

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD MEETING  
WEDNESDAY, NOVEMBER 2, 2016 AT 9:00 A.M.  
32 E. FRONT STREET, TRENTON, NJ  
BOARD ROOM**

- 1. NOTICE OF PUBLIC MEETING**
- 2. ROLL CALL**
- 3. APPROVAL OF MEETING MINUTES**
  - a. Board Open Session Meeting Minutes of October 5, 2016
- 4. AUTHORITY MATTERS**
  - a. CEO Report
  - b. Chairman's Report
- 5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
  - a. Owners Controlled Insurance Program (OCIP) Builders Risk (Property) Insurance
  - b. Business and Real Estate Property & Casualty Insurance Program Renewal GP-0214-R01
- 6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
  - a. Design-Build Award and Approval of Final Project Charter – Harrison School District - Harrison New Elementary School
- 7. MONTHLY REPORTS**
  - a. *For Informational Purposes*
    - i. Active Projects Report
    - ii. Project Close Out Status Report
    - iii. Project Status Reports
    - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
    - v. Contract Terminations Report (*no activity*)
    - vi. Settlement Activities Report (*no activity*)
    - vii. Contractor and Workforce Compliance Report
    - viii. Regular Operating District Grant Activity Report
    - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
    - x. Communications Report (*no activity*)
    - xi. Monthly Financial Report
    - xii. Design Contract De-Obligations Report (*no activity*)
- 8. PUBLIC COMMENTS**
- 9. EXECUTIVE SESSION**
  - a. Recommendation for Settlement of Cost Recovery Litigation: NJSDA v. Yezzi Associates, LLC and PMK Group Inc. et al. - Relating to Orange Park Avenue Elementary School Facilities Project
  - b. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)  
CCD Report (*no activity*)
- 10. ADJOURNMENT**

**APPROVAL OF MEETING MINUTES**

**OCTOBER 5, 2016 OPEN SESSION**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, OCTOBER 5, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, October 5, 2016 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman  
Maureen Hassett (EDA)  
Kevin Luckie (DCA)  
Bernard Piaia (DOE)  
Matthew Spadaccini (Treasury)  
Michael Capelli  
Loren Lemelle  
Michael Maloney  
Robert Nixon  
Mario Vargas

being a quorum of the Board. Mr. Capelli, Ms. Lemelle, Mr. Maloney, Mr. Piaia and Mr. Spadaccini participated in the meeting by teleconference.

At the Chairman's request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; Ritchard Sherman, managing director, Gregory Voronov, managing director; Sean Murphy, director; and Anthony Gilfillan, director of

the SDA participated in the meeting. Michael Collins of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

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

Mr. Walsh presented for consideration and approval the minutes of the Board's September 7, 2016 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Open Session minutes of the September 7, 2016 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

### ***Authority Matters***

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

At the request of the Chairman, Mr. McKenna provided the Report of the Chief Executive Officer. Mr. McKenna advised the Board that SDA has opened several schools which will serve the students of the state for many years to come. He added that this year, with the addition of the 7 schools that were opened, SDA will have provided seats for in excess of 8,500 students.

Mr. McKenna then began his report with an update on the Trenton Central High School (TCHS) project. He informed the Members that the design-builder, Terminal Construction,

continues with design phase services. He said that the stone work operation is complete and staff anticipates issuing a Notice to Proceed (NTP) with footings and foundations within the next few weeks.

Turning to projects in the Bridgeton School District, Mr. McKenna reported that, following the installation of playground equipment at the Buckshutem Road ES, an application for a Certificate of Occupancy (CO) will be submitted to the Department of Community Affairs (DCA). He added that a ribbon cutting ceremony was held on September 22. In regard to the Quarter Mile Lane ES project, he said that renovation work on the existing school is ongoing. He reported that the new addition was completed there and that the students have moved into the building.

Mr. McKenna reported that Design Ideas Group (DIG) has concluded pre-design phase services for the Camden HS project. He said that recommendations for a new Camden HS and the preliminary project charter are on today's agenda.

With respect to the East Orange George Washington Carver ES project, Mr. McKenna said that Site Enterprises, Inc. has mobilized and commenced demolition work at the site. He said that the SDA Design Studio continues to advance the design of the new school.

Next, Mr. McKenna gave an update on projects in the Elizabeth School District. He said that, for the Elizabeth HS - Frank J. Cicarell Academy project, a Temporary CO (TCO) was issued last month and the school session began as scheduled. He noted that a dedication ceremony was held on September 28. With respect to the Elizabeth New ES project, he reported that footings and foundations work is complete and other major site-work activities continue to progress well. He said that steel erection work was completed the previous month. Mr. McKenna said that footings and foundations work is ongoing for the Garfield James Madison ES

No. 10 project and structural steel fabrication is nearing completion. With respect to the Gloucester ES/MS project, he reported that construction work continues to progress well. He added that staff anticipates achieving substantial completion in November. For the Harrison New ES project, Mr. McKenna said that the design-build services procurement was advertised in July and price and technical proposals are due tomorrow, October 6. In regard to the Irvington Madison Avenue ES project, he reported that building demolition is complete and site work is nearing completion. He said that staff advertised for design-build services in mid-August and price and technical proposals are due October 25.

Turning to projects in the Keansburg School District, Mr. McKenna reported that a CO was issued in September for the Caruso ES project and staff is working on project close-out. He said that, for the Port Monmouth Road ES project, the design consultant continues with pre-design phase services work. He added that the school is vacant and destructive testing is being performed.

Mr. McKenna then gave an update on projects in the Jersey City School District. He reported that a TCO was issued in August for the Jersey City PS 20 project, and the school session began as scheduled. He said that staff held a ribbon cutting ceremony there and that punch list work is ongoing. In regard to the Jersey City ES No. 3 project, he said that building enclosure, interior finishes and site work are all progressing.

Mr. McKenna said that, for the Millville HS addition and renovation project, staff advertised for design-build services on September 30.

With respect to the New Brunswick Paul Robeson ES project, Mr. McKenna reported that a NTP for footings and foundations was issued the previous month. He said that abatement of the existing school and site remediation activities are ongoing.

Mr. McKenna next provided an update on projects in the Newark School District. He reported that all punch list items for Elliott Street ES project have been completed and that the area of refuge is being completed. He added that the application package for a Certificate of Acceptance is anticipated to be submitted to DCA within the next few weeks. Mr. McKenna said that staff anticipates completion of the punch list at the Oliver Street ES this month. He noted that a CO was issued for that school in August. In regard to the South Street ES project, he informed the Members that design-builder Ernest Bock & Sons (EBS) is actively working on the final design phase. He said that footings, foundations, and underground utility work are ongoing. He added that a groundbreaking ceremony was held at the South Street ES the previous month.

Turning to projects in the Orange School District, Mr. McKenna informed the Members that, for the Cleveland ES project, a NTP with schematic design phase services was issued at the end of August to the design consultant, Lan Associates. He noted that the schematic design phase is ongoing. He said that additional investigation activities to validate site conditions are also ongoing in anticipation of renovation work for the Orange HS project.

With respect to the Passaic Leonard Place ES project, Mr. McKenna reported that design-builder Dobco completed the footings and foundations design package and has submitted it to DCA for review. He said that staff anticipates issuing the NTP for the first construction package which will include footings and foundations in the current month.

In continuing, Mr. McKenna gave an update on projects in the Paterson School District. He said that, for the Dr. Hani Awadallah School project (Marshall Street ES), a CO application package was submitted to DCA the previous month. He noted that a dedication ceremony was held there on September 29. In regard to the Paterson PS 16 project, he reported that a TCO was

issued in August and the school session began as scheduled. He said that a ribbon cutting ceremony had been held there and that punch list work is ongoing.

Mr. McKenna said that working group design meetings are ongoing for the Pemberton Denbo Crichton ES project. For the Perth Amboy Seaman Avenue ES project, he reported that design builder Epic Management has commenced design phase services. He added that price and technical proposals for construction management (CM) services were received the previous month and a recommendation of award is on today's agenda.

Mr. McKenna then reported that a TCO was issued the previous month for the Phillipsburg HS project and the school session began there as scheduled. He said that a ribbon cutting ceremony was held on September 21 and that punch list work and commissioning are ongoing.

With respect to the Vineland New MS project, Mr. McKenna informed the Members that design-builder EBS continues with design phase services and has mobilized to perform site clearing and grading. He said that EBS submitted footings, foundations, and structural steel plans to DCA for review. He advised the Board that a NTP for CM services was issued to Joseph Jingoli & Sons the previous month.

Next, Mr. McKenna reported that asbestos abatement activities are underway for the West New York Harry L. Bain PS No. 6 renovation project. He said that preparation for the commencement of masonry work is nearly complete, windows are in fabrication and HVAC work is underway.

Mr. McKenna then informed the Members of an issue that has occurred in the Salem School District. He said that SDA and the DOE are working together to see if the condition will be deemed an emergent project.

Turning next to ongoing procurement activity, Mr. McKenna said that, in addition to the CM services award for the Perth Amboy Seaman Avenue ES project that management will be discussing and recommending later in the meeting, other activity currently underway includes procurements for design-build services for the Harrison New ES, Irvington New Madison Avenue ES and Millville HS projects.

Reporting on events, outreach and other SDA activities, Mr. McKenna advised the Board that SDA completed its school opening events the previous week. He said that ribbon cutting and/or dedication ceremonies were held for the Keansburg Caruso ES, Jersey City Dr. Maya Angelou ES, Paterson School No. 16, Phillipsburg HS (which, he noted, was attended by the Governor), Bridgeton Buckshutem Road ES, Elizabeth HS – Frank J. Cicarell Academy and finally the Dr. Hani Awadallah ES in Paterson. He added that having the opportunity to celebrate the opening of these 7 schools and see, first-hand, the students' reactions to being in their new learning environments is very uplifting.

Mr. McKenna reported that, during September, SDA staff also broke ground for the new South Street ES in Newark and held a press conference to announce the district's land acquisition for the future Perth Amboy HS. He said that the Perth Amboy School District purchased the land upon which SDA will erect the largest school building that the Authority has ever undertaken. He said that the new school will be occupied by 2,800 high school students.

Mr. McKenna advised the Members that SDA Communications staff is looking to schedule groundbreaking events for the Passaic Leonard Place ES and the Robeson School in New Brunswick later this month. He said that staff will let the Members know once the dates for these events have been finalized.

Mr. Walsh requested that SDA staff provide a report summarizing each project that was finished this year and include information such as the type of construction, the contractor's opinion of the job, and a summary of the original budget and schedule along with the final budget and schedule. At Mr. Luckie's suggestion, it was agreed that this summary will be presented by staff at a School Review Committee meeting sometime later this year.

### *Audit Committee*

The Chairman then asked Mr. Nixon to provide the report of the Audit Committee. Mr. Nixon advised the Board that the Audit Committee met on September 19, 2016. He said that the Committee was provided with the August 2016 New Funding Allocation and Capital Plan Update. He said that there were no changes in commitments in the Unforeseen Events Reserve and 2008 Capital Plan Emergent Projects reserve balances for the SDA Districts during the reporting period. He said that there was a \$1 million decrease in the Planning Reserve balance. He explained that this decrease was due to the Board's approval of the revised planning charter for the Orange Cleveland Street ES project to reflect the updated project scope and budget based on the completion of pre-design services and negotiation of fees for the remainder of the design services through completion of the project. Mr. Nixon said that there was a \$2.3 million decrease in the 2011 Capital Plan Emergent Projects Reserve balance during the reporting period. He explained that this decrease followed the Board's approval of the release of additional funds necessary for the expeditious completion of HVAC replacement work at the Vineland HS South. Finally, he reported that the Program Reserve balance for the Regular Operating Districts increased by \$1.1 million due to a reduction in state share for grant projects nearing completion.

Mr. Nixon then advised the Board that, for informational purposes, management had provided the Committee a proposed Memorandum of Understanding (MOU) between the SDA and the Department of Education (DOE). He explained that the proposed MOU pertained to the Long Range Facilities Plan System and advised that Mr. Luckie will be discussing this matter with the Board when he provides the report of the School Review Committee (SRC).

In continuing, Mr. Nixon reported that the results of three real-time construction audits were presented to the Committee. He said that the audits were performed by SDA's outside consultants, Smolin Lupin. He explained that the three audits were conducted in compliance with the statutory requirement that capital portfolio projects costing over \$10 million be reviewed to assess whether state funds were expended in accordance with contract terms, SDA practices and state rules and regulations. He advised that the audits revealed that State funds utilized for the projects were expended prudently and consistent with legal requirements.

Finally, Mr. Nixon reported that management had provided the Committee with the August 2016 Monthly Financial Report. He said that Year-to-Date Authority Operating Expenses (Actual vs. Budget), at \$12.8 million, are down \$2.2 million as compared to the operating budget for the corresponding period. He explained that this is largely attributable to lower salary and benefit costs. In continuing, Mr. Nixon said that Year-to-Date School Facilities Project Expenditures (Actual vs. Forecast), at \$256.4 million, are \$16.8 million lower as compared to the capital spending forecast for the corresponding period. He advised the Board that this variance is due to lower than anticipated expenditures in construction work (\$13.6 million), property acquisition (\$2.7 million), grant activity (\$1.3 million) and project insurance (\$637,000), offset by increased spending in furniture, equipment and technology (\$1.5 million). Mr. Nixon then reported that project expenditures (Actual vs. Prior Year Actual), at \$256.4

million, are \$24 million lower as compared to the corresponding prior year period. He explained that this variance is due to increased spending in construction activity and school furniture, equipment and technology (related to multiple school openings in August and September). He noted that the increased spending is offset by decreased spending for grant activity, property acquisition, project insurance and legal and claims resolution services.

Mr. Nixon reported that, since program inception, approximately 76% of the funds authorized for SDA districts have been disbursed. Additionally, he said that, since program inception, 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He added that the estimated value of current school facilities project activity remains at approximately \$2.2 billion.

### *School Review Committee*

#### **Preliminary Project Charter – Camden School District – Camden HS; Construction Management Award – Perth Amboy School District – Seaman Avenue Elementary School; Memorandum of Understanding (MOU) between New Jersey Schools Development Authority (NJSDA) and New Jersey Department of Education (NJDOE)**

Mr. Walsh then asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on September 19, 2016 and considered three matters. He then presented for Board consideration a preliminary project charter for the Camden HS project (CHS) in the Camden School District which had been advanced by the Committee at its August 15, 2016 meeting. Mr. Luckie said that, in March 2012, the SDA Board approved the SDA's 2012 Capital Plan which identified a project to address facilities conditions deficiencies at CHS. He said that the existing CHS is a 300,000 square foot facility currently educating approximately 700 students in Grades 9 through 12. He advised the Board that, following approval of the Capital Plan, a Working Group comprised of district, DOE and SDA staff reviewed and validated the conditions deficiencies and sought to identify the project scope

items to be addressed. He explained that this process included a review of existing facility conditions needs and a discussion of district-wide high school enrollments and high school program needs. Mr. Luckie said that the Working Group concluded that a more detailed assessment of the facility's condition and additional program development activities were warranted and, for this purpose, recommended the hiring of a design consultant. He said that Design Ideas Group Architecture + Planning, LLC (DIG) was then hired for these purposes. He explained that when preliminary studies confirmed that a complete renovation of the existing CHS facilities would not be cost effective, SDA directed DIG to develop and evaluate options which included demolition and replacement of the existing facilities with new construction. Mr. Luckie said that, concurrent with DIG's activities, executive leadership directed SDA staff to develop a conceptual scope and projected costs for demolition of the entire existing CHS facility and its replacement with a new school facility. He informed the Board that SDA executive leadership is recommending advancement of a new replacement facility on the bases 1) that a new school facility will fully address educational needs requirements whereas a renovation project would not; 2) that a new school facility will better address facilities conditions needs over the extended life cycle of the facility; 3) that the cost of a project to renovate the entire existing facility is greater than the cost of delivering a new facility; and 4) that construction of a new school facility would allow for a design-build project delivery approach which will result in earlier delivery of the facility to the district.

The Chairman then indicated that the Board would take and consider comments from the public on the CHS matter only. He explained that a Public Comment period to hear all other matters would be provided in the normal course during the latter part of the meeting.

***Public Comments—Camden High School Preliminary Project Charter***

Mr. Walsh asked Camden Mayor Dana Redd to address the Board. Mayor Redd thanked the Board and Mr. McKenna for the opportunity to speak in support of construction of a new Camden HS. She said that she certainly can attest to the obsolete conditions of the CHS, having toured the entire facility. She said that several members of the community as well as Camden's Assembly representatives have joined her at today's meeting, along with the District Superintendent and School Board President, reflecting the importance of this project for the benefit of the children of Camden. She noted that the CHS facility is over 100 years old and that there is a need to move forward. She commended the Board for the many SDA projects that have advanced for students all across the State. She reiterated her support for the new school along with the support of other members of the community, including the legendary former principal of CHS, Riletta L. Cream. Mayor Redd urged the Board to approve the proposed preliminary project charter.

At the Chairman's request, Camden School District Superintendent Paymon Rouhanifard then addressed the Board. He began by thanking Mr. McKenna and SDA staff for their responsiveness during the past three years of his tenure. He acknowledged the Camden public officials for their advocacy in support of this project, noting that it is has been a long time coming. He said that it is hard to put into words what CHS means to the community, adding that an investment in the school is an investment in the community. He said that this milestone is the furthest Camden has ever been in this process and thanked the Board Members for their support.

The Chairman then called on Assemblywoman Patrician Egan-Jones. Assemblywoman Egan-Jones expressed her gratitude for the work of the SDA throughout the State. She emphasized the importance of CHS—not only for Camden but for the South Jersey region and

added that the new facility will shine even brighter. She expressed her thanks, as a member of the Assembly Education Committee, for the SDA's work on behalf of the State's children to ensure that they have functionally sound school facilities. She then introduced her colleague Assemblyman Arthur Barclay, a CHS graduate.

Assemblyman Barclay stressed the importance of the CHS project for Camden. He advised the Board that he is a 9-year volunteer basketball coach at CHS. He described the experience of attending away games with the players who often see new facilities far superior to their own. He described their inability to change in their own locker rooms due to the presence of rodents, pests and mold there. He said that conditions were the same 16 years ago when he attended CHS and emphasized the unfairness of this situation. He advised the Board that he was here to speak about "change". He said that the building conditions—variously too hot or too cold—result in the children being sent home from school and missing classwork. He described the "fencing off" of a part of the building that is structurally unsound and unsafe and noted the inadvisability of continuing to spend money to "band aid" conditions and the need to "think long term". Assemblyman Barclay expressed his belief that the proposed new school will attract children to it. He predicted that, with the new school in place, positive changes in terms of tardiness, test scores and the drop-out rate will result. He said that he is tired of Camden's children going to school elsewhere. He said that the potential for a new CHS is "huge" and will allow Camden to move forward. He commended the Mayor and Superintendent but stressed that it is not about the adults but, rather, it is about the children.

Mr. Walsh then asked Mr. F.M. Ingram, a citizen of Camden, to speak to the Board. Mr. Ingram said that he supports construction of a new high school for Camden. He said that he has with him documentation from when the CHS renovation project was proposed in 2001, reflecting

the fact that he is not new to this process. He thanked the SDA Board for their support of the various other schools (e.g. the Catto, Dudley, Morgan Village schools) which SDA has advanced in Camden. He added that the CHS project is long overdue and stressed that the community is here to work with the SDA. He said that the children of Camden deserve better. He expressed his concern with the type of “swing space” that would be provided to the children while the school is under construction. He again emphasized that many people in the community are willing to work towards making the new CHS a reality.

At the Chairman’s request, Mr. R. Mangaliso Davis, a citizen of Camden, addressed the Board. He said that he is a concerned citizen, as demonstrated by his work in environmental issues in the City of Camden. He described the environmental and monitoring systems with respect to which he has advocated that have not been maintained and monitored following installation. He then described mold and other issues in the schools and the respiratory problems experienced by Camden’s citizens. He discussed lead in the water system, likening Camden to Flint, Michigan. He described non-working flushers along with concerns as to whether air monitoring systems are working and asked “who is in charge?”. He described the construction of schools on previously contaminated sites and the presence of toxic water in certain schools. He said that people are not listening. He described his past efforts to address these issues. He stated that it did not make sense to spend money to renovate a 100-year-old school.

The Chairman then asked Vida Neil, a resident of Camden, to address the Board. Ms. Neil introduced herself as a graduate of CHS and a political blogger focusing on education issues in the City of Camden. She decried the lack of transparency from local officials in the City of Camden. She said that she is a member of the Camden PTO and a volunteer at CHS. She referenced the millions of dollars allocated for revitalization to the Camden District in 2012 and

questioned where that money went, noting that it did not go to CHS. She questioned the plans for demolition and rebuilding of the school noting that the model advanced is the Renaissance model. She said that, following October 15, prior to which the money stays with the charter schools, children are returned from the Renaissance and charter schools to the public schools as those schools don't care about these children. She said that at a recent event held by Mayor Redd, she had questioned the delay associated with the Lanning School and the location of the Kipp-Norcross Academy there. She said that the community was "bamboozled" into the loss of that school. She disagreed with the Governor's assertion that there is a waiting list for that school. She described efforts to recruit children to the Academy through the provision of food to the children. She reiterated that those schools don't teach special education children and they don't instruct in cursive writing. She said that the public schools are being "raped". She negatively described the food provided to the children in the public schools and issues with flooding, contaminated water and mold. She said that the children in Camden are suffering. Ms. Neil said that it is not necessary to tear down CHS but, rather, the community wants CHS to be revitalized.

At the Chairman's request, Moneke Ragsdale, President of the Camden HS PTO, addressed the Board. Ms. Ragsdale introduced herself as the President of the CHS PTO. She said that her concern is with the need for transparency, opining that residents in a democracy must have a say. She said that the community would like to have been included in the planning of the proposed new CHS. She described the times that she and her parents spend working at the school. She advised the Board that her concern has not been with the tower but rather with the iconic castle front. She agrees that there should be a new school (CHS) but believes that the

castle front must stay. She urged the Authority to work closely with the community in the planning of the CHS project.

The Chairman then called on Keith Benson to address the Board. Mr. Benson said that he is hoping to work together with the SDA on the CHS project. He said that there is no argument that a newly constructed CHS is needed. He said that the concern is with maintaining the castle on the hill which is the icon for Camden and its “achieved black community”. He referenced certain notable CHS graduates. He described CHS as a storied building with a historic past. Mr. Benson said that there is a trust issue in Camden. He referenced the “shenanigans” with other schools, citing the Lanning Square School. He suggested that the buildings in the back of CHS be newly constructed but that the castle on the hill remain. He said that the national historic registry status of the castle on the hill should be determined and indicated that he would pursue this. He said that funds for restoration of the castle on the hill could be raised and outlined a compromise approach which would involve constructing the building while maintaining the castle. He again cited “trust issues” and requested the opportunity to follow up with the SDA harmoniously as the project moves forward for the benefit of the children.

Mr. Stan White, who retired from the Camden Board of Education following 25 years, addressed the Board next. He stressed that transparency, trust between government and the community and inclusion are significant concerns. He said that CHS rumors are rampant. He described the raising of \$1.5 million by the community to restore athletic fields at CHS. He cited the opposition of certain government officials to that effort who called its proponents “agitators”. He described the phased approach to that project and the problems that still remain to be addressed (kitchen, bleachers, changing rooms). He asked whether the SDA has the authority to

ensure that community members have involvement in the process and that they are not “selected” community members as occurs in the City of Camden. He asked that SDA “think outside of the box”. He described how politicians impede the process. He thanked the Board Members for the opportunity to address them.

The Chairman then called on Mr. Amir Khan, a businessman and activist, to speak to the Board. Mr. Khan said that, unlike other speakers, he is not a graduate of CHS but that his father was the physician for CHS and its football team for many years. He described the poor condition of the bathrooms and football fields at CHS. He described his involvement in raising funds to address those needs. He stressed his support for Mr. White in this process. He described a feeling of hopelessness in Camden—that the community feels that no matter how they vote or what they say, it has no impact on what elected officials do. He described a meeting the previous week to discuss the CHS project. He said that it was repeatedly stated at that meeting that the CHS project “will be approved” at the SDA’s upcoming Board meeting. He then cited the scheduling of a press conference by the Governor at CHS where an announcement would be made, even before the SDA Board considered the issue. He said that residents want transparency and to be a part of the process.

Billie Hayes, a resident of the City of Trenton and TCHS graduate, addressed the Board. He said that he was speaking to discuss problems with previous projects SDA did in Trenton. He then discussed the TCHS project and its devastation of the community. He criticized SDA’s track record. He said that he was sharing his experience with the Camden community and he cautioned Mayor Redd. He said that the swing space provided TCHS students did not meet educational standards. Mr. McKenna interjected that Mr. Hayes’ statement regarding the swing

space was inaccurate. Mr. Hayes then described environmental problems with the demolition of the TCHS building and recommended that Camden hire its own project manager.

Next, Mr. Frank Faras, a resident of the City of Trenton and TCHS graduate, spoke to the Board. Mr. Faras said that he lives across from TCHS and described the “disgusting” air quality that existed during the demolition of TCHS and stressed that the whole community is affected by the work. He described the noise during the early morning hours. He said that his mother, who was born in Europe, would ask if it was the Nazis to which he would reply “No, it’s the SDA”. He discussed the vibrations that affected his home causing cracks in his foundation and the fact that his neighbors have gotten cancer. He described pools of water on site which resulted in a significant mosquito problem. He said that air monitoring equipment is not in the boxes. Mr. McKenna said that this is inaccurate and that the results are consistently posted on the SDA website. Mr. Faras questioned the TCHS science program and urged Camden to think about what can happen when you “make a deal with the devil”.

Mr. McKenna emphasized the requirement that the State provide a thorough and efficient education to SDA District students. He also referenced comments about a potential historic site designation for the castle on the hill. He said that, should this occur, SDA will approach the project accordingly. He also addressed the concerns raised regarding potential swing space for CHS. He said that the proposed preliminary project charter lists “TBD” in connection with swing space as the nature of the swing space needs and the cost thereof has not yet been determined. By way of example, he described the process and costs associated with providing swing space in connection with the TCHS project. He noted that SDA pays for the swing space associated with its projects but not for bussing/transportation. He then outlined the basis upon which it was determined that new construction was preferable to renovation for the new CHS.

He acknowledged the memories and aesthetics that are meaningful to community members in connection with the existing facility but stressed that SDA's constituency is the students. He said that, as we are all part of a democracy, SDA cannot seek input from every individual citizen but, rather, works with the community's elected officials. He urged the Board to approve the preliminary project charter for the CHS project as proposed.

The Chairman expressed his appreciation for the presence and input provided by the public and said that he would follow up with respect to certain of the issues raised. However, he said that some of the comments—citing, in particular, the reported inadequacy of certain swing space—appear inaccurate. He recalled the time and funding applied to swing space by the Authority. He also noted the excellence of the facilities and technology that have been provided to New Jersey's students through the work of the SDA. Mr. Walsh also cited the tremendous outreach efforts being made by Mr. McKenna. Mr. McKenna commented on the fact that advancement of the CHS project has been discussed since 1981 and that it is time to move the project forward. Ms. Hassett noted that approval of the preliminary project charter is just the beginning of the process—a process that has gone on for a long period of time. She encouraged continued community input as part of the process moving forward. Mr. Vargas said that he is certain that, even with their opposing views, everyone concerned has the best interests of the students in mind. He urged the Board to move forward with approval of the preliminary project charter and said that some of the issues raised can be addressed as part of the process.

Mayor Redd thanked the Board and Mr. McKenna for their support in this process; for listening to the concerns expressed; and for approval of the preliminary project charter for the new CHS. She also thanked Mr. McKenna for his recent visits to Camden to meet with members of the community.

Whereupon, upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the preliminary project charter for the new Camden High School project was unanimously approved with the Board's unanimous vote in favor of **Resolution 6a**.

Next, at the Chairman's request, Mr. Luckie discussed the recommended construction manager award for the new Perth Amboy Seaman Avenue ES project (Project). He reported that the Seaman Avenue ES will be an approximately 128,000 square foot facility to educate 724 students in grades K through 5 in the Perth Amboy School District. He said that, on July 6, the SDA Board approved the Project's final charter and the award of a design-build construction contract to Epic Management, Inc. (Epic) in the amount of \$43,570,000. He said that, on August 15, a NTP with design phase services was issued to Epic and management now is seeking Board approval to award a contract for construction management (CM) services. Mr. Luckie said that, on July 19, a package for CM services was advertised as a price (40%) and other factors (60%) solicitation. He informed the Members that management now is recommending the award of a contract in the amount of \$1,438,300 for CM services for the Project to the highest ranked firm, GREYHAWK North America, LLC which has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the construction manager award for the Seaman Avenue ES project in the Perth Amboy School District was approved with the Board's unanimous vote in favor of **Resolution 6b**.

Next, Mr. Luckie discussed the recommended Memorandum of Understanding between the SDA and the DOE. He reported that the Long Range Facilities Plan System (System or LRFP System), initially developed in 2005, is a web-based system of hardware and database

software designed to collect, manage and maintain LRFP data for all school districts throughout the state, inclusive of the SDA Districts. He said that the System is used jointly by SDA and DOE and provides the critical data necessary to support SDA Capital Plan development for SDA Districts as well as DOE evaluations of proposed school facilities projects. Mr. Luckie said that the System facilitates the required exchanges of data between DOE and SDA regarding potential projects and district- and state-wide matters. He informed the Members that the current System requires upgrades and modifications to address significant remaining needs in terms of user interface, data access, reporting, document storage, and LRFP and project coordination. He said that changes to educational laws and regulations, review standards, and school facilities funding since the design of the 2005 system have further increased the need for an improved LRFP system with an integrated project application component. Mr. Luckie advised the Board that a new System is under development by DOE. He said that much of the framework and programming is in place and it is expected to be completed in 2017. Mr. Luckie advised that the new System will address the existing system's limitations and will support consistency and accuracy of data, coordinated and efficient processes, and improved reporting. He said that, in order to complete the project on schedule, DOE has recognized the need for additional staff support in the form of two contractor positions for one full year. He added that these positions, pursuant to the proposed MOU, would be funded by SDA.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Ms. Hassett, the MOU between the SDA and DOE was approved with the Board's unanimous vote in favor of ***Resolution 6c.***

### *Public Comments*

The Chairman then opened the formal Public Comments portion of the meeting. No member of the public came forward to address the Board.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion duly made and seconded 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 October 5, 2016 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 October 5, 2016 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on October 6, 2016.

**NOW, THEREFORE, BE IT RESOLVED**, that the minutes of the New Jersey Schools Development Authority's October 5, 2016 Open Session meetings are hereby approved.

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

Dated: November 2, 2016

## **AUTHORITY MATTERS**

**CEO REPORT (*ORAL*)**

**CHAIRMAN'S REPORT (*ORAL*)**

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

**OWNERS CONTROLLED INSURANCE PROGRAM (OCIP) BUILDERS RISK  
(PROPERTY) INSURANCE**



**TO:** Members of the Authority

**FROM:** Karon Simmonds,  
Director Risk Management and Vendor Services

**DATE:** November 2, 2016

**SUBJECT:** Owner Controlled Insurance Program (OCIP)  
Builders Risk (Property) Insurance

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Management is requesting the Board's approval to purchase Builders Risk (Property) insurance to continue the Builders Risk portion of the Owner Controlled Insurance Program ("OCIP"). The new 3-year term program will have an effective date of December 31, 2016, and all projects commencing construction during the three-year period will be insured. The "Operating Authority By Level" requires the approval by the Members of the Authority for the award of Goods and Services contracts greater than \$500,000.

#### DESCRIPTION

Builders Risk insurance is a special type of property insurance that protects the Authority from unexpected losses due to fire, lightning, and similar forces during construction of a school facilities project. Coverage begins upon issuance of the construction Notice to Proceed (NTP) and terminates upon substantial completion of construction, the point in time when the School District is responsible for insuring the property.

As previously approved by the Board, in 2015 the Authority implemented a new 5-year OCIP (OCIP III) that "wrapped-up" multiple types of insurance coverage into one program. This was the third program the Authority purchased to insure construction projects managed by the Authority. OCIP III, which became effective on March 1, 2015, is comprised of various casualty policies, including workers' compensation, general liability and excess liability coverage; however, Builders Risk insurance, a key component of OCIP III, was not purchased at that time because the Authority's existing policy was not due to expire until December 31, 2016. This memorandum is in support of the Authority's request to purchase the last remaining policy to complete OCIP III.

#### PROCUREMENT PROCESS

In June 2014, the Board approved the award of OCIP Administration and Broker Services to Turner Surety Insurance Brokerage (TSIB). As a part of the OCIP Administration and Broker Services Agreement's Scope of Services, Risk Management tasked TSIB on April 28, 2016 to market a new Builders Risk insurance program to solicit a minimum of three (3) proposals from various insurers.

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In response to the solicitation, five (5) insurers proposed differing limits, rates, terms and conditions. At the direction of the Authority's Risk Management division, the top three (3) insurers were shortlisted and TSIB was instructed to continue negotiations with the shortlisted firms. On September 23, 2016, TSIB presented the Authority with a final coverage comparison of the proposals. The estimated Total Insurance Value (TIV) in the solicitation, based upon building and construction management fees, exclusive of technology and FF&E costs, is \$931,014,541. This construction TIV is based upon SDA's estimated construction costs for all remaining projects in the current Capital Plan, including \$50 million of new Emergent project work, and currently scheduled to enter construction during the three year policy term commencing on December 31, 2016. The calculated premium for each insurer, based on an estimated TIV of \$931 million, is as follows:

Zurich*	XL/Catlin	HDI
\$1,394,391	\$1,297,714	\$1,048,246

Risk Management division then performed an in-depth analysis of the terms and conditions offered by each insurer. This analysis revealed the following side-by-side comparisons of the programs offered by each insurer:

	Zurich*	XL/Catlin	HDI
<b>Cost:</b>			
Premium	\$1,394,391	\$1,297,714	\$1,048,246
Program Rate	.1498	.1394	.1126
<b>Limits:</b>			
Limit Per Occurrence	\$200,000,000	\$200,000,000	\$200,000,000
Flood Limit – Non Hazard	\$200,000,000	\$200,000,000	\$200,000,000
Flood Limit – Moderate Hazard	\$25,000,000	\$25,000,000	\$200,000,000
Flood Limit – High Hazard	\$10,000,000	\$15,000,000	\$200,000,000
Named Windstorm	\$200,000,000	\$50,000,000	\$200,000,000
Water Damage	\$200,000,000	\$200,000,000	\$200,000,000
Expediting Expense	25% or \$5,000,000	\$2,500,000	25% up to \$5,000,000
Offsite Storage	\$5,000,000	\$1,000,000	\$5,000,000
Property in Transit	\$5,000,000	\$1,000,000	\$5,000,000
Mold/Fungi	\$500,000	\$250,000	Included
Contamination/Pollutant Clean Up	\$500,000	\$250,000	\$500,000
Debris Removal	25% or \$10,000,000	25% or \$10,000,000	25% up to \$25,000,000

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	Zurich*	XL/Catlin	HDI
<b>Deductible Levels:</b>			
Deductible – AOP	\$25,000	\$5,000 Projects <\$5M \$25,000 Projects >\$5M	\$25,000
Named Windstorm	\$25,000	3%/\$100,000	\$25,000
Flood – High Hazard	5%/\$250,000	\$250,000	\$50,000
Flood – Moderate Hazard	2.5%/\$100,000	\$250,000	\$25,000
Flood – Other	\$50,000	\$25,000	\$25,000
Water Damage	\$50,000	\$25,000	\$25,000

\* Incumbent

Zurich's program was determined to not be as competitive as HDI's for two (2) key reasons:

- Zurich's program rate is 33% higher than HDI's. It's also 7% higher than XL/Catlin's.
- Zurich is only offering \$10 million in High Hazard Flood Coverage, while HDI is offering \$200 million and XL/Catlin \$15 million. The Capital Plan has two (2) school facility projects in High Hazard Flood zones with values of approximately \$12 million and \$45 million, thus this coverage would be deemed insufficient.

XL/Catlin's program was also determined to not be as competitive as HDI's for three (3) key reasons:

- XL/Catlin's program rate is 24% higher than HDI's.
- Similar to Zurich's program, XL/Catlin cannot offer adequate Flood coverage on school facilities located within High Hazard Flood zones. The proposed limit of \$15 million is insufficient to cover the two projects mentioned above from the Capital Plan located in these zones.
- XL/Catlin cannot offer limits in excess of \$50 million for Named Windstorm coverage in several counties in New Jersey. There are thirteen (13) school facility projects in the Capital Plan located in these counties. These projects range in values from \$600,000 to \$180 million for an approximate exposure of \$470 million.

Program costs are adjustable based upon the actual TIV and the actual construction duration of enrolled projects that begin construction during the initial 3-year policy term. The projects are insured through to completion of construction.

Based upon the above considerations and detailed evaluation of each insurer's proposed terms and conditions, the Risk Management division has determined that HDI Global Insurance Company has the most cost effective and comprehensive program to protect the Authority. A few of the highlights of the new program are:

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- The program rate has decreased by approximately 32% as compared to the current program rate.
- The coverage limit per occurrence has increased from \$150 million to \$200 million.
- Flood coverage in High Hazard zones, as well as Named Storm counties in New Jersey are covered with full limits of \$200 million.
- Deductibles in High Hazard Flood zones have decreased.

#### RECOMMENDATION

Based upon the foregoing reasons, the Members are requested to approve the purchase of Builders Risk insurance from HDI Global Insurance Company at a cost not-to-exceed \$1.2 million for the 3-year term program, effective December 31, 2016. The requested \$1.2 million not-to-exceed cost is inclusive of contingency to account for both a 5% unanticipated increase in estimated TIV and a 5% increase in estimated construction durations.

The Members of the Audit Committee have separately been provided a copy of the marketing results prepared by TSIB in advance of the Board meeting.

/s/ Karon Simmonds

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Karon Simmonds

Director, Risk Management and Vendor Services

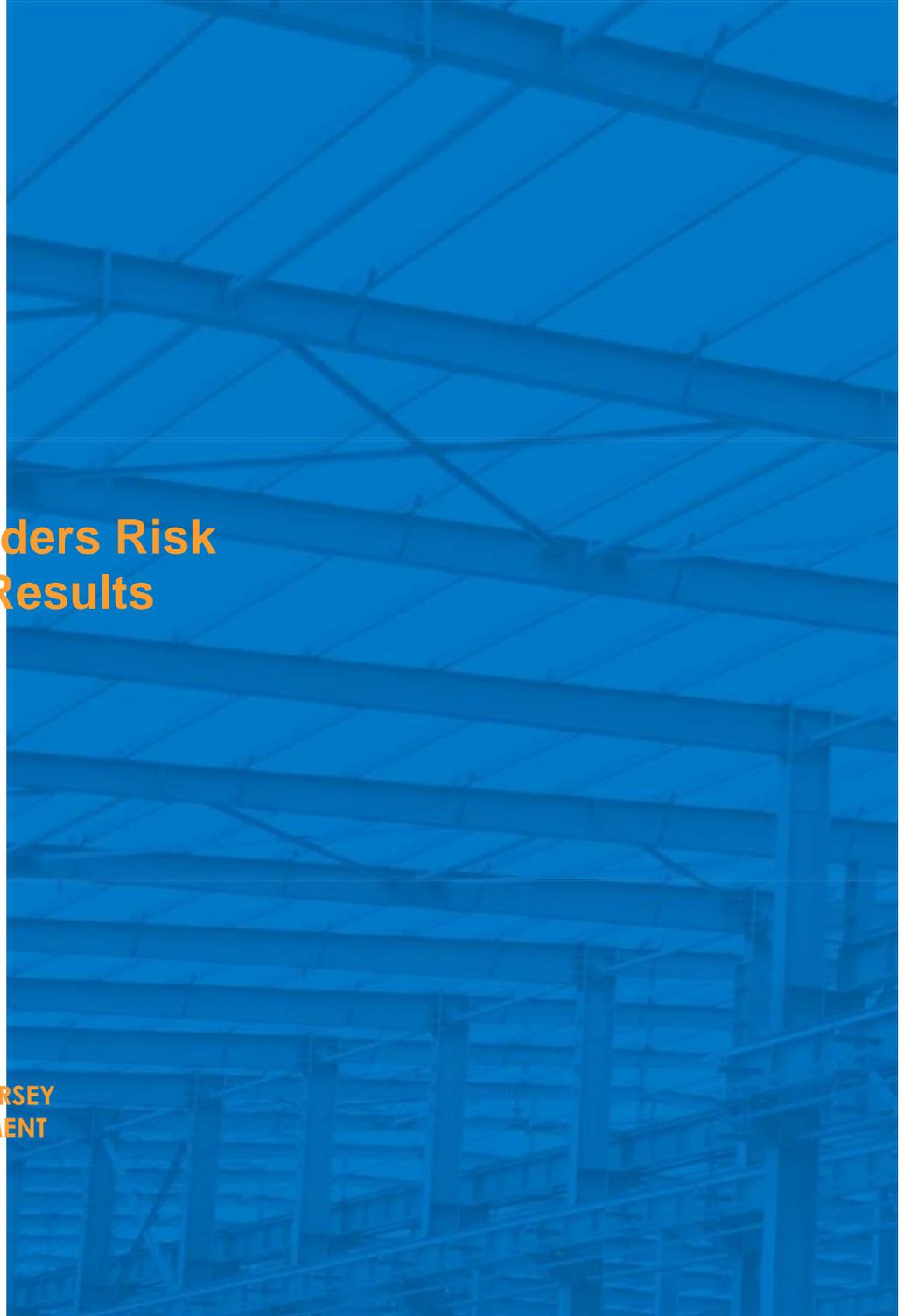
Prepared by: Lindsey Hoffman, Risk and Insurance Specialist

Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer



## Master Builders Risk Marketing Results

THE STATE OF NEW JERSEY  
SCHOOLS DEVELOPMENT  
AUTHORITY



New Jersey Schools Development Authority

# Master Builders Risk Marketing Results



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# Master Builders Risk Marketing Results



## 1. MARKETING OVERVIEW

Turner Surety & Insurance Brokerage and New Jersey School Development Authority began the marketing of the 12/31/16-12/31/19 master builder's risk program in June of 2016. The current climate for builder's risk insurance is very favorable, and many carriers are open to flexible design and reduced rating structures in their programs. That combined with NJSDA's exceptional claims history over the past 36 months, allowed TSIB to approach 16 insurance carriers with the following criteria to be considered:

- Ease of program administration. Current program parameters are restrictive and add unnecessary clerical and billing to NJSDA. All rates, terms & conditions agreed at program inception.
- All risk policy with enhancements to the current program
- Broad & comprehensive coverage consistent for all NJSDA projects
- Program rates apply to all projects bound during the program period
- Number of project certificates reduced or eliminated by quarterly reporting
- Project specific insurance offering dedicated limits for each project
- Provide limits /sublimits as indicated in specifications.

## 2. MARKETS APPROACHED

TSIB approached the following insurance carriers/wholesalers for consideration in preparing a quote for the builder's risk:

1. Zurich (incumbent)
2. Selective
3. Travelers
4. Chubb/ACE
5. AWAC
6. Allianz (through wholesaler AMWINS)
7. HDI (through wholesaler AMWINS)
8. Hartford
9. Starr Indemnity
10. Liberty Mutual
11. Markel
12. XL/ Catlin
13. C N A
14. Swiss Re
15. Iron Shore
16. Munich Re

New Jersey Schools Development Authority

# Master Builders Risk Marketing Results



NJSDA Marketing Summary 2016						
Lead Producer	Line of Coverage	Carrier	Underwriter	E-mail	UW Phone #	Notes / Comments
Incumbent	Builders' Risk	Zurich	Paul Orsi	<a href="mailto:paul.orsi@zurichna.com">paul.orsi@zurichna.com</a>	212.533.5374	received quote on 7/25/16
	Builders' Risk	Selective	Rick Rath	<a href="mailto:rick.rath@selective.com">rick.rath@selective.com</a>	973-948-1202	Declined- cannot provide limit over \$70mil
	Builders' Risk	Travelers	Louis Vella	<a href="mailto:lvella@travelers.com">lvella@travelers.com</a>	732.205.9248	Declined- concerned about the CAT issues at locations
	Builders' Risk	Chubb/ACE	Brendan McGowan	<a href="mailto:brendan.mcgowan@chubb.com">brendan.mcgowan@chubb.com</a>	212-703-7019	received quote on 8/1/16
	Builders' Risk	AWAC	Theana Iordanou	<a href="mailto:theana.iordanou@awac.com">theana.iordanou@awac.com</a>	646-794-0582	Declined- cannot provide limits exceeding \$100 mill
	Builders' Risk	Allianz	Scott Alper	<a href="mailto:scott.alper@amwins.com">scott.alper@amwins.com</a>	404-920-3722	received indication 7/30/16
	Builders' Risk	HDI	Scott Alper	<a href="mailto:scott.alper@amwins.com">scott.alper@amwins.com</a>	404-920-3722	received indication 8/30/16
	Builders' Risk	Hartford	David Higley	<a href="mailto:david.higley@thehartford.com">david.higley@thehartford.com</a>	860-547-2260	Declined- could not provide adequate wind/flood limits
	Builders' Risk	Starr	Daniel Sock	<a href="mailto:daniel.sock@starrcompanies.com">daniel.sock@starrcompanies.com</a>	215-606-9765	Declined- could not provide adequate wind/flood limits
	Builders' Risk	Liberty Mutual	Robert Martinelli	<a href="mailto:robert.martinelli@libertymutual.com">robert.martinelli@libertymutual.com</a>	857-224-5323	Declined- cannot provide quote by required deadline
	Builders' Risk	Markel	Jeannette Weismantel	<a href="mailto:jeannette.weismantel@markelcorp.com">jeannette.weismantel@markelcorp.com</a>	212-898-6614	Declined- cannot handle the BR on something this size
	Builders' Risk	XL/Catlin	Paul Getz	<a href="mailto:paul.getz@xlcattlin.com">paul.getz@xlcattlin.com</a>	610-968-2946	received quote 8/5/16
	Builders' Risk	C N A	Brady Thomas	<a href="mailto:brady.thomas@cna.com">brady.thomas@cna.com</a>	212-440-7717	received quote 8/3/16
	Builders' Risk	Swiss Re	James Kubinak	<a href="mailto:Jay_Kubinak@swissre.com">Jay_Kubinak@swissre.com</a>	212-317-5250	Declined- cannot provide quote too early out
	Builders' Risk	Iron Shore	Daniel Owen	<a href="mailto:Daniel.Owen@ironshore.com">Daniel.Owen@ironshore.com</a>	646-826-4916	Declined - cannot get limits exceeding \$100 mill
	Builders' Risk	Munich Re	George Koutsoubis	<a href="mailto:GKoutsoubis@munichreamerica.com">GKoutsoubis@munichreamerica.com</a>	609-951-8281	Declined- could not provide quote more than 90 days out

Nine carriers declined to participate in offering a quote for various different reasons which included:

Inability to provide adequate policy limit of \$200 million (or needed a quota share partner in order to reach the \$200 million limit)

Inability to provide adequate Wind, or Flood limits (or Declined because of NJSDA's anticipated work in areas the Carriers deemed too risky)

Inability/unwillingness to provide a quote over 90 days prior to inception and/or familiar with incumbent's rates and declined to compete.

TSIB received quotations from the following 6 carriers:

- Zurich (incumbent)
- XL/Catlin
- Chubb/ACE
- C N A
- Allianz
- HDI

# Master Builders Risk Marketing Results



Based upon the project list provided by NJSDA to TSIB, most if not all of the projects projected over the next three years will be constructed of a fire-resistive, non-combustible construction. As a result much of the negotiation of rates centered around that assumption, while still weighing in consideration for flood and wind rates for those projects to be built/renovated in flood zones or nearly coastal (wind) territories.

The incumbent carrier, Zurich, has provided a renewal quote for Fire Resistive, Non-combustible at a rate .0495 per hundred dollars of project value, down from their current rate of .0512, or approximately a 3.5% reduction in rate. Additionally, Zurich has removed its restriction to have a certificate of insurance issued for every project which exceeds \$5 million in project value. Zurich will only issue individual certificates of insurance on projects that exceed \$50 million in project value and allow NJSDA to remit payment and changes each quarter. This will greatly reduce the number of endorsements and subsequent invoices each time a change is made. Zurich has removed the surcharge for structural renovations and reduced flood rates in Zones 1 and 2. Finally, Zurich has increased the limits for debris removal, ordinance or law and added an extension for fungus of \$250,000.

With the exception of Allianz, all the other carriers have also provided base rates on Fire resistive, non-combustible construction below that of Zurich’s Current policy rate. Here is the breakdown on the other 5 carriers:

NJSDA Builders Risk Comparison Sheet						
	Zurich	C N A	Chubb	Allianz	XL /Catlin	HDI Global
Policy Limit	\$200,000,000	\$200,000,000	\$200,000,000	\$150,000,000	\$200,000,000	\$200,000,000
Fire Resistive/Non Combustible	0.0495	0.0445	0.0457	0.06	0.045	0.04
Deductible	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
\$5000 deductible option	n/a	n/a	0.07	Refer	n/a	n/a
Joisted Masonry- Protection Class 1-7	0.159	0.275	0.2	Refer	0.15	0.12
Joisted Masonry- Protection Class 8-10	Refer	Refer	0.25	Refer	Refer	0.12
Frame -Protection Class 1-7	0.2588	0.275	0.31	Refer	Refer	0.24
Frame -Protection Class 8-10	Refer	Refer	Refer	Refer	Refer	0.24
Non Structural Renovation	100% of above	110% of above	110% of above	150% of above	120% of above	100% of above
Structural Renovation Non- Seismic	150% of above	Refer	140% of above	200% of above	150% of above	150% of above
Structural Renovation Seismic	200% of above	Refer	Refer	Refer	Refer	Refer
Building Renovation- Frame	Refer	Refer	Refer	Refer	Refer	Refer
TRIA	0.05	0.001	0.03	0.075	0.02	0.002
NJPLIGA	0.007	0.007	0.007	0.007	0.007	0.007

C N A	.0445/\$100
Allianz	.06 /\$100
XL/Catlin	.045 /\$100
Chubb/ACE	.0457/\$100
HDI	.040 /\$100

## Master Builders Risk Marketing Results



Additionally, each carrier was requested to give a breakout of any additional premium increase for non- structural and structural renovation, earthquake, flood and wind (named Storms) risks. As some projects will be affected by these factors, the base rate along with these additional premium charges could greatly impact the premium NJSDA would pay on some larger projects.

Allianz's proposal should not be considered as their base rate is nearly 17% higher than the current Zurich policy, their policy limit of \$150,000,000 is below that of the other quotes and the requested limit in the submission. Additionally, their sub limits are lower than the other quotes and their deductibles higher. While unlikely the NJSDA will build anything of frame construction, they provide no coverage option for frame.

C N A has provided a base rate of \$.0455 which is 12.5% lower than the current rate Zurich is charging on Fire resistive. However, C N A is not providing specific rates or coverage for Tier 1 or Tier 2 windstorms or structural renovations. With the absence of rate (needs to be referred), it makes it impossible for NJSDA to project their cost going forward on projects in these locations or upcoming structural renovation projects. As C N A will not provide set rates, they do not appear to be the best option for NJSDA.

Chubb is providing a base rate of .0457 which is a 12% reduction over the current Zurich policy. However, Chubb has a \$10 million limit on projects in Flood Level Zones 1 and a high deductible of \$500,000. Chubb also has a \$25 million limit of projects in Flood Level Zone 2. There is a potential exposure at three projects in those zones that NJSDA are projected to work during the renewal term and it will exceed the limit imposed by Chubb. Additionally, Chubb's deductible for high hazard windstorm is very high in comparison to the other quotations and their reporting of projects is not as flexible as the other carriers are proposing.

XL/Catlin is providing a base rate of .045 which is 13.7% lower than the current Zurich policy. However, XL/Catlin has a 120% surcharge on non-structural renovation and is unwilling to be flexible on bringing this down. Other quotes either have no, or at most a 110% surcharge for non-structural renovations. NJSDA has had several non-structural renovations and will most likely see more of those during the next three years. Any project located within 10 miles of the coast in high hazard counties cannot obtain named storm wind coverage which is also a huge detriment to NJSDA. In addition, there is only a \$50 million limit for named storm coverage in several counties in New Jersey where the NJSDA will be constructing new school projects in excess of this limit. As such, while XL/Catlin's base rate is a significantly lower than Zurich's current rate, their program has enough drawbacks to make them an unsuitable option. XL/Catlin is not allowing any deviation or flexibility on quarterly reporting of projects and unwilling to eliminate certificates on projects exceeding \$5 million in value.

As mentioned, the incumbent Zurich is providing a renewal rate of .0495. This is a reduction of 3.5% from the current term. Additionally, Zurich has agreed to quarterly reporting and to waive all



individual certificates for any project under \$50 million in value. They have also removed the surcharge for non-structural renovations and reduced the rates for flood zones 1 and 2. Unfortunately, they have not agreed to reduce their base rate any lower to meet competition and have actually increased their rate in terrorism. As the incumbent that has clearly managed a very profitable account the past three years, it is unfortunate that their base rate is not as low as most of their competitors.

HDI Global is providing a base rate of .040 which is a 28% reduction over the current Zurich policy. This is the lowest base rate of all carriers approached. Additionally, HDI is providing quarterly reporting of projects and 50% of the premium at inception and 50% of premium upon completion of project or end of policy term (whichever is sooner). This is the most flexible payment option TSIB has encountered. HDI is not surcharging their rate for non-structural renovations and has very low rates and deductibles for flood coverage in Zone 1 and 2 and named storm Zone 1 and 2. Finally, HDI has agreed to only issue certificates for projects in excess of \$100 million in project value. All other projects can be reported quarterly. The NJSDA will only be invoiced on a quarterly basis.

### **3. SUMMARY-RECOMMENDATION**

Of the carriers approached, TSIB recommends that NJSDA consider leaving the incumbent carrier, Zurich, and obtaining HDI Global as their new carrier effective 12/31/16.

HDI Global is providing lower rates on all coverages, increased flexibility in reporting of projects (thereby reducing clerical/billing issues), and very favorable payment options. With the increase in anticipated project values in the next three years, the savings on premium should be considerable with HDI versus the incumbent, Zurich. Additionally, administrative work should be greatly reduced with quarterly reporting. Endorsement and billing issues will be minimal as compared to the current situation that exists with Zurich.

**Resolution—5a.**

Approval of Award  
Owner Controlled Insurance Program (OCIP)  
Builders Risk (Property) Insurance

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve contracts for Goods and Services exceeding \$500,000; and

**WHEREAS**, in 2015, SDA implemented a new 5-year Owner Controlled Insurance Program (OCIP III) that combined multiple types of insurance coverage into one program, the third such program the Authority has purchased to insure its construction projects; and

**WHEREAS**, Builders Risk insurance, a key component of OCIP III, was not purchased in 2015 as SDA's existing policy was not due to expire until December 31, 2016; and

**WHEREAS**, Builders Risk insurance is necessary to protect the Authority from unexpected losses due to fire, lightning, and similar forces during construction of a school facilities project; and

**WHEREAS**, in June 2014, the Members of the Authority had approved the award of OCIP Administration and Broker Services to Turner Surety Insurance Brokerage (TSIB); and

**WHEREAS**, as a part of the OCIP Administration and Broker Services Agreement's Scope of Services, on April 28, 2016, TSIB was tasked with marketing a new Builders Risk insurance program to solicit a minimum of three (3) proposals from various insurers; and

**WHEREAS**, the details of the procurement process conducted are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, at the conclusion of the procurement process and for such reasons and upon such terms as outlined in the memorandum presented to the Board on this date, management recommends that the Members of the Authority approve the SDA's purchase of Builders Risk insurance from HDI Global Insurance Company.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members hereby authorize and approve the SDA's purchase of Builders Risk insurance from HDI Global Insurance Company upon such terms as are outlined in the memorandum presented to the Board on this date and incorporated herein.

**BE IT FURTHER RESOLVED**, 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, Owner Controlled Insurance (OCIP) Builders Risk (Property)  
Insurance, dated November 2, 2016

Dated: November 2, 2016

**BUSINESS AND REAL ESTATE PROPERTY & CASUALTY INSURANCE PROGRAM  
RENEWAL GP-0214-R01**



**TO:** Members of the Authority

**FROM:** Karon L. Simmonds, Director /s/ Karon Simmonds  
Risk Management and Vendor Services

**DATE:** November 2, 2016

**SUBJECT:** Business and Real Estate Property & Casualty Insurance Program  
GP-0214-R01

Risk Management is requesting Board approval to renew various insurance policies to continue the NJSDA's Business and Real Estate Property and Casualty Insurance Program ("Insurance Program"). The renewal policies will be purchased pursuant to the third year of a three-year term broker services' contract with The Safegard Group, Inc. ("Safegard"). The renewal policies will have a one year term with an effective date of December 14, 2016, and the proposed cost is not to exceed \$638,000. The "Operating Authority By Level," adopted by the Board on December 1, 2010, as amended March 7, 2012, requires the approval by the Members of the Authority for a contract amendment of Goods and Services contracts that exceeds \$100,000.

#### BACKGROUND

In November 2014, the Board approved the award of the Business and Real Estate Property and Casualty Insurance broker services to Safegard for a three-year term. As part of their scope of services, Safegard was directed to purchase, on behalf of the Authority, various insurance policies included in the Authority's Insurance Program. The policies included in the Insurance Program are: Business Administration Package (this includes General Liability, Business Personal Property, Electronic Data Processing Property, Valuable Papers and Extra Expense); Automobile Liability; Worker's Compensation; Umbrella/Excess Liability; Public Officials' and Employment Practices Liability; General Liability for the Real Estate Owned (REO) inventory; and Property insurance for our Swing Space schools and other REO properties. Concurrent with the Board's approval of the award of the broker services contract to Safegard, in November 2014 the Board approved the purchase of various insurance policies for the initial annual term, effective December 14, 2014, at a cost not to exceed \$745,000. In November 2015, the Board approved the purchase to renew the insurance for a second annual term, effective December 14, 2015, at a cost not to exceed \$771,000.

#### DESCRIPTION

In preparation for the 2016-2017 Insurance Program renewal, Risk Management met separately with various NJSDA operating divisions in order to obtain key data and other information related to, among other things, potential recent changes in risk exposures. This information was provided to Safegard, which, in turn, provided the relevant information to the various insurers who were requested to provide

Members of the Authority  
November 2, 2016  
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policy quotations. Accordingly, the quoted premiums obtained by the Authority are based on its assumed quantified risk exposures as of September 2016, which management believes are reasonably quantified in the quoted premiums; policy premiums may be adjusted during the year if there is a change in quantified risk exposure (e.g., NJSDA purchases a new vehicle or sells surplus property). Premium adjustments during the policy year will be funded from the requested 5% allowance and endorsed onto the policies accordingly.

Safeguard has presented the Authority with a proposal which outlines the limits, terms and conditions for renewing the Insurance Program, effective December 14, 2016. Attached for your information are Safeguard's Executive and Coverage Summaries, which include a synopsis of the cost comparisons and program changes. The annual premium cost for the 2016-2017 Insurance Program, as outlined below, is inclusive of State of NJ surcharges and commissions.

Coverage	2014-2015 Annualized Premium (as of 11/2015)	2015-2016 Annualized Premium (as of 9/2016)	2016-2017 Renewal Premium (as of 9/2016)
Business Administration Package (Chubb)	\$32,163.00	\$29,869.45	\$33,653.94
Automobile Liability (Chubb)	\$35,496.62	\$35,496.62	\$35,668.15
Workers' Compensation (Chubb)	\$110,028.00	\$124,343.00	\$129,059.00
Umbrella and Excess Liability (Travelers & CNA)	\$55,719.06	\$55,631.49	\$47,794.00
Public Officials' Liability/EPL and Excess Public Officials' Liability (AIG & ACE/Chubb)	\$262,650.74	\$287,242.00	\$286,956.94
Real Estate Property, Excess Property and Equipment Breakdown	\$110,942.00	\$17,774.00	\$0.00
Real Estate Liability (Chubb)	\$113,041.79	\$71,683.33	\$74,684.44
<b>Total Estimated Premiums</b>	<b>\$720,041.21</b>	<b>\$622,039.89</b>	<b>\$607,816.47</b>
<b>Requested Not-to-Exceed Amount</b>	<b>\$745,000.00</b>	<b>\$771,000.00</b>	<b>\$638,000.00</b>

Members of the Authority

November 2, 2016

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The highlights of the Insurance Program renewal include:

- The Electronic Data Processing Property limit, insured under the Business Administration Package policy, has increased from \$1,251,519 to \$2,556,656. This increase is primarily due to the new equipment purchased in support of the Authority's implementation of a document management system. While Workers' Compensation estimated annual payroll has remained fairly constant, the premium has increased (net) due primarily to a few factors:
  - The Schedule Rating Credit decreased from 20% to 15%, resulting in a premium increase.
  - The 2016 Experience Rating Modification (ERM) as promulgated by the NJCRIB has decreased by 3% from 1.061 to 1.03, resulting in a premium decrease.
  - Due to approximately 20% of staff payroll being assigned to construction sites, Risk Management applied to the New Jersey Compensation Rating Bureau for a Construction Classification Premium Adjustment Credit. A 15% premium discount was granted which equates to a premium savings of \$25,872 during the policy term.
- Over the last two years the Authority has diligently reduced its exposure to maintain property insurance for REO inventory. As of July 2016, all properties either have been deeded to the corresponding school districts, or contractually shifted responsibility to third parties. The annual cost savings since November 2014 is \$110,942.

#### RECOMMENDATION

Risk Management has reviewed Safegard's renewal recommendations and considerations. Based upon this review and our professional judgment, we are requesting that the Board approve the purchase of various Business and Real Estate insurance policies, for a one year policy term commencing December 14, 2016, at a cost not to exceed \$638,000, which is inclusive of an approximately 5% allowance for potential exposure increases (e.g., increases due to the acquisition of real and/or personal property, automobiles, payroll increases, etc.) during the policy term.

Prepared by: Lindsey Hoffman and Luke Dentino, Risk Management Division

Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY**  
**ADMINISTRATION & REAL ESTATE PROPERTY & CASUALTY INSURANCE**  
**EFFECTIVE DECEMBER 14, 2016 TO DECEMBER 14, 2017**

The Safegard Group, Inc. is pleased to present the Renewal Property & Casualty Insurance Proposal to New Jersey Schools Development Authority. The following is an overview of the program.

**RENEWAL PREMIUM SUMMARY**

<b>COVERAGE</b>	<b>2015 - 2016 ESTIMATED PREMIUM (INCLUDES PLIGA)</b>	<b>2015 - 2016 ANNUALIZED PREMIUM (INCLUDES PLIGA)</b>	<b>2016 - 2017 RENEWAL PREMIUM (INCLUDES PLIGA)</b>	<b>CHANGE</b>
Administration Package	\$ 29,869.45	\$ 29,869.45	\$ 33,653.94	13% Increase
Automobile	\$ 35,496.62	\$ 35,668.15	\$ 35,668.15	No Change
Workers' Compensation	\$ 124,343.00	\$ 124,343.00	\$ 129,059.00	4% Increase
Umbrella Liability	\$ 40,381.00	\$ 40,381.00	\$ 32,546.00	19% Decrease
Excess Liability	\$ 15,250.49	\$ 15,250.49	\$ 15,248.00	0% Decrease
Public Officials' Liability	\$ 224,650.00	\$ 224,650.00	\$ 224,427.00	<1% Decrease
Excess Public Officials' Liability	\$ 62,592.10	\$ 62,592.10	\$ 62,529.94	<1% Decrease
Real Estate Property	\$ 69,020.00	\$ 17,774.00	0	N/A
Real Estate General Liability	\$ 112,577.16	\$ 71,683.33	\$ 74,684.44	4% Increase
<b>Total Premium</b>	<b>\$714,179.82</b>	<b>\$622,211.52</b>	<b>\$607,816.47</b>	<b>2% Decrease</b>

**RENEWAL CHANGES/RECOMMENDATIONS**

The following section outlines differences in the overall insurance program as compared to last year and offers coverage recommendations for your consideration. These changes include applicable rates, exposure basis, new or amended terms and conditions of coverage, plan factors and additional varying program factors.

*Please note that ACE Ltd. purchased Chubb Corp. in the first quarter of 2016. Policies underwritten by either company will maintain their legacy writing company as of NJSDA's December 14, 2016 renewal; although all writing companies will now be under the Chubb parent company name. Policy forms have not been combined as of this time.*

**ADMINISTRATION PACKAGE**

- Blanket limits for Business Personal Property/Improvements & Betterments, Extra Expense and Valuable Papers remain as expiring.
- As requested, the Electronic Data Processing Property blanket limit doubled from \$1,251,519 to \$2,556,656.
- Property and General Liability rates remain as expiring.
- Terms and conditions remain as expiring.

**REAL ESTATE PROPERTY**

- Coverage was cancelled effective July 7, 2016 as all properties have either been deeded to, or responsibility for insuring has been shifted to, school districts.

**New Jersey Schools Development Authority**

2016 Executive Summary

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**REAL ESTATE GENERAL LIABILITY**

- Real Estate General Liability exposure changed as follows:

<i>Class Code</i>	<i>Description</i>	<i>Rating Basis</i>	<i>2015 Exposure (as of 6/14/16)</i>	<i>2016 Exposure</i>	<i>Difference</i>
49451	Vacant Land/Parking Lots	Acre	21	21	No Change
61212	Occupied Building/School	Per 1,000 [']	257,778	293,362	14% Increase
68606	Vacant Building	Per 1,000 [']	458,107	458,107	No Change
91591	Subcontractors	Per \$1,000 Cost	733,333	500,000	47% Decrease
63010	1-4 Family Dwelling (Vacant or Occupied)	Per Unit	18	18	No Change
46671	Athletic Fields/Playgrounds	Flat Per Field	8	8	No Change

- Renewal rates remain as expiring as follows:

<i>Class Code</i>	<i>Description</i>	<i>Rating Basis</i>	<i>2016 Rate</i>
49451	Vacant Land/Parking Lots	Acre	\$ 54
61212	Occupied Building/School	Per 1,000 [']	\$ 117.645
68606	Vacant Building	Per 1,000 [']	\$ 54
91591	Subcontractors	Per \$1,000 Cost	\$ 2.090
63010	1-4 Family Dwelling (Vacant or Occupied)	Per Unit	\$ 187
60010	Occupied Apt. Building	Per 1,000 [']	\$ 168.530
46671	Athletic Fields/Playgrounds	Flat Per Field	\$ 910

- Terms & conditions remain as expiring.

**AUTOMOBILE**

- The total number of owned vehicles remains as expiring at 21.
- Renewal rates remain as expiring.
- Terms & conditions remain as expiring.

### WORKERS' COMPENSATION

- As requested, estimated payroll remains as expiring as follows:

<i>Classification</i>	<i>State - Code</i>	<i>2016 - 2017 Estimated Payroll</i>
Clerical	NJ - 8810	\$ 12,699,282
Outside Sales	NJ - 8742	\$ 2,175,276
Contractor - Executive	NJ - 5606	\$ 3,642,812
Buildings – NOC (janitorial/maintenance staff)	NJ - 9015	\$ 182,630

- Rates are set by the New Jersey Compensation Rating Bureau and are amended as follows:

<i>Classification</i>	<i>State - Code</i>	<i>2015 - 2016 Expiring Rate</i>	<i>2016 - 2017 Renewal Rate</i>	<i>Change</i>
Clerical	NJ - 8810	\$ 0.28	\$ 0.28	No change
Outside Sales	NJ - 8742	\$ 0.60	\$ 0.51	18% Decrease
Contractor - Executive	NJ - 5606	\$ 2.76	\$ 2.83	3% Increase
Buildings – NOC (janitorial/maintenance staff)	NJ - 9015	\$ 8.53	\$ 8.70	2% Increase

- The 2016 New Jersey Experience Rating Modification decreased 3% from 1.061 to 1.03.
- NJSDA applied, and was approved, for a 15% Construction Classification Credit from the State of New Jersey. The expiring credit was also 15%. The current premium savings attributed to the Construction Classification Credit is \$25,872.
- The five year Workers Compensation loss ratio increased from 68% as of 7/6/2015 to 89% as of 9/26/2016 due to a new claim received 6/6/2016. Safeguard is currently working with Chubb and NJSDA to mitigate the effects of this claim and reduce the reserve, if possible.
- Due to current claim activity, Chubb reduced the Scheduled Rating Credit from 20% to 15%. Safeguard will continue to work with Chubb up until the renewal to restore this credit back to 20% if a reserve reduction is warranted and the loss ratio improves.
- The Dividend endorsement remains on the policy for renewal. Please see the Coverage Summary for dividend details. Dividends totaling \$145,910 have been provided to SDA over the course of its tenure with Chubb.

**UMBRELLA AND EXCESS LIABILITY**

- At our request, Travelers has added Crisis Management Expenses (\$150,000) for no additional charge. This is a valuable coverage in the event of a catastrophic claim that will provide public relations and legal support throughout the claims process up to the sub-limit of the policy.
- There are no changes to limits, terms or conditions of the Travelers Lead Umbrella policy.
- CNA has updated their policy form to be placed on an A/B policy form which broadens coverage for policy holders.
- There are no changes to limits, terms or conditions of the CNA Excess policy.

**PUBLIC OFFICIALS' AND EXCESS PUBLIC OFFICIALS' LIABILITY**

- AIG limits and rates remain as expiring.
- All AIG terms and conditions remain as expiring with the exception of the Economic Sanctions Endorsement which has been updated to a new form #119679 09/15.
- The Excess Public Officials Liability policy continues to be underwritten by a legacy ACE company known as ACE American Insurance Company; Chubb is now the parent company. At this time policy forms, terms and conditions remain as expiring.

**ADDITIONAL COVERAGE CONSIDERATIONS**

- ***Pollution Liability*** - As discussed in previous meetings, virtually all forms of property and liability insurance contracts, including your current policies, contain exclusions for pollution, mold, and microbial matter. We suggest completing a pollution liability application in order to obtain a quotation for this coverage.

**PAYMENT TERMS**

- All premiums are due on an annual basis.
- Premium Financing options are available upon request.

**DOCUMENTS REQUIRED FOR BINDING*****Public Officials' Liability***

- Copy of most recent Employee Handbook (only if changes have been made since last renewal)

***New Jersey Schools Development Authority***

2016 Executive Summary

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**ACCOUNT SERVICE TEAM**

The following individuals will be members of your Account Service Team. Additional members may be assigned to the team as necessary.

***Account Administration***

Robert V. Donato, III, CWCP, CRIS  
Chairman & CEO

Direct Dial: 610-892-7688  
[rdonato@safegardgroup.com](mailto:rdonato@safegardgroup.com)

William C. Donato, Jr.  
President & COO

Direct Dial: 610-892-7688  
[wdonato@safegardgroup.com](mailto:wdonato@safegardgroup.com)

***Customer Service***

Jennifer D. Ackerman, CIC, CRIS  
Vice President – Commercial Lines

Direct Dial: 610-892-6837  
[jackerman@safegardgroup.com](mailto:jackerman@safegardgroup.com)

- Contract Review
- Policy/Coverage Review

Michelle Colón  
Account Executive – Commercial Lines

Direct Dial: 610-892-6864  
[mcolon@safegardgroup.com](mailto:mcolon@safegardgroup.com)

- Contract Review
- Policy/Coverage Review
- Audits
- Billing Discrepancies
- Renewal
- Certificates of Insurance (Back-up)

Courtney Smith  
Account Assistant – Commercial Lines

Direct Dial: 610-892-6866  
[csmith@safegardgroup.com](mailto:csmith@safegardgroup.com)

- Certificates of Insurance
- Automobile ID Cards
- Policy Changes
- Billing

***Claims***

Lisa Hale, CIC, AIC  
Vice President - Claims

Direct Dial: 610-892-6826  
[lhale@safegardgroup.com](mailto:lhale@safegardgroup.com)

If any of these individuals are not available, any one of the associates in our office would be glad to help in an emergency situation. The Safegard Group phone number is (609)278-0977.

This document has been prepared in confidence and should be utilized solely for the internal benefit of *New Jersey Schools Development Authority*.



STATE OF NEW JERSEY

**SCHOOLS DEVELOPMENT AUTHORITY**

*P.O. Box 991  
Trenton, NJ 08625-0991*

***BUSINESS AND REAL ESTATE PROPERTY AND CASUALTY INSURANCE PROGRAM  
COVERAGE SUMMARY***

***Contract No.: GP-0214-R01***

*Effective Date:*

December 14, 2016 through December 14, 2017

*Presented by:*

The Safeguard Group, Inc.  
P.O. Box 224  
Bridgeport, NJ 08014-0224

As of

September 29, 2016

***IMPORTANT:*** *This proposal of insurance is intended to be only a representative outline of coverages proposed by this office. It is not intended to replace actual contract language. The policies themselves must be read for specific details of coverages, extensions, limitations, and exclusions.*

***New Jersey Schools Development Authority***

2016 Coverage Summary

**ADMINISTRATION PACKAGE**

**Carrier:** Great Northern Insurance Company (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 6/13/2016  
**Policy No:** 3577-04-04  
**Policy Period:** December 14, 2016 to December 14, 2017  
**Annual Premium:** \$ 32,422.00  
**Terrorism:** \$ 1,029.00  
**Surcharge:** \$ 202.94  
**Total Premium:** \$ 33,653.94

**Named Insured:** New Jersey Schools Development Authority

***Location Schedule:***

<b>Loc#</b>	<b>Location</b>	<b>BPP</b>	<b>I &amp; B</b>	<b>EDP</b>	<b>Extra Expense</b>	<b>Valuable Papers</b>
1	375 McCarter Highway Newark, NJ 07114	\$ 312,750	\$ 420,029	\$ 613,750	See Below	Included
2	32 E. Front Street Trenton, NJ 08608	\$3,337,350	\$ 0	\$1,942,906	See Below	Included

***Property Coverage***

<u>Coverage</u>	<u>Locations</u>	<u>Limits</u>
Blanket Business Personal Property/Improvements & Betterments	Loc 1 & 2	\$4,070,129
Blanket Electronic Data Processing	Loc 1 & 2	\$2,556,656
Extra Expense	Loc 1 & 2	\$ 360,000
Valuable Papers On Premises & Any Other Location	Loc 1 & 2	\$ 500,000
Prohibition of Access	Loc 1 & 2	
Each Occurrence		\$ 50,000
Policy Aggregate		\$ 100,000
Earthquake	Loc 1 & 2	
Each Occurrence		\$2,500,000
Premises Aggregate		\$5,000,000
Policy Aggregate		\$5,000,000
Flood (Including Inundation, Back-up & Mudflow)	Loc 1 & 2	
Each Occurrence		\$2,500,000
Premises Aggregate		\$5,000,000
Policy Aggregate		\$5,000,000

***New Jersey Schools Development Authority***

2016 Coverage Summary

***Property Coverage (continued)***

**Perils Insured:** Special Causes of Loss, including Equipment Breakdown, subject to policy exclusions.

**Valuation:** Replacement Cost

**Coinsurance:** Waived in favor of Agreed Amount

**Deductible:**

\$ 5,000	Each Occurrence
\$ 3,500	Each Occurrence - Mobile Communication Property
\$ 10,000	Each Occurrence Earthquake (72 hour waiting period)
\$ 50,000	Each Occurrence Flood (72 hour waiting period)

**Property Coverage Extensions:** *The following are highlighted for informational purposes and may not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Limit</i>	<i>Form No.</i>
Covered Premises – Blanket Limit of Insurance up to limit shown for any combination of the following coverages: <ul style="list-style-type: none"> <li>➤ Accounts Receivable</li> <li>➤ Electronic Data Processing Property</li> <li>➤ Fine Arts</li> <li>➤ Leasehold Interest – Bonus Payment, Prepaid Rent, Sublease Profit, Tenants' Lease Interest</li> <li>➤ Leasehold Interest – Undamaged Tenants' Improvements &amp; Betterments</li> <li>➤ Non-Owned Detached Trailers</li> <li>➤ Outdoor Trees, Shrubs, Plants or Lawns</li> <li>➤ Personal Property of Employees</li> <li>➤ Property Damage Extortion</li> <li>➤ Public Safety Service Charges</li> <li>➤ Rental Income</li> <li>➤ Valuable Papers</li> </ul>	\$500,000	17-02-5220
Any Other Location for: <ul style="list-style-type: none"> <li>➤ Accounts Receivable</li> <li>➤ Building Components</li> <li>➤ Electronic Data Processing Property</li> <li>➤ Fine Arts</li> <li>➤ Personal Property</li> <li>➤ Valuable Papers</li> </ul>	\$150,000	
Debris Removal – 25% of direct damage loss, plus: <ul style="list-style-type: none"> <li>➤ Premises Shown In Declarations</li> <li>➤ Any Other Location</li> <li>➤ Exhibition, Fair or Trade Show</li> <li>➤ In Transit</li> </ul>	\$500,000 \$ 50,000 \$ 50,000 \$ 50,000	
Extra Expense	\$250,000	

***New Jersey Schools Development Authority***

2016 Coverage Summary

<i>Description</i>	<i>Limit</i>	<i>Form No.</i>
Exhibition, Fair or Trade Show: <ul style="list-style-type: none"> <li>➤ Electronic Data Processing Property</li> <li>➤ Fine Arts</li> <li>➤ Personal Property</li> </ul>	\$ 75,000	17-02-5220
Fungus Clean Up or Removal	\$ 25,000	
In Transit <ul style="list-style-type: none"> <li>➤ Accounts Receivable</li> <li>➤ Electronic Data Processing Property</li> <li>➤ Fine Arts</li> <li>➤ Personal Property</li> <li>➤ Valuable Papers</li> </ul>	\$150,000	
Loss of Master Key	\$ 25,000	
Loss Prevention Expenses	\$ 25,000	
Mobile Communication Property (Greater than 1,000 feet from a premises shown in the declarations) – Minimum Deductible of \$3,500	\$ 25,000	
Pollutant Clean-Up or Removal	\$ 25,000	
Preparation of Loss Fees	\$ 25,000	
Newly Acquired Premises or Newly Acquired Or Constructed Property for 180 Days: <ul style="list-style-type: none"> <li>➤ Building</li> <li>➤ Personal Property</li> <li>➤ Personal Property At Existing Premises</li> <li>➤ Electronic Data Processing Equipment</li> <li>➤ Electronic Data</li> <li>➤ Communication Property</li> <li>➤ Fine Arts</li> </ul>	\$5,000,000 \$2,500,000 \$ 100,000 \$2,500,000 \$ 250,000 \$ 250,000 \$ 50,000	
Cap on Certified Terrorism Losses		80-02-1658
Additional Peril – Earthquake – <i>see limits noted above</i>		80-02-1361
Additional Peril – Flood Limit/Ded or Waiting Period – <i>see limits noted above</i>		80-02-1698
Additional Coverage Added – Prohibition of Access – <i>see limits noted above</i>		80-02-5357

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***New Jersey Schools Development Authority***

2016 Coverage Summary

**Property Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions.*

**5**

<i>Description</i>	<i>Form No.</i>
Building And Personal Property ➤ Acts or Decisions ➤ Business Errors ➤ Employee Dishonesty ➤ Governmental or Military Action ➤ Inherent Vice/Latent Defect ➤ Insects or Animals ➤ Nuclear Hazard ➤ Planning, Design, Materials Or Maintenance ➤ War And Military Action ➤ Wear And Tear ➤ Disappearance ➤ Errors In Systems Programming ➤ Pollutants ➤ Settling	17-02-3069

***General Liability – Bodily Injury & Property Damage***

<u>Coverage</u>	<u>Limit</u>	
Each Occurrence	\$1,000,000	
General Aggregate	\$2,000,000	
Products/Completed Operations Aggregate	Included	
Personal & Advertising Injury Limit	\$1,000,000	
Damage to Premises Rented to You	\$1,000,000	any one fire
Medical Expenses	\$ 10,000	any one person

***General Liability Exposure***

<u>Location</u>	<u>Class</u>	<u>Description</u>	<u>Exposure</u>
375 McCarter Highway, Newark	61226	Building or Premises – Office	8,200 (sf)
32 E. Front St., Trenton	61226	Building or Premises – Office	68,725 (sf)

***Employee Benefits Liability***

<u>Coverage</u>	<u>Limit</u>
Each Employee	\$1,000,000
Aggregate	\$3,000,000
<i>Deductible:</i>	\$ 1,000
<i>Retroactive Date:</i>	12/14/2002
<i>Rating Basis:</i>	248 Employees

***New Jersey Schools Development Authority***

2016 Coverage Summary

***Chubb General Liability Coverage Enhancements:*** as compared to standard ISO General Liability Form

Coverage Features	Chubb Customary General Liability-80-02-3080 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01
<b><i>Who Is An Insured</i></b>		
Vendors automatically included as insureds	Yes	No
Lessors of equipment and premises automatically included as insureds	Yes	No
Existing subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds	Yes	No
Real Estate Managers (only with respect to their duties as your real estate manager)	Yes	No
New subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds to end of policy period	Yes	No, limited to 90 days and no coverage for unscheduled partnerships, joint ventures or limited liability companies
Employees, including leased workers, and volunteer workers are automatically insureds, including bodily injury to co-employees caused by cardiopulmonary resuscitation and first aid	Yes	No
Directors, managers, members, officers, partners and supervisors are automatically insureds, including bodily injury to employees	Yes	No
<b><i>Covered Exposures</i></b>		
Oral and written contractual liability: bodily injury/property damage	Yes	Yes
Written contractual liability: personal/advertising injury	Yes	No
Worldwide coverage territory for all covered suits brought in U.S.A., its possessions or territories, Canada or Puerto Rico	Yes	No
Medical expenses protection reporting period	Yes, three (3) years from date of accident	Yes, but limited to one (1) year from date of accident
Medical expenses, including injury to insured's tenants and persons working on insured's behalf	Yes	No
Definition of bodily injury includes humiliation, mental anguish, mental injury and shock resulting from physical injury	Yes	No
Definition of personal injury includes discrimination, harassment and segregation (other than employment-related)	Yes	No

***New Jersey Schools Development Authority***

2016 Coverage Summary

Coverage Features	Chubb Customary General Liability-80-02-3080 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01
Protection for violation of right of publicity	Yes, via Reputation Injury and Communications Liability Insurance	No
Definition of advertising injury includes trademark infringement	Yes, if registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title	No
Definition of advertising injury includes use of another's advertising idea in an advertisement	Yes, if another's advertising idea is a copyrighted advertisement or registered trademark	Yes
Definition of advertising injury includes infringing upon another's trade dress or slogan in an advertisement	Yes, if another's trade dress or slogan is a copyrighted advertisement or registered trademark	Yes
Additional intellectual property infringement protection, whether or not in advertisements	Yes, via Reputation Injury and Communications Liability Insurance	No
Non-owned aircraft - with crew	Yes	No
Non-owned watercraft	Yes, if less than 55 feet	Yes, but limited to less than 26 feet
Pollution exclusion exceptions: •Hostile fire •Off-premises operations •Products/completed operations •Leakage of fluids for mobile equipment at job sites •Job site building materials •Building heating equipment	Yes	Yes
Property damage (all-risk) to rented premises	Yes	No, peril of fire only and sub-limited
War and insurrection	Yes	No
Separate advertising/personal injury aggregate limit, not subject to general aggregate limit	Yes	No
<b><i>Limits of Insurance - Supplementary Payments</i></b>		
Supplementary payments: •Appeal bond amounts up to limit of insurance •Bail bond amounts up to limit of insurance •Loss of earnings	Yes Yes Yes, \$1,000/day	No No, limited to \$250 bond cost Yes, limited to \$250/day
Indemnitee's defense expenses payable in addition to limits	Yes	No, reduce limits unless conditions met

***New Jersey Schools Development Authority***

2016 Coverage Summary

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**General Liability Coverage Extensions:** *The following are highlighted for informational purposes and do not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Form No.</i>
General Aggregate Limit with Per Location and Combined Total Aggregate - \$5,000,000 <i>Combined Total Aggregate Limit</i>	17-02-7750
Who Is An Insured – <i>includes Members of the Insured</i>	80-02-2373
Cap on Certified Terrorism Losses	80-02-6403
Defense Outside the Limits – Employee Benefits Liability	80-02-2322

**General Liability Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions.*

<i>Description</i>	<i>Form No.</i>
Construction Loan Exclusion	17-02-3140
Securities and Trade Practices Exclusion	17-02-3141
Foreclosure and Trust Exclusion	17-02-3307
Information Distribution Laws Exclusion	80-02-6528
Non-Accumulation of Limits of Insurance	80-02-2324
Total Policy Exclusion for Lead	80-02-2375
Biological Agents Exclusion	80-02-2668
Total Professional Liability Exclusion	80-02-6428
Intellectual Property Laws or Rights Exclusion	80-02-8290
Loss of Use Electronic Data Exclusion	80-02-8423
Alcoholic Beverage Type Business Exclusion	80-02-8425
Pollution Exclusion	17-02-7539

**Miscellaneous Special Provisions (apply to Property & General Liability):** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Cancellation Clause (80-02-9803): 60 Days Notice of Cancellation; 20 days for non-payment of premium

**New Jersey Schools Development Authority**

2016 Coverage Summary

**REAL ESTATE LIABILITY**

**Carrier:** Chubb Insurance Company of New Jersey (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 6/13/2016

**Policy Number:** 3589-23-99

**Policy Period:** December 14, 2016 to December 14, 2017

**Annual Premium:** \$ 72,077.00

**Terrorism:** \$ 2,162.00

**NJ PLIGA Surcharge:** \$ 445.44

**Total Premium:** \$ 74,684.44

**Named Insured:** New Jersey Schools Development Authority

**General Liability – Bodily Injury & Property Damage**

<u>Coverage</u>	<u>Limit</u>	
Each Occurrence	\$1,000,000	
General Aggregate	\$2,000,000	
Products/Completed Operations Aggregate	Included	
Personal & Advertising Injury Limit	\$1,000,000	
Damage to Premises Rented to You	\$1,000,000	Any One Fire
Medical Expenses	\$ 10,000	Any One Person

**General Liability Exposure:**

<b>Class Code</b>	<b>Description</b>	<b>Total Exposure</b>	<b>Rating Basis</b>
46671	Athletic Fields, Playgrounds & Occupied Land	8	Flat Per Field
49451	Vacant Land/Parking Lots	21	Acre
61212	Occupied Buildings, Occupied Schools & Swing Space Schools	293,362	Per 1,000 [']
63010	1-4 Family Dwelling (Vacant or Occupied)	18	Per Unit
68606	Vacant Building	458,107	Per 1,000 [']
91591	Subcontractors	500,000	Per \$1,000 Cost

***New Jersey Schools Development Authority***

2016 Coverage Summary

***Chubb General Liability Coverage Enhancements:*** as compared to standard ISO General Liability Form

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Coverage Features	Chubb Customary General Liability-80-02-3080 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01
<b><i>Who Is An Insured</i></b>		
Vendors automatically included as insureds	Yes	No
Lessors of equipment and premises automatically included as insureds	Yes	No
Existing subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds	Yes	No
New subsidiaries, including unscheduled partnerships, joint ventures and limited liability companies, automatically included as insureds to end of policy period	Yes	No, limited to 90 days and no coverage for unscheduled partnerships, joint ventures or limited liability companies
Employees, including leased workers, and volunteer workers are automatically insureds, including bodily injury to co-employees caused by cardiopulmonary resuscitation and first aid	Yes	No
Directors, managers, members, officers, partners and supervisors are automatically insureds, including bodily injury to employees	Yes	No
<b><i>Covered Exposures</i></b>		
Oral and written contractual liability: bodily injury/property damage	Yes	Yes
Written contractual liability: personal/advertising injury	Yes	No
Worldwide coverage territory for all covered suits brought in U.S.A., its possessions or territories, Canada or Puerto Rico	Yes	No
Medical expenses protection reporting period	Yes, three (3) years from date of accident	Yes, but limited to one (1) year from date of accident
Medical expenses, including injury to insured's tenants and persons working on insured's behalf	Yes	No
Definition of bodily injury includes humiliation, mental anguish, mental injury and shock resulting from physical injury	Yes	No

***New Jersey Schools Development Authority***

2016 Coverage Summary

Coverage Features (continued)	Chubb Customary General Liability-80-02-3080 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01
Definition of personal injury includes discrimination, harassment and segregation (other than employment-related)	Yes	No
Protection for violation of right of publicity	Yes, via Reputation Injury and Communications Liability Insurance	No
Definition of advertising injury includes trademark infringement	Yes, if registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title	No
Definition of advertising injury includes use of another's advertising idea in an advertisement	Yes, if another's advertising idea is a copyrighted advertisement or registered trademark	Yes
Definition of advertising injury includes infringing upon another's trade dress or slogan in an advertisement	Yes, if another's trade dress or slogan is a copyrighted advertisement or registered trademark	Yes
Additional intellectual property infringement protection, whether or not in advertisements	Yes, via Reputation Injury and Communications Liability Insurance	No
Non-owned aircraft - with crew	Yes	No
Non-owned watercraft	Yes, if less than 55 feet	Yes, but limited to less than 26 feet
Pollution exclusion exceptions: •Hostile fire •Off-premises operations •Products/completed operations •Leakage of fluids for mobile equipment at job sites •Job site building materials •Building heating equipment	Yes	Yes
Property damage (all-risk) to rented premises	Yes	No, peril of fire only and sub-limited
War and insurrection	Yes	No

New Jersey Schools Development Authority

2016 Coverage Summary

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Coverage Features (continued)	Chubb Customarq General Liability-80-02-3080 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01
<b>Limits of Insurance - Supplementary Payments</b>		
Separate advertising/personal injury aggregate limit, not subject to general aggregate limit	Yes	No
Supplementary payments: •Appeal bond amounts up to limit of insurance •Bail bond amounts up to limit of insurance •Loss of earnings	Yes Yes Yes, \$1,000/day	No No, limited to \$250 bond cost Yes, limited to \$250/day
Indemnitee's defense expenses payable in addition to limits	Yes	No, reduce limits unless conditions met

**General Liability Coverage Extensions:** *The following are highlighted for informational purposes and do not represent the entirety of the policy enhancements.*

Description	Form No.
General Aggregate Limit with Per Location and Combined Total Aggregate - \$5,000,000 <i>Combined Total Aggregate Limit</i>	17-02-7750
Who Is An Insured – <i>includes Members of the Insured</i>	80-02-2373
Cap on Certified Terrorism Losses	80-02-6403
Composite Rate Endorsement	80-02-6588
Reporting Provision Amendment	80-02-2373

**General Liability Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions.*

Description	Form No.
Construction Loan Exclusion	17-02-3140
Securities and Trade Practices Exclusion	17-02-3141
Foreclosure and Trust Exclusion	17-02-3307
Information Distribution Laws Exclusion	80-02-6528
Designated Premises or Project Limitation: <i>Per schedule of locations reported to the Company quarterly</i>	80-02-2313
Non-Accumulation of Limits of Insurance	80-02-2324
New Jersey Mandatory Lead Exclusion	80-02-6714
Biological Agents Exclusion	80-02-2668
Intellectual Property Laws or Rights Exclusion	80-02-8290
Loss of Use Electronic Data Exclusion	80-02-8423
Medical Professional Services Exclusion	80-02-2406
Athletic Participants Exclusion	80-02-2337
Abuse or Molestation Exclusion	80-02-6543
Alcoholic Beverage Type Businesses Exclusion	80-02-8425
Exclusion – Pollution	17-02-7539
Total Professional Liability	80-02-6428

***New Jersey Schools Development Authority****2016 Coverage Summary*

**General Terms & Conditions:** *The following are highlighted for informational purposes and do not represent the entirety of the policy terms and conditions.*

- Cancellation Clause (80-02-9803): 60 Days Notice of Cancellation; 20 days for non-payment of premium
- Mid-Term Reporting Provision (80-02-2373): Blanket coverage for all properties purchased by NJSDA during the policy term. The policy will be endorsed on a quarterly basis to rate for those properties added/deleted. This is crucial, as it provides coverage for all properties without the administrative burden of amending the policy each time.

New Jersey Schools Development Authority

2016 Coverage Summary

**AUTOMOBILE**

**Carrier:** Chubb Insurance Company of New Jersey (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 6/13/2016

**Policy Number:** 7352-24-25

**Policy Period:** December 14, 2016 to December 14, 2017

**Annual Premium:** \$ 35,350.00

**NJPLIGA Surcharge:** \$ 318.15

**Total Premium:** \$ 35,668.15

**Named Insured:** New Jersey Schools Development Authority

<u>Coverage</u>	<u>Symbol</u>	<u>Limit</u>	
Bodily Injury & Property Damage	1	\$1,000,000	Each Accident
Personal Injury Protection	5	NJ Statutory	
Medical Expenses		\$ 250,000	Per Person
Income Continuation Benefits		\$100 per week	\$5,200 maximum
Essential Services Benefits		\$12 per day	\$4,380 maximum
Death Benefits		Up to \$5,200 (see policy for details)	
Funeral Expenses		\$ 1,000	
Deductible		\$ 250	
Uninsured Motorists	2	\$ 35,000	Each Accident
Underinsured Motorists	2	\$ 35,000	Each Accident
Rental Reimbursement		\$50 per day / 30 days	
Towing & Labor	3	\$ 50	
Physical Damage	2		
Comprehensive Deductible		\$ 500	
Collision Deductible		\$ 500	
Hired Car Physical Damage	8		
Comprehensive Deductible		\$ 500	
Collision Deductible		\$ 500	

**New Jersey Schools Development Authority**

2016 Coverage Summary

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**Vehicle Schedule**

<b>Veh. #</b>	<b>Year</b>	<b>Make/Model</b>	<b>VIN</b>	<b>Cost New</b>	<b>Garage Location</b>
1	2009	Honda Civic	JHMFA36219S005709	\$23,550	Trenton, NJ
2	2009	Honda Civic	JHMFA36269S002627	\$23,550	Wall, NJ
3	2009	Honda Civic	JHMFA36269S004023	\$23,550	Neptune City, NJ
4	2009	Ford Escape Hybrid	1FMCU59399KB92981	\$30,055	Trenton, NJ
5	2010	Ford Escape	1FMCU0DG4AKA53052	\$25,338	Short Hills, NJ
6	2007	Dodge Caravan	2D46P44L37R331888	\$27,300	Trenton, NJ
7	2012	Ford Focus	1FAHP3E29CL357596	\$18,300	Yardville, NJ
8	2012	Ford Focus	1FAHP3E29CL357597	\$18,300	Trenton, NJ
9	2012	Ford Focus	1FAHP3E27CL469492	\$16,270	Marlton, NJ
10	2012	Ford Focus	1FAHP3E28CL470604	\$16,270	Vineland, NJ
11	2013	Ford Focus	1FADP3E2XDL285678	\$20,000	Trenton, NJ
12	2013	Ford Focus	1FADP3E21DL285679	\$20,000	Trenton, NJ
13	2014	Ford Focus	1FADP3E23EL112876	\$27,500	Trenton, NJ
14	2014	Ford Focus	1FADP3E22EL112884	\$19,000	Cape May Courthouse, NJ
15	2014	Ford Focus	1FADP3E27EL220255	\$16,310	Trenton, NJ
16	2015	Jeep Patriot	1C4NJPBA9FD264787	\$18,045	Trenton, NJ
17	2015	Jeep Patriot	1C4NJPBA7FD264786	\$18,045	Trenton, NJ
18	2015	Dodge Caravan	2C4RDGBG9FR664407	\$21,195	Trenton, NJ
19	2015	Ford Focus	1FADP3E22FL244285	\$14,654	Trenton, NJ
20	2015	Ford Focus	1FADP3E24FL244286	\$14,654	Trenton, NJ
21	2016	Ford Focus	1FADP3E29GL270898	\$15,000	Barneget, NJ (add 3/23/16)

**Automobile Coverage Extensions:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy enhancements.*

<b>Description</b>	<b>Form No.</b>
New Jersey Changes – Civil Union	IL 0141 0908
New Jersey Changes – Physical Damage Inspection	CA 0184 1013
New Jersey Changes – Cancellation for Oversized Vehicles	CA 0204 0411
New Jersey Personal Injury Protection	CA 2230 1113
➤ Medical Expenses Limit of Insurance \$1,000 Per Person Per Accident	
New Jersey Uninsured And Underinsured Motorists Coverage	CA 2114 1013
Rental Reimbursement Coverage	CA 9923 1013
Employers Non-Ownership	16-02-0214
Fellow Employee Exclusion Deleted	16-02-0292
Extended Notice of Occurrence and Knowledge of Accident	
Unintentional Failure to Disclose	
Employees as Insureds'	
Waiver of Transfer of Rights of Recovery Against Others (where required by contract)	
Automatic Additional Insured and Loss Payee (where required by contract)	

***New Jersey Schools Development Authority***

2016 Coverage Summary

***Automobile Coverage Exclusions:*** *The following are highlighted for informational purposes only and do not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Form No.</i>
Exclusion of Terrorism Involving Nuclear, Biological Or Chemical Terrorism Above Minimum Statutory Limits	CA 2387 1013
Nuclear Energy Liability Exclusion Endorsement (Broad Form)	IL 0021 0908

***Miscellaneous Special Provisions:*** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Cancellation Clause (16-02-0304): 60 Days Notice of Cancellation; 20 days for non-payment of premium

**New Jersey Schools Development Authority**

2016 Coverage Summary

**WORKERS' COMPENSATION****5**

**Carrier:** Pacific Indemnity Company (Chubb)  
*Chubb is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 6/13/2016  
**Policy Number:** 7170-03-77  
**Policy Period:** December 14, 2016 to December 14, 2017  
**Annual Premium:** \$113,428.00  
**Terrorism:** \$ 5,610.00  
**NJ SIF Surcharge:** \$ 10,021.00  
**Total Premium:** \$129,059.00

**Named Insured:** New Jersey Schools Development Authority

**Experience Rating Modification:** 1.03

**Coverage A:** Statutory Benefits – NJ

**Coverage B:** Employers Liability

Bodily Injury by Accident	\$500,000	Each Accident
Bodily Injury by Disease	\$500,000	Policy Limit
Bodily Injury by Disease	\$500,000	Each Employee

**Coverage C:** Other States Insurance - All States except ND, OH, WA, & WY

**Workers Compensation Exposure**

<b>Code</b>	<b>Classification</b>	<b>Estimated Annual Payroll</b>
8810	Clerical Office	\$ 12,699,282
8742	Outside Sales	\$ 2,175,276
5606	Contractor – Executive	\$ 3,642,812
9015	Buildings – NOC (janitorial & maintenance staff)	\$ 182,630

***New Jersey Schools Development Authority***

2016 Coverage Summary

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**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Estimated premium includes the following credits:
  - 15% Construction Class Credit
  - 15% Scheduled Rating Credit
- Sliding Scale Dividend Plan: Should a dividend be declared by Chubb and SDA maintains a loss ratio of 25% or less, a percentage of the annual premium will be returned. Chubb has issued dividends totaling \$145,910 to NJSDA in the past.

Loss Ratio	Dividend %	Estimated Dividend (based on quoted premium)
0%	17.37%	\$21,606
5%	15.20%	\$18,905
10%	13.03%	\$16,204
15%	10.86%	\$13,504
20%	6.51%	\$ 8,102
25%	3.26%	\$ 4,051

Important Features of the Dividend Plan:

- The actual dividend calculation will use audited premiums.
  - Incurred losses used in the actual dividend calculation will be valued as of 12 months and 24 months after expiration or cancellation instead of 9 months and 18 months.
  - The insured will receive 50% of the estimated dividend due at the first adjustment.
  - Upon the second (final adjustment), this amount will be subtracted from the total dividend amount.
  - Chubb does not have a recapture clause.
  - In most states, no dividend of less than \$25 shall be paid.
  - Dividends cannot be guaranteed and are declared at the sole discretion of the Board of Directors of the Pacific Indemnity Company.
- Cancellation Clause: 30 Days Notice of Cancellation (per New Jersey state law)

***New Jersey Schools Development Authority***

2016 Coverage Summary

**UMBRELLA LIABILITY****5**

**Carrier:** Travelers Property Casualty Company of America  
*Travelers is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 6/13/2016

**Policy Number:** ZUP-41M19672-16-NF

**Policy Period:** December 14, 2016 to December 14, 2017

**Annual Premium:** \$ 32,000.00

**Terrorism:** \$ 320.00

**NJPLIGA Surcharge:** \$ 226.00

**Total Premium:** \$ 32,546.00

**Named Insured:** New Jersey Schools Development Authority

***Limit of Liability***

<u>Coverage</u>	<u>Limit</u>
Each Occurrence	\$15,000,000
Aggregate	\$15,000,000
Products/Completed Operations Aggregate	\$15,000,000
Self Insured Retention	\$ 0

***Schedule of Underlying Policies*****Administration General Liability**

Writing Company:	Great Northern Ins. Co.	Limits:	\$ 1,000,000 each occurrence
Policy Term:	12/14/2016 to 12/14/2017		\$ 2,000,000 aggregate
Policy Number:	3577-04-04		

**Administration Employee Benefits Liability**

Writing Company:	Great Northern Ins. Co.	Limits:	\$ 1,000,000 each occurrence
Policy Term:	12/14/2016 to 12/14/2017		\$ 3,000,000 aggregate
Policy Number:	3577-04-04		

**Real Estate General Liability**

Writing Company:	Chubb Ins. Co. of NJ	Limits:	\$ 1,000,000 each occurrence
Policy Term:	12/14/2016 to 12/14/2017		\$ 2,000,000 aggregate
Policy Number:	3589-23-99		

**Automobile**

Writing Company:	Chubb Ins. Co. of NJ	Limits:	\$ 1,000,000 combined single limit
Policy Term:	12/14/2016 to 12/14/2017		
Policy Number:	7352-24-25		

***New Jersey Schools Development Authority***

2016 Coverage Summary

**Employers Liability**

Writing Company:	Pacific Indemnity Co.	Limits:	\$ 500,000 BI each accident
Policy Term:	12/14/2016 to 12/14/2017		\$ 500,000 BI by disease (policy)
Policy Number:	7170-03-77		\$ 500,000 BI by disease (each employee)

**Coverage Extensions:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Form No.</i>
Limits of Insurance Endorsement – General Aggregate Limit Applies on Per Location Basis Subject to a Policy Maximum Limit of not more than two times the General Aggregate Limit	SU240 0214
What To Do If You Have A Loss Endorsement	SU106 0214
Cap on Losses from Certified Acts of Terrorism Endorsement	SU400 0115

**Coverage Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions and limitations.*

<i>Description</i>	<i>Form No.</i>
Abuse or Molestation Exclusion	SU274 0214
Anti Stacking Endorsement	SU092 0214
Athletic Participation Exclusion	SU010 0915
Auto Liability Limitation – coverage follows form of underlying policy	SU257 0214
Crisis Management Service Expenses	SU300
Cross Liability Exclusion	SU023 0214
Designated Premises Limitation - to follow form Chubb's 80-02-2313 04-01	SU028 1002
Exterior Insulation and Finish System Exclusion	SU039 1002
Foreign Liability Limitation - coverage follows form of underlying policy	SU046 0214
Lead Exclusion	SU050 1002
Mold or Other Fungi or Bacteria Exclusion	SU061 1002
Total Pollution Exclusion Except Hostile Fire	SU168 0214
Professional Services Exclusion	SU074 1002
Securities and Financial Interest Exclusion	SU169 1104
Wrap Up Insurance Program Exclusion	SU291 0108
Access or Disclosure of Confidential or Personal Information Exclusion and Advertising Injury Right of Privacy Offense Follow-Form	SU383 0214
Amendment of Conditions and Coverage for Financial Interest in Foreign Insured Organizations	SU395 0315

**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Cancellation Clause: 60 Days Notice of Cancellation; 10 days for non-payment of premium

**New Jersey Schools Development Authority**

2016 Coverage Summary

**EXCESS LIABILITY**

**Carrier:** Continental Casualty Company  
*Continental Casualty Company is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A XV as of 6/13/2016  
**Policy Number:** L6011649215  
**Policy Period:** December 14, 2016 to December 14, 2017  
**Annual Premium:** \$15,000  
**Terrorism:** \$ 150  
**NJPLIGA Surcharge:** \$ 98  
**Total Premium:** \$15,248

**Named Insured:** New Jersey Schools Development Authority

**Limit of Liability**

<u>Coverage</u>	<u>Limit</u>
Each Occurrence	\$15,000,000
Aggregate	\$15,000,000
Self Insured Retention	\$ 0

**Scheduled of Underlying Policies**

Umbrella – Travelers Property Casualty Company of America  
 Policy # ZUP-41M19672-16-NF  
 Limit: \$15,000,000 each occurrence / \$15,000,000 Aggregate

**Coverage Extensions:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy enhancements.*

<u>Description</u>	<u>Form No.</u>
Amend Other Insurance	CNA75518XX

**Coverage Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions and limitations.*

<u>Description</u>	<u>Form No.</u>
Professional Services Errors and Omissions Exclusion	CNA75518XX

**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Cancellation Clause: 60 Days Notice of Cancellation; 10 days for non-payment of

*New Jersey Schools Development Authority*

*2016 Coverage Summary*

premium

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***New Jersey Schools Development Authority***

2016 Coverage Summary

**PUBLIC OFFICIALS' / EMPLOYMENT PRACTICES / NETWORK SECURITY & PRIVACY LIABILITY**

5

**Carrier:** National Union Fire Insurance Company of Pittsburgh, PA (AIG)  
*National Union is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A XV as of 6/13/2016

**Policy Number:** TBD

**Policy Period:** December 14, 2016 to December 14, 2017

**Annual Premium:** \$223,088

**NJPLIGA Surcharge:** \$ 1,339

**Total Premium:** \$224,427

**Named Insured:** New Jersey Schools Development Authority

**Insuring Agreement:** To pay on behalf of the insured all sums, in excess of the Deductible amount, which the Insured shall become legally obligated to pay as damages resulting from any Claim first made against the insured during the Policy Period or the Discovery Period (if applicable) and reported to the Company pursuant to the terms of this policy for any Wrongful Act of the Insured in the performance of duties for the Public Entity.

**Limits of Liability:** \$15,000,000 Each Wrongful Act  
 \$15,000,000 Aggregate  
 (Defense costs, charges and expenses are included within the limit)

**Sub-Limits of Liability:** \$ 7,500,000 Inverse Condemnation/Adverse Possession  
 \$ 250,000 Defense Costs for Claims Seeking Non-Monetary Relief  
 \$ 250,000 Front & Back Wages (EPL)  
 \$ 50,000 Punitive Damages  
 \$ 1,000,000 Network Security & Privacy Liability  
 \$ 1,000,000 Event Management Liability  
 \$ 1,000,000 Network Interruption Liability  
 \$ 1,000,000 Cyber Extortion Liability

**Deductible:** \$ 100,000 Each Wrongful Act – Public Officials  
 (inclusive of *Defense Costs*)  
 \$ 100,000 Each Wrongful Act – EPL  
 (inclusive of *Defense Costs*)  
 \$ 100,000 Network Security & Privacy Liability Class  
 Action Claims (inclusive of *Defense Costs*,  
*12-hour Waiting Period*)  
 \$ 100,000 Inverse Condemnation/Adverse Possession

***New Jersey Schools Development Authority***

2016 Coverage Summary

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**Optional Discovery Period:** Automatic – 60 days  
 Optional – One year for 50% of annual premium;  
 elected within 30 days

***Sub-limits shown above are part of and not in addition to Limits of Liability***

**Coverage Extensions:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Form No.</i>
Choice of Counsel Endorsement	Manuscript
Additional Coverage For Employment Practices Violations	68995 08/05
Volunteer Endorsement	Manuscript
Marital Estate Endorsement – coverage for claims against lawful spouses of Public Officials	Manuscript
EEOC Hearing Coverage Enhancement	99749 07/08
Notice/Claim Reporting Provisions – knowledge of claim occurs when received by the office of the Director of Risk Management	Manuscript
Exclusion B Amendatory Endorsement – provides coverage for defense costs with regard to claims seeking non-monetary relief. Sublimit shown above.	Manuscript
Inverse Condemnation Endorsement – Sublimit and retention shown above.	Manuscript
Exclusion (T) Amendatory Endorsement	97520 02/08
Profit or Advantage Exclusion Amendatory Endorsement – Front & Back Wages. Sublimit shown above.	99751 07/08
Network Security & Privacy Liability – Sublimit shown above.	Manuscript
Notice of Claim Reporting by E-mail	99758 08/08
Event Management Liability Coverage – Sublimit shown above.	Manuscript
Network Interruption Liability – Sublimit shown above.	Manuscript
Cyber Extortion Liability – Sublimit shown above.	Manuscript
Economic Sanctions Endorsement	119679 09/15
Insured vs. Insured Exclusion Amended Endorsement	Manuscript

**Coverage Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions and limitations.*

<i>Description</i>	<i>Form No.</i>
Bond Exclusion	68992 10/97
Intellectual Property Exclusion	89689 07/05
Fungus & Mold Exclusion	80959 07/05
Breach of Contract Exclusion	68928

**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Cancellation Clause: 10 days notice for non-payment; Insurance Company cannot cancel coverage for any other reason.

***New Jersey Schools Development Authority***

2016 Coverage Summary

**EXCESS PUBLIC OFFICIALS' & EMPLOYMENT PRACTICES LIABILITY**

**Carrier:** ACE American Insurance Company (Chubb)  
*ACE American is a licensed and **admitted carrier** within the state of New Jersey. As such they are backed by the New Jersey Surplus Lines Guaranty Fund.*

**A.M. Best Rating:** A++ XV as of 6/13/2016

**Policy Number:** XEOG23688414003

**Policy Period:** December 14, 2016 to December 14, 2017

**Annual Premium:** \$62,157.00

**NJ PLIGA Surcharge:** \$ 372.94

**Total Premium:** \$62,529.94

**Named Insured:** New Jersey Schools Development Authority

**Insuring Agreement:** The Insurer agrees to provide insurance coverage to the Insureds in accordance with the terms and conditions of the Followed Policy, except as otherwise provided herein.

**Limits of Liability:** \$10,000,000 Each Wrongful Act excess of \$15,000,000  
 \$10,000,000 Aggregate excess of \$15,000,000  
 (Defense costs, charges and expenses are included within the limit)

**Coverage Extensions:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Form No.</i>
Waiver of Application Endorsement – <i>recognizes completion of AIG application</i>	PF-16284
Notice Amended – <i>claim notices may be sent via email to ACEClaimsFirstNotice@acegroup.com</i>	PF-33468

**Coverage Exclusions/Limitations:** *The following are highlighted for informational purposes only and do not represent the entirety of the policy exclusions and limitations.*

<i>Description</i>	<i>Form No.</i>
Trade or Economic Sanctions Exclusion	PF-46422
Non-Concurrent – All Sub-limits (coverage does not apply excess of Underlying Policy sub-limits but does recognize reduction or exhaustion of the limit as a result of such claims)	PF-29910
False Claims Act Exclusion	PF-38981

**Miscellaneous Special Provisions:** *The following special provisions are highlighted for informational purposes and do not represent the entirety of the terms/conditions of the policy.*

- Cancellation Clause: Follows primary form: 10 days notice for non-payment;  
Insurance Company cannot cancel coverage for any other reason.

***Resolution—5b.***

Approval of Award  
Package No. GP-0214-R01  
Business and Real Estate Property and Casualty Insurance Program Renewal

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve amendment to contract awards for Goods and Services exceeding \$100,000; and

**WHEREAS**, in November 2014, the Members of the Authority approved the award of SDA's Business and Real Estate Property and Casualty Insurance broker services to Safegard Group, Inc. (the Broker) for a three-year term; and

**WHEREAS**, as described in the memorandum presented to the Board on this date, the Broker was thereafter directed, on behalf of the Authority, to purchase various insurance policies included in the Authority's Insurance Program; and

**WHEREAS**, concurrent with the Board's approval of the award of the broker services contract to the Broker, the Members of the Authority approved the purchase of various insurance policies for the initial annual term, effective December 14, 2014, at a cost not-to-exceed \$745,000; and

**WHEREAS**, in November 2015, the Board approved renewal of these insurance policies for a second annual term, effective December 14, 2015, at a cost not-to-exceed \$771,000; and

**WHEREAS**, in preparation for the 2016-2017 Insurance Program renewal, SDA staff obtained key data related to, among other things, potential recent changes in Authority risk exposures and provided such data to the Broker; and

**WHEREAS**, various insurers, utilizing this data, provided policy quotations based on SDA's assumed quantified risk exposures as of September 2016; and

**WHEREAS**, management believes such risks are reasonably quantified in the quoted premiums; and

**WHEREAS**, the Broker has presented the Authority with a proposal which outlines the limits, terms and conditions for renewal of the Insurance Program for a one-year policy term effective December 14, 2016 at a cost not-to-exceed \$638,000; and

**WHEREAS**, Broker's Executive and Coverage Summaries, including a synopsis of cost comparisons and program changes along with annual premium costs for and highlights of the 2016-2017 Insurance Program are set forth in the memorandum presented to the Board on this date and incorporated herein.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority, upon the recommendation of management, hereby authorize and approve the Authority's purchase of various Business and Real Estate insurance policies, for a one-year policy term commencing December 14, 2016, at a cost not-to-exceed \$638,000 consistent with the terms, conditions and program description set forth in the memorandum presented to the Board on this date and incorporated herein.

**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, Approval of Award, Package No. GP-0214-R0, Business and Real Estate Property and Casualty Insurance Program Renewal, dated November 2, 2016  
Dated: November 2, 2016

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

**DESIGN-BUILD AWARD AND APPROVAL OF FINAL PROJECT CHARTER - HARRISON  
SCHOOL DISTRICT - HARRISON NEW ELEMENTARY SCHOOL**



STATE OF NEW JERSEY

## SCHOOLS DEVELOPMENT AUTHORITY

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

TO: Members of the Authority

FROM: Sean Murphy  
Director, Procurement

Corrado Minervini  
Program Director, Program Operations

RE: District: Harrison  
School: Harrison New Elementary School  
Description: Design-Build  
Package No.: HU-0027-B01  
CCE: \$24,880,000  
Advertised CCE Range: \$23,000,000 – \$28,000,000  
Award: \$25,899,600  
CM: TBD

DATE: November 2, 2016

SUBJECT: Design-Build Award and Approval of Final Project Charter

INTRODUCTION

We are writing to recommend approval by the Members of the Authority of the award of a contract in the amount of \$25,899,600 to Brockwell & Carrington Contractors, Inc.<sup>1</sup> for Design-Build services for the Harrison New Elementary School (Harrison New ES) in the Harrison School District.

The Design-Build Team will complete the design of the facility utilizing NJSDA-developed schematic design documents and will also provide construction and construction administration services, including securing of all required permits and approvals, for construction of a new school facility for grades Pre-Kindergarten through One. The form of contract for this engagement is a Design-Build contract with the general contractor as the lead and with relevant trades and design disciplines serving in sub-contractor and sub-consultant roles.

We are also recommending approval by the Members of the attached Final Project Charter representing the project budget inclusive of dollar values for the award of the Design-Build package.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Board approval is required for the award of construction contracts greater than \$500,000 and for the approval of the Final Project Charter.

<sup>1</sup> Brockwell & Carrington listed the following subcontractors for the required trades in its Price Proposal: Centralpack Engineering Corp. (HVACR), Brooks Mechanical Consultants, Inc. (Plumbing), Beach Electric Co., Inc. (Electrical), and Stewart-Amos Steel Co., Inc. (Structural Steel & Ornamental Iron). Brockwell & Carrington also listed a design consultant team lead by Fraytak Veisz Hopkins Duthie, P.C. (Architecture), and including Gillan & Hartmann, Inc. (HVAC Engineering, Electrical Engineering, and Plumbing Engineering), Whitman (Civil Engineering and Environmental Engineering), and Harrison-Hamnett, P.C. (Structural Engineering).

Members of the Authority  
Design-Build Award and Approval of Final Project Charter  
Package No. HU-0027-B01  
Harrison – New Elementary School – Design-Build  
November 2, 2016  
Page 2 of 7

## BACKGROUND

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. Among the included projects and needs, that Plan identified a high priority educational need at the Middle School grade levels in Harrison and recognized that further discussion with the District was required for project definition. The plan included a project to address needs at the middle school grade levels based upon the District's Long Range Facilities Plan which called for expansion of the existing middle school to house the District's 5th grade population in order to alleviate overcrowding at the lower grade levels.

A Working Group comprised of the District, DOE and NJSDA staff was convened to review and validate current District needs and to identify and evaluate alternative project scopes to address its needs. Validation activities performed by NJSDA staff, in conjunction with the District and DOE determined that placement of the 5th grade population in the Middle School would not result in sufficient capacity in the District's elementary schools to address District-wide overcrowding. Further, this evaluation concluded that construction of the proposed New Elementary School would serve to address the District's overcrowding needs.

When completed, the Harrison New Elementary School will be an approximately 67,800 SF new school facility constructed on the District-owned site. The facility will provide capacity to educate approximately 392 students in grades Pre-K through One.

On January 7, 2015 the Members of the Authority approved a Preliminary Project Charter and authorized the advancement of the project utilizing Kit of Parts components, the design-build delivery process and in-house design staff resources. Following approval of the Preliminary Project Charter, NJSDA staff developed Schematic Design documents which were approved by the District and NJDOE, and with the assistance of the engaged Site Environmental Consultant, developed bridging documents to support procurement of a Design-Builder.

On February 3, 2016, the Members of the Authority approved the award of an Early Site Preparation (ESP) contract to Ambient Group, LLC, (HU-0027-N01) in the amount of \$1,047,685 and approved an increase to the Preliminary Project Charter in the amount of \$1,152,000 to reflect the actual dollar value for the award. Subsequently, Ambient Group, LLC completed the Early Site Package scope of work on October 21, 2016.

A Construction Management (CM) firm will be engaged to manage the construction phase of the Harrison New ES project. These services will be procured during the first quarter of 2017.

## PROCUREMENT PROCESS

This package was advertised as a design-build solicitation on July 13, 2016 on the NJSDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. For this procurement, "Price" is weighted as more important than all "Other Factors," with price equaling 60% of the overall weight, and all non-price factors having a combined weight of 40%.

A mandatory pre-bid conference was held on August 1, 2016.

In accordance with regulations, the NJSDA employed a two-step process for this procurement. The first step required interested bidders to submit a Project Rating Proposal, which was used by the NJSDA to determine each bidder's Project Rating Limit, or maximum amount that a bidder may bid, for the project. Project Rating Proposals were received by August 12, 2016. Bidders were evaluated based on the largest of four projects completed in the past seven years, safety records as well as reference checks. Based on evaluation of the information submitted, ten (10) bidders received a Project Rating Limit.

Members of the Authority  
 Design-Build Award and Approval of Final Project Charter  
 Package No. HU-0027-B01  
 Harrison – New Elementary School – Design-Build  
 November 2, 2016  
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The Project Rating Limits resulting from the Project Rating Evaluations are listed in Table 1 below:

**TABLE 1**

<b>Firm</b>	<b>Project Rating Limit</b>
Brockwell & Carrington Contractors, Inc.	\$ 45,771,385
Del-Sano Contracting Corporation	\$ 45,720,592
Dobco, Inc.	\$144,019,722
Epic Management, Inc.	\$253,840,000
Ernest Bock & Sons, Inc.	\$169,622,902
Hall Building Corporation	\$ 85,833,057
Hall Construction Company, Inc.	\$153,723,281
Joseph A. Natoli Construction Corporation	\$117,675,180
Niram, Inc.	\$ 38,640,000
Terminal Construction Corporation	\$199,471,000

The second step of the process required the bidders to simultaneously submit a Technical Proposal and a sealed Price Proposal. In advance of submission of Technical and Price Proposals, bidders were permitted to submit questions seeking clarification of the procurement documents, until August 24, 2016. Addenda responses to Bidder Questions were issued to the bidders on September 1, September 9, September 16 and September 23, 2016.

Technical and Price Proposals were received on October 6, 2016 from seven (7) bidders. As described in the RFP, the Technical Proposal submission consists of two separate portions for evaluation by two distinct committees as follows:

1. The “Experience Criteria” portion of the Technical Proposal submission was evaluated by an Evaluation Committee comprised of three (3) NJSDA staff members. The Evaluation Committee was responsible for collectively evaluating the “Experience Criteria” on a non-numeric basis and determining, on a consensus basis, whether a bidder had demonstrated sufficient experience in the following “Experience Criteria” categories:
  - Design-Builder’s Experience on Similarly Sophisticated Projects
  - Design-Builder’s Design Consultant’s Experience on Similarly Sophisticated Projects
  - Design-Builder’s Demonstrated Prior Affirmative Action Experience
2. The “Project Approach Criteria” portion of the Technical Proposal submission was evaluated by a Selection Committee, comprised of five (5) NJSDA staff members and one (1) alternate, and one (1) Harrison School District representative. The Selection Committee was responsible for independently evaluating and scoring each bidder in each of the following “Project Approach Criteria” categories:
  - Approach to Project
  - Identification and Qualification of Required Key Team Members
  - Approach to Schedule
  - Approach to LEED Requirements

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 Design-Build Award and Approval of Final Project Charter  
 Package No. HU-0027-B01  
 Harrison – New Elementary School – Design-Build  
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### ***“Evaluation Committee” Review***

The Evaluation Committee determined that each of the bidders demonstrated sufficient experience in the “Experience Criteria” categories to be considered for award.

### ***“Selection Committee” Review***

The Selection Committee members conducted interviews with each of the seven (7) Design-Build teams at NJSDA offices in Trenton on October 17 and October 18, 2016 affording committee members an opportunity to obtain any additional information from each bidder team as needed to complete their evaluations of the “Project Approach Criteria” portion of the Technical Proposal.

Each Selection Committee member evaluated the “Project Approach Criteria” portion of each Technical Proposal, assigning a raw score for each category on a scale of 0 to 10 as follows:

- 9 - 10 points - outstanding response - offers significant advantages.
- 7 - 8 points - superior response - exceeds requirements with no deficiencies.
- 5 - 6 points - sufficient response - meets the requirements with no significant deficiencies.
- 3 - 4 points - minimal response - meets the requirements but contains some significant deficiencies.
- 1 - 2 points - marginal response - comprehends requirements, but contains many significant deficiencies.
- 0 points - unsatisfactory response - requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors were then applied to each of the Selection Committee member’s raw scores for each “Project Approach Criteria” category to arrive at a total weighted category score as follows in Table 2 below:

**TABLE 2**

<b>Project Approach Criteria Evaluation Category</b>	<b>Weighting Factor (Applied to Raw Score)</b>	<b>Maximum Weighted Points</b>
Approach to Project	3.5	35
Identification and Qualification of Required Key Team Members	3.0	30
Approach to Schedule	1.5	15
Approach to LEED Requirements	2.0	20
<b>Total Possible Points</b>		<b>100</b>

For each Technical Proposal, the individual “Project Approach Criteria” category scores awarded by a particular Selection Committee member were added together to calculate a total non-price score for that Technical Proposal. The maximum total non-price score is 100. All of the total non-price scores awarded to a Technical Proposal by the Selection Committee members were added together and averaged to arrive at a final non-price score for each Technical Proposal.

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 Package No. HU-0027-B01  
 Harrison – New Elementary School – Design-Build  
 November 2, 2016  
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The results of the Selection Committee's review of the "Project Approach Criteria" portion of each Technical Proposal are listed in Table 3 below:

**TABLE 3**

<b>Contractor</b>	<b>Raw Non-Price Score</b>	<b>Non-Price Rank</b>
Hall Construction Company, Inc.	70.833	1
Ernest Bock & Sons, Inc.	64.667	2
Joseph A. Natoli Construction Corporation	64.250	3
Brockwell & Carrington Contractors, Inc.	64.042	4
Terminal Construction Corporation	61.250	5
Dobco, Inc.	56.583	6
Del-Sano Contracting Corporation	55.000	7

***Sealed Price Proposals***

Once all the Technical Proposals were scored pursuant to the "Project Approach Criteria", the Authority opened the sealed Price Proposals and reviewed them for responsiveness. The Price Proposals were publicly opened on October 20, 2016 and the bids were read aloud as required by law.

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

The results of the NJSDA's review of the Price Proposals are listed in Table 4 below:

**TABLE 4**

<b>Contractor</b>	<b>Bid Amount</b>	<b>Raw Price Score</b>	<b>Price Rank</b>
<b>Qualified and Responsive Bidders</b>			
Brockwell & Carrington Contractors, Inc.	\$25,899,600.00	100.000	1
Ernest Bock & Sons, Inc.	\$28,595,000.00	89.593	2
Dobco, Inc.	\$29,250,000.00	87.064	3
Hall Construction Company, Inc.	\$29,477,000.00	86.187	4
Terminal Construction Corporation	\$30,400,000.00	82.624	5
Joseph A. Natoli Construction Corporation	\$31,124,700.00	79.826	6
<b>Non-Responsive Bidder - Bid Rejected</b>			
Del-Sano Contracting Corporation	\$28,877,595.00	N/A	N/A

Before being combined with the non-price scores, the price scores for all bidders were adjusted by a weighting factor of 60%, and the scores for the non-price "Other Factors" criteria were adjusted by a 40% weighting factor.

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 Design-Build Award and Approval of Final Project Charter  
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 Harrison – New Elementary School – Design-Build  
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***Combined Scores and Final Rankings***

The combined scores and final rankings are listed in Table 5 below:

**TABLE 5**

<b>Contractor</b>	<b>Raw Non-Price Score</b>	<b>Raw Price Score</b>	<b>Weighted Non-Price Score (40%)</b>	<b>Weighted Price Score (60%)</b>	<b>Combined Score</b>	<b>Final Rank</b>
Brockwell & Carrington Contractors, Inc.	64.042	100.000	25.617	60.000	85.617	1
Hall Construction Company, Inc.	70.833	86.187	28.333	51.712	80.046	2
Ernest Bock & Sons, Inc.	64.667	89.593	25.867	53.756	79.622	3
Dobco, Inc.	56.583	87.064	22.633	52.238	74.872	4
Terminal Construction Corporation	61.250	82.624	24.500	49.574	74.074	5
Joseph A. Natoli Construction Corporation	64.250	79.826	25.700	47.895	73.595	6

The highest ranked bidder was Brockwell & Carrington Contractors, Inc. (B&C).

***Highest Ranked Bidder’s Price Proposal***

The bid submitted by B&C was 4.1% above the CCE. In order to understand the differential between the CCE and the bid price and to ensure the Contractor’s price proposal was inclusive of all scope elements, a meeting was conducted on October 21, 2016 with Procurement, Program Operations, Contract Management Division and B&C to review the bid. The discussion verified that B&C had included all work per the scope of the project and identified variances between the NJSDA’s CCE and B&C’s price proposal in several areas. The majority of the overall variance represents costs associated with: 1) building shell and interior construction - due to the Contractor’s placement of certain scope elements in cost categories different from the NJSDA; and 2) sitework - based on the Contractor’s approach to the NJSDA-required foundation system, which requires less exportation of soil than the NJSDA estimate, as well as self-performance of a significant percentage of the project scope of work by B&C. At the time of review, B&C confirmed that its price proposal is inclusive of all scope elements contained in the Contract Documents.

The Program Operations Director and the Contract Management Division recommend award of the project to Brockwell & Carrington Contractors, Inc.

**FINAL PROJECT CHARTER**

The attached Final Project Budget represents the project budget inclusive of actual dollar values for the award of the Design-Build contract, current estimates for all project scope elements inclusive of estimated costs for future scope elements such as FF&E, technology and appropriate contingencies. Additionally, the budget is inclusive of costs incurred related to land acquisition, predevelopment and environmental services, as well as NJSDA Staff costs for both Design and Project Management. The project budget of \$36.1 million in the Final Project Charter represents an increase of approximately \$1.5 million from the Board approved Preliminary Project Charter, due to increased construction costs based upon the award value for the design-builder which exceeds the value that was estimated within the Preliminary Project Charter. The values estimated within the Preliminary Project Charter were based upon the application of planning assumptions to proposed project scope at the time the charter was advanced for approval in February 2016. Additionally, the Technology budget has been increased to reflect more recent project experience. These increases within the overall budget are partially offset through the utilization of

Members of the Authority  
Design-Build Award and Approval of Final Project Charter  
Package No. HU-0027-B01  
Harrison – New Elementary School – Design-Build  
November 2, 2016  
Page 7 of 7

design contingency included within the Preliminary Project Charter to account for potential cost increases prior to the award of the design-build contract.

#### RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the highest ranked bidder, Brockwell & Carrington Contractors, Inc., for Contract No. HU-0027-B01 in the amount of \$25,899,600. Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

The Members of the Authority are also requested to approve the attached Final Project Charter representing all expended and projected funds necessary for completion of the project.

/s/ Sean Murphy  
Sean Murphy, Director, Procurement

/s/ Corrado Minervini  
Corrado Minervini, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning  
Reviewed and Recommended by: Raymond Arcario, Vice President, Construction Operations  
Reviewed and Recommended by: Gregory Voronov, Managing Director, Program Operations  
Reviewed and Recommended by: Robert Ryan, Deputy Program Director, Program Operations  
Prepared and Recommended by: Gabriel Salas, Program Officer, Program Operations

## New Jersey Schools Development Authority Project Charter - Summary

<b>Charter Date</b>
11/02/16

<b>Supersedes Charter Dated</b>
02/03/16

**Region:** Northern  
**District:** Harrison  
**Project Name:** New Elementary School  
**School Type:** Elementary School  
**DOE # / Project #:** 2060-N03-15-0AEJ  
**Project Type (New/Add/Reno):** New  
**Project Location:** 507-515 Harrison Avenue  
**Number of Students:** 392 (FES Capacity) 432 (Maximum Capacity)

**Land Acquisition Required?**  Yes  No  
**Temporary Space Required?**  Yes  No

<b>Funding Source</b>
2012 Capital Plan

**Project Budget:** \$ 36,115,640  
**Anticipated Substantial Completion Date:** 06/19/19  
**Anticipated School Occupancy Date:** 09/01/19

<b>Funding Allocated</b>
\$34,618,000

**Project Team Leader:** Corrado Minervini / Ritchard Sherman  
**Project Initiation Date:** Jan-15  
**SDA Board - Project Charter Approval Date:** 11/02/16

<b>District Local Share</b>
\$125,000

Charter Version and Date		Project Summary
<input type="checkbox"/> Planning		Construction of a New Elementary School facility to educate 392 students in grades Pre-K to 1 consisting of two Pre-K classrooms, nine kindergarten classrooms and nine first grade classroom, self contained special education classrooms, as well as, cafeteria, multipurpose room and necessary support spaces on a District-owned site.
<input type="checkbox"/> Preliminary		
<input checked="" type="checkbox"/> Final	11/02/16	
		<b>Purpose for Advancement of Current/Revised Project Charter</b>
<b>Revision # and Date</b>		Approval of the Final Charter inclusive of the final budget and schedule for the project based upon the award of the Design-Build Contract.
<input type="checkbox"/> One		<b>District Project Goals</b>
<input type="checkbox"/> Two		
<input type="checkbox"/> Three		
<input type="checkbox"/> Four		
<input type="checkbox"/> Five		
<input type="checkbox"/> Six		
		A new school to address district wide overcrowding in grades PK-8.

### Recommendation

Program Director - Program Operations _____ Date _____ Corrado Minervini	Managing Directors - Capital Planning / Design _____ Date _____ Gregory Voronov / Ritchard Sherman
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Vice President - Construction Operations _____ Date _____ Raymond Arcario	EVP- Prog. Ops. and Strategic Planning _____ Date _____ Andrew Yosha
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### Approval

Chief Executive Officer \_\_\_\_\_ Date \_\_\_\_\_  
 Charles McKenna

## New Jersey Schools Development Authority Project Charter - Milestones & Delivery Method

<b>Charter Date</b>
11/02/16

<b>District / Project Name:</b>	Harrison / New Elementary School
<b>DOE # / Project #:</b>	2060-N03-15-0AEJ

<b>Project Milestones</b>	<b>Date</b>
<b>School Occupancy Date</b>	09/01/19

<b>DELIVERY METHOD</b>	<b>Design/Build</b>
------------------------	---------------------

<u>Real Estate Services</u>	Start	Est.	Act.	Finish	Est.	Act.
Feasibility	Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	Feb-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Jun-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Acquisition	Jul-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Jul-16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Relocation	Jul-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Jul-16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Demolition (Acquired Properties)	12/19/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	03/30/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Early Site Package	Apr-16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Oct-16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Deed Restriction Required?	Yes	<b>Date</b>				
District Notified?	Yes	05/02/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Classification Exception Area?	Yes					
District Notified?	Yes	05/02/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

**Special Considerations**

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<u>Design:</u>	Date	Est.	Act.	Finish	Est.	Act.
Design Start (NTP)	Feb-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Design Restart (if applicable)	NA	<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase	Feb-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Jun-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design	Sep-15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/15/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bridging Documents	01/18/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/22/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design-Build Bid/Award	07/13/16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11/21/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	11/21/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12/15/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Design	12/19/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	08/23/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Special Considerations**

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<u>Construction:</u>	Date	Est.	Act.
Construction Start (NTP)	09/28/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	06/19/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	09/01/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	10/01/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	09/16/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	05/13/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	06/11/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Special Considerations**

The above schedule information is based upon the NJSDA's schedule for project completion consistent with the contract requirements for the design-build engagement. Adjustments to the Charter schedule may be made after review and approval of the design-builder awardee's proposed project schedule.

<b>New Jersey Schools Development Authority Project Charter - Project Budget</b>		<b>Charter Date</b>
		11/02/16
<b>District / Project Name:</b> Harrison / New Elementary School		
<b>DOE # / Project #:</b> 2060-N03-15-0AEJ		
<b>2012 Capital Plan Funding Allocation</b>	<b>\$</b>	<b>34,618,000</b>
<b>Special Considerations:</b>		
<p>The project budget represented below is based upon the award amount for the Design-Build engagement, current estimates for all project scope elements and estimated costs for future scope elements. The budget also includes prior expenditures related to land acquisition, predevelopment (including Early Site Package) and environmental activities.</p>		
<b>Project Budget:</b>		
<b>Gross Building Area (GSF):</b>		<b>Grossing Factor:</b>
New	67,800	1.54
Addition	0	
Renovation	0	
<b>Total Gross Building Area (GSF):</b>	<b>67,800</b>	
<b>Estimated Building Cost / GSF</b>		
New Construction Cost/GSF	\$308.52	
Renovation Cost/GSF		
<b>Design-Builder Costs</b>		
Design	\$1,694,750	
Building Costs	\$22,284,850	
Site Development Costs	\$1,920,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 0 months at 5 % per year	\$0	
Design Contingency	\$0	
Construction Contingency	\$1,200,000	
<b>Total Construction Costs</b>	<b>\$27,099,600</b>	
<b>Pre-Development Costs:</b>		
Consultant Services	\$1,001,000	
Early Site Package (Demolition/Remediation)	\$952,000	
Demolition/Site Work (Acquired Properties)	(Included in DB Scope)	
Land Acquisition	\$1,058,000	
Relocation	\$160,000	
Property Maintenance/Carry Costs	\$105,040	
<b>Total Pre-Development Costs</b>	<b>\$3,276,040</b>	
<b>Other Costs:</b>		
Design		
Prior Design Services	\$0	
In-House Design	\$580,000	
Project Management (SDA Staff)	\$1,200,000	
PMF/CM	\$1,485,000	
FF&E	\$1,100,000	
Technology	\$1,000,000	
Commissioning	(Included in DB Scope)	
Temporary Space	\$0	
Other Costs	\$500,000	
<b>Total Other Costs</b>	<b>\$5,865,000</b>	
<b>Other Funding Sources</b>		
Rebates & Refunds	\$0	
District Local Share Funds	(\$125,000)	
<b>Total Other Funding Sources</b>	<b>(\$125,000)</b>	
<b>Total Project Budget</b>	<b>\$36,115,640</b>	
<b>Funding from Prior Allocation</b>	<b>\$0</b>	
<b>Funding from 2012 Capital Plan</b>	<b>\$36,115,640</b>	

**New Jersey Schools Development Authority  
Project Charter - Budget Variance**

**Charter Date**

11/02/16

**District / Project Name:** Harrison / New Elementary School  
**DOE # / Project #:** 2060-N03-15-0AEJ

**Project Budget:**

	Preliminary Charter 2/3/16	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.55	1.54	
Gross Building Area (GSF):			
New	65,500	67,800	(2,300)
Addition	0	0	0
Renovation	0	0	0
<b>Total Gross Area (GSF):</b>	<b>65,500</b>	<b>67,800</b>	<b>(2,300)</b>
<b>Design-Builder Costs</b>			
Design	\$1,126,000	\$1,694,750	(\$568,750)
Building Costs	\$18,586,000	\$22,284,850	(\$3,698,850)
Site Development Costs	\$2,468,000	\$1,920,000	\$548,000
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$0	\$0	\$0
Design Contingency	\$2,200,000	\$0	\$2,200,000
Construction Contingency	\$1,100,000	\$1,200,000	(\$100,000)
<b>Total Construction Costs</b>	<b>\$25,480,000</b>	<b>\$27,099,600</b>	<b>(\$1,619,600)</b>
<b>Pre-Development Costs:</b>			
Consultant Services	\$500,000	\$1,001,000	(\$501,000)
Early Site Package (Demolition/Remediation)	\$1,152,000	\$952,000	\$200,000
Demolition/Site Work (Acquired Properties)	(Included in DB Scope)	(Included in DB Scope)	\$0
Land Acquisition	\$1,058,000	\$1,058,000	\$0
Relocation	\$279,000	\$160,000	\$119,000
Property Maintenance/Carry Costs	\$44,000	\$105,040	(\$61,040)
<b>Total Pre-Development Costs</b>	<b>\$3,033,000</b>	<b>\$3,276,040</b>	<b>(\$243,040)</b>
<b>Other Costs:</b>			
Design			
Prior Design Services	\$0	\$0	\$0
In-House Design	\$400,000	\$580,000	(\$180,000)
Project Management (SDA Staff)	\$1,720,000	\$1,200,000	\$520,000
PMF/CM	\$1,485,000	\$1,485,000	\$0
FF&E	\$1,100,000	\$1,100,000	\$0
Technology	\$900,000	\$1,000,000	(\$100,000)
Commissioning	(Included in DB Scope)	(Included in DB Scope)	\$0
Temporary Space	\$0	\$0	\$0
Other Costs	\$500,000	\$500,000	\$0
<b>Total Other Costs</b>	<b>\$6,105,000</b>	<b>\$5,865,000</b>	<b>\$240,000</b>
<b>Other Funding Sources</b>			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	(\$125,000)	\$125,000
<b>Total Other Funding Sources</b>	<b>\$0</b>	<b>(\$125,000)</b>	<b>\$125,000</b>
<b>Total Project Budget</b>	<b>\$34,618,000</b>	<b>\$36,115,640</b>	<b>(\$1,497,640)</b>
<b>Funding from Prior Allocation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Funding from 2012 Capital Plan</b>	<b>\$34,618,000</b>	<b>\$36,115,640</b>	<b>(\$1,497,640)</b>

**Budget Variance Analysis:**

The project budget represents an increase of approximately \$1.5 million from the Board approved Preliminary Project Charter due to increased construction costs based upon the award value for the design-builder which exceeds the value that was estimated within the Preliminary Project Charter. The values estimated within the Preliminary Project Charter were based upon the application of planning assumptions to the proposed scope at the time the charter was advanced for approval in February 2016. Additionally, the Technology budget has been increased to reflect more recent project experience. These increases within the overall budget are partially offset through the utilization of design contingency included within the Preliminary Project Charter to account for potential cost increases prior to the award of the design-build contract.

**Schedule Variance Analysis:**

**Resolution—6a.**

## Design-Build Award and Final Project Charter

District:	Harrison
School:	Harrison New Elementary School
Description:	Design-Build
Package No.:	HU-0027-B01
CCE:	\$24,880,000
Advertised CCE Range:	\$23,000,000 – \$28,000,000
Award:	\$25,899,600
CM:	TBD

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve the award of construction contracts greater than \$500,000 and Final Project Charters; and

**WHEREAS**, in March 2012, the Members of the Authority approved the SDA's 2012 Capital Plan (Plan) which identified a high priority educational need at the middle school grade levels in Harrison and recognized that further discussion with the Harrison District (District) was required for project definition; and

**WHEREAS**, the Plan included a project to address needs at the middle school grade levels based upon the District's Long Range Facilities Plan which called for expansion of the existing Middle School to house the District's 5th grade population in order to alleviate overcrowding at the lower grade levels; and

**WHEREAS**, a Working Group comprised of the District, state Department of Education (DOE) and SDA staff was convened to review and validate current District needs and to identify and evaluate alternative project scopes to address its needs; and

**WHEREAS**, validation activities performed by SDA staff, in conjunction with the District and DOE, determined that placement of the 5th grade population in the Middle School would not result in sufficient capacity in the District's elementary schools to address District-wide overcrowding and further concluded that construction of a proposed New Harrison Elementary School (the Project) would serve to address the District's overcrowding needs; and

**WHEREAS**, when completed, the Project will provide an approximately 65,500 square foot facility on District-owned site with the capacity to educate 392 students in grades Pre-K through 1; and

**WHEREAS**, in January 2015, the Members of the Authority approved a Preliminary Project Charter and authorized advancement of the Project utilizing Kit of Parts components, the design-build delivery process and in-house design staff resources; and

**WHEREAS**, following approval of the Preliminary Project Charter, SDA staff developed schematic design documents which were approved by the District and DOE and, with the assistance of the engaged site environmental consultant, developed bridging documents to support procurement of a design-builder; and

**WHEREAS**, in February 2016, the Members of the Authority approved the award of an early site preparation contract and approved an increase to the Preliminary Project Charter to reflect the actual dollar value for the award; and

**WHEREAS**, the early site package scope of work was subsequently completed in October 2016; and

**WHEREAS**, a package was advertised as a design-build solicitation on July 13, 2016 with “price” weighted as 60% of the overall weight, and “all non-price factors” with a combined weight of 40%; and

**WHEREAS**, upon completion of the competitive procurement process, the Program Operations Director and the Contract Management Division recommend award of a contract for design-build services in the amount of \$25,899,600 to Brockwell & Carrington Contractors, Inc. for the Project; and

**WHEREAS**, at the time of review, Brockwell & Carrington Contractors, Inc. confirmed that its price proposal is inclusive of all scope elements contained in the contract documents; and

**WHEREAS**, the background of the Project, a detailed description of the procurement process followed and the specifics of the proposed Final Project Charter are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, along with the contract award, SDA executive management recommends that the Members of the Authority approve the Final Project Charter for the Project as presented to the Board on this date and representing all expended and projected funds necessary for completion of the project; and

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

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve the award of a contract to the highest ranked bidder, Brockwell & Carrington Contractors, Inc., for Contract No. HU-0027-B01 in the amount of \$25,899,600 and the Project’s Final Charter as presented to the Board on this date and representing the project budget inclusive of dollar values for the award of the design-build package.

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

**BE IT FURTHER RESOLVED**, 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, Design-Build Award and Approval of Final Project Charter, Harrison New Elementary School, (HU-0027-B01), Harrison School District, dated, November 2, 2016

Dated: November 2, 2016

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

**ACTIVE PROJECTS STATUS REPORT**



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: November 2, 2016

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 10/18/16

2011 Portfolio Projects - sorted by District		1					
District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	\$23.3	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	\$39.0	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	\$64.1	Existing Design	Phase 2 Award approved Nov. 2012 Board (Patock Construction)	12/8/11 7/11/12
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	\$54.0	Kit of Parts/ Design-Build	Award for D-B approved May 2013 Board (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	PS 20	K-5	628	\$49.3	Existing Design	Phase 2 Construction approved Aug. 2013 Board (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	\$40.0	Existing Design	Construction Contract Approved Apr. 2012 Board (Terminal Construction).	12/20/11
New Brunswick	Redshaw ES	PK-5	906	\$51.2	Kit of Parts/ Design-Build	Award for D-B approved at Sep. 2012 Board (Hall Construction).	5/29/12
Newark	Oliver St. ES	PK-8	848	\$73.6	Kit of Parts/ Design-Build	Award for D-B approved Mar. 2013 Board. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	\$55.2	Existing Design	Construction Contract approved at May 2013 Board (Bock).	6/13/12 2/12/13
Paterson	PS 16	PK-8	705	\$62.4	Kit of Parts/ Design-Build	Award for D-B approved at Dec. 2013 Board (Hall Construction).	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	\$16.8	Design-Bid-Build	Construction Contract approved at Apr. 2016 Board (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 10/18/16

**2012 Portfolio Projects - sorted by District**

**1**

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	\$63.9	Kit of Parts/ Design-Build	Award for D-B approved Jul. 2014 Board (Terminal Construction).	3/4/14
Keansburg	Caruso ES	K-4	758	\$50.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2013 Board (Hall Construction).	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	\$17.5	Design-Bid-Build	Award for Design services approved Feb. 2016 Board.	TBD
New Brunswick	Robeson ES	PK-5	823	\$47.1	Kit of Parts/ Design-Build	Award for D-B approved Sep. 2015 Board (Hall Construction).	4/22/15
Newark	Elliot Street ES	PK-8	848	\$46.7	Kit of Parts/ Design-Build	Award for D-B approved Apr. 2013 Board (Hall Construction).	12/27/12
Newark	South Street ES	PK-8	597	\$69.9	Kit of Parts/ Design-Build	Award for D-B approved Oct. 2015 Board (Bock).	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,741	\$209.5	Kit of Parts/ Design-Build	Project now sequenced with the advancement of the Leonard Place Project.	TBD
Phillipsburg	High School	9-12	1,846	\$127.5	Existing Design	Construction Contract Approved Apr. 2013 Board (Epic Management).	9/27/12
West New York	Memorial HS	9-12	1,859	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work will be completed via District Grant.	n/a

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

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**2011 & 2012 Portfolio Projects Activities Summary**

as of 10/18/16

**2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended Projects) - sorted by District**

District	Project	1			Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	Capacity	Total Estimated Cost (millions)			
East Orange	George Washington Carver ES	PK-5	463	\$42.0	Kit of Parts/ Design-Build	Preliminary Charter & Memo approved May 2015 Board. ESP Award approved Jul. 2016 Board.	4/26/16 2 QTR 17
Elizabeth	New ES @ Halloran PS #22 ES Site	ES	860	\$55.3	Kit of Parts/ Design-Build	Award for D-B approved at Nov. 2014 Board (Torcon).	6/9/14
Garfield	James Madison ES	K-5	275	\$29.7	Existing Design	Award for GC approved Oct. 2015 Board (Brockwell & Carrington).	2/19/14 6/30/15
Harrison	New ES	PK-1	392	\$33.5	Kit of Parts/ Design-Build	ROA for DB and Final Charter advancing to Nov. 2016 Board.	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	\$35.4	Kit of Parts/ Design-Build	DB Advertisement 8/16/16. Proposals due 11/2/16.	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	\$110.0	Design-Build	DB Advertisement 9/30/16. Proposals due 12/21/16.	9/30/16
Passaic	New ES @ Leonard Place	K-5	628	\$55.9	Kit of Parts/ Design-Build	Award for D-B approved Dec. 2015 Board (Dobco, Inc.).	8/13/15
Paterson	New MS @ Union Ave.	6-8	996	\$112.9	Design-Build	Preliminary Charter approved Apr. 2015 Board.	TBD
Pemberton	Denbo ES	PK-5	846	\$62.0	Design-Build	Preliminary Charter approved Jul. 2016 Board.	TBD
Perth Amboy	High School	9-12	TBD	TBD	Design-Build	Preliminary Charter approved Jun. 2016 Board.	TBD
	Seaman Avenue ES	K-5	700	\$56.8	Kit of Parts/ Design-Build	Award for D-B approved Jul. 2016 Board (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	56.9	Kit of Parts/ Design-Build	Preliminary Charter approved Sep. 2016 Board.	TBD
Union City	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Vineland	New MS	6-8	620	\$49.8	Kit of Parts/ Design-Build	Award for D-B approved at Jan. 2016 Board (Bock).	9/24/15

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.  
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.  
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



**2011 & 2012 Portfolio Projects Activities Summary**

as of 10/18/16

**2012 Portfolio Projects (Facilities Deficiencies) - sorted by District**

District	Project	1			Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	Capacity	Total Estimated Cost (millions)			
Camden	High School	9-12	1,200	\$132.7	Design-Build	Preliminary Charter approved Oct. 2016 Board	TBD
Hoboken	Connors ES	PK-4	351	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-6	300	\$24.3	TBD	Revised Planning Charter approved Aug. 2016 Board.	TBD
Orange	High School	9-12	1,048	TBD	TBD	ROA for Pre-Design Services approved Apr. 2015 Board.	TBD
Trenton	Central HS	9-12	1,850	\$155.4	Design-Build	Award for D-B approved at Mar. 2016 Board (Terminal Construction).	12/19/14 9/29/15

\*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.  
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.  
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



## Active Project Status Report Status as of 10/1/2016

### 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	Bridgeton	Quarter Mile Lane ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 39,043,619
2	Elizabeth	New ES	New Construction	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 55,312,580
3	Garfield	New James Madison ES	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 29,650,092
4	Gloucester City	New ES/MS	New Construction	Construction	1Q 2017	On-target	Sep-17	On-target	\$ 63,829,937
5	Jersey City	Patricia Noonan ES (New ES #3)	New Construction	Construction	4Q 2016	On-target	Sep-17	On-target	\$ 54,004,014
6	New Brunswick	Paul Robeson Community ES	Addition/Renovation	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 47,012,849
7	Newark	South Street ES	New Construction	Construction	2Q 2018	On-target	Sep-18	On-target	\$ 69,876,694
8	Passaic City	New ES at Leonard Place	New Construction	Design-Build Design Phase	3Q 2018	On-target	Sep-18	On-target	\$ 55,884,039
9	Perth Amboy	New Seaman Ave ES	New Construction	Design-Build Design Phase	1Q 2019	On-target	Sep-19	On-target	\$ 56,435,971
10	Trenton	New Central HS	New Construction	Design-Build Design Phase	2Q 2019	On-target	Sep-19	On-target	\$ 155,404,000
11	Vineland	Lincoln Road MS (New Middle School)	New Construction	Design-Build Design Phase	2Q 2018	On-target	Sep-18	On-target	\$ 49,787,025
12	West New York	Harry L. Bain ES	Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 16,848,500



**Active Project Status Report  
Status as of 10/1/2016**

**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	Irvington HS	HVAC & Roofing	Construction	May-16	Achieved	4Q 2016	On-Target	\$ 6,526,284
2	Trenton	Hedgepeth-Williams School	Domestic Wate Line Replacement	Construction	4Q 2016	On-Target	4Q 2016	On-Target	\$ 2,153,476
3	Vineland	High School South	HVAC	Construction	4Q 2016	On-Target	4Q 2016	On-Target	\$ 13,652,573

**PROJECT CLOSEOUT STATUS REPORT**



STATE OF NEW JERSEY

# SCHOOLS DEVELOPMENT AUTHORITY

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

To: Members of the Authority

From: /s/ Jason E. Ballard, Chief of Staff

Date: November 2, 2016

Subject: Project Close-Out Status Report

The attached report, provided by the Special Projects Division, shows a listing of all SDA managed Capital and Emergent projects which have achieved school occupancy but have not yet been contractually and administratively closed. The listing further details projects which have achieved building and/or land transfer to the district, but also have outstanding open contracts. Finally, to emphasize the accomplishments of project close-out, we have included a running total of all school facilities projects, health and safety contracts, and suspended design contracts which have been closed.

We continue to advance projects and contracts through the close out process. The following projects have been closed since the last Board Meeting:

Year of Occupancy	Project #	Project Type	District	School	Status
2007	3530-N03-03-0278	Capital Plan	New Brunswick	McKinley K Center #3	Closed
2010	5210-N03-01-0909	Capital Plan	Trenton	MLK-Jefferson	Closed

Prepared by: Ayisha Cooper  
Reviewed by: Bridget Capasso

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECTS DIVISION  
PROJECT STATUS REPORT - As of October 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
<b>Bridgeton</b>					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
<b>Burlington City</b>					
2007	0600-020-01-0957	New High School	Land and/or School Transferred	12/29/11	Open contract(s) - Legal matter pending
<b>Camden</b>					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Land and/or School Transferred	01/09/12	Open contract(s) - Pending audit completion
2009	0680-350-01-0938	HB Wilson Elementary School	Land and/or School Transferred	04/14/10	Open contract(s)
2009	0680-190-01-0927	Dudley Elementary School	Land and/or School Transferred	02/06/12	Open contract(s)
2011	0680-245-01-0930	Morgan Village Academy	Land and/or School Transferred	02/25/13	Open contract(s) - Legal matter pending
<b>Cumberland</b>					
2009	0997-030-02-0926	Cumberland Regional High School	Land and/or School Transferred	06/25/10	Open contract(s) - Legal matter pending
<b>East Orange</b>					
2009	1210-150-01-1178	Cicely Tyson School of Performing and Fine Arts - Demonstration Project	Land and/or School Transferred	12/01/09	Open contract(s) - Pending audit completion
<b>Egg Harbor City</b>					
2010	1300-X01-04-0ADY	New Middle School	Land and/or School Transferred	01/01/12	Open contract(s) - On-going construction
<b>Egg Harbor Township</b>					
2011	1310-005-04-0AEB	Egg Harbor Township High School			
<b>Elizabeth</b>					
Legacy	1320-X06-01-0866	#30 Ronald Reagan Academy	Land and/or School Transferred	07/09/12	Open contract(s) - Legal matter pending
2013	1320-240-03-0339	Victor Mravlag Elementary School # 21			
2016	1320-x07-01-0867	Frank J. Cicarell Academy (New Academic HS)			
<b>Garfield</b>					
2007	1700-N01-02-0114	Garfield Middle School	Land and/or School Transferred	06/25/09	Open contract(s) - Legal matter pending
<b>Gloucester City</b>					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Land and/or School Transferred	06/05/09	Open contract(s)
<b>Harrison</b>					
2007	2060-X01-01-0832	New Harrison High School	Land and/or School Transferred	10/23/12	Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECTS DIVISION  
PROJECT STATUS REPORT - As of October 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
<b>Jersey City</b>					
Legacy	2390-N01-99-0227	New Elementary School #3 (Frank R. Conwell Elementary School #3)	Land and/or School Transferred	12/19/15	Open contract(s) - Legal matter pending
Legacy	2390-N02-99-0228	Jersey City Middle School # 4 (Frank R. Conwell Middle School #4)	Land and/or School Transferred	12/19/15	Open contract(s) - Legal matter pending
2007	2390-N03-99-0147	Heights Middle School #7			
2016	2390-190-01-0581	New Public School #20			
<b>Keansburg</b>					
2016	2400-E01-02-0116	New Caruso Elementary School			
<b>Long Branch</b>					
2008	2770-X03-01-0635	Long Branch High School & Athletic Fields	Land and/or School Transferred	12/07/12	Open contract(s) - Legal matter pending
2014	2770-080-03-1043	George L. Catrambone Elementary School			
<b>New Brunswick</b>					
2010	3530-N05-03-0791	New Brunswick High School - Demonstration Project	Land and/or School Transferred	08/19/11	Open contract(s) - Pending audit completion
2014	3530-060-03-1032	A. Chester Redshaw Elementary School	Land and/or School Transferred	01/15/16	Open contract(s)
<b>Newark</b>					
Legacy	3570-x01-01-0617	Science Park	Land and/or School Transferred	05/03/13	Open contract(s) - Legal matter pending
2007	3570-X02-01-0618	1st Avenue Elementary School	Land and/or School Transferred	09/28/11	Open contract(s) - Legal matter pending
2008	3570-X03-01-0665	Central High School	Land and/or School Transferred	03/28/12	Open contract(s) - Legal matter pending
2010	3570-X07-01-0693	Speedway Elementary School	Land and/or School Transferred	10/21/15	Open contract(s)
2016	3570-390-04-00BJ	Elliott Street Elementary School			
2016	3570-590-02-0315	Oliver Street Elementary School			
<b>Orange</b>					
2009	3880-120-01-0967	Park Ave Elementary School	Land and/or School Transferred	07/19/12	Open contract(s) - Legal matter pending
2010	3880-100-01-0968	Lincoln Ave Elementary School	Land and/or School Transferred	09/07/12	Open contract(s) - Legal matter pending
<b>Passaic</b>					
2015	3970-X01-01-X760	New Henry Street Elementary School			

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECTS DIVISION  
PROJECT STATUS REPORT - As of October 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
<b>Paterson</b>					
Legacy 2008	4010-N02-02-0393	Roberto Clemente Elementary School	Land and/or School Transferred	04/12/13	Unable to close due to upcoming repairs.
2008	4010-S01-02-0101	International High School			
2008	4010-270-02-0608	#24 Elementary School			
2016	4010-N01-02-0169	Dr. Hami Awadallah School (New Marshall Street ES)			
2016	4010-N09-04-00HP	New Public School #16			
<b>Pemberton</b>					
2011	4050-E01-02-0082	Pemberton Early Childhood Education Center	Land and/or School Transferred	02/01/13	Open contract(s)
<b>Phillipsburg</b>					
2016	4100-x01-99-0464	New High School			
<b>Trenton</b>					
2008	5210-N02-01-0912	Daylight/Twilight Alternative School - Demonstration Project	Land and/or School Transferred	12/01/08	Open contract(s) - Pending audit completion
<b>Union City</b>					
2009	5240-x07-01-0571	Union City High School and Athletic Complex - Demonstration Project	Land and/or School Transferred	10/27/11	Open contract(s) - Pending audit completion
2012	5240-N03-02-0397	Columbus Elementary School	Land and/or School Transferred	02/24/15	Open contract(s) - Legal matter pending
<b>Vineland</b>					
2007	5390-N05-04-000C	Gloria M. Sabater Elementary School - Demonstration Project	Land and/or School Transferred	05/06/11	Open contract(s) - Pending audit completion
<b>West New York</b>					
2009	5670-065-01-0559	Elementary School #2	Land and/or School Transferred	05/14/13	Open contract(s) - Legal matter pending
2012	5670-070-01-0556	West New York #3	Land and/or School Transferred	01/29/14	Open contract(s) - Legal matter pending
<b>Capital and Demonstration Projects Totals</b>					
<b>Total Capital and Demonstration Projects</b>			<b>142</b>		
<b>Closed Capital and Demonstration Projects</b>			<b>95</b>		
<b>Capital and Demonstration Projects Not Closed</b>			<b>47</b>		
<b>Capital and Demonstration Projects Not Closed, Land and/or School Transferred</b>			<b>31</b>		
<b>Legal Matter</b>			<b>16</b>		
<b>Pending Audit</b>			<b>6</b>		
<b>Miscellaneous</b>			<b>9</b>		

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
SPECIAL PROJECTS DIVISION  
PROJECT STATUS REPORT - As of October 1, 2016**

Year of Occupancy	DOE #	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
<b>Emergent Projects</b>					
<b>Irvington</b>					
	2330-090-12-0ACT	Chancellor Avenue Elementary School			
	2330-050-10-00CH	Irvington High School - Roof, HVAC, Bathroom			
<b>Newark</b>					
	3570-690-08-0GAK	Speedway			
	3570-720-08-0GAO	American History High School (Warren Street Elementary School)			
<b>Orange</b>					
	3880-115-10-00CM	Orange Middle School (Orange Preparatory Academy)			
<b>Passaic</b>					
	3970-050-12-0ADZ	Passaic City High School			
<b>Trenton</b>					
	5210-080-12-0ABZ	Hedgepeth-Williams School			
<b>Vineland</b>					
	5390-050-12-0ACK	Vineland High School South			
<b>Emergent Project Totals</b>					
<b>Total Emergent Projects</b>				71	
<b>Emergent Projects Closed</b>				63	
<b>Emergent Projects Not Closed</b>				8	
<b>Emergent Projects Not Closed but Transferred</b>				0	
<b>Health and Safety Contract Totals</b>					
<b>Total Contracts</b>				399	
<b># of Open Contracts</b>				8	
<b># of Contracts Closed</b>				391	
<b>Open Design Contracts</b>					
<b>Total Contracts</b>				109	
<b># of Open Contracts</b>				11	
<b># of Contracts Closed</b>				98	

**PROJECT STATUS REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director – Program Operations

DATE: November 2, 2016

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: Jan. 1, 2008 to September 30, 2016

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**

NO DATA TO REPORT								
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**Substantially Complete & Building Occupied**

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

Burlington City	Burlington City H.S.	\$17,830,990	\$17,814,403	\$16,587	99.9%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement.	Project complete and building occupied. Working towards project close-out.
Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,305,993	\$123,639	91.4%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
Orange	Lincoln Ave E.S.	\$5,615,000	\$4,906,339	\$708,661	87.4%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	Project complete and building occupied. Working towards project close-out.
Orange	Park Avenue E.S.	\$3,360,000	\$3,275,103	\$84,897	97.5%	99%	1. Unforeseen asbestos abatement	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,313,389	\$302,731	93.4%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

<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: September 2016

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Activity During the Reporting Period



### Revisions to Project Charters

Reporting Period: September 2016

#	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 Activity During the Reporting Period

**CONTRACTS EXECUTED REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director, Program Operations

DATE: November 2, 2016

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

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**Contracts Executed Report**

No data to report for the period September 1 through September 30, 2016.

**Noteworthy Items during the reporting period:**

- No data during the reporting period.

**Amendments & Change Orders Report**

This report contains the activity of Amendments and Change Orders executed during the period September 1 through September 30, 2016.

**Noteworthy Items during the reporting period:**

- Execution of 6 Amendments for Design Services and Construction Management Services totaling \$365k, of the 6 executed amendments 1 required board approval totaling \$175k.
- Execution of 11 Construction Services Change Orders totaling a credit of \$354k, of the 11 executed change orders one required board approval totaling a credit of \$534k.

**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



**Amendments & Change Orders Report**

Reporting Period: 9/1/2016 through: 9/30/2016

**7**

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>														
Pemberton Township	Alexander Denbo E.S.	WT-0023-A01	06/18/2015	1	SSP Architectural Group, Inc.	09/01/2016	\$507,825	\$0	\$17,530			\$525,355	3.45%	
Phillipsburg	New HS (-x01)	NT-0003-A01	03/22/2004	16	_MultiVendor	09/15/2016	\$5,781,326	\$2,954,547	\$52,500			\$8,788,373	52.01%	
Trenton	Hedgepeth-Williams M.S.	EP-0073-A01	04/08/2014	1	Design Collaborative, Architects And Planners	09/30/2016	\$181,420	\$0	\$54,487			\$235,907	30.03%	
Vineland City	Vineland Senior H.S. South	EP-0085-A01	09/20/2013	2	Manders Merighi Portadin Farrell Architects, LLC	09/12/2016	\$784,355	\$125,000	\$15,000			\$924,355	17.84%	
Vineland City	Vineland Senior H.S. South	EP-0085-A01	09/20/2013	3	Manders Merighi Portadin Farrell Architects, LLC	09/12/2016	\$784,355	\$140,000	\$175,000	Yes	8/3/2016	\$1,099,355	40.16%	
<b>Design Consultant</b>														
<b>Construction Management Services</b>														
Jersey City	Number 20 E.S.	JE-0010-M01	08/21/2013	1	Gilbane Building Company	09/12/2016	\$1,102,736	\$0	\$50,000			\$1,152,736	4.53%	
<b>Construction Management Services</b>														
<b>Professional Services</b>														
									<b>\$364,517</b>					



**Amendments & Change Orders Report**

Reporting Period: 9/1/2016 through: 9/30/2016

7

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>Construction Services</b>													
<b>Contractor</b>													
Irvington Township	Irvington H.S.	EP-0083-C01	05/22/2015	4	Bennett Company, Inc. (The)	09/12/2016	\$4,917,000	\$8,384	\$10,702			\$4,936,086	.38%
Irvington Township	Irvington H.S.	EP-0083-C01	05/22/2015	5	Bennett Company, Inc. (The)	09/12/2016	\$4,917,000	\$19,086	\$22,000			\$4,958,086	.83%
Irvington Township	Irvington H.S.	EP-0083-C01	05/22/2015	6	Bennett Company, Inc. (The)	09/12/2016	\$4,917,000	\$41,086	\$11,500			\$4,969,586	1.06%
Jersey City	160 – 180 Maple Street	JE-0039-N01	07/15/2015	2	D&K Construction Co., Inc.	09/30/2016	\$297,000	(\$16,903)	(\$16,397)			\$263,700	-11.21%
Newark	West Side H.S.	NE-0008-N01	01/28/2015	2	Tricon Enterprises, Inc.	09/15/2016	\$800,000	(\$114,000)	(\$533,603)	Yes	7/6/2016	\$152,397	-80.95%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	78	Ernest Bock & Sons, Inc.	09/15/2016	\$29,345,000	\$1,812,013	\$59,855			\$31,216,868	6.37%
Paterson	Marshall Street Elementary School	PA-0006-C04	06/18/2013	79	Ernest Bock & Sons, Inc.	09/15/2016	\$29,345,000	\$1,871,868	\$12,207			\$31,229,075	6.42%
Trenton	Hedgepeth-Williams M.S.	EP-0073-C03	07/01/2016	1	D&K Construction Co., Inc.	09/30/2016	\$1,287,000	\$0	\$17,985			\$1,304,985	1.39%
Trenton	Hedgepeth-Williams M.S.	EP-0073-C03	07/01/2016	2	D&K Construction Co., Inc.	09/30/2016	\$1,287,000	\$17,985	\$11,209			\$1,316,194	2.26%
Trenton	Hedgepeth-Williams M.S.	EP-0073-C03	07/01/2016	3	D&K Construction Co., Inc.	09/30/2016	\$1,287,000	\$29,194	\$2,008			\$1,318,202	2.42%
Jersey City	Patricia M. Noonan E. S. (formerly New ES#3)	JE-0021-B01	07/16/2013	3	Dobco, Inc.	09/02/2016	\$33,487,500	\$106,000	\$48,338			\$33,641,838	.46%

<b>Contractor</b>													
<b>Construction Services</b>													
									(\$354,196)				
										<b>Total Change Order Summary</b>		<b>Total Change Orders</b>	
										\$10,321		17	

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

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

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

**CONTRACTOR AND WORKFORCE COMPLIANCE REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Karon Simmonds /s/ Karon Simmonds  
Director Risk Management and Vendor Services  
Office of the Chief Financial Officer

DATE: November 2, 2016

SUBJECT: Contractor and Workforce Compliance Monthly Update for August 2016

Vendor Services staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA's SBE goals, policies and procedures, including:

- Small Business Enterprise subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Detailed process procedures to monitor and track the progress made toward these goals throughout the life cycle of each project

At these meetings, vendors are strongly encouraged to identify and hire minority-owned and women-owned firms, as well as locally-based enterprises, for diverse business participation on all school building projects. Additional outreach strategies are discussed and utilized.

**SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE MONITORING**

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through August 31, 2016 was \$40,334,257. The figures below demonstrate compliance with this requirement.

**SBE Breakdown**

The total contract dollars awarded to all SBE contractors was \$22,115,816 (including minorities and women). This represents 56.84% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 15,635,213	40.77%
Small/ Minority Business Enterprises	\$ 5,009,853	12.42%
Small/Women Business Enterprises	\$ 1,470,750	3.65%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
<b>TOTAL SBE CONTRACTS</b>	<b>\$ 22,115,816</b>	<b>56.84%</b>

Members of the Authority  
 Contractor and Workforce Compliance Monthly Update  
 November 2, 2016  
 Page 2 of 4

### Ethnic Breakdown

Through the month of August 31, 2016, the total SBE contracts awarded with minority participation were 20.16%.

<b>Ethnicity</b>	<b>Contract Amount</b>	<b>Percentage</b>
American Indian	\$ -0-	0.00%
Asian	\$ 1,834,910	8.30%
Black	\$ 1,575,000	7.12%
Hispanic	\$ 1,047,685	4.74%
<b>Total</b>	<b>\$ 4,457,595</b>	<b>20.16%</b>

### WORKFORCE COMPLIANCE MONITORING

For the month of August, 2016, there was a contractor workforce of 922 on SDA projects. This represents a total of 62,989 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	60	3,902	6.20%
Hispanic	160	10,495	16.66%
American Indian	4	251	0.40%
Asian	1	33	0.05%
<b>Total Minority Participation</b>	<b>225</b>	<b>14,681</b>	<b>23.31%</b>
Total Non-Minority Participation	697	48,308	76.70%

Members of the Authority  
 Contractor and Workforce Compliance Monthly Update  
 November 2, 2016  
 Page 3 of 4

There was a contractor workforce of 632,799 total workforce hours and 6,441 total female workforce hours on SDA projects for the period of January 1, 2016 through August 31, 2016. The following table highlights the *Local County Contractor Workforce* participation for that period:

<b>Local County Workforce Participation</b>	<b>Workforce Hours</b>	<b>Percentage</b>
*Total Workforce Hours	632,799	100.00%
<b>*Total Local County Workforce Hours</b>	<b>97,563</b>	<b>15.42%</b>
<b>Total Local County Non-Minority Workforce Hours</b>	<b>82,558</b>	<b>13.05%</b>
<b>Total Local County Female Workforce Hours</b>	<b>1,697</b>	<b>0.27%</b>
<b>Total Local County Minority Workforce Hours</b>	<b>15,005</b>	<b>2.37%</b>
<b>**Local County Workforce Hours by Ethnicity:</b>		
Black	9,313	1.47%
Hispanic	4,959	0.78%
American Indian	733	0.12%
Asian	0	0.00%

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

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

Members of the Authority  
 Contractor and Workforce Compliance Monthly Update  
 November 2, 2016  
 Page 4 of 4

The following table represents contractor and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2016 through August 31, 2016.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
		Hours	Percentage	Hours	Percentage
Bridgeton, Buckshutem ES	9,496	414	<b>4.36%</b>	122	<b>1.28%</b>
Bridgeton, Quarter Mile Lane ES	24,862	3,747	<b>15.07%</b>	399	<b>1.60%</b>
Elizabeth, New Academic HS	11,015	1,214	<b>11.02%</b>	8,197	<b>74.42%</b>
Elizabeth, New Elementary School	24,733	5,042	<b>20.39%</b>	0	<b>0.00%</b>
Garfield, James Madison ES	1,325	113	<b>8.53%</b>	0	<b>0.00%</b>
Gloucester, New MS	129,902	25,827	<b>19.88%</b>	17,330	<b>13.34%</b>
Jersey City, PS #20	15,670	3,110	<b>19.85%</b>	506	<b>3.23%</b>
Jersey City, ES #3	66,496	22,342	<b>33.60%</b>	4,842	<b>7.28%</b>
Keansburg, Caruso ES	60,319	7,117	<b>11.80%</b>	13,030	<b>21.60%</b>
Newark, Elliott Street ES	885	203	<b>22.94%</b>	14	<b>1.58%</b>
Newark, Oliver Street ES	17,991	3,585	<b>19.93%</b>	595	<b>3.31%</b>
Newark, South Street ES	2,744	1,375	<b>50.11%</b>	334	<b>12.17%</b>
Paterson, PS #16	57,111	14,944	<b>26.17%</b>	5,825	<b>10.20%</b>
Paterson, Marshall Street ES	9,034	2,008	<b>22.23%</b>	873	<b>9.66%</b>
Paterson, International HS	2018	124	<b>6.14%</b>	1,362	<b>67.49%</b>
Phillipsburg HS	175,301	13,219	<b>7.54%</b>	39,903	<b>22.76%</b>
Trenton HS	748	83	<b>11.10%</b>	0	<b>0.00%</b>
Vineland, Lincoln Ave MS	500	0	<b>0.00%</b>	0	<b>0.00%</b>
West New York, Harry L. Bain ES	6,094	5,266	<b>86.41%</b>	0	<b>0.00%</b>
Emergent Projects	13,070	1,751	<b>13.40%</b>	246	<b>0.07%</b>

Prepared by: Charlotte Brooks  
 JaDawna Brown-Mooney

**REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director, Program Operations

DATE: November 2, 2016

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 September 2016. Also included is a detailed list of grants executed and grants offered during the reporting period.

**Monthly Update:**

- No new grants were offered during the reporting period.
- 25 grants impacting 8 districts were executed during the reporting period representing \$15.8M in total project costs and state share of \$7.6M.
- 10 grants impacting 7 districts were closed out during the reporting period representing \$7.2M in total project costs and state share of \$3.0M.
- Since inception, over \$2.6B has been disbursed to 523 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

Monthly Regular Operating District Grant Report - Summary

September 2016

ROD Grant Summary Since Program Inception				
	Offered <sup>1</sup>	Executed	Closed-Out	Active
Districts Impacted	88	523	503	285
Number of Grant Projects	229	5,365	4,047	1,318
Total Project Cost Estimate	\$ 220,989,043	\$ 8,922,183,935	\$ 7,639,569,898	\$ 1,282,614,037
Grant Amount	\$ 97,234,900	\$ 2,998,854,994	\$ 2,474,975,265	\$ 523,879,730
Amount Disbursed	N/A	\$ 2,651,840,042	\$ 2,474,975,265	\$ 176,864,777

Total Funding Offered to School Districts via Grant Program	\$ 3,316,563,600
---	------------------

Total ROD Grant Funding remaining for new Grant Projects	\$ 24,212,003
--	---------------

1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	8	7
Number of Grant Projects	25	10
Total Project Cost Estimate	\$ 15,802,202	\$ 7,186,499
Grant Amount	\$ 7,618,514	\$ 3,019,791
Amount Disbursed	NA	\$ 3,019,791

\* Report is inclusive of all Regular Operating Districts grants (including vocational school districts).

\*\* Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

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Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

September 2016

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Bergen	Bergenfield	Franklin E.S.	\$ 1,556,172	\$ 622,469	Structural
Bergen	Palisades Park	Lindbergh E.S.	\$ 389,770	\$ 155,908	Repair existing brick veneer façade
Essex	South Orange-Maplewood	Tuscan E.S.	\$ 1,565,162	\$ 626,065	Window replacement
Middlesex	Spotswood	E. Raymond Appleby E.S.	\$ 23,317	\$ 9,327	Installation of telecommunications system
Middlesex	Spotswood	G. Austin Schoenly E.S.	\$ 16,739	\$ 6,696	Installation of telecommunications system
Middlesex	Spotswood	Spotswood H.S.	\$ 1,821,379	\$ 728,552	Roof replacement
Middlesex	Spotswood	Spotswood H.S.	\$ 198,600	\$ 79,440	Install NEW AC unit in computer server room
Middlesex	Spotswood	Spotswood H.S.	\$ 147,759	\$ 59,104	Installation of telecommunications system
Middlesex	Spotswood	Spotswood Memorial	\$ 571,700	\$ 228,680	Roof replacement
Middlesex	Spotswood	Spotswood Memorial	\$ 21,689	\$ 8,676	Installation of telecommunications system
Morris	Harding Township	Harding Township E.S.	\$ 271,763	\$ 108,705	Window replacement/ unit ventilator replacement
Passaic	Bloomingtondale	Martha B. Day E.S.	\$ 594,550	\$ 237,820	Boiler replacement
Passaic	Bloomingtondale	Martha B. Day E.S.	\$ 76,077	\$ 30,431	Building Access
Passaic	Bloomingtondale	Martha B. Day E.S.	\$ 41,492	\$ 16,597	Stair repair and masonry repointing
Passaic	Bloomingtondale	Martha B. Day E.S.	\$ 10,322	\$ 4,129	Install security lighting
Passaic	Bloomingtondale	Walter T. Bergen M.S.	\$ 607,833	\$ 243,133	Boiler replacement
Passaic	Bloomingtondale	Walter T. Bergen M.S.	\$ 11,676	\$ 4,670	Security lighting installation

Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

September 2016

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Salem	Elsinboro Township	Elsinboro E.S.	\$ 1,225,858	\$ 490,343	Exterior door replacement, HVAC , boiler, security upgrades
Union	Roselle Borough	Abraham Clark H.S.	\$ 3,041,351	\$ 1,805,881	NEW HVAC, associated piping and electrical upgrades
Union	Roselle Borough	Abraham Clark H.S.	\$ 154,000	\$ 94,343	Brick pointing, power cleaning, lintel replacement
Union	Roselle Borough	Dr. Charles C. Polk	\$ 83,895	\$ 49,815	Communications, Life Safety
Union	Roselle Borough	Washington E.S.	\$ 489,653	\$ 290,744	Replacement of domestic water and dist. Lines
Union	Roselle Borough	Washington E.S.	\$ 142,300	\$ 87,175	Brick pointing, power cleaning, lintel replacement
Union	Roselle Borough	Wilday M.S.	\$ 2,560,165	\$ 1,520,165	NEW HVAC, associated piping and electrical upgrades
Union	Roselle Borough	Wilday M.S.	\$ 178,980	\$ 109,646	Brick pointing, power cleaning, lintel replacement
<b>Grand Total</b>		<b>Grants Executed - 25</b>	<b>\$ 15,802,202</b>	<b>\$ 7,618,514</b>	

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

**COMMUNICATIONS MONTHLY REPORT** *(no activity)*

**MONTHLY FINANCIAL REPORT**



100 EAST FRONT STREET  
 P.O. BOX 991  
 MANTON, NJ 08625-0991  
 609-858-5325

## MEMORANDUM

TO: Members of the Authority

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

DATE: November 2, 2016

SUBJECT: Monthly Financial Report – September 2016

The Office of the Chief Financial Officer is providing the attached monthly financial report to the Members of the Authority for their information. Included on pages 1 and 2 of this report is a “Financial Summary” of the Authority’s activities for the year. On pages 3 and 4 of the report is a summary of the Authority’s operating expenditures. Page 5 contains a breakdown of the Authority’s headcount information by department/division. The basic financial statements follow on pages 6 and 7.

### **Year-to-Date Authority Operating Expenses (Actual vs. Budget)**

For September 2016 year to date, Authority operating expenses, **\$13.8 million**, are **down \$2.6 million** as compared to the operating budget for the *corresponding period*. The deviation of actual expenses versus budget is due to:

- Lower salary & benefit costs **\$2.1M**. The Authority is currently 24 FTEs under budget;
- Year to date lower spending for MIS expenses **\$304K**, and general office and facilities **\$237K**.

### **Year-to-Date Authority Operating Expenses (Actual vs. Prior Year Actual)**

For September 2016 year to date, Authority operating expenses, **\$13.8 million**, are **\$634K** higher as compared to the corresponding prior year.

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

For September 2016 year to date, project expenditures, **\$295.3 million**, are **lower by \$13.5 million** as compared to the capital spending forecast for the *corresponding period*. The variance is due to lower than anticipated expenditures in construction work **\$9.9M**, property acquisitions **\$3.2M**, legal claims services **\$924K** and project insurance **\$694K**. This variance is offset by an increased spending in furniture, equipment and technology **\$1M**.

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

For September 2016 year to date, project expenditures, **\$295.3 million**, have **decreased by \$12.1 million** as compared to the *corresponding prior year*. This variance is due to increased spending in; construction activity **\$7.7M**, school furniture, equipment & technology **\$23.7M** (related to the multiple school openings in August and September) and other project related costs **\$2.9M**. This spending increase is offset by reduced spending for grant activity **\$9.3M**, property acquisitions (2015 purchase of Paterson Catholic) **\$30.1M**, project insurance (2015 down payment for the OCIP renewal agreement) **\$6.1M** and legal claims services **\$536K**.

Members of the Authority  
November 2, 2016  
Page 2

**Budget Reforecast**

The 2016 Budget Reforecast has been adjusted from **\$34.7M** to **\$34.9M**. This revision represents a \$207K spending increase for MIS activities including; hardware, servers, workstations, project disaster recovery and the DOE long range facility plan.

**Other**

Since program inception, 76.3% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception 96% of all SDA disbursements relate to school facilities projects and 4% relate to operating expense.

The *estimated value* of active school facilities projects is approximately \$2.2B.

Attachment

**New Jersey Schools Development Authority  
Monthly Financial Report  
September 2016  
(Unaudited)**

## New Jersey Schools Development Authority Overview of Financial Position September 30, 2016

**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, September 30, 2016.

► Overall **Cash and Cash Equivalents** have decreased by \$302.6 million to \$315.0 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	1,305,717
■ Miscellaneous revenue	792,822
■ Project costs	(295,303,144)
■ SDA operating expenses	(11,428,903)
■ SDA capital expenditures	(404,371)
■ Deposits (primarily district local shares)	2,468,159
Net Change in Cash	\$ (302,569,720)

► **Prepaid Expenses** total \$449,064 as follows:

- Prepaid insurance of \$133,146
- Prepaid rents of \$119,705 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$171,517.
- Other prepaids of \$24,696.

► **Capital Assets** total \$723,084 (net of accumulated depreciation of \$6,678,569), consisting of leasehold improvements (SDA offices), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$88,185 and **Depreciation Expense** is \$131,973.

► **Accrued Liabilities** total \$118.5 million, as follows:

- Accrued project costs of \$30.4 million consisting of unpaid invoices (\$9.2 million); and retainage (\$21.2 million).
- Accrued net pension liability of \$58.4 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$5.2 million (PRO liability \$7.1 million, offset by expected cost recoveries of \$1.9 million).
- Estimated liability for loss contingencies totaling \$2.6 million (contractor claims \$2.6 million).
- Payroll related liabilities of \$1.9 million.
- Post-employment benefits obligation of \$19.9 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$4.1 million, as follows:

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

► The Authority's **Net Position** at month end is \$200.6 million.

## New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation September 30, 2016

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

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$10.105 billion.
- Project expenditures for the month and year-to-date periods total \$38.9 million and \$295.3 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 20,739,649	\$ 169,372,115	\$ 4,411,114,674
Design Services	210,632	3,196,648	409,607,140
PMF/CM Services	431,893	4,596,452	443,564,516
SDA Project Management	1,504,063	11,294,301	53,808,898
Property Acquisition, Relocation & Enviro	298,328	3,665,445	576,487,145
School Furniture, Fixtures & Equipment	6,709,379	26,203,976	136,093,784
Project Insurance	(21,028)	1,354,972	106,693,676
NJ State Inter-Agency Transfers	4,950	293,757	46,602,098
SDA District Grant & Funding Agreements	2,208,299	6,635,857	830,539,505
Regular Operating District Grant Agreements	6,622,438	64,171,680	2,660,772,593
Real-Time Project Audits	-	97,556	342,097
Property Management, Maintenance & Utils	40,742	593,777	15,522,675
Outside Legal & Claims Resolution Services	70,927	470,751	7,446,158
Other Project Costs	164,982	3,637,234	61,486,977
Project Credits	-	-	(54,902,944)
<b>Total Project Expenditures</b>	<b>38,985,254</b>	<b>295,584,521</b>	<b>9,705,178,992</b>
Less: Local Share Contributions	(106,548)	(281,377)	(181,451,430)
<b>Project Expenditures (State Share)</b>	<b>\$ 38,878,706</b>	<b>\$ 295,303,144</b>	<b>\$ 9,523,727,562</b>
2016 Capital Spending Forecast	<u>\$ 35,664,233</u>	<u>\$308,850,477</u>	

### Allocations Since Program Inception

#### ► Program 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	\$ 9,010,359,586	\$ 6,879,171,139
■ Regular Operating Districts	3,450,000,000	3,493,404,491	2,961,167,274
■ Vocational Schools	150,000,000	151,734,318	109,398,468
<b>Total - State Share</b>	<b>\$ 12,500,000,000</b>	<b>\$ 12,655,498,395</b>	<b>\$ 9,949,736,881</b>

#### ► Percentage of Total Funding Paid to Date

■ SDA Districts	76.3%
■ Regular Operating Districts	84.8%
■ Vocational Schools	72.1%
<b>Total - State Share</b>	<b>78.6%</b>

1 Of the \$12.5 billion authorized for the school construction program, \$10,105,129,000 principal amount of bond and note proceeds have been received to date.

2 Includes bonding cap amounts and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds and State appropriations).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$426,009,319.

## New Jersey Schools Development Authority Operating Expenses vs Budget September 30, 2016

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Employee Salaries	\$ 13,861,094	\$ 15,109,572	\$ (1,248,478)
Employee Benefits	7,842,771	8,528,656	(685,885)
Direct Hire Temporary Employee Costs	148,103	282,582	(134,479)
Total Employee Salaries & Benefits Costs	21,851,968	23,920,810	(2,068,842)
<u>Less: Employee Salaries &amp; Benefits Costs</u> Charged to Projects	11,294,301	11,770,578	(476,277)
Operating Employee Salaries & Benefits Costs	10,557,667	12,150,232	(1,592,565)
Temporary Employees	99,646	97,497	2,149
Interagency Agreements	(15,014)	119,997	(135,011)
Contracted Professional Services	88,454	146,397	(57,943)
Employee Expense Reimbursements	19,968	25,131	(5,163)
Training & Professional Development	44,114	94,311	(50,197)
Parking	59,400	82,080	(22,680)
Automobiles	59,886	74,997	(15,111)
Communications & Outreach	240	378	(138)
Management Information Systems	792,153	1,096,074	(303,921)
General Office & Facilities	1,985,420	2,222,631	(237,211)
Other Expenses	11,347	16,875	(5,528)
Reserve for Unforeseen Events & New Initiatives	-	37,503	(37,503)
Total Non-Capital Operating Expenses	13,703,281	16,164,103	(2,460,822)
Capitalized Operating Expenses	88,185	177,503	(89,318)
Total Authority Operating Expenses	<b>\$ 13,791,466</b>	<b>\$ 16,341,606</b>	<b>\$ (2,550,140)</b>
Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	<b>\$ 25,085,767</b>	<b>\$ 28,112,184</b>	<b>\$ (3,026,417)</b>

2016 Annual Operating Budget

**\$ 21,235,967**2016 Annual Operating Budget Prior to  
Allocation of Salaries & Benefits Costs to Projects**\$ 36,930,058**

## New Jersey Schools Development Authority Operating Expenses vs Prior Year September 30, 2016

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2015</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Employee Salaries	\$ 13,861,094	\$ 13,215,588	\$ 645,506
Employee Benefits	7,842,771	7,581,241	261,530
Direct Hire Temporary Employee Costs	148,103	251,431	(103,328)
<b>Total Employee Salaries &amp; Benefits Costs</b>	<b>21,851,968</b>	<b>21,048,260</b>	<b>803,708</b>
<u>Less:</u> Employee Salaries & Benefits Costs Charged to Projects	11,294,301	10,741,418	552,883
<b>Operating Employee Salaries &amp; Benefits Costs</b>	<b>10,557,667</b>	<b>10,306,842</b>	<b>250,825</b>
Temporary Employees	99,646	-	99,646
Interagency Agreements	(15,014)	29,727	(44,741)
Contracted Professional Services	88,454	87,066	1,388
Employee Expense Reimbursements	19,968	14,286	5,682
Training & Professional Development	44,114	25,028	19,086
Parking	59,400	82,019	(22,619)
Automobiles	59,886	59,571	315
Communications & Outreach	240	-	240
Management Information Systems	792,153	604,425	187,728
General Office & Facilities	1,985,420	1,877,461	107,959
Other Expenses	11,347	70,554	(59,207)
Reserve for Unforeseen Events & New Initiatives	-	-	-
<b>Total Non-Capital Operating Expenses</b>	<b>13,703,281</b>	<b>13,156,979</b>	<b>546,302</b>
Capitalized Operating Expenses	88,185	-	88,185
<b>Total Authority Operating Expenses</b>	<b>\$ 13,791,466</b>	<b>\$ 13,156,979</b>	<b>\$ 634,487</b>
 Total Authority Operating Expenses Prior to Allocation of Salaries & Benefits Costs to Projects	 <b>\$ 25,085,767</b>	 <b>\$ 23,898,397</b>	 <b>\$ 1,187,370</b>

## New Jersey Schools Development Authority

### Employee Headcount

### September 30, 2016

<b><u>SDA Department</u></b>	<b><u>Current Month End</u></b>	<b><u>Budget</u></b>	<b><u>Increase/ (Decrease)</u></b>
Office of Chief Executive Officer (CEO)	3	3	0
CEO, Contract Management	12	13	-1
COS, Program Assessment & Development	7	9	-2
COS, Special Projects	9	9	0
Program Operations, Executive	5	5	0
Program Operations, Capital Planning & Grants Admin.	23	26	-3
Program Operations, Safety	8	8	0
Program Operations - Design Studio	16	16	0
Program Operations, Project Teams	54	64	-10
Corp Governance & Operations, Executive	3	3	0
Corporate Governance & Operations, Human Resources	8	8	0
Corporate Governance & Operations, Chief Counsel	13	14	-1
Corporate Governance & Operations, Information Systems	15	15	0
Corporate Governance & Operations, Facilities	5	6	-1
Corporate Governance & Operations, Communications	8	11	-3
Financial Operations, Executive	5	5	0
Financial Operations, Controller	12	12	0
Financial Operations, Real Estate Services	4	6	-2
Financial Operations, Procurement & Contract Services	9	10	-1
Financial Operations, Risk Management & Vendor Services	<u>11</u>	<u>11</u>	<u>0</u>
<b>Total Full-Time Employees</b>	<b><u>230</u></b>	<b><u>254</u></b>	<b><u>-24</u></b>

## New Jersey Schools Development Authority

### Statement of Net Position

### September 30, 2016

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	<u>Current Month End</u>	<u>2015 Year End</u>	<u>Increase/ (Decrease)</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 314,995,583	\$ 617,565,303	\$ (302,569,720)
Receivables	199,675	210,640	(10,965)
Prepaid Expenses	449,064	990,937	(541,873)
Capital Assets (Net of Accumulated Depr.)	723,084	766,872	(43,788)
<b>Total Assets</b>	<b>316,367,406</b>	<b>619,533,752</b>	<b>(303,166,346)</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount for Pensions	8,494,437	10,731,769	(2,237,332)
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 324,861,843</b>	<b>\$ 630,265,521</b>	<b>\$ (305,403,678)</b>
<b>LIABILITIES</b>			
Accrued Project Costs	\$ 38,243,936	\$ 75,870,757	\$ (37,626,821)
Net Pension Liability	58,417,776	58,417,776	
Accrued Other Post-Employment Benefits	19,866,955	18,204,915	1,662,040
Other Accrued Liabilities	2,016,493	4,507,110	(2,490,617)
Deposits	4,105,069	1,636,910	2,468,159
<b>Total Liabilities</b>	<b>122,650,229</b>	<b>158,637,468</b>	<b>(35,987,239)</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount for Pensions	1,615,990	1,615,990	-
<b>NET POSITION</b>			
Invested in Capital Assets	723,084	766,872	(43,788)
Restricted Schools Construction:			
Build America Bond Program	-	-	-
Special Revenue Fund	199,872,540	469,245,191	(269,372,651)
<b>Total Net Position</b>	<b>200,595,624</b>	<b>470,012,063</b>	<b>(269,416,439)</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balance/Net Position</b>	<b>\$ 324,861,843</b>	<b>\$ 630,265,521</b>	<b>\$ (305,403,678)</b>

# New Jersey Schools Development Authority

## Statement of Activities

### September 30, 2016

	<u>Current</u> <u>Year-To Date</u>	<u>2015</u> <u>Year-To Date</u>	<u>Increase/</u> <u>(Decrease)</u>
<b>REVENUES</b>			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ 500,000,000	\$ (500,000,000)
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	1,305,717	289,645	1,016,072
Rental Income	792,730	555,885	236,845
Other Revenue-OPRA	92	207	(115)
Total Revenues	2,098,539	500,845,737	(498,747,198)
<b>EXPENSES</b>			
Administrative & General Expenses	13,703,281	13,156,979	546,302
Capital Depreciation	131,973	69,514	62,459
School Facilities Project Costs	257,679,724	270,823,882	(13,144,158)
Total Expenses	271,514,978	284,050,375	(12,535,397)
CHANGE IN NET POSITION	(269,416,439)	216,795,362	(486,211,801)
Beginning of Period Net Position	470,012,063	467,121,068	2,890,995
NET POSITION END OF PERIOD	\$ 200,595,624	\$ 683,916,430	\$ (483,320,806)

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

**PUBLIC COMMENT STATEMENT**

**We will now begin the Public Comment Portion of the Meeting consistent with the New Jersey Open Public Meetings Act.**

**We would ask that any member of the public who wishes to address the Board limit their comments to 3 minutes. If there are multiple individuals from the same organization or district who wish to address the Board on the same matter, we would ask that you come up together to offer your remarks.**

**Please keep in mind that public comment is to afford citizens the opportunity to comment on matters pertinent to the Authority's business. Should you seek answers to questions on any topic, please contact the Authority at 609-943-4585 at your convenience.**