

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD MEETING  
WEDNESDAY, AUGUST 3, 2022 AT 9:00 A.M.  
32 E. FRONT STREET, TRENTON, NJ  
BOARD ROOM**

**1. NOTICE OF PUBLIC MEETING/PLEDGE OF ALLEGIANCE**

**2. ROLL CALL**

**3. APPROVAL OF MEETING MINUTES**

- a. Board Open Session Meeting Minutes of July 6, 2022

**4. AUTHORITY MATTERS**

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

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

- a. Company Name: LAN Associates  
District: Orange Public School District  
Contract Nos.: ES-0043-A01  
CM: Epic Management, Inc.  
Design Consultant: LAN Associates  
School Name: Cleveland Street Elementary School  
Amendment Nos.: 18  
Reason: Additional Design Services - Structural and Architectural  
Amount: \$128,412.00  
Contract Status: 84.12% Paid to Date against the Current Contract Value  
Anticipated Occupancy Date: September 2024
- b. Company Name: Kliment Halsband Architects  
District: Orange Public School District  
CM: Anser Advisory, LLC  
Contract Nos.: ES-0042-A01  
Design Consultant: Kliment Halsband Architects  
School Name: Orange High School  
Amendment No.: 22  
Reason: Additional Construction Administration Phase Service Hours for Unforeseen Conditions for Loring Consulting Engineers  
Amount: \$132,015.00  
Contract Status: 82.85% Paid to Date against the Current Contract Value  
Anticipated Occupancy Dates: September 7, 2022
- c. Company Name: Hall Building Corp.  
District: Asbury Park  
Contract No.: ET-0041-C04  
PMF/CM: NJSDA  
School: Thurgood Marshall Elementary School  
Change Order No.: 1  
Reason: Remove Concrete Steps and Additional Flooring  
Amount: \$36,400.00

Original Contract Amount: \$327,675.52  
Contract Status: 0% Paid to Date against the Current Contract Value  
Anticipated Occupancy Date: August 26, 2022

**6. REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN’S REPORT) – TO BE PROVIDED IN EXECUTIVE SESSION**

- a. Request for Real Property Acquisition in the Newark, New Jersey

**7. MONTHLY REPORTS**

- a. *For Informational Purposes*
  - i. Active Projects Report
  - ii. Project Status Reports
  - iii. Contracts Executed Report/Amendments & Change Orders Executed Report
  - iv. Contract Terminations Report (*no activity*)
  - v. Settlement Activities Report (*no activity*)
  - vi. Diversity and Workforce Participation Report
  - vii. Regular Operating District Grant Activity Report
  - viii. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
  - ix. Communications Report (*no report*)
  - x. Monthly Financial Report
  - xi. Design Contract De-Obligations Report (*no activity*)

**8. EXECUTIVE SESSION**

- Request for Real Property Acquisition the Newark New Jersey
- Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)  
CCD Report (*no activity*)

**9. ADJOURNMENT**

**APPROVAL OF MEETING MINUTES**

**JULY 6, 2022 OPEN SESSION MINUTES**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, JULY 6, 2022**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, July 6, 2022 at 9:00A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Chairman  
Juan Burgos (EDA)  
Kevin Luckie (DCA)  
David Moore (Treasury)  
Bernard Piaia (DOE)  
Lester Lewis-Powder  
Michael Maloney  
Mario Vargas

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

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Jane F. Kelly, vice president and assistant secretary; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Jamera Sirmans of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

***Pledge of Allegiance***

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

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 on the SDA Website and 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 of the Board was present.

### ***Approval of Meeting Minutes***

The Chairman presented for consideration and approval the minutes of the Board's June 8, 2022 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 minutes of the June 8, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a.***

Mr. Nixon then presented for consideration and approval the minutes of the Board's June 8, 2022 Executive 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 Executive Session minutes of the June 8, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b.***

### ***Authority Matters***

#### ***CEO Report***

Next, the Chairman asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva began his report with an update on design-build projects in construction. He reported that roof work is

underway on the Perth Amboy High School project, another step closer to a building that is dry and water tight. He said that a notice of award was issued on June 24 to Delric Construction Company, Inc. for safety and security upgrade work on the Perth Amboy Rose Lopez Elementary School project. He advised that window installation is ongoing for the Plainfield Woodland Avenue Elementary School project and finish work has commenced there. He also reported that PSE&G has provided meters and is preparing to energize the building.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that final site work is underway for the Keansburg Port Monmouth Road School project. For the Orange High School project, he said that final HVAC renovations have begun.

Next, Mr. Da Silva provided an update on projects in the programming/pre-design/in-house design stages. He reported that the notice of award was issued on June 24 to Dobco, Inc. for design-build construction services for the Union City New Grade 7 to 9 School project.

Turning to non-project related matters, Mr. Da Silva informed the Members that the previous week the Senate and General Assembly approved Senate Bill No. 2944 which credits \$5.2 billion to the New Jersey Debt Defeasance and Prevention Fund. He said that this legislation appropriates \$1.9 billion to the SDA, \$814 million to New Jersey Transit, and \$230 million to the state Department of Transportation. He explained that of the \$1.9 billion appropriated to the SDA, \$1.55 billion is for SDA Districts and \$350 million is for Regular Operating Districts.

In continuing, Mr. Da Silva advised the Board that the Fiscal Year 2023 Appropriations bill (Senate Bill No. 2023/Assembly Bill No. 4402) includes \$75 million for the SDA to support emergent needs and capital maintenance in school districts. He said that an additional \$120 million is included for a Pre-Kindergarten facilities fund in the state Department of Education which would be utilized with the SDA for facilities maintenance. He advised the Board that

Governor Murphy signed Senate Bill No. 2944 and the Fiscal Year 2023 Appropriations bill on June 30, 2022.

Mr. Da Silva next reported that on Wednesday, June 29, the Senate approved Chairman Nixon's nomination to serve another term on the SDA Board. Mr. Da Silva offered his congratulations to Chairman Nixon.

Next, Mr. Da Silva provided an update regarding the SDA-owned property on Astor Place in Jersey City. He advised that on June 28, 2022, legal counsel for the Black Interest Team Enterprise (BITE) organization, the Jersey City School District (District) and the SDA had a productive discussion with all parties expressing support for re-establishing a community garden on the property. He said that they also discussed that the SDA and the District had reached agreement on the terms of prospective licensing documents more than a year ago in May of 2021. He explained that during the teleconference meeting, BITE's counsel asked that he have until July 11 to further discuss the licensing documents with his client. Mr. Da Silva explained that BITE's counsel indicated that once he completes his consultation with BITE, he will get back to the District and the SDA for further discussion. He said that the SDA is optimistic that the community garden will be reestablished. He added that the SDA's Safety team visited the site last week and reported that the property is in good shape. He advised the Board that the property is being well maintained by Bluegrass, SDA's property maintenance contractor. Mr. Da Silva said that as some of the Members have not seen the site, he has a few pictures, taken by the Safety team, to share with the Board this morning. Several pictures of the Astor Place property were then presented to the Board.

Mr. Nixon inquired as to what the new funds will provide project-wise and asked as to the timeline for expanding the SDA Capital Plan. Mr. Da Silva said that the new monies would allow the Authority to advance projects in the Strategic Plan for which the SDA currently has

land plus three replacement facilities. He added that management will present the Members with a revised Capital Plan at the August School Review Committee meeting and seek formal approval of the same at the September Board meeting.

### *Audit Committee*

Next, Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on June 20, 2022 at which time management provided the Committee with the May 2022 New Funding Allocation and Capital Plan Update. He reported that there was a \$700,000 decrease in the unforeseen events reserve balance. He said that this followed CEO approval of the release of funds for mercury abatement work related to flooring installed in legacy projects at the Asbury Park Thurgood Marshall Elementary School and the Neptune Green Grove Elementary School. He advised that there were no changes in any of the other reserve balances for the reporting period. Mr. Nixon then reported that there was no change in the program reserve for the Regular Operating Districts during the reporting period.

Next, Mr. Nixon informed the Board that SDA's contract auditors, Baker Tilly, provided the Committee with the results of one project audit. He explained that the audit was conducted to comply with the statutory requirement that capital portfolio projects with a state share over \$10 million be reviewed to assess whether state funds were expended in accordance with contractual terms, SDA practices and state regulations.

Next, Mr. Nixon said that the Internal Audit Division (IA) presented the Committee with a proposed 2022 Audit Plan (Plan). He explained that the Plan identified specific audits initiated or to be initiated this year by either IA staff or Baker Tilly, adding that the Plan includes 9 real-time project audits and 6 operational audits. He advised the Board that the proposed Plan equates to approximately 5,200 audit hours--1,300 internal audit staff hours and 3,900 hours for Baker Tilly.

Mr. Nixon then provided the Board with an overview of the May 2022 Monthly Financial Report. He advised the Members that the Authority's operating expenses, at approximately \$7.2 million, are down \$1 million as compared to the budget for the corresponding period. He explained that this decrease is mainly attributable to lower employee salary and benefit costs, partially offset by lower than projected payroll expense allocation to project costs. He reported that the current full-time equivalent (FTE) headcount was at the 137 level through May 31, representing a 27 FTE decrease compared to year-to-date projections. Mr. Nixon reported that year-to-date Authority operating expenses (Actual vs. Prior Year Actual), at \$7.2 million, are \$283,000 lower as compared to the operating budget for the corresponding prior year period. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$150.7 million, approximately \$33.3 million higher as compared to the capital spending forecast for the corresponding period. He advised the Members that this variance is the result of higher than forecasted expenditures for grant activity and school furniture purchases, partially offset by lower than forecasted spending in construction activity, payroll expense allocations, and project insurance. Mr. Nixon said that project expenditures (Actual vs. Prior Year Actual), at approximately \$150.7 million, are higher by approximately \$54.4 million when compared to the capital spending forecast for the corresponding prior year period. He advised that this variance is the result of an increase in expenditures for grant activity and school furniture purchases, offset by decreased spending in construction activity.

Mr. Nixon said that, since program inception, 91.8% of the funds authorized for the SDA districts have been disbursed. Additionally, he noted that 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 projects, along with emergent and regular operating district grant projects, is approximately \$1.1 billion.

Next, Mr. Nixon advised that two matters were presented to the Committee by management that require Board action. He said that the first item for Board consideration is a Memorandum of Agreement (MOA) between the SDA and the New Jersey Cybersecurity and Communications Integration Cell (NJCCIC) in the New Jersey Office of Homeland Security and Preparedness (OHSP) for Cybersecurity Endpoint Detection and Response (EDR) Services. He said that the MOA will allow the Authority to utilize CrowdStrike Falcon EDR software to be deployed on SDA's desktop and laptop computers, mobile devices and other endpoints in order to detect and prevent against cybersecurity threats such as malicious and/or unauthorized activity. He said that the software will provide targeted alert notifications to specific personnel when software security alerts are generated. Mr. Nixon noted that the MOA also provides for staff training and support for the use of the software and the resolution of security alerts generated by the system. He said that the MOA is for an initial 3 years, with an optional 2-year renewal term. He advised that the SDA is required to reimburse NJCCIC for the cost of procuring the CrowdStrike software and licenses at an anticipated expense of approximately \$10,000 to \$15,000 per year.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the Board approved the proposed MOA Between the SDA and the NJCCIC with its unanimous vote in favor of ***Resolution 5a***.

Mr. Nixon then presented the second matter for Board review which involves the SDA's Owner Controlled Insurance Program (OCIP IV) Broker Services and Excess Liability. He reminded the Members that on November 3, 2021 the Board approved an amendment to the OCIP IV Broker Services Agreement with Willis of New York (Willis) tasking Willis with marketing a new excess liability insurance program. He explained that for various reasons,

including impacts resulting from the pandemic, 5 projects are going to deliver after the current policy's March 1, 2023 project completion date. He advised that project schedules indicate that 1 project will not be included in OCIP IV leaving 4 projects impacted by revised completion dates. He said that the excess liability insurers are requiring that there be a dedicated aggregate (i.e. primary coverage) underlying the separate, stand-alone excess liability program for 2 of the 4 capital projects. He said that the total cost to purchase the new excess liability insurance program and required primary policy is an amount not-to-exceed \$1,200,000. Finally, Mr. Nixon advised that--while not required under the SDA Operating Authority as its cost does not exceed \$100,000 or 10% of the contract value--management is seeking Board approval to amend its contract with Willis to perform policy and claims administration during the extended policy term.

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. Maloney, the Board approved the proposed amendment to the OCIP IV Broker Services contract with Willis for a lump sum of \$25,000 and the purchase of excess liability insurance policies for a not-to-exceed \$1.2 million with its unanimous vote in favor of *Resolution 5b*.

### ***School Review Committee***

The Chairman asked Mr. Vargas to provide the report of the School Review Committee. Mr. Vargas reported that the School Review Committee met on June 20, 2022, at which time three items that require Board consideration were discussed. Mr. Vargas informed the Members that the Committee is recommending Board approval of a contract amendment in connection with the Orange Cleveland Street Elementary School (School) project (Project). He reminded the Members that the School is a 39,000 square foot facility educating 306 students in grades Kindergarten through 7. He said that in March 2019, the Board approved an award for

construction services and a final charter for a project at the School. He explained that the Project scope includes an 11,550 square foot addition and renovations to address overcrowding. He said that the Project also will allow a change in grade alignment to Pre-Kindergarten through 6, consistent with the district's Long Range Facilities Plan. He said that in January 2020, general contractor (GC) Brockwell & Carrington, initiated construction services for the Project, with Epic Management, Inc. (Epic) serving as the construction manager (CM). Mr. Vargas informed the Members that in January 2022, the SDA issued a notice of termination for convenience to the GC while, at the same time, directing the GC to complete portions of the work and demobilize from the project site by March 1, 2022. He advised that SDA staff is currently preparing for procurement of a new contract for construction services for the Project with updated design documents.

In continuing, Mr. Vargas reported that in preparing for this procurement, SDA requested that Epic provide additional services not included in its base contract and that the Authority's CM Services contract with Epic also must be extended to the revised substantial completion date of August 2024. He said that Epic provided a proposal for the additional services and time extension based upon the original staffing levels and monthly costs provided in the contract. He advised that Amendment No. 7 in amount of \$868,000 would compensate Epic for providing these additional and extended CM services.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Nixon, Amendment No. 7 for Epic Management, Inc. was approved with the Board's unanimous vote in favor of ***Resolution 6a.***

Next, Mr. Vargas said that management is seeking Board approval of an Amendment for CM services in connection with the Plainfield New Woodland Elementary School (School)

project (Project). He reported that the Project involves construction of a 120,000 square foot building to educate approximately 756 students in grades Kindergarten through 5. He informed the Members that Epic was issued a notice-to-proceed (NTP) with the design phase of the Project on March 11, 2020, with a commencement date of March 20, 2020. He said that following a competitive procurement process, Anser Advisory (Anser) (formerly Cambridge Construction Management) was issued an NTP on October 9, 2020, with a commencement date of October 12, 2020, to provide construction management services for the Project.

In continuing, Mr. Vargas advised that Epic's progress on the Project was negatively impacted by supply chain issues which delayed the delivery of concrete masonry units and other materials causing changes in scheduled activity dates. He reported that SDA staff and Epic have worked to minimize the impact these delays would have on Project completion, with the result that Epic and the project team have now agreed to a revised substantial completion date of March 31, 2023, and a final completion date of July 3, 2023. He said that the goal is a September 2023 school opening.

Mr. Vargas said that the project team reviewed the impact of the newly established completion date on CM staffing requirements and concluded that it is necessary to extend certain Anser staff positions. He explained that these include an extension of 6 months for a project engineer, project manager and office engineer; and 3 months for a mechanical electrical plumbing project manager through the substantial completion date. He added that Anser submitted a proposal in the amount of \$225,000 for these extended CM services which staff has determined is reasonable and appropriate.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Maloney, Amendment

No. 1 for Anser Advisory was approved with the Board's unanimous vote in favor of ***Resolution 6b.***

Next, Mr. Vargas said that management is also seeking Board approval of a lease extension for Temporary Classroom Units (TCUs) in connection with the Plainfield New Woodland Elementary School (Woodland School) project. He reminded the Members that SDA Board approval is required to extend any Board-approved leases. He reported that on September 7, 2016, the SDA Board approved the preliminary project charter for a new two-story school facility on the Plainfield School District-owned Woodland Elementary School site. He informed the Members that the Project includes the construction of a new 121,000 square foot facility to educate 756 students in grades Kindergarten to 5. He said that the new Woodland School would serve as a replacement facility for the District's existing Woodland and Cook Elementary Schools. He explained that the Project required the District to vacate the existing Woodland School after the 2017-2018 school year so that that school could be demolished and provide the site for construction of the new Woodland School. He further explained that it was agreed that, following the demolition, the Woodland School students would be educated along with the Cook School students in the existing Cook School until completion of the new School. Mr. Vargas said that eight additional classrooms were required to accommodate both the Woodland and Cook students at the Cook facility and explained that these were provided through the installation of leased TCUs on the Cook School site.

In continuing, Mr. Vargas reminded that Members that in April, the Board approved a contract award for the lease of TCUs from Vanguard Modular Building Systems, LLC, now known as Boxx Modular, for a lease term not exceeding four years. He said that that students occupied the TCUs starting the 2018-2019 school year and the term of the lease was for a period of 48 months expiring at the end of the 2021-2022 school year. He advised that supply chain

issues delayed the delivery of concrete masonry units and other materials so the substantial completion date for the new School is now March 31, 2023, with school occupancy anticipated September 2023. He added that this requires a one-year extension of the TCU lease agreement. He reported that the cost for the additional 12 months, with the term extending from September 1, 2022 to August 30, 2023, is a total of \$68,670 in addition to the total \$261,600 cost for the initial 48-month term.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Maloney, the lease extension for Temporary Classroom Units at the Cook Elementary School during the construction of the Plainfield New Woodland Elementary School was approved with the Board's unanimous vote in favor of *Resolution 6c*.

### *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 July 6, 2022 meeting.

/s/ Jane F. Kelly  
Assistant Secretary

***Resolution—3a.***

**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 July 6, 2022 Board meeting of the New Jersey Schools Development Authority, for the Open Session were duly forwarded to the Office of the Governor following the meeting.

**NOW, THEREFORE, BE IT RESOLVED**, that the minutes of the New Jersey Schools Development Authority's July 6, 2022 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: August 3, 2022

## **AUTHORITY MATTERS**

## **CEO REPORT**

## **CHAIRMAN'S REPORT**

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

**Amendment No. 18 - LAN Associates - Orange Public School District -  
Cleveland Street Elementary School**

**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Robert Ryan, Program Director, Construction Operations  
Joseph Lucarelli, Program Director, Construction Operations

**DATE:** August 3 2022

**SUBJECT:** Amendment No. 18

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COMPANY NAME:	LAN Associates
DISTRICT:	Orange Public School District
CONTRACT NOS.:	ES-0043-A01
CM:	Epic Management, Inc.
DESIGN CONSULTANT:	LAN Associates
SCHOOL NAME:	Cleveland Street Elementary School
AMENDMENT NOS.:	18
REASON:	Additional Design Services - Structural and Architectural
AMOUNT:	\$ 128,412.00
CONTRACT STATUS:	84.12% Paid to Date against the Current Contract Value
ANTICIPATED OCCUPANCY DATE:	September 2024

**INTRODUCTION**

I am writing to request approval by the Members of the Authority of a contract amendment to Lan Associates (LAN) for additional structural and architectural design services at the Orange Cleveland Street Elementary School project. The recommended amendment, in the lump sum amount of \$128,412.00, is precipitated by the uncovering of structural conditions post additional abatement construction activities in August 2020.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an Amendment which singularly exceeds \$100,000.00 or 10% of the Contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000.00.

**BACKGROUND**

The Cleveland Street ES, built in 1898, is a 38,750 square foot facility educating 306 students in grades Kindergarten to 7. The project scope includes an 11,550 square foot addition and renovations (the Project) to address overcrowding at the existing facility. The Project also will allow a change in grade alignment to Pre-K through Grade 6 consistent with the District's approved Long Range Facilities Plan for the Cleveland Street ES. In the interim, the students have been relocated and are currently being educated in a NJSDA-leased facility.

On March 6, 2019, the Members approved a contract award to Brockwell & Carrington Contractors, Inc. (B&C) for construction services along with the Project's Final Charter. On May 2, 2019, the NJSDA issued a Notice to Proceed (NTP) for the performance by B&C of a Constructability Review. Per the contract, as part of the Constructability Review scope of work, B&C was to verify the following: constructability of the work, coordination of the work, elimination of conflicts in the work and completeness of the work, as detailed in the contract documents. Subsequently, the Construction Administration Phase NTP was issued to LAN on January 13, 2020.

Consistent with the Contract requirements, B&C submitted a proposed change order at the conclusion of the Constructability Review to remedy identified Constructability Review deficiencies. At the same time, B&C waived its rights to further change orders resulting from deficiencies in the documents that could or should have been identified during the Constructability Review. After a series of negotiations, Change Order No. 1 was approved by the NJSDA in January 2020 in the net total amount of \$411,505.89. On January 13, 2020, B&C was issued a NTP for Construction Services.

At the May 5, 2021 Board Meeting, the Members approved a Revised Final Project Charter for the project that was necessary due to significant additional renovation scope that was required for the Project. This additional scope, revealed after the NJSDA engaged B&C, significantly impacted the Project schedule. Specifically, the revised Project Charter served to change the planned school opening date from September 2021 to September 2022. It also included associated costs for the extension of the temporary educational space lease, general contractor extended general conditions, additional construction administration services and additional construction and project management services.

Approximately two years after the construction NTP was issued to B&C, the NJSDA determined that termination of the construction services contract was in the best interest of the NJSDA and the State of New Jersey. Accordingly, the NJSDA issued a Notice of Termination for Convenience to B&C on January 20, 2022 in accordance with Section 11.3.2 of the contract. At the same time, NJSDA directed B&C to complete portions of the work and demobilize from the Project site by March 1, 2022.

Given the length of time between the termination of B&C and the pending procurement of a new construction services contract, at its April 2022 and July 6, 2022 meetings, the Board approved the following in support of the revised forecasted substantial completion date of August 2024:

- Amendments to the Construction Manager's (Epic Management, Inc.) contract to compensate the firm for added security and site maintenance services, along with the provision of additional services, in preparation for procurement of a new GC for the Project.
- A contract amendment for the additional services to be provided by Epic through the revised substantial completion date of August 2024; and
- An extension and modification of the lease period for temporary educational space to accommodate the students relocated during the period of construction.

### CURRENT PROJECT STATUS

Preparations are ongoing for procurement of a new construction services contract with revised design documents in order to complete the Project. NJSDA anticipates advancing a recommendation for approval of an additional amendment to LAN to extend their services to align with the yet to be determined revised forecasted substantial completion date.

### REASON FOR CHANGE

Amendment No. 18 is for additional structural and architectural services related to conditions uncovered following asbestos abatement that revealed building conditions not visible during design of the renovation.

### SUMMARY OF CHANGE

During the course of construction, structural conditions were uncovered requiring additional abatement activities in August 2020, and exposing existing wall construction containing lead and asbestos in poor condition that required demolition and removal. This work then uncovered existing building conditions not noted during design. These

conditions included framing deficiencies, window arch failures and other structural issues that required LAN and its structural engineer KSE to provide the following design services:

1. Replacement and reinforcement of existing window lintels/failing arches throughout the first and second floors.
2. Reinforcement of and supplemental support for previously modified existing roof framing.
3. Reinforcement of existing attic floor deflected joists.
4. Demolition of existing chimney shafts due to the instability of the existing brick masonry.
5. Detailing of the underpinning at various locations to address existing building foundation conditions.
6. Re-design of the exterior boiler room access stairs and associated building foundation underpinnings.
7. Design of new columns and foundations to replace existing, deteriorated steel columns.
8. Design of new columns and foundations to address existing, unsupported cantilevered timber framing in the Ground Floor.
9. Design of new steel lintel details to accommodate installation of HVAC ductwork penetrations due to existing structural conflicts.
10. Design of new structural framing to address existing deficiencies and deteriorated brick masonry at existing interior corridor openings, along with openings in the attic framing.
11. Select brick masonry repairs and reconstruction to address existing deterioration and contractor concerns related to work performed within/around the existing masonry.
12. Design of new structural steel framing to support the planned relocation of the attic level DOAS units.
13. Repair of existing brick masonry façade deterioration.
14. Design of new shoring to aid in the Contractor’s performance of the work.
15. Review of the Contractor’s structural engineer’s shoring design at various locations throughout the existing building.
16. Design of new footings and load bearing wall construction to address the required removal of existing, unstable/unsuitable brick masonry load-bearing interior wall construction.

This amendment is for design services rendered during the construction phase to provide detail and direction to address existing building structural deficiencies and temporary work, and to provide numerous repair sketches and RFI responses.

The proposal breakdown is as follows:

KSE Structural Design Cost	\$ 82,517.00
LAN Design Cost	\$ 37,644.00
LAN Mark Up	\$ 8,251.00
Total	\$128,412.00

All services performed have been confirmed following a review of relevant records with the Construction Management Team (EPIC) and Project Team.

All documents supporting this amendment have been reviewed by the associated NJSDA Project Team members, inclusive of Financial Operations, as well as the Directors and Deputy Director, for adherence to current NJSDA policy and procedures. All reviewing NJSDA staff members, including Financial Operations, have determined that the items in LAN Amendment No. 18 are justified and the amount is reasonable and appropriate.

CALCULATIONS

Additional Design Consultant Services

a. Original Contract Amount	\$ 1,820,017.00
b. Amendments to Date	\$ 554,066.35
c. Proposed Amendments Amount	\$ 128,412.00
d. Total Amendments to Date including this Amendment (Total of Line (b.) and Line (c.))	\$ 682,478.35
e. Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	37.50%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$ 2,502,495.35

RECOMMENDATION

The Members of the Authority are requested to approve Amendment No. 18 in the lump sum amount of \$128,412.00 for additional structural and architectural design services related to conditions uncovered post asbestos abatement that revealed building conditions not visible during design of the renovation portion of the project at the Orange Cleveland Street Elementary School.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an Amendment which singularly exceeds \$100,000.00 or 10% of the Contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000.00.

Recommended by:

/s/ Bob Ryan \_\_\_\_\_  
 Bob Ryan, Director, Construction Operations

/s/ Joseph Lucarelli \_\_\_\_\_  
 Joseph Lucarelli, Director, Construction Operations

Reviewed and Recommended by:	Jane Kelly, Vice President Corporate Governance and Legal Affairs
Reviewed and Recommended by:	Donald Guarriello, Vice President and Chief Financial Officer
Reviewed and Recommended by:	Gregory Voronov, Managing Director, Planning and Program Operations
Reviewed and Recommended by:	Denise Petraglia, Deputy Director, Construction Operations
Prepared and Recommended by:	Felipe Marrero, Senior Program Officer, Construction Operations

## ***Resolution 5a.***

Amendment No. 18 – LAN Associates, Orange School District, Cleveland Street Elementary School, Additional Design Services - Structural and Architectural

### **Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority authorize and approve a contract amendment in an amount exceeding \$100,000 or 10% of the contract value; and

**WHEREAS**, the Orange Cleveland Street Elementary School (OCES) is a 38,750 square foot facility currently educating 306 students in grades Kindergarten through 7; and

**WHEREAS**, in March 2019 the SDA Board approved an award for construction services and a final charter for a project at the OCES (the Project); and

**WHEREAS**, the Project scope includes an 11,550 square foot addition and renovations to address overcrowding at the existing facility and will allow a change in grade alignment to Pre-Kindergarten through grade 6, consistent with the district's approved Long Range Facilities Plan; and

**WHEREAS**, on May 2, 2019, Brockwell & Carrington Construction, Inc. (B&C), the general contractor (GC), commenced the provision of construction services for the Project, with Epic Management, Inc. (Epic) concurrently providing construction management services; and

**WHEREAS**, on January 20, 2022, the SDA issued a Notice of Termination for Convenience to the GC in accordance with Section 11.3.2 of the contract while, at the same time, directing the GC to complete portions of the work and to demobilize from the project site by March 1, 2022; and

**WHEREAS**, the staff is currently preparing to for procure a new contract for construction services; and

**WHEREAS**, in preparing for this procurement, the Project design consultant, LAN Associates (LAN), was requested to provide additional services to address structural and architectural issues related to conditions uncovered following asbestos abatement that revealed building conditions not visible during design of the renovation; and

**WHEREAS**, Amendment No. 18 is necessary to compensate LAN in the lump sum amount of \$128,412.00 for these additional Project services as detailed in memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, LAN's performance of all services has been confirmed following a review of relevant records with Epic and with the SDA Project Team; and

**WHEREAS**, all documents supporting Amendment No. 18 have been reviewed by the associated SDA project team members inclusive of financial operations, as well as the directors and deputy director for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that the items in Amendment No. 18 are justified and the amount is reasonable and appropriate; and

**WHEREAS**, the Members of the Authority are requested to approve Amendment No. 18 in the lump sum amount of \$128,412.00 for LAN Associates in connection with the Orange Cleveland Street Elementary School project.

**NOW, THEREFORE, BE IT RESOLVED**, that, consistent with the provisions of the memorandum presented to the Board on this date and incorporated herein, the Members of the Authority hereby authorize and approve Amendment No. 18 in the lump sum amount of \$128,412.00 for LAN Associates for additional structural and architectural design services for the Orange Cleveland Street Elementary School project.

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

Attached: Memorandum, Amendment No. 18 - LAN Associates, Orange Public School District, Cleveland Street Elementary School, Additional Design Services - Structural and Architectural, dated August 3, 2022

Dated: August 3, 2022

**Amendment No. 22 - Kliment Halsband Architects - Orange Public School District -  
Orange High School**

**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Bob Ryan  
Program Director, Construction Operations

**DATE:** August 3, 2022

**SUBJECT:** Amendment No. 22 – Kliment Halsband Architects – Additional Construction Administration Phase Service Hours for Unforeseen Conditions for Loring Consulting Engineers

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**COMPANY NAME:** Kliment Halsband Architects, LLC

**DISTRICT:** Orange

**CM:** Anser Advisory, LLC

**CONTRACT NOS.:** ES-0042-A01

**DESIGN CONSULTANT:** Kliment Halsband Architects

**SCHOOL NAME:** Orange High School

**AMENDMENT NO.:** 22

**REASON:** Additional Construction Administration Phase Service Hours for Unforeseen Conditions for Loring Consulting Engineers

**AMOUNT:** \$132,015.00

**CONTRACT STATUS:** 82.85% Paid to Date against the Current Contract Value

**ANTICIPATED OCCUPANCY:** September 7, 2022

**INTRODUCTION**

I am writing to recommend that the Members of the Authority approve an amendment in the amount of \$132,015.00 for additional construction phase service hours expended by Kliment Halsband Architects, LLC's (KHA) MEP Engineer, Loring Consulting Engineers (LCE), on the Orange High School (OHS) Addition/Renovation Project (the Project). This amendment is necessitated by the discovery of unforeseen conditions during the course of construction.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an amendment which singularly exceeds \$100,000.00 or 10% of the Contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000.00.

**BACKGROUND**

Orange High School, built in 1974, is a 145,294 square-foot facility educating 804 students in grades 10 to 12. The Project scope includes a two-story addition of approximately 50,000 square feet, an enclosed connecting bridge between Orange High School (OHS) and the adjacent Orange Preparatory Academy

(OPA), and selective renovations to the existing High School building to address facilities conditions deficiencies.

The Addition/Renovation Project at OHS is anticipated to be completed in time for September 2022-2023 school year occupancy by the Orange Public School District (District). During the course of construction, various unforeseen, hidden conditions were encountered that differed from what had been identified on the District as-built plans provided to KHA for use during the design of the Project. These unforeseen conditions made an already complicated project even more challenging.

On March 6, 2019, the Members of the Authority approved the award of a contract in the amount of \$37,000,000.00 to Terminal Construction Corporation (TCC) for construction services for the addition and renovation Project at OHS and also approved the Project's Final Charter.

Before construction initiated, TCC was contractually required to perform a constructability review to identify any potential conflicts in the project documents. On April 29, 2019, TCC was issued a Limited NTP to perform the constructability review. The constructability review phase was completed on November 15, 2019. Subsequently, on December 4, 2019, the Members of the Authority approved Change Order No. 2 to TCC and an NTP for construction was issued to TCC on January 29, 2020.

On January 5, 2022, the Members of the Authority approved Amendment No. 20 in the amount of \$174,580.00 to compensate KHA for additional construction phase service hours made necessary by identification of the aforementioned unforeseen conditions. However, Amendment No. 20 did not include additional construction administration phase services performed by KHA's MEP Engineer, LCE. Accordingly, an additional amendment is now required to compensate LCE for these additional service hours which included time to review general contractor price proposals, review of and response to additional Requests for Information, review of additional construction submittals, and participation in additional Project-related meetings and site visits.

#### SUMMARY OF CHANGE

As referenced above, during the course of construction of the Project, various unforeseen, hidden conditions were encountered, conditions that differed from what had been identified on the as-built plans of the existing school that had been provided to KHA and their subconsultant LCE for use during design of the Project's MEP components, including the following:

- previously undocumented existing electrical conditions in the existing High School Media Center and Cafeteria scheduled to be renovated as part of this project; and
- different existing HVAC piping sizes and locations of units scheduled to be replaced.

These conditions necessitated additional reviews and responses by LCE for a multitude of MEP related RFIs, submittals, meetings and site visits which were not included as part of KHA's and LCE's original fee proposal.

Upon review, it was determined that the variances in existing conditions were not foreseeable by KHA or LCE and that the construction work necessary to address them was not part of the original project scope of work which formed the basis of KHA's and LCE's original fee proposal. To date, these unforeseen conditions have resulted in multiple construction change orders with a combined value over \$2 Million.

Numerous Amendments to KHA’s agreement with the NJSDA have been approved for the related design services as well as Amendment No. 20 for additional construction phase services. However, an amendment is now necessary to compensate LCE for the additional construction phase services related to the review of TCC price proposals, review and response to additional RFIs, review of additional construction submittals, additional meetings and site visits, all while maintaining the accelerated project schedule.

LCE has provided the NJSDA with an accounting of the additional construction phase hours expended to date pertaining to these conditions. These have been reviewed, negotiated and accepted by NJSDA staff, pending Board approval of the resulting contract amendment. Through February 2022, LCE expended 1,970 hours for construction phase services versus the 1,056 hours that were estimated and included in their original proposal, for an additional 914 hours spent on construction phase services. LCE expended an additional 124 hours for construction phase services related to these unforeseen conditions through the month of June 2022. In total, LCE is entitled to compensation for 1,038 additional construction administration hours.

Proposed Amendment No. 22, in the lump sum amount of \$132,015.00 inclusive of KHA markups, would compensate KHA, and more significantly, LCE, for their additional construction phase services related to the unforeseen conditions on the Project.

Funding for this amendment is available within the Revised Final Project Charter Budget approved by the CEO on March 17, 2022.

All documents supporting this amendment have been reviewed by the associated NJSDA project team members inclusive of Financial Operations, as well as the Program Director and Deputy Program Director for adherence to current NJSDA policies and procedures. All reviewing NJSDA staff members, including Financial Operations, have determined that Amendment No. 22 is justified and the amount is reasonable and appropriate.

**CALCULATIONS:**

a.	Contract Amount (Pre-Design, Design, Construction Administration and Allowances)	\$ 3,590,796.00
b.	Amendments to Date	\$ 535,684.81
c.	Proposed Amendment Amount (Total Amount)	\$ 132,015.00
d.	Total Amendments to Date including this Amendment (Total of Line (b.) and Line (c.))	\$ 667,699.81
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	18.59%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$ 4,258,495.81

RECOMMENDATION

The Members of the Authority are requested to approve Amendment No. 22 in the lump sum amount of \$132,015.00 to provide compensation to KHA, in order for KHA to compensate its subconsultant, LCE, for additional construction phase service hours made necessary by unforeseen conditions at the Orange High School Addition and Renovation Project in the Orange Public School District.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an Amendment which singularly exceeds \$100,000.00 or 10% of the Contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000.00.

/s/ Bob Ryan  
Bob Ryan, Program Director, Construction Operations

Reviewed and Recommended by: Jane Kelly, Vice President Corporate Governance and Legal Affairs  
Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer  
Reviewed and Recommended by: Steve Wendling, Deputy Program Director, Construction Operations  
Reviewed and Recommended by: Gabe Salas, Project Officer, Program Operations and Strategic Planning  
Reviewed and Recommended by: Jorge Alfonso, Sr. Program Officer, Construction Operations  
Prepared and Recommended by: Andrea Pasquine, Project Officer, Construction Operations

## ***Resolution—5b.***

Amendment No. 22, Kliment Halsband Architects, Orange High School,  
Orange School District, Additional Construction Administration Phase Service Hours for Unforeseen  
Conditions for Loring Consulting Engineering

### **Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority authorize and approve contract amendments in an amount exceeding \$100,000 or 10% of the contract value; and

**WHEREAS**, the Orange High School (OHS), built in 1974, is a 145,294 square-foot facility educating 804 students in grades 10 to 12; and

**WHEREAS**, the scope of a work underway at OHS includes a two-story addition of approximately 50,000 square feet, an enclosed connecting bridge between OHS and the adjacent Orange Preparatory Academy (OPA), and selective renovations to the existing OHS building to address facilities conditions deficiencies (the Project); and

**WHEREAS**, on March 6, 2019, the Members of the Authority approved the award of a contract in the amount of \$37 million to Terminal Construction Corporation (Terminal) for construction services for the Project and also approved the Project's final charter; and

**WHEREAS**, on April 29, 2019, Terminal was issued a limited notice-to-proceed (NTP) with a constructability review to identify any potential conflicts in the project documents and, once completed, identify any corresponding costs to address them; and

**WHEREAS**, the constructability review phase was conducted and completed on November 15, 2019 and, on December 4, 2019, the Members of the Authority approved Change Order No. 2 to Terminal and issued Terminal a NTP with construction on January 29, 2020; and

**WHEREAS**, as fully described in the memorandum presented to the Board, during the course of construction of the Project, various unforeseen hidden conditions were encountered, conditions that differed from what was identified on the as-built plans of the existing OHS that had been provided to the Project's design architect, Kliment Halsband Associates (KHA), for use during design; and

**WHEREAS**, upon review, it was determined that these variances in existing conditions were not foreseeable by KHA and that the construction work necessary to address them was not accounted for in the project scope which was the basis of KHA's original fee; and

**WHEREAS**, On January 5, 2022, the Members of the Authority approved Amendment No. 20 in the amount of \$174,580.00 to compensate KHA for additional construction phase service hours made necessary by identification of the aforementioned unforeseen conditions; and

**WHEREAS**, Amendment No. 20 did not include compensation for additional construction administration phase services performed by KHA's MEP Engineer, Loring Consulting Engineers (LCE), with the result that an additional amendment is now required to compensate LCE, through KHA, for these additional services which are described in detail in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, all documents supporting Amendment No. 22 have been reviewed by the associated SDA project team members inclusive of financial operations, as well as the program director and deputy program director for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that Amendment No. 22 is justified and the amount is reasonable and appropriate; and

**WHEREAS**, the Members of the Authority are requested to approve Amendment No. 22 in the lump sum amount of \$132,015.00 to KHA for its sub-consultant, LCE, for additional construction phase service hours for the Orange High School Addition and Renovations Project in the Orange Public School District.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve Amendment No. 22 in the lump sum amount of \$132,015.00 to compensate Kliment Halsband Associates and its sub-consultant, Loring Consulting Engineers, for additional construction phase service hours made necessary by unforeseen conditions at the Orange High School Addition and Renovations Project in the Orange Public School District.

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

Attached: Memorandum, Amendment No. 22, (ES-0042-A01), Orange High School, Orange Public School District, Additional Construction Administration Phase Service Hours for Unforeseen Conditions for Loring Consulting Engineers, dated August 3, 2022

Dated: August 3, 2022

**Change Order No. 1 - Hall Building Corporation - Asbury Park School District -  
Thurgood Marshall Elementary School**



TO: Members of the Authority

FROM: Joseph Lucarelli  
Program Director, Construction Operations

DATE: August 3, 2022

SUBJECT: Change Order #1- Hall Building Corp.

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COMPANY NAME: Hall Building Corp.  
DISTRICT: Asbury Park  
CONTRACT NO.: ET-0041-C04  
PMF/CM: NJSDA  
SCHOOL NAME: Thurgood Marshall Elementary School  
CHANGE ORDER NO.: 1  
REASON: Remove Concrete Steps and Additional Flooring  
AMOUNT: \$ 36,400.00  
ORIGINAL CONTRACT AMOUNT: \$ 327,675.52  
CONTRACT STATUS: 0% Paid to Date against the Current Contract Value  
ANTICIPATED OCCUPANCY DATE: August 26, 2022

### INTRODUCTION

I am writing to request approval by the Members of the Authority of Change Order (CO) #1 in the time and material not to exceed value of \$36,400.00 for the Asbury Park Thurgood Marshall Elementary School project (Project). This change order will compensate the General Contractor (“GC”) on the Project, Hall Building Corporation (“HBC”), for the labor, material and equipment required to remove two concrete steps at the front of the stage, the first course of brick at adjacent columns and all flooring material beneath these elements.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a change order which singularly exceeds \$100,000.00 or 10% of the contract value requires approval by the Members of the Authority. This change order exceeds 10% of the contract value.

### BACKGROUND

#### NJSDA Flooring Initiatives

The NJSDA, in consultation with the New Jersey Department of Health (“NJDOH”) and in accordance with the latter’s guidance document, advanced a multi-step initiative in 2020 to evaluate flooring materials installed in NJSDA-delivered school facilities. To identify those facilities that potentially required remedial work, NJSDA conducted site visits to more than 140 school facilities in NJSDA Districts, and 25 school facilities delivered in Regular Operating Districts (“RODs”). Of these facilities, approximately 30% were determined to have poured polyurethane flooring systems requiring further evaluation.

NJSDA then engaged qualified environmental professionals to perform bulk sample testing and evaluation of those identified flooring types. Bulk sample testing identified whether subsequent air monitoring was appropriate. NJSDA continues to work in consultation with SDA school districts to complete air monitoring activities in school facilities, according to NJDOH guidance. Upon completion of these activities, NJSDA is working with impacted school districts to replace or remediate any flooring systems as needed, in accordance with NJDOH guidance.

Based upon testing and air monitoring results, flooring at the Thurgood Marshall Elementary School (“Marshall ES”) in the Asbury Park School District requires removal and replacement.

In 2006, the New Jersey Schools Construction Corporation (“NJSCC”), the predecessor to the NJSDA, completed construction of a 3-story, 13,278 square foot addition with a new entrance to the Marshall ES. The new building included: a gymnasium, which is equipped with an office and locker rooms, a stage area, a music room, a resource center, conference rooms and a new kitchen/cafeteria.

The existing 75,000-square-foot building received a total renovation. This included the conversion of 2 classrooms on the fourth floor into a new discovery/technology lab. In addition, the work included an overhaul of the building's mechanical and electrical systems to allow for the installation of new air conditioners, plumbing, heaters, fire alarm systems and sprinkler systems, and to provide handicap accessibility. The total facility, with the addition, provides 50 classrooms for approximately 814 students.

In September 2020, the NJSDA engaged an environmental site consultant, E2PM, to test the flooring in the gymnasium at the Marshall ES. Then, two (2) rounds of air sampling followed in September 2020 and January 2021. Air testing results revealed the presence mercury in the flooring in excess of NJDOH standards, prompting the NJSDA to inform the District of these test results.

Based on the test results, the NJSDA determined that it was necessary to remove the flooring in the multipurpose room, and to install new flooring. The flooring is being removed using procedures similar to an asbestos abatement project. These procedures include the construction of air-tight containment barriers and decontamination enclosure systems, and the utilization of high-efficiency particulate absorbing (“HEPA”) filtration equipment.

The physical removal of the flooring is taking place during non-school hours. Air testing for mercury is being performed by the NJSDA’s environmental consultant in the school hallways during the removal phase as a safety precaution.

#### REASON FOR CHANGE

During the removal process of the Multipurpose Room floor, additional flooring material was found to be present at the front edge of the concrete steps to the stage and at the adjacent brick columns. Probes of the area and test results confirmed that the material beneath the concrete steps and brick columns contain mercury at levels requiring additional remediation, specifically below the concrete and brick work. To effectively ensure that all mercury flooring material is removed and that clear air testing can be conducted, the concrete steps and first course of brick must be removed in order that the flooring beneath can be removed and the slab on grade can be scarified to received finish and sealed.

Change Order #1 would compensate HBC for the removal of two concrete steps at the front of the stage, the first course of brick at adjacent columns and all flooring material beneath these elements.

In an effort to ensure a timely project completion and allow for September 2022 occupancy, the Project Team requested that the contractor provide two price proposals. The first proposal (Proposal #1) is for the removal of the concrete steps, brick and floor material to facilitate and complete abatement of the material underneath. The second proposal (Proposal #2) is for the replacement of the steps and brick. This will include HBC’s provision of shop drawings for the replacement of the steps and the brick on the concrete slab, but not on the finish floor material. The replacement of the stairs and brick work will be completed by HBC under a separate change order.

HBC provided Proposal #1 in the amount of \$38,295.00. The Project Team evaluated the proposed amount and negotiated a reduction in the subcontractor labor hours. The Project Team and HBC agreed-upon time and material not to exceed value of \$36,400.00 for CO #1.

SUMMARY OF THE CHANGE

Change Order #1 is for the removal of two concrete steps at the stage front, the first course of brick at adjacent columns and all flooring material beneath these elements.

The cost breakdown is as follows:

Subcontractor Work	\$	32,550.00
HBC OH&P on Subs Work (5%)	\$	1,627.50
HBC Work	\$	1,948.08
Hall OH&P on Own Work (15%)	\$	292.21
Total	\$	36,417.29
Negotiated and Agreed to T&M NTE Cost	\$	36,400.00

All documents supporting this change order have been reviewed by the associated NJSDA Project Team for adherence to current NJSDA policy and procedures. All reviewing NJSDA staff members have determined that the items included in the change order are justified and that the amount is reasonable and appropriate.

CALCULATIONS

a. Original Contract Amount	\$	327,675.52
b. Change Orders to Date (excluding proposed change order)	\$	0.00
c. Proposed Change Order Amount	\$	36,400.00
d. Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$	36,400.00
e. Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		11.10%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	364,075.52

Members of the Authority  
Asbury Park – Thurgood Marshall Elementary School  
Hall Building Corp. (ET-0041-C04)  
Change Order #1  
August 3, 2022  
Page 4 of 4

### RECOMMENDATION

The Members of the Authority are requested to approve Change Order #1 in the time and material not to exceed amount of \$36,400.00 to Hall Building Corporation for the provision of labor and equipment to remove concrete steps, the first course of brick and additional flooring material for the Asbury Park Thurgood Marshall Elementary School mercury in flooring abatement project.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a Change Order which singularly exceeds \$100,000.00 or 10% of the Contract value requires approval by the Members of the Authority. This Change Order exceeds 10% of the contract value.

Recommended by:

/s/ Joseph Lucarelli

Joseph Lucarelli, Director, Construction Operations

Reviewed and Recommended by: Donald Guarriello, Vice President, CFO

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

Reviewed and Recommended by: Gregory Voronov, Managing Director, Planning & Program Operations

Reviewed and Recommended by: Denise Petraglia, Deputy Director, Construction Operations

Prepared and Recommended by: Dhimant Dave, Program Officer, Construction Operations

**Resolution—5c.**

Approval of Change Order No. 1 Hall Building Corporation, (ET-0041-C04)  
Thurgood Marshall Elementary School – Asbury Park School District

COMPANY NAME: Hall Building Corporation  
DISTRICT: Asbury Park  
CONTRACT NO.: ET-0041-C04  
PMF/CM: NJSDA  
SCHOOL NAME: Thurgood Marshall Elementary School  
CHANGE ORDER NO.: 1  
REASON: Remove concrete steps and additional flooring  
AMOUNT: \$36,400.00  
ORIGINAL CONTRACT AMOUNT: \$ 327,675.52  
CONTRACT STATUS: 0% Paid to Date against the Current Contract Value  
ANTICIPATED OCCUPANCY DATE: August 26, 2022

**Resolution**

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

**WHEREAS**, in 2020, in consultation with the New Jersey Department of Health (DOH) and in accordance with the latter’s guidance document, the SDA advanced a multi-step initiative to evaluate flooring materials in SDA-delivered school facilities to ascertain the presence of mercury; and

**WHEREAS**, to identify those facilities with flooring that contained mercury and thus required remedial work, SDA conducted site visits to more than 140 school facilities in SDA Districts, and 25 school facilities delivered in Regular Operating Districts and, of these facilities, approximately 30% were determined to have poured polyurethane flooring systems requiring further evaluation; and

**WHEREAS**, SDA engaged qualified environmental professionals to perform bulk sample testing and an evaluation of those identified flooring types; and

**WHEREAS**, in accordance with NJDOH guidance, SDA continues to work in consultation with SDA school districts to complete air monitoring activities in school facilities and with impacted school districts to replace or remediate any flooring systems as needed; and

**WHEREAS**, in 2006, the New Jersey Schools Construction Corporation (NJSCC), NJSDA’s predecessor entity, completed construction of a 3-story, 13,278 square foot addition with a new entrance to the Thurgood Marshall Elementary School (Marshall School) in the Asbury Park School District; and

**WHEREAS**, the testing and air monitoring of flooring at the Marshall School by an SDA-engaged environmental consultant revealed the presence of mercury in excess of NJDOH standards thus requiring flooring removal and replacement; and

**WHEREAS**, based on the test results, the NJSDA determined that it was necessary to remove the flooring in the Marshall School multipurpose room, and to install new flooring and the work to this end is proceeding during non-school hours; and

**WHEREAS**, during the removal process of the multipurpose room floor, additional flooring material was found to be present at the front edge of the concrete steps to the stage and at the adjacent brick columns; and

**WHEREAS**, Change Order #1 would compensate the General Contractor (GC), Hall Building Corp. (HBC), for the removal of these two concrete steps at the stage front, the first course of brick at adjacent columns and all flooring material beneath these elements; and

**WHEREAS**, in an effort to ensure a timely project completion and allow for September occupancy, the Project Team requested that the contractor provide two price proposals, the first for the removal of the concrete steps and brick and floor material to facilitate the complete abatement of the conditions underneath; and the second for the replacement of the stairs and brick; and

**WHEREAS**, the replacement of the stairs and brick work will be completed by HBC, under a separate change order; and

**WHEREAS**, HBC's cost proposal for removal of the concrete stairs and brick and floor material to facilitate the complete abatement of the conditions beneath was in the amount of \$38,295.00, with subsequent negotiations resulting in an agreed-upon not-to-exceed value of \$36,400.00 for CO #1; and

**WHEREAS**, all documents supporting this change order have been reviewed by the associated SDA Project Team for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that the items included in the change order are justified and that the amount is reasonable and appropriate.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve Change Order #1 in the not-to-exceed amount of \$36,400.00 for Hall Building Corporation for the provision of labor and equipment to remove concrete steps, the first course of brick and additional flooring material for the Asbury Park Thurgood Marshall Elementary School mercury in flooring abatement project.

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

Attached: Memorandum, Hall Building Corporation, Contract No. ET-0041-C04, Change Order No. 1, Thurgood Marshall Elementary School, Asbury Park School District, dated August 3, 2022

Dated: August 3, 2022

**REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE  
(CHAIRMAN'S REPORT) -**

**TO BE PROVIDED IN EXECUTIVE SESSION**

**MONTHLY REPORTS**  
**(For Informational Purposes)**

## **ACTIVE PROJECTS STATUS REPORT**



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

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**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: August 3, 2022

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

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

The 2<sup>nd</sup> 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 7/20/22

**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.

**2011 & 2012 Portfolio Projects Activities Summary**

as of 7/20/22

**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	\$28.4	Design-Bid-Build	Award for D-B approved Nov. 2019 Board. (Niram)	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.

**2011 & 2012 Portfolio Projects Activities Summary**

as of 7/20/22

**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	School delivered Sep. 2020 (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	School delivered Nov. 2020 (Dobco)	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	\$145.0	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	School delivered Sep. 2020. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,295	\$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	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	840	\$59.4	Kit of Parts/ Design-Build	Award for D-B approved Feb. 2020 Board. (Epic Management)	5/23/18 8/29/19
Union City	New Grade 7 to 9 School	7-9	756	840	\$75.5	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2022 Board - awaiting expiration of veto period	5/19/21 11/15/21
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock).	9/24/15

**\*PLEASE NOTE** - 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 7/20/22

**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	School occupied Sep. 2021 (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	\$38.9	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	\$56.1	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

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**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 7/1/2022

### 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	City of Orange	Cleveland Street ES	Addition/Renovation	Construction	Under Review	Under Review	Under Review	Under Review	\$ 38,860,332
2	City of Orange	Orange High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 56,063,605
3	Keansburg	Port Monmouth Road School	Addition/Renovation	Construction	3Q 2022	On-target	Sep-22	On-target	\$ 28,440,130
4	Millville	Millville Senior High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 145,005,733
5	Perth Amboy	New High School	New Construction	Construction	2Q 2024	On-target	Sep-24	On-target	\$ 283,830,000
6	Plainfield	New Woodland ES	New Construction	Construction	3Q 2023	On-target	Sep-23	On-target	\$ 59,440,000

## Active Project Status Report

### Status as of 7/1/2022

#### Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Irvington	Grove Street School	Boiler Replacement	GCTO w/ Design Design Phase	2Q 2023	On Target	2Q 2023	On-Target	\$ 3,762,782
2	Newark	Cleveland School	Boiler Room Vault Repairs	GCTO w/ Design Design Phase	2Q 2023	On Target	2Q 2023	On-Target	\$ 1,664,389
3	Newark	Ivy Hill School	Boiler Room Vault Repairs	Construction	2Q 2022	Achieved	3Q 2022	On-Target	\$ 1,758,900
4	Newark	Malcolm X. Shabazz HS	Structural Repairs	Construction	3Q 2022	On Target	3Q 2022	On-Target	\$ 3,189,000
5	Newark	Roberto Clemente School	Sub-Basement Water Infiltration	Construction	3Q 2022	On Target	4Q 2022	On-Target	\$ 1,456,800
6	Newark	Techonology High School	Structural Vault Repairs and Façade Repairs	GCTO w/ Design Design Phase	2Q 2023	On Target	3Q 2023	On-Target	\$ 2,867,680
7	Paterson	PS #5	Roof Replacement & Masonry Repairs	Construction	3Q 2022	On Target	3Q 2022	On-Target	\$ 10,968,112
8	Plainfield	Plainfield HS	Boiler Room Roof Repairs	Construction	3Q 2022	On Target	4Q 2022	On-Target	\$ 674,800

## **PROJECT STATUS REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director – Program Operations

DATE: August 3, 2022

SUBJECT: Executive Summary – Monthly Project Status Reports

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**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:**

No activity during the reporting period

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

Reporting Period: January 2008 to June 2022

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

Millville	Millville Senior HS - Addition & Renovation	\$5,000,000	\$5,000,000	\$0	100.0%	86%	Board approved additional building condition repair work and flood hazard area mitigation work added to the project.	Project is in construction and scheduled for completion per the original schedule. Revised Final Project Charter approved by the CEO in June 2021 to allocate additional contingency to the project from the Unforeseen Events Reserve.
Orange	Orange HS - Addition & Renovation	\$4,525,000	\$4,525,000	\$0	100.0%	92%	Unforeseen conditions related to the site and renovation portions of the project and connection of the HS to the Orange Preparatory Academy.	Project is in construction and scheduled for completion this year. Revised Final Project Charter approved by the CEO to allocate additional contingency to the project from the Unforeseen Events Reserve.

**Substantially Complete & Building Occupied**

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

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. Project close-out pending resolution of open contracts.
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. Project close-out pending resolution of open contracts.

<sup>1</sup> Does not include expended contingency or contingency funds allocated for change orders, amendments



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

Reporting Period: June 2022

#	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 Data During the Reporting Period



### Revisions to Project Charters

Reporting Period: June 2022

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
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No Data During the Reporting Period

**CONTRACTS EXECUTED REPORT/AMENDMENTS & CHANGE ORDERS REPORT**

**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director, Program Operations

DATE: August 3, 2022

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

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**Contracts Executed Report**

This report contains the activity of Contracts executed during the period June 1 through June 30, 2022.

**Noteworthy Items during the reporting period:**

- Execution of 4 contracts for construction totaling \$1.94M.

**Amendments & Change Orders Report**

This report contains the activity of Amendments and Change Orders executed during the period June 1 through June 30, 2022.

**Noteworthy Items during the reporting period:**

- 2 Professional Services Amendments were executed during the reporting period totaling \$99k, of the 2 executed amendments none required Board approval.
- 29 Construction Services Change Orders were executed during the reporting period totaling \$2.5M, of the 29 executed change orders 1 required Board Approval totaling \$1.9M.

**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: 6/1/2022 through: 6/30/2022

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
<b>Part 2. Construction Services</b>										
<b>Contractor</b>										
Asbury Park	T. Marshall Primary	Reno	Construction	ET-0041-C04	Hall Building Corporation		\$327,676	6/9/2022	-	
Neptune Township	Green Grove E.S.	Reno	Construction	ET-0026-C02	Epic Management, Inc.		\$433,090	6/28/2022	-	
Newark	Cleveland E.S.	Emergent	Construction	EP-0109-C02	Epic Management, Inc.		\$1,042,507	6/28/2022	-	
Pemberton Township	Denbo Crichton E.S.	Site Restoration	Construction	WT-0023-C02	Hall Building Corporation		\$138,000	6/28/2022	\$190,070	\$190,07
<b>Contractor</b>										
<b>Part 2. Construction Services</b>							<b>\$1,941,273</b>			<b>\$190,07</b>

## Contracts Executed Report

Reporting Period: 6/1/2022 through: 6/30/2022

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	
<b>Part 4. Other Contracts &amp; Services</b>											
<b>Others</b>											
Camden City	Camden H.S.	New	FFE	CA-0022-K30	Washington Computer Services		\$24,625	6/30/2022	-		
Millville	High School	Reno/Add	FFE	ST-0046-F44	H&H Interiors, Inc.		\$17,006	6/9/2022	-		
Millville	High School	Reno/Add	FFE	ST-0046-F45	H&H Interiors, Inc.		\$45,471	6/9/2022	-		
Millville	High School	Reno/Add	FFE	ST-0046-F46	H&H Interiors, Inc.		\$71,113	6/27/2022	-		
Millville	High School	Reno/Add	FFE	ST-0046-Q48	Krueger International, Inc.		\$39,814	6/10/2022	-		
<b>Others</b>											
<b>Part 4. Other Contracts &amp; Services</b>							<b>\$198,028</b>				
							<b>Total Contract Award</b>				
<b>Grand Totals - Professional and Construction Services Combined</b>							<b>\$2,139,301</b>				
								<b>Total Contracts Awarded</b>			
								<b>9</b>			

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

### Project Types Legend

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

### Contract Types Legend

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 &amp; Change Orders Report

Reporting Period: 6/1/2022 through: 6/30/2022

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 %
<b>Professional Services</b>													
<b>Design Consultant</b>													
Keansburg Borough	Port Monmouth Road School	ET-0098-A01	3/9/2016	10	Lan Associates, Engineering, Planning, A	6/6/2022	\$2,047,296	\$201,756	\$13,168			\$2,262,220	10.50%
<b>Design Consultant</b>													
<b>Construction Management Services</b>													
City Of Orange Township	Orange H.S.	ES-0042-M01	1/9/2019	3	Cambridge Construction Management, Inc.	6/6/2022	\$1,504,858	\$147,483	\$85,925			\$1,738,266	15.51%
<b>Construction Management Services</b>													
<b>Professional Services</b>													
									<b>\$99,093</b>				
<b>Construction Services</b>													
<b>Contractor</b>													
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	32	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,154,254	\$2,047			\$42,156,301	13.93%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	114	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,156,301	\$7,208			\$42,163,509	13.95%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	115	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,163,509	\$17,940			\$42,181,450	14.00%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	116	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,181,450	\$1,981			\$42,183,431	14.00%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	119	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,183,431	\$1,371			\$42,184,802	14.01%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	131	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,184,802	\$12,046			\$42,196,849	14.04%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	132	Terminal Construction Corp.	6/6/2022	\$37,000,000	\$5,196,849	\$5,987			\$42,202,836	14.06%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	136	Terminal Construction Corp.	6/8/2022	\$37,000,000	\$5,202,836	\$6,000			\$42,208,836	14.07%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	137	Terminal Construction Corp.	6/8/2022	\$37,000,000	\$5,208,836	\$12,387			\$42,221,223	14.11%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	139	Terminal Construction Corp.	6/8/2022	\$37,000,000	\$5,221,223	\$8,205			\$42,229,428	14.13%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	140	Terminal Construction Corp.	6/8/2022	\$37,000,000	\$5,229,428	\$12,492			\$42,241,920	14.16%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	144	Terminal Construction Corp.	6/8/2022	\$37,000,000	\$5,241,920	\$3,779			\$42,245,699	14.17%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	146	Terminal Construction Corp.	6/9/2022	\$37,000,000	\$5,245,699	\$5,241			\$42,250,940	14.19%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	148	Terminal Construction Corp.	6/9/2022	\$37,000,000	\$5,250,940	\$6,756			\$42,257,696	14.20%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	150	Terminal Construction Corp.	6/9/2022	\$37,000,000	\$5,257,696	\$3,826			\$42,261,522	14.22%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	151	Terminal Construction Corp.	6/9/2022	\$37,000,000	\$5,261,522	\$3,421			\$42,264,944	14.22%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	138	Terminal Construction Corp.	6/22/2022	\$37,000,000	\$5,264,944	\$17,809			\$42,282,753	14.27%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	141	Terminal Construction Corp.	6/22/2022	\$37,000,000	\$5,282,753	\$10,379			\$42,293,132	14.30%



## Amendments &amp; Change Orders Report

Reporting Period: 6/1/2022 through: 6/30/2022

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 %
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	149	Terminal Construction Corp.	6/22/2022	\$37,000,000	\$5,293,132	\$6,099			\$42,299,231	14.32%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	147	Terminal Construction Corp.	6/24/2022	\$37,000,000	\$5,299,231	\$7,506			\$42,306,737	14.34%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	153	Terminal Construction Corp.	6/28/2022	\$37,000,000	\$5,306,737	\$30,419			\$42,337,157	14.42%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	152	Terminal Construction Corp.	6/29/2022	\$37,000,000	\$5,337,157	\$464,869			\$42,802,026	15.68%
Keansburg Borough	Port Monmouth Road School	ET-0098-C01	12/19/2019	10	Niram Inc.	6/15/2022	\$18,645,000	\$1,174,033	\$11,081			\$19,830,115	6.35%
Newark	Harriet Tubman E.S.	EP-0115-C01	11/17/2021	1	Epic Management, Inc.	6/6/2022	\$56,819	\$0	(\$25,000)			\$31,819	-43.99%
Paterson	Number 5 E.S.	EP-0113-C01	6/15/2021	13	Paul Otto Building Co., Inc.	6/15/2022	\$7,494,000	\$388,501	\$5,858			\$7,888,360	5.26%
Millville	High School	ST-0046-B01	5/24/2017	21	Hall Construction Co., Inc.	6/23/2022	\$114,453,000	\$5,028,854	\$1,915,177	Y	5/3/2020	\$121,397,031	6.06%
Millville	High School	ST-0046-B01	5/24/2017	49	Hall Construction Co., Inc.	6/23/2022	\$114,453,000	\$7,186,252	\$22,555			\$121,661,807	6.29%
Paterson	Union Avenue Middle School	PA-0011-B01	10/18/2018	18	Epic Management, Inc.	6/13/2022	\$57,932,000	(\$641,826)	\$5,735			\$57,295,909	-1.09%
Perth Amboy	New Perth Amboy High School	ET-0099-B01	1/6/2020	12	Terminal Construction Corp.	6/30/2022	\$247,950,000	\$2,785,817	(\$47,268)			\$250,688,549	1.10%

<b>Contractor</b>	
<b>Construction Services</b>	<b>\$2,535,910</b>

<b>Total Change Order Summary</b>	<b>Total Change Orders</b>
<b>\$2,635,003</b>	<b>31</b>

<b>Grand Totals</b>	
<b>Column Description Legend</b>	
<b>CO Execution Date</b>	<b>Date the Change Order was entered into the SIMS system</b>
<b>Revised Contract Amount</b>	<b>Current value of the contract (excluding additional assignments) including current change order</b>

**CONTRACT TERMINATIONS REPORT** *(no activity)*

**SETTLEMENT CLAIMS** *(no activity)*

## **DIVERSITY AND WORKFORCE PARTICIPATION REPORT**

**MEMORANDUM**

TO: Members of the Authority

FROM: Karon L. Simmonds, Director, Risk Management

DATE: August 3, 2022

SUBJECT: Diversity and Workforce Participation Monthly Update for May 2022

The Risk Management staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA's Small Business Enterprise (SBE) and Workforce goals, policies and procedures, including:

- SBE subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Local 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 ATTAINMENT**

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through May 31, 2022 was \$5,022,896. The total contract dollars awarded to all SBE contractors was \$944,405 (including minorities, women and veterans). This represents an initial participation of 18.80% of all SDA contracts awarded in calendar year 2022. Participation will continue to increase as the Prime contractor continues to hire additional subcontractors/subconsultants through the lifecycle of the construction project.

**Diversity Breakdown**

<b>Type of Business Enterprise</b>	<b>Contract Amount</b>	<b>% of Total SDA Contracts</b>
Small Business Enterprises	\$ 789,480	15.72%
Small/ Minority Business Enterprises	\$ 74,925	1.49%
Small/Women Business Enterprises	\$ 80,000	1.59%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
<b>TOTAL DIVERSITY CONTRACTS</b>	<b>\$ 944,405</b>	<b>18.80%</b>

**WORKFORCE PARTICIPATION**

For the month of May 2022, there was a contractor workforce of 631 on SDA projects. This represents a total of 55,545 contractor workforce hours as follows:

<b>Contractor Workforce Breakdown (All Trades/Districts/Counties)</b>			
<b>Ethnicity</b>	<b>Total Workforce</b>	<b>Total Workforce Hours</b>	<b>Workforce Hours Percentage</b>
Black	59	4,932	8.88%
Hispanic	133	12,206	21.98%
American Indian	1	18	0.03%
Asian	0	0	0.00%
<b>Total Minority Participation</b>	<b>193</b>	<b>17,156</b>	<b>30.89%</b>
Total Non-Minority Participation	438	38,389	69.11%
Total Contractor Workforce	631	55,545	100.00%

There was a contractor workforce of 217,988 total workforce hours and 1,522 total female workforce hours on SDA projects for the period of January 1, 2022 through May 31, 2022. The following table highlights the *Local County Contractor Workforce* participation for this period:

<b>Local County Contractor Workforce Participation</b>	<b>Workforce Hours</b>	<b>Percentage</b>
*Total Workforce Hours	217,988	100.00%
<b>*Total Local County Workforce Hours</b>	<b>25,771</b>	<b>11.82%</b>
<b>Total Local County Non-Minority Workforce Hours</b>	<b>12,739</b>	<b>5.84%</b>
<b>Total Local County Female Workforce Hours</b>	<b>0</b>	<b>0.00%</b>
<b>Total Local County Minority Workforce Hours</b>	<b>13,032</b>	<b>5.98%</b>
<b>**Local County Workforce Hours by Ethnicity:</b>		
Black	4,384	2.01%
Hispanic	8,648	3.97%
American Indian	0	0.00%
Asian	0	0.00%

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

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

The following table represents contractor minority and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2022 through May 31, 2022.

<b>SDA Managed Project</b>	<b>Total Workforce Hours</b>	<b>Minority Workforce Hours &amp; Percentage</b>		<b>Local County Workforce Hours &amp; Percentage</b>	
Port Monmouth Road School	17,418	3,850	22.10%	0	0.00%
Millville HS	38,055	10,263	26.97%	4,804	12.62%
Dayton Ave Campus	779	97	12.45%	0	0.00%
Union Ave MS	520	149	28.65%	0	0.00%
Cleveland ES	698	75	10.74%	0	0.00%
Orange HS	8,220	2,256	27.45%	88	1.07%
Perth Amboy HS	107,316	26,319	24.52%	7,222	6.73%
Plainfield ES	38,482	13,560	35.24%	13,657	35.49%
Emergent Projects	6,476	2,984	46.08%	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: August 3, 2022

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

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This report summarizes the Regular Operating District Grant activity from inception to date and for the month of June 2022. Also included is a detailed list of grants executed and grants offered during the reporting period if applicable.

**Monthly Update:**

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- 1 grant impacting 1 district was closed out during the reporting period representing total project costs of \$5.1 million and state share of \$2.5 million.
- Since inception, over \$2.9B 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.



ROD Grant Summary Since Program Inception				
	Offered <sup>1</sup>	Executed	Closed-Out	Active
Districts Impacted	-	524	520	51
Number of Grant Projects	-	5,404	5,198	206
Total Project Cost Estimate	\$ -	\$ 8,941,993,748	\$ 8,784,770,944	\$ 157,222,803
Grant Amount	\$ -	\$ 3,001,515,867	\$ 2,925,563,962	\$ 75,951,904
Amount Disbursed	N/A	\$ 2,950,394,153	\$ 2,925,563,962	\$ 24,830,190

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	\$ 118,022,522
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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	-	1
Number of Grant Projects	-	1
Total Project Cost Estimate	\$ -	\$ 5,071,646
Grant Amount	\$ -	\$ 2,487,120
Amount Disbursed	NA	\$ 2,487,120

\* 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.

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

**COMMUNICATIONS MONTHLY REPORT** *(no report)*

## **MONTHLY FINANCIAL REPORT**



## MEMORANDUM

**TO:** Members of the Authority

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

**DATE:** August 3, 2022

**SUBJECT:** Monthly Financial Report – June 2022

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

For June 2022 year to date, Authority operating expenses, **\$7.9M**, are **\$1.3M** lower than budget for the corresponding period. This variance is attributable to lower employee salary and benefit costs as compared to budget, **\$1.8M**, partially offset by a lower payroll and benefits expense allocation to project costs, **\$1.3M**. Other contributing factors include lower spending for contracted services, **\$283K**, general office expenses, **\$196K**, information system purchases, **\$193K** and SDA-owned vehicles, **\$15K**.

The full time employee (FTE) headcount is 134 as of June 30, 2022. This total represents a 33 FTE decrease in comparison to the year to date budget.

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

For June 2022 year to date, Authority operating expenses, **\$7.9M**, are **\$284K** lower when compared to the corresponding prior year. This variance is due to a decrease in year over year employee salary and benefit costs, **\$1.6M**, partially offset by a lower payroll and benefits expense allocation to project costs, **\$1.2M**.

The current number of FTEs, 134, is down 29 FTEs as compared to the corresponding prior year.

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

For June 2022 year to date, project expenditures, **\$172.9M**, are **\$32.3M** higher than the capital spending forecast for the corresponding period. This variance is due to higher than forecasted spending for grant activity, **\$62.4M**, and school furniture and fixture purchases, **\$248K**, partially offset by lower than forecasted spending for construction work, **\$26.1M**, project insurance, **\$2.2M**, payroll expense allocation, **\$1.3M**, design services, **\$580K** and inter-agency transfers, **\$228K**.

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

For June 2022 year to date, project expenditures **\$172.9M**, are higher by **\$60.0M**, when compared to the corresponding prior year. This variance is related to increased spending activity in grants, **\$66.6M** and school furniture and fixtures, **\$8.7M**, offset by a decrease in spending activity for construction work, **\$12.6M**, payroll expense allocation, **\$1.2M**, PMF/CM services, **\$764K**, project insurance, **\$465K**, inter-agency transfers, **\$383K** and design services, **\$159K**.

**Other**

Since program inception, 91.9% 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 \$1.1B.

Attachment

**New Jersey Schools Development Authority**  
**Monthly Financial Report**  
**June 2022**  
**(Unaudited)**

# New Jersey Schools Development Authority

## Overview of Financial Position

### June 30, 2022

**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, June 30, 2022.

► Overall **Cash and Cash Equivalents** have decreased by \$179.4 million to \$441.8 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	877,428
■ Miscellaneous revenue	17,704
■ Project costs	(172,874,883)
■ SDA operating expenses	(8,297,623)
■ SDA capital expenditures	-
■ Deposits (primarily district local shares)	925,607
Net Change in Cash	\$ (179,351,767)

► **Prepaid Expenses** total \$308,083 as follows:

- Prepaid insurance of \$279,416.
- Prepaid security deposit of \$1,950 for the Authority's flexible spending accounts.
- Prepaid MIS maintenance service contracts of \$24,246.
- Other prepaids of \$2,471.

► **Capital Assets** total \$1,282,535 (net of accumulated depreciation of \$4,910,902), consisting of leasehold improvements (SDA office), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$0 and **Depreciation Expense** is \$273,765.

► **Accrued Liabilities** total \$98.5 million, as follows:

- Accrued project costs of \$21.9 million consisting of unpaid invoices (\$4.6 million) and retainage (\$17.3 million).
- Net pension liability of \$42.4 million.
- Other post-employment benefits obligation of \$29.6 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$2.1 million (PRO liability \$2.1 million, offset by expected cost recoveries of \$0 million).
- Estimated liability for loss contingencies totaling \$0.4 million.
- Payroll related liabilities of \$1.8 million.
- Other accrued liabilities of \$0.3 million.

► **Deposits** total \$7.5 million, as follows:

- \$7.5 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$323.3 million.

# New Jersey Schools Development Authority

## School Facilities Project Expenditures & Funding Allocation

### June 30, 2022

► **School Facilities Construction Bond / Note Proceeds & Project Expenditures**

- During the current year to date, the SDA has received \$0 million in bond proceeds.  
The total amount of bond/note proceeds received since program inception is \$11.848 billion.
- Project expenditures for the month and year-to-date periods total \$22.1 million and \$172.9 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 15,563,097	\$ 82,110,094	\$ 5,581,352,028
Design Services	(41,299)	337,836	413,080,680
PMF/CM Services	374,982	2,406,379	477,575,466
SDA Project Management	958,675	4,819,509	126,437,116
Property Acquisition, Relocation & Enviro	146,074	954,173	585,870,440
School Furniture, Fixtures & Equipment	152,536	9,954,562	231,350,047
Project Insurance	2,824	(602,958)	113,988,430
NJ State Inter-Agency Transfers	-	-	52,505,486
SDA District Grant & Funding Agreements	3,129,024	49,179,145	928,143,880
Regular Operating District Grant Agreements	1,732,041	23,190,314	2,977,875,608
Real-Time Project Audits	21,165	143,024	933,733
Property Management, Maintenance & Utils	53,186	163,655	19,018,071
Outside Legal & Claims Resolution Services	18,651	104,953	11,618,538
Temporary Staffing	2,945	33,013	10,709,577
Other Project Costs	24,373	81,184	62,273,787
Project Credits	-	-	(54,902,944)
<b>Total Project Expenditures</b>	<b>22,138,274</b>	<b>172,874,883</b>	<b>11,537,829,943</b>
Less: Local Share Contributions	-	-	(185,112,439)
<b>Project Expenditures (State Share)</b>	<b>\$ 22,138,274</b>	<b>\$ 172,874,883</b>	<b>\$ 11,352,717,504</b>
 2022 Capital Spending Forecast	 \$ 23,209,452	 \$ 140,599,989	

#### Allocations Since Program Inception

► **Bond/Note Funding & Expenditures**

	<u>Bonding Caps</u> <sup>1</sup>	<u>Total Funding</u> <sup>2</sup>	<u>Paid to Date</u> <sup>3</sup>
■ SDA Districts	\$ 8,900,000,000	\$ 9,027,517,648	\$ 8,298,303,591
■ Regular Operating Districts	3,450,000,000	3,500,469,751	3,275,846,330
■ Vocational Schools	150,000,000	152,016,928	122,514,172
<b>Total - State Share</b>	<b>\$ 12,500,000,000</b>	<b>\$ 12,680,004,327</b>	<b>\$ 11,696,664,093</b>

► **Percentage of Total Bond/Note Funding Paid to Date**

■ SDA Districts	91.9%
■ Regular Operating Districts	93.6%
■ Vocational Schools	80.6%
<b>Total - State Share</b>	<b>92.2%</b>

1 Of the \$12.5 billion authorized for the school construction program, \$11,847,702,648 principal amount of bond/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).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$515,985,543.

**New Jersey Schools Development Authority**  
**Fund Reporting Operating Expenses vs Budget**  
**June 30, 2022**

<b><u>Category</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Over/</u></b>
	<b><u>Year-To-Date</u></b>	<b><u>Year-To-Date</u></b>	<b><u>(Under)</u></b>
<b>Personnel Expenses:</b>			
Employee Salaries	\$ 6,410,757	\$ 7,765,650	\$ (1,354,893)
Employee Benefits	4,145,498	4,547,141	(401,643)
Direct Hire Temporary Employee Costs	9,597	24,222	(14,625)
Total Employee Salaries & Benefits Costs	10,565,852	12,337,013	(1,771,161)
<b><u>Less:</u> Employee Salaries &amp; Benefits Costs</b>			
Charged to Projects	4,819,509	6,145,030	(1,325,521)
Salaries & Benefits Charged to Operating Expense	5,746,343	6,191,983	(445,640)
Temporary Staffing Services	-	75,000	(75,000)
Travel & Expense Reimbursements	8,597	13,104	(4,507)
Training & Professional Development	15,051	49,254	(34,203)
Total Personnel Expenses	5,769,991	6,329,341	(559,350)
<b>Non-Personnel Operating Expenses:</b>			
Facilities & General Office Expenses	1,028,077	1,224,294	(196,217)
Information Systems	559,611	752,336	(192,725)
Professional & Other Contracted Services	228,139	510,792	(282,653)
Property & Casualty Insurance	232,537	233,652	(1,115)
SDA-Owned Automobiles	87,213	102,498	(15,285)
Communications & Outreach	-	900	(900)
Reserve for Unforeseen Events & New Initiatives	-	25,002	(25,002)
<b>Total Authority Operating Expenses</b>	<b>\$ 7,905,568</b>	<b>\$ 9,178,815</b>	<b>\$ (1,273,247)</b>
 <b>2022 Annual Operating Budget</b>		 <b>\$ 15,754,151</b>	

**New Jersey Schools Development Authority**  
**Fund Reporting Operating Expenses vs Prior Year**  
**June 30, 2022**

<b><u>Category</u></b>	<b><u>Actual</u></b>	<b><u>2021</u></b>	<b><u>Over/</u></b>
	<b><u>Year-To-Date</u></b>	<b><u>Year-To-Date</u></b>	<b><u>(Under)</u></b>
<b>Personnel Expenses:</b>			
Employee Salaries	\$ 6,410,757	\$ 7,400,985	\$ (990,228)
Employee Benefits	4,145,498	4,736,329	(590,831)
Direct Hire Temporary Employee Costs	9,597	-	9,597
Total Employee Salaries & Benefits Costs	10,565,852	12,137,314	(1,571,462)
<b><u>Less:</u> Employee Salaries &amp; Benefits Costs</b>			
Charged to Projects	4,819,509	5,983,682	(1,164,173)
Salaries & Benefits Charged to Operating Expense	5,746,343	6,153,632	(407,289)
Temporary Staffing Services	-	-	-
Travel & Expense Reimbursements	8,597	9,286	(689)
Training & Professional Development	15,051	11,691	3,360
Total Personnel Expenses	5,769,991	6,174,609	(404,618)
<b>Non-Personnel Operating Expenses:</b>			
Facilities & General Office Expenses	1,028,077	1,022,544	5,533
Information Systems	559,611	554,999	4,612
Professional & Other Contracted Services	228,139	207,258	20,881
Property & Casualty Insurance	232,537	201,855	30,682
SDA-Owned Automobiles	87,213	27,937	59,276
Communications & Outreach	-	-	-
Reserve for Unforeseen Events & New Initiatives	-	-	-
<b>Total Authority Operating Expenses</b>	<b>\$ 7,905,568</b>	<b>\$ 8,189,202</b>	<b>\$ (283,634)</b>

**New Jersey Schools Development Authority**  
**Employee Headcount**  
**June 30, 2022**

	<b><u>Current Month End</u></b>	<b><u>Budget</u></b>	<b><u>Over/ (Under)</u></b>
<b>Office of Chief Executive Officer</b>	2	3	(1)
Human Resources	4	4	-
Vacant Positions	0	11	(11)
Communications	3	3	-
Legislative Affairs	1	1	-
EEO/AA & Vendor Services	2	0	2
<b>Office of Program Operations &amp; Strategic Planning</b>	1	2	(1)
Capital Planning & Program Operations	7	7	-
Design Studio	12	16	(4)
Grants Administration	8	9	(1)
Real Estate Services & Predevelopment	4	4	-
<b>Office of Construction Operations</b>	0	0	-
Project Teams	22	26	(4)
<b>Office of Corporate Governance &amp; Legal Affairs</b>	4	5	(1)
Chief Counsel	7	8	(1)
Information Systems	12	13	(1)
Central Records Management	3	3	-
Safety	7	8	(1)
Internal Audit	2	3	(1)
<b>Office of Chief Financial Officer</b>	1	2	(1)
Financial Operations	7	7	-
Financial Accounting & Disbursements	9	10	(1)
Procurement	8	8	-
Risk Management	2	8	(6)
Property Management	1	2	(1)
Facilities	5	4	1
<b>Total Full-Time Employees at Month End</b>	<b><u>134</u></b>	<b><u>167</u></b>	<b><u>(33)</u></b>
<b>Total Full-Time Employees at Year End</b>		<b><u>175</u></b>	

**New Jersey Schools Development Authority**  
**Statement of Net Position**  
**June 30, 2022**

**Excludes 2021 GASB 68 Entries**

	<u>Current Month End</u>	<u>2021 Year End</u>	<u>Over/ (Under)</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 441,808,396	\$ 621,160,163	\$ (179,351,767)
Receivables	680	4,847	(4,167)
Prepaid Expenses	308,083	155,694	152,389
Capital Assets (Net of Accumulated Depr.)	1,282,535	1,556,300	(273,765)
Total Assets	<u>443,399,694</u>	<u>622,877,004</u>	<u>(179,477,310)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount for Pensions & OPEB	12,191,178	14,663,260	(2,472,082)
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 455,590,872</u>	<u>\$ 637,540,264</u>	<u>\$ (181,949,392)</u>
<b>LIABILITIES</b>			
Accrued Project Costs	\$ 24,422,888	\$ 52,907,777	\$ (28,484,889)
Net Pension Liability	42,434,159	42,434,159	-
Accrued Other Post-Employment Benefits	29,642,790	29,188,405	454,385
Other Accrued Liabilities	1,979,216	4,690,689	(2,711,473)
Deposits	7,548,976	6,623,369	925,607
Total Liabilities	<u>106,028,029</u>	<u>135,844,399</u>	<u>(29,816,370)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount for Pensions & OPEB	26,235,802	26,235,802	-
<b>NET POSITION</b>			
Invested in Capital Assets	1,282,535	1,556,300	(273,765)
Restricted for Schools Construction:			
Special Revenue Fund	322,044,506	473,903,763	(151,859,257)
Net Position	<u>323,327,041</u>	<u>475,460,063</u>	<u>(152,133,022)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>			
	<u>\$ 455,590,872</u>	<u>\$ 637,540,264</u>	<u>\$ (181,949,392)</u>

**New Jersey Schools Development Authority**  
**Statement of Activities**  
**June 30, 2022**

**Excludes 2021 GASB 68 Entries**

	<u>Current</u> <u>Year-To Date</u>	<u>2021</u> <u>Year-To Date</u>	<u>Over/</u> <u>(Under)</u>
<b>REVENUES</b>			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ 350,000,000	\$ (350,000,000)
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	877,428	104,725	772,703
Rental Income	6,720	6,000	720
Other Revenue-OPRA	10,984	915	10,069
Total Revenues	<u>895,132</u>	<u>350,111,640</u>	<u>(349,216,508)</u>
<b>EXPENSES</b>			
Administrative & General Expenses	8,359,953	8,572,314	(212,361)
Capital Depreciation	273,765	275,171	(1,406)
School Facilities Project Costs	144,394,436	101,968,006	42,426,430
Total Expenses	<u>153,028,154</u>	<u>110,815,491</u>	<u>42,212,663</u>
<b>CHANGE IN NET POSITION</b>	<b>(152,133,022)</b>	<b>239,296,149</b>	<b>(391,429,171)</b>
Beginning of Period Net Position	<u>475,460,063</u>	<u>132,495,342</u>	<u>342,964,721</u>
<b>NET POSITION END OF PERIOD</b>	<b><u>\$ 323,327,041</u></b>	<b><u>\$ 371,791,491</u></b>	<b><u>\$ (48,464,450)</u></b>

**DESIGN CONTRACT DE-OBLIGATIONS REPORT (*no activity*)**

**Resolution to Adjourn into Executive Session**

## ***Resolution—8.***

### Resolution to Adjourn into Executive Session

#### **Resolution**

**WHEREAS**, the “Senator Byron M. Baer Open Public Meetings Act” (OPMA), N.J.S.A. 10:4-6, declares “the right of the public to be present at all meetings of public bodies” except as expressly provided in the Act; and

**WHEREAS**, N.J.S.A. 10:4-12 (b) provides that a public body may exclude the public from that portion of a meeting at which the public body discusses, among other things, any matter involving the lease... of real property with public funds...or any pending or anticipated litigation or contract negotiations in which the public body is or may become a party...falling within the attorney-client privilege, to the extent that confidentiality is required to preserve the attorney-client relationship; and

**WHEREAS**, the Members of the New Jersey Schools Development Authority (SDA or the Authority) have before them on this date one matter that, pursuant to N.J.S.A. 10:4-12, is appropriate for consideration in Executive Session; and

**WHEREAS**, the matter for Executive Session consideration involves a potential acquisition by the Authority of real property located in Newark, Essex County, New Jersey; and

**WHEREAS**, the minutes of the Board’s August 3, 2022 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, and settlements, and associated matters and/or the execution of all documentation, agreements and leases associated therewith.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby resolve to adjourn into Executive Session to consider and deliberate with regard to the matter described herein and, thereafter, to vote on the associated Resolution No. 6a. upon the Board’s return to Open Session.

**BE IT FURTHER RESOLVED**, that the minutes of the Board’s August 3, 2022 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, settlements, and associated matters, and/or the execution of all documentation, agreements and leases associated therewith.

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

Attached: Resolution to Adjourn into Executive Session, dated August 3, 2022

Dated: August 3, 2022