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New Jersey Schools Development Authority Announces Success of Program Overhaul *Design-Build Approach Shows Benefits to Budget and Schedule*

Trenton, NJ – At yesterday’s monthly board meeting of the New Jersey Schools Development Authority (NJSDA), NJSDA Board Members were provided with an update regarding the success of new processes and approaches implemented under the Christie Administration. The presentation focused on 12 projects that have been approved as part of the NJSDA’s Capital Project Portfolio. Of the projects studied, all projects were completed within or under budget. Eleven of the projects were delivered either before or as originally projected including four that were delivered ahead of schedule.

“The positive results shared today were achieved through the significant programmatic and organizational changes instituted at the NJSDA under the Christie Administration,” said NJSDA CEO Charles McKenna. “Our record of routinely completing construction projects within anticipated budget and timelines highlights the success of the State’s school construction program. We are getting it right here in New Jersey.”

Another significant benchmark examined was the total change orders experienced on the projects reviewed. The 12 projects evaluated experienced an average of 2.2 percent in change orders per project. Those built through the design-build approach, the method currently most utilized by the NJSDA, experienced an average of only 0.5 percent in change orders per project. In comparison, prior to the Christie Administration (from 2006 to 2009), construction contracts for 17 projects that received a notice to proceed experienced an average of nearly 12.2 percent in change orders. That equates to a savings of more than \$2 million per project on average compared to portfolio projects completed in prior years.

“NJSDA’s use of the design-build approach and an expanded constructability review process has resulted in fewer schedule delays and change orders,” said NJSDA Chairman Edward Walsh. “These significant accomplishments highlight the NJSDA’s proficiency in the management and construction of school facilities projects throughout New Jersey. The Authority is delivering efficiently designed, high-quality educational facilities that best meet the needs of New Jersey’s students while ensuring proper management of taxpayers’ resources.”

Seven of the 12 projects completed utilized the design-build approach, which differs from the traditional method in that NJSDA contracts with one firm for both design and construction of a school facilities project. This approach also allows for some design and construction activities to proceed concurrently through phased advancement, which has been found to improve upon project timelines.

For the remaining five projects advanced through the design-bid-build approach, the NJSDA implemented an enhanced constructability review process. The Constructability Review provides a contractor with an opportunity to analyze the contract documents (plans and specifications) to identify any issues which would

impact the schedule or cost of completion, so that such issues can be resolved before commencement of construction. Through this process, NJSDA has experienced a substantial reduction in unforeseen issues, schedule delays and change orders.

The SDA manages the design and construction of school facilities projects in New Jersey's 31 SDA Districts. The SDA is responsible for financing 100 percent of the cost of school facilities projects in SDA Districts. The SDA also provides grants of at least 40 percent of the eligible costs to New Jersey's Regular Operating Districts. The SDA's current portfolio of active projects is valued at \$2 billion – including the Capital Project Portfolio, emergent projects, and Regular Operating District grants.

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