

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 5, 2020**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 5, 2020 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)
Stephen Martorana (EDA)
Kevin Luckie (DCA)
Kevin Egan
Richard Elbert
Lester Lewis-Powder
Loren Lemelle
Michael Maloney
Mario Vargas

being all the Members of the Board. Mr. Egan, Mr. Elbert, Mr. Kanef, Ms. Lemelle, Mr. Lewis-Powder, and Mr. Piaia participated in the meeting by teleconference.

At the Chairman's request, Manuel Da Silva, 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. Joy Johnson of the Governor's Authorities Unit (GAU) also participated in the meeting.

The meeting was called to order by the Chairman of the Board, 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 the January 8, 2020 minutes of the Authority's Annual Organizational Board meeting. A copy of the minutes and a resolution were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the SDA's January 8, 2019 Organizational Board meeting minutes were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 4a.***

Next, Mr. Nixon presented for consideration and approval the minutes of the Board's January 8, 2020 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Open Session meeting minutes of the January 8, 2020 SDA Board meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 4b.***

Finally, Mr. Nixon presented for consideration and approval the minutes of the Board's January 21, 2020 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the Open Session meeting minutes of the January 21, 2020 SDA Board meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Resolution 4c*.

Authority Matters

CEO Report

The Chairman then asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva gave an update on projects in the procurement stage. He said that a recommendation for award is on today's agenda for the Plainfield Woodland ES project.

Mr. Da Silva reported that for the Keansburg Port Monmouth Road School, a project in the constructability stage, the initial review meeting is scheduled for today with Niram, Inc. and SDA's engaged construction management firm, Pinnacle Consulting & Construction Services.

With respect to design-build projects in the design phase, Mr. Da Silva informed the Members that for the Perth Amboy HS project, the design-builder has commenced existing site verification activity as well as design phase services. He added that the previous month the SDA advertised for construction management services and proposals are due later this month.

Turning to design-build projects in construction, Mr. Da Silva reported that for the Paterson Union Avenue MS project, design phase services are ongoing. He said that pile caps and grade beam installation work is ongoing, as is underground utilities work. For the Camden HS project, he advised that Ernest Bock & Sons, Inc. continues with design phase services. He added that masonry work continues and exterior metal stud work has begun on the building. He

noted that Department of Community Affairs issued full plan release and permits in December 2019. Mr. Da Silva said that for the East Orange George Washington Carver ES project, interior work is ongoing. He reported that for the Harrison New ES project, mechanical, electrical and plumbing (MEP) rough-in and building enclosure are ongoing and final utility connections are being completed. He added that roofing, window installation and finish work activities are ongoing.

In continuing, Mr. Da Silva informed the Members that Hall Construction continues with design phase services for the Millville HS addition and renovations project. He added that Phase II interior finish activities have begun, Phase III structural steel activities are complete, and exterior masonry work is ongoing. With respect to the Passaic Dayton Avenue Educational Campus project, he said that exterior brick veneer work is ongoing. He advised that MEP framing work and interior concrete masonry unit wall installation activities are ongoing throughout the building. He noted that all rough interior work is ongoing. For the Pemberton Denbo Crichton ES project, he advised that finish work has commenced on the first floor areas, lighting fixtures are being installed throughout the building, and HVAC units are being set up and started.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He reported that the construction notice-to-proceed (NTP) was issued last month for the Orange Cleveland Street ES project. He said that site mobilization by Brockwell & Carrington, the general contractor, is anticipated next week. He said that the construction NTP was issued the previous week for the Orange HS project. He added that site mobilization by Terminal Construction, the general contractor, is anticipated this week.

With respect to projects in the programming stages, Mr. Da Silva reported that program modifications have been finalized for the Hoboken Demarest ES project. He said that SDA's

engaged design consultant, DRG, has completed its initial report on existing building conditions. He added that options for application of the program within the existing building are being developed. For the Union City New Grade 7 to 9 School project, he reported that programming refinement discussions and SDA in-house design development are both ongoing.

Mr. Da Silva advised the Members that in 2020 SDA will be delivering the Harrison New ES project, Pemberton Denbo Crichton ES project and the East Orange George Washington Carver ES project.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on January 14, 2020 for management's presentation of the 2019 SDA Statewide Strategic Plan for SDA Districts (Plan). He noted that the Strategic Plan was approved by the full Board on January 21, 2020.

In continuing, Mr. Nixon said that the Committee also met on January 21, 2020 at which time management presented the December 2019 New Funding Allocation and Capital Plan Update report. He advised that during the reporting period there were no changes in any of the SDA District reserve balances. He added that the reserve balance for the Regular Operating Districts (RODs) increased by \$2 million during the reporting period due to a reduction in state share for grant projects nearing completion.

In continuing, Mr. Nixon reported that staff provided the Committee with an informational update regarding the Builder's Risk Insurance portion of the Authority's Owner Controlled Insurance Program (OCIP). He explained that Builder's Risk Insurance is purchased to insure SDA construction projects from unexpected losses due to fire, lightning and similar forces during construction. He advised that the Authority's current insurance provider has opted not to extend the Authority's existing policy. Mr. Nixon said that the Authority's insurance broker is

marketing a new program for coverage. He added that the broker will be performing this service within the previously negotiated fee for their services to obtain extensions of coverage.

Lastly, Mr. Nixon advised that one item the Committee discussed requires Board action, i.e. management's proposed Human Resources (HR) Consulting Services Award. Referencing materials that previously were provided for Board review, he reminded the Members that at the August 7, 2019 Board meeting he had recommended that the SDA engage the services of a HR consultant to review and formulate improvements to the SDA's HR function. He explained that, as proposed, the Consultant would be responsible for reviewing and recommending enhancements for job descriptions, functional responsibilities and compensation levels, along with operational efficiency evaluations. He said that the Consultant also will be required to participate in bi-weekly progress meetings with SDA staff and be available to participate in discussions with the Board and Audit Committee upon request. Mr. Nixon said that on November 19, 2019 the SDA initiated a procurement for the Consultant services. He said that Mr. Vargas and Mr. Maloney joined him on the selection committee. He explained that the Committee evaluated the written proposals and conducted interviews with the responding firms. He advised that, upon completion of the procurement process, the Committee recommends award of the contract, in the total lump sum amount of \$94,750, to the highest ranked firm, Cowden Associates, Inc., to provide the Consultant services. Mr. Nixon said that the process will be fast moving, noting that Consultant has been asked to complete their work by July 2020. He said that, upon completion, direction would be given, if needed, to update titles, compensation levels, and the SDA salary guide. He said that direction will also be given to implement any operational efficiency recommendations that may be identified. Mr. Nixon thanked Mr. Maloney and Mr. Vargas for their participation on the selection committee. Mr. Luckie asked if a Director of Human Resources has been hired. Mr. Da Silva responded that the

SDA has received resumes and the selection committee is presently in the process of reviewing those resumes. He advised that a recommendation will be forthcoming. Mr. Nixon said that the Authority has not had a Human Resources review in over a decade and noted that compensation, job titles and efficiencies may require updating. Mr. Luckie suggested that the new Director of HR be hired prior to the completion of the HR audit so that he or she can have input into the proposed changes. Mr. Da Silva responded that the new Director would be hired prior to completion of the review. Mr. Nixon suggested that any significant issues that that may be identified be brought to the Board.

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 proposed award for Human Resources Consulting Services with its unanimous vote in favor of *Resolution 6a*

School Review Committee

2019 SDA Statewide Strategic Plan for SDA Districts; Credit Change Order No. 1 – TCI Construction & Management, Inc.; Design-Build Award and Final Project Charter – Plainfield Public School District, Woodland New Elementary School

Mr. Nixon then asked Mr. Luckie to provide the report of the School Review Committee (SRC). Mr. Luckie reported that the SRC met on January 15, 2020 and on January 21, 2020. He advised that at the January 15 Committee meeting, Andrew Yosha presented the 2019 SDA Statewide Strategic Plan for SDA Districts. He noted that, as the Chairman previously reported, the Plan has been approved by the Board of Directors.

In continuing, Mr. Luckie said that at the SRC meeting held January 21, 2020, two items were discussed. He said that management is seeking approval of a credit change order in connection with the Paterson New Roberto Clemente Community School (School). He explained that the School is a 109,000 square foot facility educating 682 students in grades six through

eight. He said that in June 2017 the Board approved the award of a construction contract to TCI Construction & Management, Inc. (TCI) in the not-to-exceed (NTE) amount of \$1,755,475 to address power supply fluctuations and other needed repairs at the School. He reminded the Members that the Board had also approved the release of funds from the SDA's program reserve for the work and the final charter representing the project budget for construction, appropriate contingency, allowances, SDA staff costs, other costs, and prior allocation of funds for design services. Mr. Luckie explained that the contract with TCI represented the most comprehensive potential scope of work for addressing the emergent conditions at the School. He informed the Members that a subsequent investigation performed by TCI enabled staff to determine that a less extensive scope of work was appropriate to address the conditions, which resulted in the need to expend less than what had been included in the NTE value. He said that management is requesting that the Board approve Credit Change Order No. 1 to TCI representing the dollar value of \$531,593.54 which is the remaining unused balance of the contract. He noted that execution of this change order is necessary for the release of final payment and to advance contract closeout, as well as closeout activities for the School project.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion by Mr. Vargas, and seconded by Mr. Lewis-Powder, the Board approved the proposed Credit Change Order No. 1 with its unanimous vote in favor of ***Resolution 7a***.

Next, Mr. Luckie said that the Committee is recommending approval of a design-build award and final charter for the Plainfield Woodland New ES project (Project). He reported that the Project involves construction of an approximately 120,000 square foot building to educate 756 students in grades Kindergarten through 5. He said that in April 2018 the Board approved a revised preliminary charter for the project, thereby approving the demolition of the then-existing Woodland ES and construction of a new elementary school facility. He noted that the Board also

authorized related site development work utilizing in-house design and a design-build project delivery method. He explained that the new school will replace the Woodland and Cook Elementary Schools, neither of which satisfied Department of Education Facilities Efficiency Standards. Mr. Luckie informed the Members that a package for design-build services was advertised beginning August 29, 2019 with “price” weighted as 60% of the overall weight and all “non-price factors” having a combined weight of 40%. He said that, upon completion of the competitive procurement process, management and staff recommend award of the contract to the highest ranked bidder, Epic Management, Inc. (Epic). He noted that the contract amount is \$45,335,000, inclusive of SDA-established allowances totaling \$1,400,000. He advised that Epic has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He said that, in addition to the contract award, management recommends that the Board approve the Project’s final charter representing all expended and projected funds necessary for completion of the Project.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion by Mr. Vargas, and seconded by Mr. Maloney, the Board approved the proposed design-build award and final charter for the Plainfield Woodland New ES project with its unanimous vote in favor of ***Resolution 7b***.

Public Comments

Mr. Nixon then opened the Public Comments portion of the meeting. No member of the public stepped forward to address the Board.

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

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

Mr. Vargas said that, following discussion in Executive Session, the Real Estate Committee recommends that the Board authorize management to exercise two options to extend a lease to provide temporary facilities during construction of the Orange Cleveland Street Elementary School project. Upon motion duly made by Mr. Luckie and seconded by Mr. Maloney, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A1.***

Next, Mr. Vargas said that the Real Estate Committee recommends that the Board approve management's request for authorization to enter into an agreement with the City of Trenton and Trenton School District whereby SDA consents to the disposition and redevelopment of certain real property in connection with the former Trenton Early Childhood Center Project. Upon motion duly made by Mr. Luckie and seconded by Mr. Piaia, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A2.***

Adjournment

There being no further business to come before the Board, upon motion by the Chairman and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its February 5, 2020 meeting.

/s/ Jane F. Kelly
Assistant Secretary