMF/CM Services	242,520	4,710,364	455,802,654
SDA Project Management	963,760	12,332,829	83,973,054
Property Acquisition, Relocation & Enviro	331,791	2,474,534	577,828,250
School Furniture, Fixtures & Equipment	625,124	11,810,500	166,195,486
Project Insurance	-	6,863,985	106,192,169
NJ State Inter-Agency Transfers	-	327,923	49,965,993
SDA District Grant & Funding Agreements	7,479,447	16,358,116	868,996,944
Regular Operating District Grant Agreements	1,517,225	69,750,623	2,851,826,480
Real-Time Project Audits	-	-	628,000
Property Management, Maintenance & Utils	7,267	338,161	17,357,493
Outside Legal & Claims Resolution Services	81,141	877,184	9,468,120
Temporary Staffing	97,374	1,299,159	9,652,433
Other Project Costs	1,192	3,985,052	59,424,288
Project Credits	-	-	(54,902,944)
Total Project Expenditures	27,419,399	291,168,075	10,449,687,980
Less: Local Share Contributions	(24,100)	(333,295)	(183,291,739)
Project Expenditures (State Share)	\$ 27,395,299	\$ 290,834,780	\$ 10,266,396,241
 2018 Capital Spending Forecast	 \$ 31,330,239	 \$ 350,715,304	

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	\$ 9,017,639,580	\$ 7,443,013,093
■ Regular Operating Districts	3,450,000,000	3,496,404,205	3,167,255,204
■ Vocational Schools	150,000,000	151,854,307	117,125,077
Total - State Share	\$ 12,500,000,000	\$ 12,665,898,092	\$ 10,727,393,374

► Percentage of Total Funding Paid to Date

■ SDA Districts	82.5%
■ Regular Operating Districts	90.6%
■ Vocational Schools	77.1%
Total - State Share	84.7%

1 Of the \$12.5 billion authorized for the school construction program, \$11,147,702,648 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 \$460,997,133.

New Jersey Schools Development Authority Fund Reporting Operating Expenses vs Budget November 30, 2018

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>Over/ (Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 16,723,393	\$ 18,101,746	\$ (1,378,353)
Employee Benefits	6,812,099	7,675,864	(863,765)
Direct Hire Temporary Employee Costs	111,828	266,420	(154,592)
Total Employee Salaries & Benefits Costs	23,647,320	26,044,030	(2,396,710)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	12,332,829	14,392,658	(2,059,829)
Salaries & Benefits Charged to Operating Expense	11,314,491	11,651,372	(336,881)
Temporary Staffing Services	90,074	137,500	(47,426)
Travel & Expense Reimbursements	15,255	34,054	(18,799)
Training & Professional Development	33,371	133,152	(99,781)
Total Personnel Expenses	11,453,191	11,956,078	(502,887)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	2,268,176	2,440,020	(171,844)
Information Systems	812,453	1,035,450	(222,997)
Professional & Other Contracted Services	242,046	492,687	(250,641)
Property & Casualty Insurance	311,796	314,413	(2,617)
SDA-Owned Automobiles	60,725	105,413	(44,688)
Communications & Outreach	2,248	924	1,324
Reserve for Unforeseen Events & New Initiatives	-	45,837	(45,837)
Total Operating Expenses (Non-Capital)	15,150,635	16,390,822	(1,240,187)
Capitalized Operating Expenses	216,541	1,444,663	(1,228,122)
Total Authority Operating Expenses	\$ 15,367,176	\$ 17,835,485	\$ (2,468,309)

2018 Annual Operating Budget

\$ 19,282,271

New Jersey Schools Development Authority Fund Reporting Operating Expenses vs Prior Year November 30, 2018

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>2017 Year-To-Date</u>	<u>Increase/ (Decrease)</u>
Personnel Expenses:			
Employee Salaries	\$ 16,723,393	\$ 16,544,623	\$ 178,770
Employee Benefits	6,812,099	6,847,938	(35,839)
Direct Hire Temporary Employee Costs	111,828	200,860	(89,032)
Total Employee Salaries & Benefits Costs	23,647,320	23,593,421	53,899
Less: Employee Salaries & Benefits Costs			
Charged to Projects	12,332,829	13,008,315	(675,486)
Salaries & Benefits Charged to Operating Expense	11,314,491	10,585,106	729,385
Temporary Staffing Services	90,074	78,965	11,109
Travel & Expense Reimbursements	15,255	19,051	(3,796)
Training & Professional Development	33,371	35,275	(1,904)
Total Personnel Expenses	11,453,191	10,718,397	734,794
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	2,268,176	2,206,121	62,055
Information Systems	812,453	988,745	(176,292)
Professional & Other Contracted Services	242,046	207,574	34,472
Property & Casualty Insurance	311,796	374,059	(62,263)
SDA-Owned Automobiles	60,725	70,897	(10,172)
Communications & Outreach	2,248	1,377	871
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Operating Expenses (Non-Capital)	15,150,635	14,567,170	583,465
Capitalized Operating Expenses	216,541	6,180	210,361
Total Authority Operating Expenses	\$ 15,367,176	\$ 14,573,350	\$ 793,826

New Jersey Schools Development Authority

Employee Headcount

November 30, 2018

<u>SDA Department</u>	<u>Current Month End</u>
Office of Chief Executive Officer ("CEO")	3
Office of Chief of Staff ("COS")	5
COS, Human Resources	4
COS, Communications	5
COS, Legislative Affairs	2
COS, Special Projects	2
COS, SMWBE	11
Office of Corporate Governance & Legal Affairs ("CGL")	5
CGL, Policy	2
CGL, Chief Counsel	12
CGL, Internal Audits	4
Office of Construction Operations ("CO")	1
CO, Project Teams	37
Office of Chief Operating Officer ("COO")	2
COO, Predevelopment & Real Estate	8
COO, Design Studio	15
COO, Planning & Program Operations	8
Office of Administrative Operations ("AO")	3
AO, Vendor Development	3
AO, Grants Administration	12
AO, Property Management	5
AO, Central Records Management	3
AO, Facilities	7
AO, Information Systems	15
Office of the Chief Financial Officer ("CFO")	1
CFO, Financial Operations	11
CFO, Financial Accounting & Disbursements	13
CFO, Procurement	9
CFO, Risk Management	9
CFO, Safety	6
Total Full-Time Employees	<u>223</u>
2018 Operating Budget	<u>251</u>

New Jersey Schools Development Authority

Statement of Net Position

November 30, 2018

	<u>Current Month End</u>	<u>2017 Year End</u>	<u>Increase/ (Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 590,040,485	\$ 539,839,623	\$ 50,200,862
Receivables	29,669	37,536	(7,867)
Prepaid Expenses	263,861	266,426	(2,565)
Capital Assets (Net of Accumulated Depr.)	555,081	522,915	32,166
Total Assets	<u>590,889,096</u>	<u>540,666,500</u>	<u>50,222,596</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>17,145,652</u>	<u>19,536,757</u>	<u>(2,391,105)</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 608,034,748</u>	<u>\$ 560,203,257</u>	<u>\$ 47,831,491</u>
LIABILITIES			
Accrued Project Costs	\$ 31,997,544	\$ 58,170,720	\$ (26,173,176)
Net Pension Liability	60,083,669	60,083,669	-
Accrued Other Post-Employment Benefits	27,284,743	25,290,074	1,994,669
Other Accrued Liabilities	2,183,008	4,724,965	(2,541,957)
Deposits	3,833,119	3,397,638	435,481
Total Liabilities	<u>125,382,083</u>	<u>151,667,066</u>	<u>(26,284,983)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>15,795,457</u>	<u>15,795,457</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets	555,081	522,915	32,166
Restricted for Schools Construction:			
Special Revenue Fund	<u>466,302,127</u>	<u>392,217,819</u>	<u>74,084,308</u>
Net Position	<u>466,857,208</u>	<u>392,740,734</u>	<u>74,116,474</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	<u>\$ 608,034,748</u>	<u>\$ 560,203,257</u>	<u>\$ 47,831,491</u>

New Jersey Schools Development Authority
Statement of Activities
November 30, 2018

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	<u>Current Year-To Date</u>	<u>2017 Year-To Date</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ 350,000,000	\$ 350,000,000	\$ -
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	6,107,399	3,238,746	2,868,653
Rental Income	4,677	41,000	(36,323)
Other Revenue-OPRA	2,592	16,011	(13,419)
Total Revenues	<u>356,114,668</u>	<u>353,295,757</u>	<u>2,818,911</u>
EXPENSES			
Administrative & General Expenses	17,145,304	18,107,546	(962,242)
Capital Depreciation	184,375	191,655	(7,280)
School Facilities Project Costs	264,668,515	286,732,273	(22,063,758)
Total Expenses	<u>281,998,194</u>	<u>305,031,474</u>	<u>(23,033,280)</u>
CHANGE IN NET POSITION	74,116,474	48,264,283	25,852,191
Beginning of Period Net Position	<u>392,740,734</u>	<u>400,406,844</u>	<u>(7,666,110)</u>
NET POSITION END OF PERIOD	<u>\$ 466,857,208</u>	<u>\$ 448,671,127</u>	<u>\$ 18,186,081</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.