

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, OCTOBER 2, 2019 AT 9:00 A.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 September 4, 2019
- 5. AUTHORITY MATTERS**
 - a. CEO Report
 - b. Chairman's Report
- 6. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Legal Services Award – GP-0258-R01
- 7. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Notification of Completion of Pre-Design Phase Services and Authorization to Proceed Design Phase Services - Newark Public School District – Ivy Hill Elementary School – Boiler Room Vault Emergent Project – **[INFORMATIONAL]**
- 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. EXECUTIVE SESSION**
 - a. Millville High School project — *For Discussion*
 - b. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report (*no activity*)
- 11. ADJOURNMENT**

APPROVAL OF MEETING MINUTES

SEPTEMBER 4, 2019 OPEN SESSION MINUTES

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 4, 2019**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, September 4, 2019 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

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

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

At the Chairman’s request, Manuel Da Silva, interim chief executive officer; Andrew Yosha, vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Edmund Caulfield 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 the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

Approval of Meeting Minutes

The Chairman then presented for consideration and approval the Minutes of the August 7, 2019 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. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Board approved the Open and Executive Session minutes of the August 7, 2019 SDA Board meeting with the Members' unanimous vote in favor of ***Resolution 4a/4b***.

Authority Matters

CEO Report

Mr. Nixon asked Interim Chief Executive Officer (CEO) Manuel Da Silva for the Report of the CEO. Mr. Da Silva gave an update on September 2019 school openings. He reported that the four new schools that will open in September represent a State investment totaling over \$300 million in total project costs (\$306.3 million) and will deliver a total of: 4,182 new seats with a maximum capacity of 3,666 (facilities efficiency standard capacity); and 680,000 square feet of new school.

First, Mr. Da Silva discussed the Irvington Madison ES project that is set to open in September. He reported that this new 73,500 square foot Elementary School provides maximum

capacity of 504 new seats in grades Pre-K to 5, representing a total project cost of approximately \$38.6 million.

With respect to the Passaic Sonia Sotomayor ES project, Mr. Da Silva informed the Members that this new 105,000 square foot three story Elementary School provides maximum capacity of 698 new seats, representing a total project cost of approximately \$60 million. He said that, during the course of the project, staff adjusted the grade alignment to K to 8 in response to the district's needs.

Mr. Da Silva next gave an update on the Perth Amboy Seaman Avenue ES project (Rose Lopez ES). He said that this new 128,000 square foot, three story Elementary School provides maximum capacity of 804 new seats for grades K to 5, representing a total project cost of approximately \$56.4 million.

Turning to the Trenton Central HS project, Mr. Da Silva said that this new 374,000 square foot High School provides maximum capacity of 2,176 new seats for students in the 10th through 12th grades, representing a total project cost of approximately \$155.4 million.

In continuing, Mr. Da Silva informed the Members that the Irvington Madison Avenue ES project, Perth Amboy Seaman Avenue ES project and Trenton Central HS project were issued temporary certificates of occupancy (TCOs) and the Passaic Sonia Sotomayor ES project was issued a certificate of occupancy (CO).

Next, Mr. Da Silva gave an update on projects in design. He said that design phase services are ongoing for the Paterson Union Avenue MS project. He added that the design-builder has initiated site preparation activities that do not require permit issuance.

Turning to projects in the procurement stage, Mr. Da Silva informed the Members that staff advertised for design-build services in March for the Perth Amboy HS project, with proposals due in September. For the Keansburg Port Monmouth Road School project, he said

that staff advertised for general contracting services in June and proposals are due in September. He added that staff advertised for construction management services in August for the project and proposals are due in September. In regard to the Plainfield Woodland ES project, he said that final site grading work is ongoing and staff advertised for design-build services last week.

Mr. Da Silva gave an update on projects in the constructability stage. He said that for the Orange Cleveland Street ES and Orange HS projects, staff anticipates change orders, finalizing the constructability review process and issuing a notice-to-proceed with construction.

With respect to design-build projects in construction, Mr. Da Silva advised the Members that for the Camden HS project, Ernest Bock & Sons, Inc. (EBS) continues with design phase services. He said that footing, foundation, underground utilities and concrete slab work is ongoing. He added that structural steel work continues in the building. For the East Orange George Washington Carver ES project, he reported that Dobco, Inc., the design-builder, has completed design phase services. He noted that interior mechanical, electrical and plumbing (MEP) finish work is ongoing.

In continuing, Mr. Da Silva said that for the Harrison New ES project, MEP rough-in and building enclosure, exterior masonry veneer construction, roofing and window installation activities are ongoing. For the Millville HS addition and renovation project, he reported that a TCO was issued for the media center in the administrative wing. He added that Hall Construction continues with design phase services. He said that Phase II addition masonry and MEP rough-in activities and Phase III footings and foundation work is ongoing. In regard to the Passaic Dayton Avenue Educational Campus project, Mr. Da Silva reported that Terminal Construction continues with slabs on grade. He added that masonry, site work and bridge construction are ongoing. For the Pemberton Denbo Crichton ES project, he said EBS is completing exterior

walls in preparation for building enclosure prior to winter weather. He noted that MEP interior work is underway.

Next, Mr. Da Silva reported on projects in the programming stages. He said that Hoboken Demarest ES project working group (district, Department of Education and SDA) discussions have concluded and staff will be scheduling a design services kickoff meeting. For the Union City New Grade 7 to 9 School project, he advised that programming refinement discussions and SDA in-house design development are ongoing. He added that the project will be advanced through a design-build delivery method.

Turning to Authority events, outreach and other activities, Mr. Da Silva said that SDA staff and Board Members have had an opportunity to tour the new Trenton Central HS. He thanked Mr. Nixon, Ms. Lemelle, Mr. Vargas, Mr. Elbert, Mr. Luckie and Mr. Piaia for coming out to visit the school. He added that he thinks the facility will be transformative for the students and community.

Mr. Da Silva said that on August 8, SDA joined students, school district officials, and state and local officials for a beam signing ceremony for the new Dayton Avenue Educational Campus in Passaic. He added that it was a great day and that the Mayor and Assemblyman Gary Schaer were able to join the event.

Mr. Da Silva informed the Members that SDA will be running the 2019 Contractor Training Program this coming fall. He said that staff will be advertising the program, noting that it serves the positive purposes of bringing new contractors into the program and increasing the bidding pool.

Finally, Mr. Da Silva said that Communications staff is working on scheduling ribbon cutting events for the 4 new school openings this September. He said that we will be cutting the ribbon on the first day of school for the Passaic Sonia Sotomayor ES tomorrow. He advised the

Members that the Trenton Central HS ribbon cutting will be on Friday, September 6. He noted that once staff has ribbon cutting events confirmed for the Perth Amboy Seaman Avenue and Irvington Madison ES, the Members will be advised.

At this time, Mr. Lewis-Powder joined the call.

Chairman's Report

Document Revisions

Mr. Nixon said that he is presenting to the Board, after consultation and review with the Audit Committee and with the input of the executive team, some amendments to the SDA Bylaws. He said that while the changes that are being proposed to amend the Bylaws and other operating documents to the SDA are “no brainers”, these changes will provide the Board with a little more information that the Members should have on a quarterly, annual or day to day basis. He said that he doesn't think that the Board should go to the other extreme and micro-manage staff, noting that this is not what this Board is designed to do or should be doing. He said that, overall, in the history of the SDA the Board has had a wonderful team of leaders at the Authority and they have done amazing work. He noted that the amendments that are being brought to the Board today enhance the ability of the Board to exercise its fiduciary responsibility and oversight of the Authority. Mr. Nixon asked Ms. Kelly to present the proposed changes to the Board.

Ms. Kelly informed the Members that in order to amend the bylaws, changes must be approved by 8 Members of the Board. She explained that as the Audit Committee Charter is silent on its amendment process she recommends that the Board approve the Charter amendments as well. She added that the proposed changes to the SDA Handbook will be made through a policy change and management can do this on its own.

Ms. Kelly said that the proposed the amendments to the Bylaws require that management prepare and provide the Board with a Staffing Plan on an annual basis and the Board would have

to approve and adopt that Staffing Plan as it currently approves the Authority's annual budget. She added that if the CEO desires to reorganize the Authority, this would require Board approval as well. She noted that the Board also must be consulted regarding employee compensation matters.

Ms. Kelly said that, pursuant to the proposed changes to the Audit Committee Charter, the Audit Committee would be required to compare actual expenses to budgeted amounts at least quarterly. She said that the amendments also provide that the Audit Committee is the proper entity for an individual to go to should they see a potential violation of the Authority's rules and regulations (e.g. Operating Authority, Employee Handbook, etc.). She added that the Audit Committee also would now be required to review a proposed Staffing Plan before it goes to the Board for approval. Ms. Kelly said that management also would be responsible for ensuring that a discussion of compensation and personnel matters appears on the Audit Committee's agenda on a quarterly basis.

Next, Ms. Kelly discussed proposed changes to the SDA Handbook. She said that the amendments clarify that background checks must precede hiring and that fingerprint checks may be done in connection with certain (IT, Human Resources, Financial) staff positions.

Ms. Kelly explained that, currently, relatives of the CEO, Chief Financial Officer and Chief of Staff cannot work at the Authority. She added that this provision extends that prohibition to the Chief Operating Officer and vice president positions. She reported that the amendments also would establish a formal process in the event that a relative of an employee is to be on-boarded. She added that such a hire would require transparency, Ethics Liaison Officer (ELO) sign off, and executive team and CEO sign off.

In continuing, Ms. Kelly said that, currently, if two employees develop a romantic relationship, they can decide which one of them must leave if accommodations cannot be made

enabling both to stay. She advised that the amendments would provide that management will make that call. She explained that the amendments also make clear that employees involved in a romantic relationship cannot serve in supervisor/subordinate roles.

Ms. Kelly said that the proposed amendments establish a process for the filling of all positions: a requisition form, Executive Team review and recommendation to the CEO and CEO sign off. She explained that, similarly, appointments, assignments and transfers require Executive Team approval before advancing to the CEO. She added that the basis for these changes is to ensure that no one person can do things unilaterally. She said that the Executive Team also must review new hire salaries and candidate resumes against job descriptions to ensure that the new hire is a proper fit. She added that in the event that an employee who has not been employed by the Authority for one full year is to be considered for a new position within the Authority, the proposed amendments require that the Executive Team determine that a legitimate “business need” warrants waiver of the existing one year ban to such movements. She added that, as stated before, this is to ensure that no one person can give a new employee a new job within the Authority without a solid basis.

In continuing, Ms. Kelly explained that the amendments require that all resumes to be considered for a position be received in response to a job posting through the SDA’s resume portal. She said that the amendments specify that resumes cannot be given by individuals to others for consideration and that employees must not attempt to influence a hiring process. She added that if an employee seeks to interfere with a hiring process or to retaliate against another employee in connection with that process, they will be subject to discipline. She noted that any such attempts must be reported to the ELO.

Next, Ms. Kelly informed the Members that, currently, the handbook stipulates that the CEO is to be provided with an SDA vehicle. She said that the amendments would eliminate that

provision and simply provide that any employee may be assigned a vehicle if the situation warrants.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, the proposed document revisions were approved with the Board's unanimous vote in favor of ***Resolution 5bi***.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on both August 19 and August 26, 2019 at which time management provided the Committee with the June-July 2019 New Funding Allocation and Capital Plan Updates. He advised that, during the reporting period, there was a \$2.6 million decrease in the 2008 Emergent Projects Reserve balance following approval of emergent project funding for the Pleasantville North Main Street ES emergent HVAC replacement project. He reported that there was a \$2.3 million decrease in the 2011 Emergent Projects Reserve balance following approval of emergent project funding for the Camden Forest Hill ES roof and HVAC replacement, Newark Chancellor Avenue ES basement water infiltration and structural repairs, Newark Dr. E. Alma Flagg ES exterior door and partial roof replacement and Newark Lafayette Street ES exterior door and partial roof replacement projects. He noted that there were no changes in the remaining SDA District Reserve balances. Mr. Nixon advised that the reserve balance for the Regular Operating Districts ("RODs") increased by \$1.3 million during the reporting periods due to a reduction in state share for grant projects nearing completion.

Mr. Nixon then provided the July 2019 Monthly Financial Report. He advised the Committee that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$11.0 million, down \$1.3 million as compared to the budget for the corresponding period. He explained that the decrease is mainly attributable to lower than budgeted personnel

costs. He noted that there are 48 fewer than budgeted full time employees (FTE) on staff – including a decrease of 30 FTEs near the end of July. He reported that operating expenses (Actual vs. Prior-year Actual) for the year-to-date period, at \$11 million, are approximately \$1 million higher as compared to the corresponding prior year. He advised the Committee that the variance is largely attributable to an increase in personnel costs and the 2018 Authority restructuring. Mr. Nixon then said that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$174.8 million, \$10.8 million lower as compared to the capital spending forecast for the corresponding period. He advised the Members that this variance is the result of lower than forecasted expenditures for grant activity, design services— net of cost recovery settlements, property acquisitions and other related costs. He noted that this decreased spending is offset by an increase in construction activity. Mr. Nixon then reported that project expenditures (Actual vs. Prior Year Actual), at \$174.8 million, are \$13.7 million lower as compared to the corresponding prior year period. He explained that the variance is due to decreased grant activity, project insurance costs and design services – net of cost recovery settlements. He noted that this decreased spending is offset by an increase in spending for construction work and school furniture purchases. He further reported that, since program inception, approximately 84.6% of the funds authorized for SDA districts have been disbursed. Additionally, he said that, since program inception, 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital, emergent and regular operating district grant projects is approximately \$2 billion.

Next, Mr. Nixon advised that four (4) matters were discussed requiring Board action. He said that the first item for Board consideration is management’s proposed one-year contract extension for Network, Hardware and Software Support Services (IS services). Referencing a

memorandum that was distributed to the Members in advance of the meeting, Mr. Nixon noted that in September 2016 the Board approved a 3-year IS services contract with Vinci Systems, LLC for the not-to-exceed amount of \$1 million. He noted that the contract provided the SDA with a one-year extension option. He explained that IS services are necessary to ensure that critical systems do not experience failures that lead to excessive network or system outages. He said that, in July 2017, Amendment No. 1 to the contract was approved for \$62,300.00 to include on-site technical support and consulting services. He advised that the current contract expires October 31, 2019, with approximately \$447,000 having been expended to date for IS services. He said that management is seeking approval to extend the agreement for the one-year optional period. He said that the one year extension would commence on November 1, 2019 and terminate on October 31, 2020. Mr. Nixon emphasized that no additional dollars are required and that the total not-to-exceed contract will remain unchanged at \$1,062,300.00. Mr. Nixon said that the Committee recommends Board approval of the optional one-year extension to the contract for Network Hardware and Software Support Services in the amount of \$0.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon a motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Board approved the one-year extension for network hardware and software support services as proposed upon its unanimous vote in favor of **Resolution 6a**.

Next, Mr. Nixon advised the Members that the Audit Committee is recommending that the Board of Directors approve the award of a contract for Independent Auditor Services to Ernst & Young, LLP. Referencing materials that previously were provided to the Members for review, he explained that the Request for Proposals (RFP) was advertised on June 24, 2019 as a “Price and Other Factors” solicitation. He advised that price was 20% of the overall weight, and all non-price factors were given a combined weight of 80%. He explained that, consistent with Executive

Order (EO) No. 122, the SDA Bylaws and the Audit Committee Charter, the procurement process was conducted by an Evaluation Committee consisting of three (3) Board Members. Mr. Nixon reported that, upon completion of the process, the top ranked firm was Ernst & Young, LLP. He advised that the initial term of the annual lump sum fee contract is 3 years, covering the financial statements for fiscal years ending December 31, 2019, 2020 and 2021. Additionally, he said that the contract may be extended for two (2) one-year terms subject to approval by the Board of Directors. Mr. Nixon requested that the Board approve the award for independent auditor services to Ernst & Young, LLP.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, a contract award for independent auditor services to Ernst & Young, LLP was approved with the Board's unanimous vote in favor of **Resolution 6b**.

In continuing, Mr. Nixon said that the Board is being requested to consider management's recommendation to approve the SDA's 2018 Financial Statements (the Statements). He said that the Authority's accrued net pension liability as of December 31, 2018 is \$49.8 million, a decrease of \$10.3 million from 2017. He advised that the decrease is largely attributable to the increase in the discount rate. He noted that the financial statements reported no corrected misstatements or material uncorrected misstatements. Mr. Nixon explained that the independent auditor's report expressed an unmodified, or clean, opinion that the Financial Statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2018 consistent with Generally Accepted Accounting Principles. Mr. Nixon and Mr. Vargas noted the outstanding cooperation and assistance that SDA staff provided throughout the audit process. Mr. Nixon asked for a vote on the 2018 Financial Statements.

Staff had provided the Members with a resolution pertaining to the 2018 Financial Statements in advance of the meeting. Following discussion, upon a motion by Mr. Vargas and seconded by Mr. Luckie, the Authority's 2018 Financial Statements were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 6c.***

Mr. Nixon also advised the Members that, in accordance with Executive Order 122, at the conclusion of the August 26 Audit Committee Meeting, the Committee met with Ernst & Young without management present.

Next, Mr. Nixon reported that the Authority's Annual Report for 2018 has been prepared by management in compliance with the SDA bylaws and in accordance with Executive Order No. 37. He explained that the Annual Report is comprised, among other things, of the Authority's audited financial statements and identifies internal controls that govern expenditures, procurements and other financial matters and transactions. He said that management is recommending that the Board approve the Authority's 2018 Annual Report. Mr. Nixon asked for a vote on the 2018 SDA Annual Report.

A resolution pertaining to the 2018 SDA Annual Report was provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie and seconded by Mr. Vargas, the Authority's 2018 Annual Report was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 6d.***

School Review Committee

Approval of Awards – General Construction Services Task Order Contract – GP-0259-C01

Mr. Nixon asked Mr. Vargas to provide the report of the School Review Committee. Mr. Vargas reported that the School Review Committee met on August 19, 2019 at which time one

item was discussed in Open Session. He explained that the Authority utilizes a general construction services task order contract (GCTOC) to address emergent projects and in situations that constitute an “emergency” consistent with the public exigency exception to statutory public bidding requirements. He said that the GCTOC has been structured so that the SDA can quickly initiate work through a pool of contractors. Mr. Vargas advised that the task order firms are expected to perform all phases of general construction and to mobilize and begin construction within a maximum of 14 calendar days. He reported that the Authority issued 12 task orders valued at approximately \$9,700,000 through its most recent GCTOC which is due to expire on November 15. He explained that, following a competitive procurement process, SDA executive management recommends that the Board approve the execution of a new three year GCTOC with 12 firms. Mr. Vargas said that, as with the current GCTOC, under the proposed GCTOC, no individual task order can exceed \$3 million and no individual firm can receive more than \$5 million of work per region (northern and southern) during the three-year term. He added that the memorandum provided to the Board outlines additional details, compensation, the term and parameters of the proposed task order contract, along with the names of the 12 firms and the particulars of the procurement process that was followed.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Ms. Sullivan, the proposed General Construction Services Task Order Contract was approved with the Board’s unanimous vote in favor of ***Resolution 7a***.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. At the Chairman’s request, Ms. Marcella Simadiris addressed the Board. Ms. Simadiris stated that she has been an educator for nineteen (19) years in Paterson and is the parent of three (3) children

who attend the Montclair Public Schools. She said that she is a member of the Peoples Organization for Progress (Newark) founded by Chairman Lawrence Hamm. Ms. Simadiris apologized for her lack of knowledge about the business that is taking place and said that if there are already plans in place for the concerns she is bringing forth today she would ask to be directed to those plans. She said that her major concern is the bureaucracy that the SDA places on the districts that the Authority was created to help. She said that what she hears “in the street” is that emergency applications have been denied that should have been accepted to address lead issues in the schools. Mr. Nixon advised that at the close of the meeting, Ms. Simadiris will be put in contact with staff that can explain the emergent process to her.

Ms. Simadiris said that on top of the spending that occurred with the new hires and nepotism, a press article had indicated that the SDA spends a lot more per square foot than the average project. Ms. Simadiris said that she has been watching the agency since the early 2000s when it was the SCC. She referenced the original mismanagement of funds and when the list of projects was reduced to 30 schools. She said she watched the agency place the Colin Powell School on the reduced list of schools after the massive mismanagement of funds. She noted that a site in Union City was awarded to a developer who built an apartment building that raised the property value by \$1 million. She said that that apartment building was quickly demolished. She said that the SDA has wasted money when it was created to bring forth equity for the state’s most vulnerable children. She asked to be directed to someone who could show her that there will be an authentic shift in the company towards curbing waste. She asked for help in looking up information on the SDA website regarding grants. She stressed that she doesn’t want to pit the ROD districts against the SDA districts but that it seems that the RODs are receiving greater benefits from the Authority than are the children that SDA was supposed to help. Mr. Nixon said that he would disagree with her statement that the SDA is wasting money. He noted that

there is a lot of misinformation “out there” and that it is important to know what the law is, and how it relates to what the Authority controls vs. what the districts are responsible for, and how the DOE is involved in the process. He said that he will make sure that Ms. Simadiris is put in contact with staff that can enlighten her and answer her questions.

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 September 4, 2019 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—4a.**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 September 4, 2019 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on September 5, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's September 4, 2019 Open Session meeting is 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: October 2, 2019

AUTHORITY MATTERS

CEO REPORT

CHAIRMAN'S REPORT

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

LEGAL SERVICES AWARD - GP-0258-R01



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

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

MEMORANDUM

TO: Members of the Authority

FROM: Albert D. Barnes
Chief Counsel

Sean Murphy
Procurement Director

DATE: October 2, 2019

SUBJECT: Approval of Awards
Package No. GP-0258-R01
Legal Services

INTRODUCTION

The NJSDA previously procured legal services in 2008, 2011, 2013, 2015 and 2017 to complement legal support provided to the NJSDA through its Division of Chief Counsel and through the Division of Law in the Office of the Attorney General. Since the current task order contracts will expire in December 2019, the Members of the Authority are requested to approve the retention of a new group of thirteen (13) law firms with legal expertise in the following specific areas: (1) Bankruptcy and Insolvency Proceedings; (2) Environmental Law; (3) Employment Law; (4) Government Contracting, Bid Protests and Procurement; (5) Professional Errors and Omissions and Cost Recovery; (6) Construction Litigation; and (7) Real Estate. Specific work assignments under the contracts will be made by way of “task order” on an as needed basis. The term of agreement for these contracts is two (2) years. For any assignment(s) accepted during the term of the agreement, the firm(s) will be allowed to complete the particular assignment(s), even if extending beyond the term of the agreement.

The selected law firms may be tasked, on an as needed basis, to assist the NJSDA’s Division of Chief Counsel and to provide legal advice, consultative services, and, when required, formal representation of the NJSDA. Selection of a firm, however, does not guarantee that the firm will be assigned work. Task order assignments customarily will be made on a rotating basis within the seven (7) specialty areas and multiple matters may be included as part of a single task order assignment. Assignments will be made subject to firm availability and a conflict of interest check. Firms will be required to submit a proposed budget for each task order assignment. The budget shall be subject to the NJSDA’s approval and acceptance prior to commencement of services under the task order assignment.

Additionally, as described in the Request for Proposals (“RFP”), each selected firm must comply with the NJSDA Legal Services Management Guidelines and agree to provide its services at a blended hourly rate of \$200 for attorney services and an hourly rate of \$90 for paralegal services. These rates are the same as those utilized for the 2008, 2011, 2013, 2015 and 2017 legal services task order contracts. Total compensation to an individual Firm, regardless of whether it is engaged in one or more of the specialty areas, shall not exceed \$1,500,000 for the two (2) year term.

Members of the Authority
 Approval of Awards
 Package No. GP-0258-R01
 Legal Services
 October 2, 2019
 Page 2 of 8

6

Expenditures attributed to previously procured legal services task order contracts through September 4, 2019 are as indicated in Table 1 below:

TABLE 1

Contract & Award Year	Task Orders Issued	Firms Issued Task Orders	Total Billings
GP-0089 (2008)	34	7 of 7	\$2,425,233.67
GP-0162 (2011)	20	9 of 16	\$3,938,988.19
GP-0200 (2013)	16	8 of 14	\$487,374.31
GP-0225 (2015)	20	9 of 16	\$1,361,697.93
GP-0242 (2017)	12	9 of 16	\$190,607.58

PROCUREMENT PROCESS

In accordance with NJSDA regulations, the NJSDA employed a two-step process for this procurement. The first step was the issuance of an RFP and evaluation of all responsive submissions. The second step was to interview all firms submitting responsive proposals.

The RFP was advertised beginning on June 3, 2019 on the NJSDA website, on the New Jersey State website, in the New Jersey Law Journal, and in selected newspapers for interested firms to participate in the bidding process. Outreach was also performed via e-mail.

A Selection Committee consisting of four (4) NJSDA staff members was established.

Responsive proposals were received from twenty-three (23) firms by July 9, 2019. The proposals were evaluated by the Selection Committee. Evaluations were based upon the information provided by the firms in response to the RFP for this project. The Selection Committee members independently evaluated the proposals per legal specialty area based on the following criteria:

- Firm Capabilities and Experience
- Team Structure/Key Team Member Experience and Qualifications
- Approach to Providing the Scope of Services/Control of Schedule

Each Selection Committee member evaluated each proposal per legal specialty area, 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 RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFP but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

Members of the Authority
 Approval of Awards
 Package No. GP-0258-R01
 Legal Services
 October 2, 2019
 Page 3 of 8

6

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 2 below:

TABLE 2

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Firm Capabilities and Experience	2.0	20
Team Structure/Key Team Member Experience and Qualifications	6.5	65
Approach to Providing the Scope of Services/Control of Schedule	1.5	15
Total Possible Points		100

For each firm's proposal, the individual criteria scores awarded by a particular Selection Committee member for each legal specialty area were added together to calculate a Proposal Score for that legal specialty area. Each firm could receive a maximum of 100 points per evaluator per legal specialty area.

The Selection Committee conducted interviews with twenty-two (22) of the twenty-three (23) firms from August 15, 2019 through September 4, 2019, as applicable¹. The interviews allowed the firms to expand and detail their team experience and approach with respect to each legal specialty area. The Selection Committee interviewed each of the firms and evaluated each firm on Interview Criteria and Weighting Factors that were the same as those used in the evaluation of the proposals, as detailed above.

The individual criteria scores awarded by a particular Selection Committee member for each legal specialty area were added together to calculate an Interview Score for that legal specialty area. Each firm could receive a maximum of 100 points per evaluator per legal specialty area.

The Proposal Score and the Interview Score assigned each firm were added together to obtain the firm's Final Combined Score. The Final Combined Scores and Final Rankings are listed in Tables 3-9 below:

TABLE 3 – BANKRUPTCY & INSOLVENCY PROCEEDINGS

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Rabinowitz, Lubetkin & Tully, LLC	200.000	150.500	166.500	188.500	705.500	1
Dilworth Paxson, LLP	178.500	156.500	150.500	166.500	652.000	2
Greenbaum, Rowe, Smith & Davis, LLP	173.500	146.000	167.750	145.000	632.250	3
Archer & Greiner, P.C.	180.000	133.000	160.000	154.000	627.000	4
Hill Wallack, LLP	163.000	140.000	153.500	155.500	612.000	5
McManimon, Scotland & Baumann, LLC	183.500	114.500	141.250	133.000	572.250	6
Inglesino, Webster, Wyciskala & Taylor, LLC	140.500	118.500	140.750	121.500	521.250	7
Cohn Lifland Pearlman Herrmann & Knopf, LLP	151.500	127.000	124.750	112.000	515.250	8

¹ On August 28, 2019, Biancamano & Di Stefano, P.C. notified NJSDA that its team would not be participating in the interview process. As a result, Biancamano & Di Stefano, P.C. was rejected for being non-responsive to the RFP based on its failure to complete all of the required phases of the procurement process.

Members of the Authority
 Approval of Awards
 Package No. GP-0258-R01
 Legal Services
 October 2, 2019
 Page 4 of 8

6

TABLE 4 – ENVIRONMENTAL LAW

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Wanda Chin Monahan, LLC	188.500	154.500	165.500	182.000	690.500	1
Saiber	195.500	143.500	169.250	170.250	678.500	2
Archer & Greiner, P.C.	188.500	138.500	156.750	162.750	646.500	3
Cohn Lifland Pearlman Herrmann & Knopf, LLP	178.500	149.000	150.500	155.000	633.000	4
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, LLP	167.000	147.000	150.750	118.250	583.000	5
Greenbaum, Rowe, Smith & Davis, LLP	155.500	140.000	148.250	127.750	571.500	6
McManimon, Scotland & Baumann, LLC	145.000	133.500	151.000	125.500	555.000	7
DeCotiis, FitzPatrick, Cole & Giblin, LLP	169.500	128.500	134.000	108.250	540.250	8
Hill Wallack, LLP	134.500	131.500	121.000	124.500	511.500	9

TABLE 5 – EMPLOYMENT LAW

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Ruderman, Horn & Esmerado, P.C.	186.500	168.500	163.250	180.000	698.250	1
Methfessel & Werbel, P.C.	200.000	156.500	159.250	167.000	682.750	2
Saiber	170.500	137.000	153.000	180.000	640.500	3
Archer & Greiner, P.C.	173.500	135.000	160.000	168.000	636.500	4
Constangy Brooks, Smith & Prophete, LLP	181.500	138.500	144.000	157.000	621.000	5
Hill Wallack, LLP	163.000	131.500	153.500	162.500	610.500	6
Eckert, Seamans Cherin & Mellott, LLC	167.000	138.000	152.250	152.000	609.250	7
DeCotiis, FitzPatrick, Cole & Giblin, LLP	159.000	122.000	127.500	128.250	536.750	8
Cohn Lifland Pearlman Herrmann & Knopf, LLP	139.000	120.000	131.250	123.000	513.250	9
Florio Perrucci Steinhardt & Cappelli, LLC	142.500	128.500	128.500	110.250	509.750	10
Inglesino, Webster, Wyciskala & Taylor, LLC	132.500	108.500	134.250	125.750	501.000	11
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, LLP	132.000	126.500	134.500	102.500	495.500	12
Grace, Marmero & Associates, LLP	120.000	120.000	117.250	118.500	475.750	13
Gold, Albanese, Barletti & Locascio, LLC	117.000	108.500	120.000	117.000	462.500	14
McManimon, Scotland & Baumann, LLC	110.500	115.000	128.250	105.500	459.250	15

Members of the Authority
 Approval of Awards
 Package No. GP-0258-R01
 Legal Services
 October 2, 2019
 Page 5 of 8

6

TABLE 6 – GOVERNMENT CONTRACTING, BID PROTESTS & PROCUREMENT

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Dilworth Paxson, LLP	197.000	173.000	166.750	165.750	702.500	1
Eckert, Seamans Cherin & Mellott, LLC	190.000	144.500	136.000	152.750	623.250	2
Archer & Greiner, P.C.	170.000	133.000	156.750	161.750	621.500	3
Schenck Price Smith and King	168.000	148.500	160.250	140.000	616.750	4
DeCotiis, FitzPatrick, Cole & Giblin, LLP	183.500	148.500	147.000	127.000	606.000	5
Greenbaum, Rowe, Smith & Davis, LLP	138.500	133.000	135.250	133.750	540.500	6
Florio Perrucci Steinhardt & Cappelli, LLC	157.000	120.000	138.250	105.250	520.500	7
McManimon, Scotland & Baumann, LLC	134.000	129.500	128.250	113.750	505.500	8
Bathgate, Wegener & Wolf, P.C.	140.000	116.500	105.500	114.250	476.250	9
Inglesino, Webster, Wyciskala & Taylor, LLC	132.500	118.500	124.500	74.500	450.000	10
Skolnick Legal Group, P.C.	103.500	115.000	105.500	91.500	415.500	11

TABLE 7 – PROFESSIONAL ERRORS AND OMISSIONS & COST RECOVERY

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Dilworth Paxson, LLP	197.000	175.000	170.000	175.000	717.000	1
Eckert, Seamans Cherin & Mellott, LLC	200.000	163.000	162.000	158.000	683.000	2
Hill Wallack, LLP	188.000	150.000	156.750	164.250	659.000	3
Greenbaum, Rowe, Smith & Davis, LLP	161.500	150.000	151.500	155.500	618.500	4
Schenck Price Smith and King	148.500	150.000	144.000	150.000	592.500	5
Archer & Greiner, P.C.	143.500	120.000	143.750	166.000	573.250	6
Cohn Lifland Pearlman Herrmann & Knopf, LLP	137.000	122.000	115.000	108.000	482.000	7
McManimon, Scotland & Baumann, LLC	128.000	115.000	131.500	90.000	464.500	8
Skolnick Legal Group, P.C.	105.000	115.000	112.000	83.000	415.000	9
Gold, Albanese, Barletti & Locascio, LLC	106.500	90.000	113.500	84.750	394.750	10

Members of the Authority
 Approval of Awards
 Package No. GP-0258-R01
 Legal Services
 October 2, 2019
 Page 6 of 8

6

TABLE 8 – CONSTRUCTION LITIGATION

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Dilworth Paxson, LLP	197.000	181.500	170.000	184.250	732.750	1
Eckert, Seamans Cherin & Mellott, LLC	200.000	163.000	162.000	156.000	681.000	2
Hill Wallack, LLP	188.000	150.000	156.750	160.000	654.750	3
Schenck Price Smith and King	161.500	150.000	150.500	163.500	625.500	4
Greenbaum, Rowe, Smith & Davis, LLP	161.500	150.000	148.250	151.750	611.500	5
Saiber	152.500	135.000	143.250	161.500	592.250	6
Archer & Greiner, P.C.	150.000	126.500	143.750	161.750	582.000	7
DeCotiis, FitzPatrick, Cole & Giblin, LLP	174.000	126.500	140.500	125.750	566.750	8
Florio Perrucci Steinhardt & Cappelli, LLC	157.000	124.500	141.500	111.250	534.250	9
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, LLP	140.000	118.500	137.750	118.500	514.750	10
Cohn Lifland Pearlman Herrmann & Knopf, LLP	137.000	120.000	124.750	119.750	501.500	11
Methfessel & Werbel, P.C.	143.000	113.000	126.750	111.500	494.250	12
McManimon, Scotland & Baumann, LLC	113.500	121.500	131.500	103.000	469.500	13
Bathgate, Wegener & Wolf, P.C.	125.000	108.000	118.500	115.000	466.500	14
Skolnick Legal Group, P.C.	98.500	115.000	108.750	104.250	426.500	15
Gold, Albanese, Barletti & Locascio, LLC	106.500	90.000	113.500	96.500	406.500	16

TABLE 9 – REAL ESTATE

FIRM	EVAL 1 SCORE	EVAL 2 SCORE	EVAL 3 SCORE	EVAL 4 SCORE	FINAL SCORE	FINAL RANK
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, LLP	190.000	145.000	157.250	162.750	655.000	1
Eckert, Seamans Cherin & Mellott, LLC	190.000	142.000	152.250	141.000	625.250	2
Archer & Greiner, P.C.	170.000	135.000	160.000	145.500	610.500	3
Greenbaum, Rowe, Smith & Davis, LLP	165.000	138.000	148.250	137.750	589.000	4
DeCotiis, FitzPatrick, Cole & Giblin, LLP	174.000	128.500	134.000	132.500	569.000	5
Hill Wallack, LLP	145.000	131.500	134.000	145.000	555.500	6
Bathgate, Wegener & Wolf, P.C.	159.500	135.000	131.500	128.750	554.750	7
Saiber	150.000	128.500	130.250	136.750	545.500	8
Inglesino, Webster, Wyciskala & Taylor, LLC	142.500	110.000	141.000	115.000	508.500	9
McManimon, Scotland & Baumann, LLC	119.000	131.500	128.250	117.000	495.750	10
Florio Perrucci Steinhardt & Cappelli, LLC	128.500	120.000	122.000	97.500	468.000	11
Cohn Lifland Pearlman Herrmann & Knopf, LLP	135.000	120.000	124.750	86.000	465.750	12

Members of the Authority
 Approval of Awards
 Package No. GP-0258-R01
 Legal Services
 October 2, 2019
 Page 7 of 8

6

Based on the Final Combined Scores and Final Rankings as listed in Tables 3-9 above, the thirteen (13) firms listed in Table 10 below are proposed for awards of contracts in the legal specialty areas indicated.

TABLE 10 – SUMMARY OF HIGHEST RANKED FIRMS PER SPECIALTY

Firm	Bankruptcy & Insolvency Proceedings	Environmental Law	Employment Law	Government Contracting, Bid Protests & Procurement	Professional Errors and Omissions & Cost Recovery	Construction Litigation	Real Estate
Archer & Greiner, P.C.		X		X	X		X
Carella, Byrne, Cecchi, Olstein, Brody & Agnello P.C.							X
DeCotiis, FitzPatrick, Cole & Giblin, LLP							X
Dilworth Paxson, LLP	X			X	X	X	
Eckert, Seamans Cherin & Mellott, LLC				X	X	X	X
Greenbaum, Rowe, Smith & Davis, LLP	X				X	X	X
Hill Wallack LLP					X	X	X
Methfessel & Werbel, P.C.			X				
Rabinowitz, Lubetkin & Tully, LLC	X						
Ruderman, Horn & Esmerado, P.C.			X				
Saiber		X	X			X	
Schenck Price Smith and King					X	X	
Wanda Chin Monahan, LLC		X					

Members of the Authority
Approval of Awards
Package No. GP-0258-R01
Legal Services
October 2, 2019
Page 8 of 8

6

RECOMMENDATION

We are requesting the Members' approval to contract with the three (3) highest ranked firms in each of the following legal specialty areas: (1) Bankruptcy and Insolvency Proceedings; (2) Environmental Law; (3) Employment Law; and (4) Government Contracting, Bid Protests and Procurement.

Additionally, we are requesting the Members' approval to contract with the six (6) highest ranked firms in each of the following legal specialty areas: (1) Professional Errors and Omissions and Cost Recovery; (2) Construction Litigation; and (3) Real Estate.

Attorney services will be provided at a blended hourly rate of \$200 and paralegal services will be provided at an hourly rate of \$90. The awarded firms in each specialty would enter into a contract for a two-year term. The contract term would extend until completion of work assignments made during the two-year period from issuance of the contract Notice to Proceed. The blended rates will be the hourly rates charged through the duration of all assignments.

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

/s/ Albert D. Barnes
Albert D. Barnes, Chief Counsel

/s/ Sean Murphy
Sean Murphy, Procurement Director

Reviewed and Recommended by: Jane Kelly, Vice President, Corporate Governance and Legal Affairs

Resolution—6a.

Approval of Award
Package No. GP-0258-R01
Legal Services

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority authorize the award of professional services contracts; and

WHEREAS, in 2017, the SDA entered into two-year contracts with law firms in a variety of legal specialties, pursuant to which those firms would serve to complement legal support provided to the SDA through its Division of Chief Counsel and by the Division of Law in the Office of the Attorney General; and

WHEREAS, these legal services contracts will expire in December 2019; and

WHEREAS, the Board is now requested to approve the retention of a new group of law firms with legal expertise in the areas of insolvency proceedings, environmental law, professional errors and/or omissions and cost recovery, employment law, government contracting bid protests and procurement, construction litigation, and real estate law; and

WHEREAS, any law firm selected to provide legal services to the SDA will be required to submit a proposed budget for any task order assignment; and

WHEREAS, each selected firm must agree to provide its services in accordance with the terms set forth in the memorandum presented to the Board on this date and in compliance with the SDA Legal Services Management Guidelines as described in the Request for Proposals; and

WHEREAS, procurement for all selected law firms was conducted in accordance with applicable SDA regulations as set forth in greater detail in the memorandum presented to the Board on this date; 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; and

WHEREAS, executive management has deemed approval of this award in the best interest of the Authority and recommends its approval by the full Board.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of the proposed contracts for legal services (Package No. GP-0258-R01) consistent with the provisions of the memorandum dated October 2, 2019 and presented to the Board on this date.

BE IT FURTHER RESOLVED, that, prior to the execution of each 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 the same, in which case this action shall become effective upon such approval.

Attached: Memorandum, Approval of Award Package No. GP-0258-R01, Legal Services, dated
October 2, 2019
Dated: October 2, 2019

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

**NOTIFICATION OF COMPLETION OF PRE-DESIGN PHASE SERVICES AND
AUTHORIZATION TO PROCEED WITH DESIGN PHASE SERVICES - NEWARK
PUBLIC SCHOOL DISTRICT - IVY HILL ELEMENTARY SCHOOL - BOILER ROOM
VAULT EMERGENT PROJECT**

[INFORMATIONAL]



INFORMATIONAL
MEMORANDUM

TO: Members of the Authority

FROM: Bob Ryan, Program Director, Construction Operations

DATE: October 2, 2019

SUBJECT: Ivy Hill Elementary School, Newark
Emergent Project – Boiler Room Vault
Notification of Completion of Pre-Design Phase Services and Authorization to
Proceed with Design Phase Services

INTRODUCTION

I am writing this memorandum to provide notification to the Members of the Authority of the conclusion of Pre-Design Phase Services and the initiation of Design Phase Services to address an emergent condition at the Ivy Hill Elementary School in Newark. The NJSDA will issue an authorization to proceed to DRG Architects, AIA, Inc. (DRG) for Design Phase Services in accordance with the NJSDA selected option following a review of the results of the Pre-Design Phase Services performed by DRG.

The NJSDA will now authorize DRG to complete design documents to address the emergent condition existing at the subsurface boiler room vault. Upon completion of the design documents the NJSDA will engage a general contractor through the General Contractor Task Order Contract (GCTO) to perform the necessary demolition and construction to implement this design. The value of that GCTO assignment is estimated at this time at \$650,000.

While advancement of the Design Phase Services does not require approval by the Board, the estimated value of the construction contract anticipates that Board approval will be required prior to engagement of the contractor. Therefore, I am writing to notify the Board of the action now being taken.

BACKGROUND

The Ivy Hill Elementary School (“IHES”), built in 1931, is an approximately 90,700 square foot facility in the Newark Public School District educating approximately 566 students in grades Pre-K through 8th.

The NJSDA engaged DRG through utilization of the Design Consultant Services Task Order Contract and authorized DRG to perform Pre-Design Phase Services inclusive of investigation and testing in order to provide the NJSDA with recommendations for addressing water infiltration, spalling concrete and structural concerns of an underground boiler room vault at the Ivy Hill E. S. The boiler room contains the emergency generator for the school.

Members of the Authority

Newark Public Schools – IVY Hill Elementary School – Boiler Room Vault Repair project

October 2, 2019

Page 2 of 2

Based upon the results of those Pre-Design Phase Services and the NJSDA's review of DRG's Conditions Assessment and Options Development Reports, the NJSDA has determined that the appropriate scope of work to address the condition includes the reconstruction of two (2) beams and the installation of three (3) steel columns. This option will provide long-term structural stability and will address the water infiltration condition with the shortest time duration and at a reasonable estimated cost, thereby preserving the vault's structural integrity and allowing for parking above the vault structure.

It is anticipated that the Design will be completed by December 2019, followed by the procurement of the General Contractor in the 1st Quarter of 2020. The construction work is forecasted to begin in late Spring 2020 and to complete by September 2020 during summer recess.

NOTIFICATION TO THE MEMBERS OF THE AUTHORITY

For the reasons discussed above, the NJSDA will now authorize DRG to perform Design Phase Services for the Newark Ivy Hill Elementary School emergent project.

Advancement of these Design Consultant Services will authorize DRG Architects to complete design documents for the emergent project. Upon completion of the design documents the NJSDA will engage a general contractor through the GCTO to perform the necessary demolition and construction to implement this design. The value of that GCTO assignment is estimated at this time at \$650,000.

While advancement of the Design Phase Services does not require approval by the Board, the estimated value of the construction contract anticipates that Board approval will be required prior to engagement of the contractor.

Reviewed by: Andrew Yosha, Vice President, Program Operations & Strategic Planning

Prepared by: Robert Ryan, Program Director, Construction Operations

Nicole Burnett, Deputy Director, Construction Operations

Gabriel Salas, Program Officer, Construction Operations

Ronald Dworkis, Program Officer, Construction Operations

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: October 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 9/18/19

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.

8



2011 & 2012 Portfolio Projects Activities Summary

as of 9/18/19

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	Construction Advertisement 6/24/19. Proposals Due Sep. 2019.	6/24/19
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.

8



2011 & 2012 Portfolio Projects Activities Summary

as of 9/18/19

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	Sheila Y. Oliver Academy (GW 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	\$38.6	Kit of Parts/ Design-Build	School occupied Sep. 2019. (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	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	\$55.9	Kit of Parts/ Design-Build	School occupied Sep. 2019. (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	Advertisement for D-B 3/26/19. Proposals Due October 2019.	3/26/19
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	839	\$62.0	Kit of Parts/ Design-Build	Advertisement for D-B 8/29/19. Proposals Due November 2019.	5/23/18 8/29/19
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

8

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



2011 & 2012 Portfolio Projects Activities Summary

as of 9/18/19

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	Pre-Design Services ongoing.	TBD
Orange	Cleveland St. ES	PK-6	316	348	\$33.2	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Brockwell & Carrington)	9/10/18 11/14/18
Orange	High School	9-12	1,440	1,694	\$51.9	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Terminal)	10/12/18
Trenton	Central HS	10-12	1,850	2,176	\$155.4	Design-Build	School occupied Sep. 2019. (Terminal)	12/19/14 9/29/15

***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.



Active Project Status Report Status as of 9/1/2019

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	Construction	3Q 2021	On-target	Sep-21	On-target	\$ 132,569,255
2	City of Orange	Cleveland Street ES	Addition/Renovation	Constructability Review	2Q 2021	On-target	Sep-21	On-target	\$ 33,243,608
3	City of Orange	Orange High School	Addition/Renovation	Constructability Review	1Q 2022	On-target	Phased	On-target	\$ 51,931,218
4	East Orange	New GW Carver ES	New Construction	Construction	4Q 2019	On-target	Sep-20	On-target	\$ 41,179,670
5	Harrison	New Elementary School	New Construction	Construction	1Q 2020	On-target	Sep-20	On-target	\$ 36,115,640
6	Irvington	New Madison Ave ES	New Construction	Substantially Complete	3Q 2019	Achieved	Sep-19	Achieved	\$ 38,589,795
7	Millville	Millville Senior High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 137,503,832
8	Passaic City	New ES at Leonard Place	New Construction	Substantially Complete	2Q 2019	Achieved	Sep-19	Achieved	\$ 55,884,039
9	Passaic City	New Dayton Avenue Educational Campus	New Construction	Construction	2Q 2022	On-target	Sep-22	On-target	\$ 240,923,270
10	Paterson	New Union Ave MS	New Construction	Design-Build Design Phase	2Q 2021	On-target	Sep-21	On-target	\$ 113,902,274
11	Perth Amboy	New Seaman Ave ES	New Construction	Substantially Complete	3Q 2019	Achieved	Sep-19	Achieved	\$ 56,435,971
12	Pemberton	New Denbo ES	New Construction	Construction	1Q 2021	On-target	Sep-20	On-target	\$ 58,703,414
13	Trenton	New Central HS	New Construction	Substantially Complete	3Q 2019	Achieved	Sep-19	Achieved	\$ 155,404,000



**Active Project Status Report
Status as of 9/1/2019**

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	Chancellor Ave Annex	Building Envelope & Structural Repairs	Construction	4Q 2019	On-Target	1Q 2020	On-Target	\$ 1,221,437
2	Newark	Dr. E. Alma Flagg ES	Exterior Doors & Roofing	Construction	4Q 2019	On-Target	4Q 2019	On-Target	\$ 654,000
3	Newark	Hawkins School	Chimney Repairs	GC TO w/ Design	4Q 2019	On-Target	4Q 2019	On-Target	\$ 637,888
4	Newark	Lafayette Street School	Exterior Doors & Roofing	Construction	4Q 2019	On-Target	4Q 2019	On-Target	\$ 658,129
5	Newark	Wilson School Annex	Chimney Repairs	GC TO w/ Design	4Q 2019	On-Target	4Q 2019	On-Target	\$ 211,386
6	Plainfield	Plainfield High School	Structural Repairs - Stairs	Construction	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, Vendor Services Analyst
Date: October 2, 2019
Subject: Project Close-Out Status Report

8

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.



PROJECT STATUS REPORT - As of September 1, 2019					
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
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	Closed		
2017	1320-N20-13-0AEG	Halloran Elementary School	Project Transferred	06/12/18	Open contract(s)
2016	1320-X07-01-0867	Frank J. Cicarell Academy (New Academic HS)	Project Transferred	07/18/19	Open contract(s)
2013	1320-240-03-0339	Victor Mravlag Elementary School # 21	Project Transferred	08/27/19	Open contract(s) - Legal matter pending
Garfield					
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)
Irvington					
2019	2330-120-03-0755	Madison Avenue Elementary School			
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) - Legal matter pending
2017	2390-X03-01-0587	Patricia M. Noonan ES (New PS #3)	Project Transferred	12/14/17	Open contract(s) - Legal matter pending
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)

PROJECT STATUS REPORT - As of September 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
New Brunswick					
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)
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			
2019	3970-N11-07-0DAY	Leonard Place 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	Open Contract(s)
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)
Perth Amboy					
2019	4090-N01-98-0325	Seaman Avenue Elementary School			
Phillipsburg					
2016	4100-X01-99-0464	New High School	Project Transferred	06/07/18	Open contract(s)
Trenton					
2019	5210-050-13-0AEH	Trenton Central High School			
Vineland					
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	
2017	5670-100-12-0AEE	Harry L. Bain E.S.			
Capital and Demonstration Projects Totals					
Total Capital and Demonstration			155		
Closed Capital and Demonstration Projects			112		
Capital and Demonstration Projects Not Closed			43		
Capital and Demonstration Projects Not Closed, Project Transferred			26		
			Legal Matter	9	
			Pending Audit	1	
			Miscellaneous	16	

PROJECT STATUS REPORT - As of September 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
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)
Newark					
	3570-301-17-0AES	Marin - HVAC			
	3570-415-17-0AER	Dr. E. Alma Flagg E.S. - Doors and Roofing			
	3570-460-17-0AEZ	Hawkins ES - Chimney Repairs			
	3570-480-17-0AET	Lafayette - Doors and roofing			
	3570-750-17-0BBC	Willson School Annex - Chimney			
Paterson					
	4010-N02-12-0ABX	Roberto Clemente ES			
Plainfield					
	4160-050-17-0BBD	Plainfield High School			
Salem					
	4630-090-17-0AEQ	Salem Middle School	Project Transferred	10/18/18	Open contract(s)
Vineland					
	5390-050-12-0ACK	Vineland High School South			
Emergent Project Totals					
Total Emergent Projects			79		
Emergent Projects Closed			68		
Emergent Projects Not Closed			11		
Emergent Projects Not Closed but Transferred			2		
Health and Safety Contract Totals					
Total Contracts			399		
# of Contracts Closed			394		
# of Open Contracts			5		
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: October 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:

Trenton New Trenton Central High School – Revised Final Project Charter – Budget Reallocation to transfer budget funds from the demolition/site preparation and other costs line items to the technology budget line item.



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to August 31, 2019

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

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.
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%	99%	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.	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: August 2019

#	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: August 2019

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
1	Trenton	New Trenton Central High School	Budget Reallocation	\$ -	0.00%	CEO Approval	Charter revision to reallocate funds from the demolition/site preparation and other costs line items to the technology budget line item to provide sufficient funding for the fit-out of the building consistent with current budgeting practices.

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: October 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 August 1 through August 31, 2019.

Noteworthy Items during the reporting period:

- Execution of 1 task order contract for Design Services for the Bridget Senior High School emergent roof and masonry project – USA Architects, Planners + Interior Designers, PA- \$444,025

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period August 1 through August 31, 2019.

Noteworthy Items during the reporting period:

- Execution of 5 Professional Services Amendments totaling a credit of \$113k, of the 5 executed amendments one required board approval totaling \$79k.
- Execution of 2 Construction Services Change Orders totaling \$3k, 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: 8/1/2019 through: 8/31/2019

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										
Bridget	Bridgeton Senior HS	Reno	Design	EP-0105-A01	USA Architects, Planners + Interior Designers, PA		\$444,025	8/9/2019	-	
Design Consultant										
Part 1. Professional Services										
							\$444,025			



Contracts Executed Report

Reporting Period: 8/1/2019 through: 8/31/2019

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE	
Part 4. Other Contracts & Services											
Others											
City Of Millville	Orange H.S. High School	RenoAdd	General	ES-0042-R04	Comcast Cable		\$35,413	8/15/2019	-		
		RenoAdd	FFE	ST-0046-K07	Computer Logic Group, Inc.		\$92,781	8/28/2019	-		
Millville	High School	RenoAdd	FFE	ST-0046-Q06	Krueger International, Inc.		\$11,574	8/1/2019	-		
Passaic City	New ES at Leonard Place	New	FFE	NT-0050-K26	Washington Computer Services		\$38,512	8/27/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F40	Stryker Sales Corp dba Stryker Medical		\$18,719	8/2/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F42	Republic Lagun Machine Tool Co.		\$35,958	8/5/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F44	J.D. Hamlett, Inc.		\$25,127	8/5/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F45	MSC Industrial Supply		\$19,952	8/9/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F48	Gym Source USA, LLC dba Gym Source		\$25,609	8/20/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-Q31	Krueger International, Inc.		\$22,150	8/9/2019	-		
Others											
Part 4. Other Contracts & Services							\$325,797				
							Total Contract Award			Total Contracts Awarded	
Grand Totals - Professional and Construction Services Combined							\$769,822			11	

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



Contracts Executed Report

Reporting Period: 8/1/2019 through: 8/31/2019

Project Types Legend

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

Contract Types Legend

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

MWSBE CERTIFICATIONS

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



Amendments & Change Orders Report

Reporting Period: 8/1/2019 through: 8/31/2019

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %
Professional Services													
Design Consultant													
City Of Orange Township	Cleveland Street E.S.	ES-0043-A01	9/3/2015	10	Lan Associates, Engineering, Planning, A	8/19/2019	\$1,820,017	\$200,125	\$91,982			\$2,112,124	16.05%
Newark	New Science Park HS	NE-0001-A01	2/21/2002	15	Einhorn Yaffee Prescott, Architecture &	8/13/2019	\$3,706,114	\$2,873,799	(\$49,802)			\$6,530,111	76.19%
Newark	New Science Park HS	NE-0071-A01	4/1/2014	2	USA Architects, Planners + Interior Designers, PA	8/29/2019	\$311,140	\$27,372	\$79,000	Y	8/7/2019	\$417,512	34.18%
Construction Management Services													
Elizabeth	New ES	EL-0042-M01	8/6/2015	1	Epic Management, Inc.	8/27/2019	\$1,160,134	\$0	(\$41,393)			\$1,118,741	-3.56%
New Brunswick	Paul Robeson Community E.S.	ET-0073-M01	6/24/2016	2	GREYHAWK North America LLC	8/13/2019	\$1,487,500	\$0	(\$198,142)			\$1,289,358	-13.32%
Professional Services									(\$118,355)				
Construction Services													
Contractor													
Passaic City	New ES at Leonard Place	NT-0050-B01	1/14/2016	4	Dobco, Inc.	8/22/2019	\$32,750,000	(\$439,766)	\$6,882			\$32,317,116	-1.32%
Passaic City	Dayton Ave. Educational Campus	NT-0052-B01	1/2/2018	8	Terminal Construction Corp.	8/9/2019	\$163,560,000	\$198,224	(\$4,218)			\$163,754,006	0.11%
Construction Services									\$2,664				
Grand Totals										Total Change Order		Total Change Orders	
									(\$115,691)			7	
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

DATE: October 2, 2019

SUBJECT: Contractor and Workforce Compliance Monthly Update for July 2019

The Risk 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 July 31, 2019 was \$26,952,802. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$8,027,373 (including minorities, women and veterans). This represents 29.78% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 6,030,195	22.37%
Small/ Minority Business Enterprises	\$ 458,000	1.70%
Small/Women Business Enterprises	\$ 1,539,178	5.71%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 8,027,373	29.78%

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

WORKFORCE COMPLIANCE MONITORING

For the month of July 2019, there was a contractor workforce of 844 on SDA projects. This represents a total of 71,933 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	76	8,333	11.58%
Hispanic	156	12,620	17.54%
American Indian	1	152	0.21%
Asian	5	226	0.31%
Total Minority Participation	238	21,331	29.65%
Total Non-Minority Participation	606	50,602	70.35%

There was a contractor workforce of 487,155 total workforce hours and 8,210 total female workforce hours on SDA projects for the period of January 1, 2019 through July 31, 2019. The following table highlights the *Local County Contractor Workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	487,155	100.00%
*Total Local County Workforce Hours	48,850	10.03%
Total Local County Non-Minority Workforce Hours	22,213	4.56%
Total Local County Female Workforce Hours	1,127	0.23%
Total Local County Minority Workforce Hours	26,637	5.47%
**Local County Workforce Hours by Ethnicity:		
Black	15,451	3.17%
Hispanic	11,162	2.29%
American Indian	0	0.00%
Asian	24	0.01%

*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
 October 2, 2019
 Page 3 of 3

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, 2019 through July 31, 2019.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Camden, HS	29,524	8,825	30.00%	1,340	4.54%
East Orange, George W Carver ES	60,433	25,161	41.63%	11,700	19.36%
Harrison, ES	36,312	11,936	32.87%	0	0.00%
Irvington, Madison Avenue ES	31,556	11,138	35.30%	7,059	22.37%
Millville, HS	58,561	17,020	29.06%	9,460	16.15%
Passaic, Leonard Place ES	14,108	1,689	11.97%	1,784	12.65%
Passaic, Dayton Avenue Campus	80,649	22,052	27.34%	3,568	4.42%
Paterson, Union Avenue MS	375	0	0.00%	0	0.00%
Pemberton, Denbo-Crichton ES	42,896	9,651	22.50%	997	2.32%
Perth Amboy, Seaman Avenue ES	41,099	6,428	15.64%	5,816	14.15%
Trenton, Central HS	80,978	23,245	28.71%	8,243	10.18%
Emergent Projects	10,648	6,222	58.43%	0	0.00%

Prepared by: Charlotte Brooks

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: October 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 August 2019. 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.
- 13 grants impacting 9 districts were closed out during the reporting period representing \$19.4M in total project costs and state share of \$8.6M.
- 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
 August 2019

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	2	524	514	136
Number of Grant Projects	4	5,405	4,949	456
Total Project Cost Estimate	\$ 4,624,267	\$ 8,950,457,841	\$ 8,444,029,291	\$ 506,428,551
Grant Amount	\$ 1,849,708	\$ 3,008,522,602	\$ 2,785,200,430	\$ 223,322,172
Amount Disbursed	N/A	\$ 2,893,387,834	\$ 2,785,200,430	\$ 108,187,404

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	\$ 80,769,871
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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	-	9
Number of Grant Projects	-	13
Total Project Cost Estimate	\$ -	\$ 19,403,827
Grant Amount	\$ -	\$ 8,586,695
Amount Disbursed	NA	\$ 8,586,695

* 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.

8

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

COMMUNICATIONS MONTHLY REPORT

MEMORANDUM

TO: Members of the Authority

FROM: /s/ Edye Maier, Deputy Director of Communications

DATE: October 2, 2019

SUBJECT: Monthly Communications Report

8**SDA Marks the Opening of the New Trenton Central High School**

On Friday, September 6, the SDA joined the Trenton School District officials and students at a ribbon cutting ceremony for the new Trenton Central High School. Attendees included Senate President Sweeney, Senator Turner, Assemblyman Verelli, Assemblywoman Reynolds-Jackson, Mayor Gusciora, DOE Commissioner Repollet, SDA



Board Chairman Robert Nixon, SDA Board Member Michael Maloney and many other local officials. On Monday, September 9, SDA staff helped welcome students as they walked through the main hallway on a red carpet for the first day of school. The energy in the building was amazing as 1,850 students cheered during an assembly in the gymnasium.



The new Trenton Central High School is a 374,000 square-foot school designed to educate approximately 1,850 students in grades 10 through 12. The school includes five Small Learning Communities (SLC) and provide Career Technical Education programs related to Health Sciences, Culinary Arts, Construction, Physical Fitness, and Automotive Technology. Each SLC consists of 10 classrooms, two science labs, one art/project lab, five specialized instructional areas, a learning resource center, and support areas. In addition, the school includes a gymnasium, auxiliary gymnasium, swimming pool,

dance studio, fitness center, weight room, cafeteria, media center, auditorium, two life skills labs, outdoor amphitheater and two ROTC classrooms.

Communications Report
October 2, 2019
Page 2 of 3

SDA Celebrates the Opening of the New Sonia Sotomayor School No.21



On September 5, SDA joined Passaic School District leaders, students, Mayor Lora, Assemblyman Schaer, Assemblyman Calabrese as well as State and local officials at a ribbon cutting ceremony for the new Sonia Sotomayor School No. 21.

The new Sonia Sotomayor Elementary School is a 105,000 square foot facility designed to educate approximately 700 students in Kindergarten to 8th grade. The school includes 30 general classrooms, five small group instruction classrooms, two science classrooms, instrumental and vocal music rooms, an art room, a multipurpose room with a stage, a gymnasium, a cafeteria, and a media center.

SDA Celebrates Opening of the New Madison Avenue Elementary School

On September 19, SDA joined Irvington School District officials and students at a ribbon cutting ceremony for the new Madison Avenue Elementary School.

The new Madison Avenue Elementary School is a new 73,000-square-foot elementary school facility designed to educate approximately 500 students in grades pre-kindergarten through five. The school, built on the site of the former school, includes 26 general education classrooms, small group instruction rooms, a cafeteria, a multipurpose room with stage, music and art rooms, a science/computer lab, and a media center. The school will also feature an outdoor play space that includes a basketball/volleyball court and running track.



Communications Report
October 2, 2019
Page 3 of 3

SDA Celebrates Opening of the New Rose M. Lopez Elementary School

On September 24, SDA joined Perth Amboy School District Officials, Assembly Speaker Coughlin, Assemblywoman Lopez, Mayor Diaz as well as local officials and students at a ribbon cutting ceremony for the new Rose M. Lopez Elementary School.

The Rose M. Lopez Elementary School is a new 128,000-square-foot facility designed to educate approximately 800 students in grades kindergarten through five. The school includes 38 classrooms, six Small Group Instruction Rooms, four Basic skills/ESL/Resource rooms, a Science Demonstration Room, a speech room, vocal and instrumental music rooms, a computer lab, a gymnasium, a media center, a cafeteria, a multipurpose room with stage, outdoor play and learning areas



SDA Issues Annual Report

In compliance with Executive Order 37 (Corzine), the SDA distributed its 2018 Annual Report and placed it on the SDA website following its approval at the September 4, 2019 Board meeting.

Reviewed by: Colleen Connolly

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: Members of the Authority

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

DATE: October 2, 2019

SUBJECT: Monthly Financial Report – August 2019

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, 3-1 and 4 of the report is a summary of the Authority’s operating and capital 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 August 2019 year to date, Authority operating expenses, **\$12.2 million**, are **\$1.6M** lower than budget for the *corresponding period*. The variance is primarily related to lower year to date personnel costs, **\$867K**, the largest portion of which decrease is attributable to lower payroll and benefits costs, net of amounts allocated to school facilities projects, due to the Authority having fewer FTEs than budgeted due in part to the staff reductions in July 2019. Additionally, lower than anticipated spending related to facilities & general office expenses **\$195K**, professional & contracted services **\$125K**, information systems **\$241K**, and SDA-owned automobiles **\$98K**, contributed to the variance.

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

For August 2019 year to date, Authority operating expenses, **\$12.2 million**, are **\$784K** higher when compared to the *corresponding prior year*. This variance is mainly attributable to an increase in personnel costs, **\$762K**, primarily due to the 2018 Authority restructuring. The Authority is projecting that this increase will gradually dissipate over the remaining months of the year due to the staff reductions in July 2019.

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

For August 2019 year to date, project expenditures, **\$200.5 million**, are **\$13.7 million** lower than the capital spending forecast for the *corresponding period*. This variance is primarily a result of lower than forecasted expenditures for grant activity **\$27.2M**, design services (net of cost recovery settlement) **\$4.3M**, property acquisitions, **\$1.4M**, as well as lower spending in project management related expense **\$1.1M** and other project related cost **\$2.8M**. These reductions are partially offset by an increase in construction activity **\$19.1M**, and school furniture, fixtures & equipment related spending **\$3.2M**.

Members of the Authority
October 2, 2019
Page 2

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

For August 2019 year to date, project expenditures, **\$200.5 million**, are lower by **\$15.7 million** when compared to the *corresponding prior year*. The variance is attributable to decreases in grant activity **\$31.7M**, project insurance costs **\$4.3M**, design services (net of cost recovery settlement) **\$4.5M**, and other project related costs **\$3M**. These decreases are partially offset by an increases in construction activity **\$20.5M**, and school furniture purchases **\$7.7M**.

Other

Since program inception, 84.8% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception, 96% of all SDA disbursements relate to school facility projects and 4% relate to operating expense.

The *estimated value* of active school facilities capital, emergent and ROD grant projects is approximately \$2B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
August 2019
(Unaudited)

New Jersey Schools Development Authority Overview of Financial Position August 31, 2019

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, August 31, 2019.

8

► Overall **Cash and Cash Equivalents** have decreased by \$207.7 million to \$332.1 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	6,872,835
■ Miscellaneous revenue	25,189
■ Project costs	(200,473,724)
■ SDA operating expenses	(13,017,477)
■ SDA capital expenditures	(389,372)
■ Deposits (primarily district local shares)	(754,548)
Net Change in Cash	\$ (207,737,097)

► **Prepaid Expenses** total \$354,294 as follows:

- Prepaid insurance of \$152,420.
- Prepaid rents of \$122,957 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$50,084.
- Other prepaids of \$28,833.

► **Capital Assets** total \$808,835 (net of accumulated depreciation of \$6,651,402), 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 \$294,080 and **Depreciation Expense** is \$120,227.

► **Accrued Liabilities** total \$103.8 million, as follows:

- Accrued project costs of \$23.5 million consisting of unpaid invoices (\$5.2 million) and retainage (\$18.3 million).
- Accrued net pension liability of \$49.8 million.
- Post-employment benefits obligation of \$25.1 million and Accrued OPEB payable of 0.4M.
- Pollution remediation obligations (PRO) under GASB 49 net to \$3 thousand (PRO liability \$2.946 million, offset by expected cost recoveries of \$2.943 million).
- Estimated liability for loss contingencies totaling \$3.3 million.
- Payroll related liabilities of \$1.6 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$2.9 million, as follows:

- \$2.8 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$214.2 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation August 31, 2019

► School Facilities Construction Bond / Note Proceeds & Project Expenditures

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$11.148 billion.
- Project expenditures for the month and year-to-date periods total \$25.6 million and \$200.5 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 16,548,324	\$ 136,941,007	\$ 4,995,357,464
Design Services	(1,207,678)	(2,883,552)	410,787,756
PMF/CM Services	674,230	4,023,546	460,464,333
SDA Project Management	922,221	9,128,090	94,354,046
Property Acquisition, Relocation & Enviro	406,294	1,264,658	579,592,178
School Furniture, Fixtures & Equipment	4,309,102	15,239,028	181,469,936
Project Insurance	20,886	2,095,859	108,310,263
NJ State Inter-Agency Transfers	74,462	318,213	50,284,206
SDA District Grant & Funding Agreements	4,195	2,362,274	874,263,418
Regular Operating District Grant Agreements	3,699,544	30,486,116	2,901,906,200
Real-Time Project Audits	-	-	628,000
Property Management, Maintenance & Utils	19,621	733,887	18,108,187
Outside Legal & Claims Resolution Services	159,083	740,816	10,322,289
Temporary Staffing	-	576,447	10,309,371
Other Project Costs	5,621	194,271	60,156,470
Project Credits	-	-	(54,902,944)
Total Project Expenditures	25,635,905	201,220,660	10,701,411,173
Less: Local Share Contributions	(9,052)	(746,936)	(184,263,073)
Project Expenditures (State Share)	\$ 25,626,853	\$ 200,473,724	\$ 10,517,148,100
 2019 Capital Spending Forecast	 \$ 28,545,827	 \$ 214,210,319	

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	\$ 9,023,226,008	\$ 7,652,035,974
■ Regular Operating Districts	3,450,000,000	3,498,720,967	3,222,689,920
■ Vocational Schools	150,000,000	151,946,977	117,674,836
Total - State Share	\$ 12,500,000,000	\$ 12,673,893,952	\$ 10,992,400,730

► Percentage of Total Funding Paid to Date

■ SDA Districts	84.8%
■ Regular Operating Districts	92.1%
■ Vocational Schools	77.4%
Total - State Share	86.7%

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 \$475,252,630.

New Jersey Schools Development Authority Fund Reporting Operating Expenses vs Budget August 31, 2019

8

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>Over/ (Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 12,665,119	\$ 13,703,906	\$ (1,038,787)
Employee Benefits	5,828,648	6,464,712	(636,064)
Direct Hire Temporary Employee Costs	27,478	107,648	(80,170)
Total Employee Salaries & Benefits Costs	18,521,245	20,276,266	(1,755,021)
Less: Employee Salaries & Benefits Costs Charged to Projects			
	9,128,090	10,215,260	(1,087,170)
Salaries & Benefits Charged to Operating Expense	9,393,155	10,061,006	(667,851)
Temporary Staffing Services	2,003	100,000	(97,997)
Travel & Expense Reimbursements	11,558	30,033	(18,475)
Training & Professional Development	19,888	102,419	(82,531)
Total Personnel Expenses	9,426,604	10,293,458	(866,854)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,609,488	1,804,784	(195,296)
Information Systems	644,076	884,664	(240,588)
Professional & Other Contracted Services	241,002	366,000	(124,998)
Property & Casualty Insurance	231,989	231,328	661
SDA-Owned Automobiles	58,388	156,664	(98,276)
Communications & Outreach	6,565	66,672	(60,107)
Reserve for Unforeseen Events & New Initiatives	-	33,336	(33,336)
Total Authority Operating Expenses	\$ 12,218,112	\$ 13,836,906	\$ (1,618,794)
 2019 Annual Operating Budget		 \$ 19,224,222	

**New Jersey Schools Development Authority
Capital Expenditures
August 31, 2019**

Description of Capital Item:	Budget Year	Budget Amount	Capital Expenditures		
			2019	Pre-2019	Total
Leasehold Improvements		\$ -	\$ -	\$ -	\$ -
Office Furniture & Equipment		-	-		-
CM Computer Software System:					
Estimated SDA Staff Time	2019	450,000	-	-	-
Purchase & Development	2019	1,000,000	-	-	-
Purchase & Development	2018	1,500,000	294,080	162,544	456,624
Total Capital Items		\$ 2,950,000	\$ 294,080	\$ 162,544	\$ 456,624

New Jersey Schools Development Authority Fund Reporting Operating Expenses vs Prior Year August 31, 2019

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>2018 Year-To-Date</u>	<u>Over/ (Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 12,665,119	\$ 11,935,018	\$ 730,101
Employee Benefits	5,828,648	5,598,722	229,926
Direct Hire Temporary Employee Costs	27,478	82,978	(55,500)
Total Employee Salaries & Benefits Costs	18,521,245	17,616,718	904,527
Less: Employee Salaries & Benefits Costs			
Charged to Projects	9,128,090	9,046,369	81,721
Salaries & Benefits Charged to Operating Expense	9,393,155	8,570,349	822,806
Temporary Staffing Services	2,003	52,709	(50,706)
Travel & Expense Reimbursements	11,558	11,712	(154)
Training & Professional Development	19,888	29,549	(9,661)
Total Personnel Expenses	9,426,604	8,664,319	762,285
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,609,488	1,630,477	(20,989)
Information Systems	644,076	686,294	(42,218)
Professional & Other Contracted Services	241,002	182,317	58,685
Property & Casualty Insurance	231,989	226,950	5,039
SDA-Owned Automobiles	58,388	43,546	14,842
Communications & Outreach	6,565	459	6,106
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	\$ 12,218,112	\$ 11,434,362	\$ 783,750

New Jersey Schools Development Authority Employee Headcount August 31, 2019

	<u>Current Month End</u>	<u>Budget</u>	<u>Over/ (Under)</u>
Office of Chief Executive Officer	4	3	1
Human Resources	4	5	(1)
Communications	2	5	(3)
Information Systems	15	15	-
Central Records Management	3	3	-
Legislative Affairs	1	2	(1)
Office of Program Operations & Strategic Planning	2	3	(1)
Capital Planning & Program Operations	4	9	(5)
Design Studio	19	20	(1)
Grants Administration	12	13	(1)
Real Estate Services & Predevelopment	10	8	2
Vendor Development	5	3	2
Office of Construction Operations	0	1	(1)
Project Teams	33	39	(6)
Office of Corporate Governance & Legal Affairs	5	5	-
Chief Counsel	11	13	(2)
Safety	6	6	-
Internal Audit	3	4	(1)
Office of Chief Financial Officer	2	1	1
Financial Operations	10	11	(1)
Financial Accounting & Disbursements	13	13	-
Procurement	9	9	-
Risk Management	8	9	(1)
Property Management	4	5	(1)
Facilities	4	7	(3)
Office of Chief of Staff	0	5	(5)
Community Engagement	0	3	(3)
Policy	0	2	(2)
Business and Workforce Diversity	0	11	(11)
Office of Administrative Operations	0	3	(3)
Total Full-Time Employees at Month End	<u>189</u>	<u>236</u>	<u>(47)</u>
Total Full-Time Employees at Year End		<u>257</u>	

New Jersey Schools Development Authority

Statement of Net Position

August 31, 2019

	<u>Current Month End</u>	<u>2018 Year End</u>	<u>Over/ (Under)</u>
ASSETS			
Cash and Cash Equivalents	\$ 332,057,458	\$ 539,794,555	\$ (207,737,097)
Receivables	26,813	29,828	(3,015)
Prepaid Expenses	354,294	87,623	266,671
Capital Assets (Net of Accumulated Depr.)	808,835	634,982	173,853
Total Assets	<u>333,247,400</u>	<u>540,546,988</u>	<u>(207,299,588)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>11,812,216</u>	<u>14,326,957</u>	<u>(2,514,741)</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 345,059,616</u>	<u>\$ 554,873,945</u>	<u>\$ (209,814,329)</u>
LIABILITIES			
Accrued Project Costs	\$ 26,812,750	\$ 50,321,484	\$ (23,508,734)
Net Pension Liability	49,778,974	49,778,974	-
Accrued Other Post-Employment Benefits	25,103,013	23,738,116	1,364,897
Other Accrued Liabilities	2,054,285	5,196,880	(3,142,595)
Deposits	2,861,588	3,616,136	(754,548)
Total Liabilities	<u>106,610,610</u>	<u>132,651,590</u>	<u>(26,040,980)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>24,205,955</u>	<u>24,205,955</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets	808,835	634,982	173,853
Restricted for Schools Construction:			
Special Revenue Fund	<u>213,434,216</u>	<u>397,381,418</u>	<u>(183,947,202)</u>
Net Position	<u>214,243,051</u>	<u>398,016,400</u>	<u>(183,773,349)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	<u>\$ 345,059,616</u>	<u>\$ 554,873,945</u>	<u>\$ (209,814,329)</u>

New Jersey Schools Development Authority Statement of Activities August 31, 2019

8

	<u>Current Year-To Date</u>	<u>2018 Year-To Date</u>	<u>Over/ (Under)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ -	\$ -
General Revenues:			
Investment Earnings	6,872,835	4,630,470	2,242,365
Rental Income	22,629	1,678	20,951
Other Revenue-OPRA	2,560	2,592	(32)
Total Revenues	<u>6,898,024</u>	<u>4,634,740</u>	<u>2,263,284</u>
EXPENSES			
Administrative & General Expenses	13,583,008	12,880,179	702,829
Capital Depreciation	120,227	139,595	(19,368)
School Facilities Project Costs	176,968,138	187,420,355	(10,452,217)
Total Expenses	<u>190,671,373</u>	<u>200,440,129</u>	<u>(9,768,756)</u>
CHANGE IN NET POSITION	(183,773,349)	(195,805,389)	12,032,040
Beginning of Period Net Position	<u>398,016,400</u>	<u>392,740,734</u>	<u>5,275,666</u>
NET POSITION END OF PERIOD	<u>\$ 214,243,051</u>	<u>\$ 196,935,345</u>	<u>\$ 17,307,706</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.