

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS TELECONFERENCE MEETING
WEDNESDAY, FEBRUARY 16, 2022**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 16, 2022 at 10:00A.M.

Participating by teleconference were:

Robert Nixon, Chairman

David Moore (Treasury)

Bernard Piaia (DOE)

David Nuse (EDA)

Kevin Luckie (DCA)

Daniel Gumble

Michael Maloney

Mario Vargas

being a quorum of the Board.

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; Albert Barnes, chief counsel; and Sean Murphy, director of the SDA, participated in the meeting by teleconference. Joy Johnson of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

The meeting was called to order by Mr. Nixon, the Chairman of the Board. The Chairman asked Ms. Kelly to read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice was sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting. She said that a call-in number was provided on the SDA Website so that members of the public could participate in the meeting by teleconference. She also advised the Members that the call-in number for the meeting was posted at the SDA offices earlier in the morning. Ms.

Kelly then conducted a roll call and indicated that a quorum of the Members of the Board was present.

School Review Committee

The Chairman asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review and Real Estate Committees met jointly on February 14, 2022, at which time three projected related items that require Board consideration in Open Session were discussed. He said that the Committee is recommending Board approval of cap adjustments to the Authority's General Construction Task Order (GCTO) contracts which allow for the efficient initiation of two types of work-- emergent projects and emergency situations-- through a pool of contractors available to perform the work. He said that under the GCTO, no individual task order can exceed \$3,000,000 overall and no individual firm can receive more than \$5,000,000 of work per region during the Task Order contract's three-year term. Mr. Luckie reminded the Members that the \$5 million amount covers participating firms for the three-year term of the Task Order contract which is scheduled to expire on January 1, 2023. He said that, currently, 12 task order assignments in the amount of \$17.5 million are scheduled to be awarded prior to the expiration of the Task Order contract with the result that the remaining not-to-exceed (NTE) balances on the Task Order contracts are not sufficient to cover their total award value. He explained that given the expectation that this trend will continue, management is recommending that the Board approve an increase to the NTE value for each of the nineteen (19) Task Order contracts per region from \$5,000,000 to \$7,500,000.

Mr. Luckie referenced the Board memorandum, noting that some of the contractors are declining projects. He said that there are 19 contractors listed and only 7 contractors are actively working on the SDA projects. He added that some of the contractors are working multiple jobs

and hitting their GCTO limits, so management is seeking to increase the GCTO contract value to \$7,500,000.

Mr. Nixon inquired as to why the contractors are declining SDA projects. Mr. Murphy said that some of the contractors have indicated that it's related to the unavailability of resources. He added that one firm had a recent influx of other government work so they exceeded their aggregate limit based upon uncompleted work. He said that the firm wants to accept the work but is unable to do so.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Following discussion, upon motion duly made by Mr. Piaia, and seconded by Mr. Vargas, the proposed increase to the not-to-exceed values set forth in the General Construction Task Order Contract was approved with the Board's unanimous vote in favor of ***Resolution 3a***.

Next, Mr. Luckie said that management is seeking Board approval of a release of funds from the program reserve, a task order award and a final project charter for the Irvington Grove Street Elementary School emergent project (Project or School). He said that the Board should be aware that the adjustment to the Authority's GCTO that was just approved by the Board was required for this Project's advancement. He reported that the School is an approximately 90,000 square foot facility educating approximately 360 students in grades Pre-Kindergarten through 5. He explained that, following the identification of boiler-related emergent conditions at the School and Department of Education approval of an emergent project there, work to address the conditions was delegated to the district. He said that following a request by the district, the work is being managed by the SDA through the engagement of a general contractor using the GCTO contract. Mr. Luckie advised the Board that after the first firm on the rotational list declined the engagement, in November 2021, Catcord Construction (Catcord), the next firm on the list, accepted the task order assignment. He noted that the scope of work for the Project includes

design services, construction services, hazardous materials abatement activities and the performance of code or regulatory improvements.

In continuing, Mr. Luckie informed the Members that site visits were held with Catcord in December 2021 and SDA staff instructed Catcord to engage a design consultant and any sub-consultants necessary for developing a proposal, cost estimate, and schedule towards addressing replacement of the boilers. He said that in January 2022, Catcord provided the SDA with a cost estimate for the most extensive solution to address all scope elements and remedy the emergent conditions. He explained that upon completion of design, the SDA will review and validate the final projected cost and schedule and determine whether to advance the construction work on a time and material (T&M) basis for the NTE amount, or establish a fixed cost for the scope of work. He said that SDA's program and financial staff directors recommend the award of a task order to Catcord in the NTE amount of approximately \$2,833,000, following their determination that the amount was reasonable for the elements included in the scope of work. He added that total funding costs are estimated at \$3,763,000. He noted that this amount is available within the SDA Program Reserve maintained for emergent projects. Mr. Luckie added that management also is seeking a release of funds from the Program Reserve and approval of the project's final charter.

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. Piaia, the Board approved the release of funds from the program reserve, task order award, and final charter for the Irvington Grove Street Elementary School emergent project upon its unanimous vote in favor of ***Resolution 3b***.

Finally, Mr. Luckie said that management requests that the Board approve a task order award and final project charter for the Newark Cleveland Elementary School (School) emergent

project (Project). He reported that the School is an approximately 76,500 square foot facility educating 440 students in grades Pre-Kindergarten through 8. He advised that after confirming emergent boiler room vault conditions at the School, SDA engaged STV Architects in October 2018 to perform pre-design services. He explained that following pre-design phase services, staff determined to advance the work using the GCTO contract, and to require the general contractor to engage the services of a design consultant to complete needed design services. He said that in this case as well, the firm that was first in line was unable to perform the work with the result that staff then contacted Epic Management (Epic), the next firm on the list, who accepted the task order assignment.

In continuing, Mr. Luckie informed the Members that on January 26, 2022, Epic provided the SDA with a cost estimate to complete the entirety of the work. He said that the estimate included design services and implementation of the most extensive scope of work to remedy the emergent conditions. He advised that it is recommended that the work be performed on a T&M basis, for the NTE amount of \$1,042,507.27, which represents Epic's cost proposal for the most extensive solution for most of the scope elements. He said that field investigative activities will determine if replacement, rather than repair, of the boiler room vault plaza roof slab is required. He added that this must precede Epic's presentation of a reasonable and well-considered price proposal for replacement of the roof slab with the result that the NTE value for the engagement is based upon its repair. Mr. Luckie explained that upon completion of design, SDA will review and validate the final projected cost and schedule for the scope of work and determine to either 1) advance the construction work on a T&M basis for the NTE amount, or 2) establish a fixed cost for the scope of work defined in the construction documents. He said that management and staff believe that this proposal is reasonable for the elements included in the scope of work and recommend the award of a task order to Epic. He noted that, in addition to the

contract award, management also recommends that the Board approve the Project's final charter. He added that funding for the Project's total costs is available within the SDA Program Reserve maintained for emergent projects.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the Board approved the task order award and final project charter for the Newark Cleveland Elementary School emergent project upon its unanimous vote in favor of ***Resolution 3c***.

Mr. Nixon then asked for a motion to adjourn the Open Session of the meeting and to move into Executive Session. He asked Ms. Kelly to announce the matter to be considered in Executive Session. Ms. Kelly said that the Board will adjourn into Executive Session to discuss one matter. She advised that the matter to be considered by the Board in Executive Session involves a request for milestone deadline extensions associated with the former SDA West Ward property that was previously transferred to the City of Newark. She said that the Board will vote on this matter upon its return to Open Session. Ms. Kelly requested that the Chairman present ***Resolution No. 4*** for Board consideration and approval, reflecting the Members' resolve to move into Executive Session to discuss the proposed settlement.

The Chairman presented ***Resolution No. 4*** for a vote. Upon motion duly made by Mr. Mr. Vargas and seconded by Mr. Piaia, the Members of the Authority unanimously voted to approve ***Resolution No. 4*** and thereby adjourn the Open portion of the meeting into Executive Session.

Mr. Gumble indicated that he would be unable to join the Executive Session portion of the meeting to deliberate with respect to the Newark Westside Property matter. He advised, however, that he had read the materials provided in advance of the meeting and asked that his vote be recorded in the affirmative when the Board considers whether to approve the milestone

extension request. Ms. Kelly assured Mr. Gumble that his affirmative vote has been noted and would be so recorded.

Following return to Open Session, Mr. Vargas announced that in Executive Session the Board had discussed the Real Estate Committee's recommendation that management be authorized to agree to the City of Newark's request for a 3-year extension of the transactional milestones associated with the Newark West Side Property formerly owned by the SDA.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia, and seconded by Mr. Luckie, the Board, with Mr. Gumble's affirmative vote recorded at his request, approved the proposed extension of deadlines associated with the Property at issue with its unanimous vote in favor of ***Resolution AI.***

Adjournment

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

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its February 16, 2022 meeting.

/s/ Jane F. Kelly
Assistant Secretary