

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, NOVEMBER 6, 2013 AT 9:00 A.M.
ONE WEST STATE STREET, ONE WEST BOARD ROOM**

AGENDA

1. NOTICE OF PUBLIC MEETING

2. ROLL CALL

3. APPROVAL OF MEETING MINUTES

- a. Board Open Session Meeting Minutes of October 2, 2013

4. AUTHORITY MATTERS

- a. CEO Report

- b. Chairman's Report

5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)

- a. Business and Real Estate Property & Casualty Insurance Program (GP-0173-R01) – Renewal

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

- a. Change Order/Amendments

1. COMPANY NAME:	SSP Architectural Group, Inc.
DISTRICT:	Jersey City
CONTRACT NO:	JE-0010-A01
CM:	Gilbane Building Company
SCHOOL NAME:	New PS No. 20 Elementary School
AMENDMENT NO:	14
REASON:	Increase to Testing and Inspection Allowance
AMOUNT:	\$250,000
CONTRACT STATUS:	75% Paid to Date

- b. Approval of Early Site Package and Revised Preliminary Project Charter - South Street Elementary School - Newark School District

- c. Design-Build Award and Approval of Final Project Charter - Joseph C. Caruso Elementary School - Keansburg School District

- d. Construction Management Services - Buckshutem Rd. ES/Quarter Mile Lane ES - Bridgeton

- e. Passaic City School District - Dayton Avenue Educational Campus - Preliminary Project Charter

- f. Extension of State - Wide Property Management and Maintenance Services Contract (GP-0175-R01)

- g. Final Adoption Without Change: Title 19, Chapter 38 - Procedures for Low-Bid Procurement of Construction Contracts For School Facilities Projects, N.J.A.C. 19:38
- h. Final Adoption Without Change: Title 19, Chapter 38A - Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program, N.J.A.C. 19:38A

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
 - vii. Contractor and Workforce Compliance Report
 - viii. Regular Operating District Grant Activity Report
 - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$250,000 (*no activity*)
 - x. Communications Report
 - xi. Monthly Financial Report

8. PUBLIC COMMENT(S)

9. REPORT AND RECOMMENDATION OF THE REAL ESTATE COMMITTEE – TO BE PROVIDED IN EXECUTIVE SESSION

- a. 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 2, 2013 OPEN SESSION MINUTES

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING**

WEDNESDAY, OCTOBER 2, 2013

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, October 2, 2013 at 9:00 AM at the offices of the Authority at One West State Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Jennifer D’Autrechy (Treasury)
Kevin Luckie (NJDCA)
Bernard Piaia (NJDOE)
Michael Capelli
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Robert Nixon

being a quorum of the Board. Ms. Lemelle, Mr. Piaia, Mr. Capelli, and Mr. Lewis-Powder participated in the meeting via telephone conference.

At Mr. Walsh’s request, Marc Larkins, chief executive officer; Jason Ballard, chief of staff; Jane Kelly, vice president & assistant secretary; Andrew Yosha, vice president; Donald Guarriello, vice president and chief financial officer; Albert Barnes, acting chief counsel; James Adams, program director; Aidita Milsted, program director; Sean Murphy, procurement director; Corrado Minervini, program director; and Thomas Schrum, program director, of the SDA

participated in the meeting. Amy Herbold of the Governor's Authorities Unit also participated in the meeting by teleconference.

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 then presented for consideration and approval the Open Session Minutes of the September 4, 2013 Board Meeting. A copy of the 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 Ms. D'Autrechy, the Open Session meeting minutes of September 4, 2013 were approved by the Board upon its unanimous vote in favor of the resolutions attached hereto as *Exhibit 3a*.

Authority Matters

CEO Report

Mr. Walsh then asked Mr. Larkins to provide the Members with the report of the CEO. Mr. Larkins informed the Members that SDA staff attended two (2) Regular Operating District Grant (ROD Grant) events in September. He reported that SDA staff visited Brick Township on Monday, September 9 to tour some science labs that were reconstructed at the high school facility. Mr. Larkins also reported that the SDA visited Pennsville High School on September 20 to observe work that was done at the high school utilizing ROD Grant funding. He added that

the districts were very pleased and excited to have the work done, helping to improve educational programs in both districts.

Next, Mr. Larkins reported that SDA staff visited the Catrambone Elementary School site in the Long Branch School District on September 24 to observe ongoing construction activity. He said that the project is a new elementary school and that the visit was to commemorate the one-year anniversary of the groundbreaking. He said that the activity is swiftly moving along due to the efforts of the contractor, the design firm and SDA staff. Mr. Larkins added that this was the first project to break ground following the new processes put in place by the Christie Administration such as the constructability review process. He said that no major issues have been confronted by the team. He said that the school is anticipated to be completed next summer and occupied during that school year.

Mr. Larkins reported that, in furtherance of SDA's efforts to increase diversity in its workforce, staff had the opportunity to occupy a vendor table at the African American Chamber of Commerce's Business Leadership Conference held in Newark on September 26. He said that the SDA continues its efforts to diversify its workforce and is seeing some results, though some challenges remain.

Next, Mr. Larkins reported that the Victor Mravlag Elementary School (Victor Mravlag) in the Elizabeth School District opened in September. He said that it was an exciting first day for the students as noted by the district and the community. Mr. Larkins explained that some minor work still remains (i.e. the gymnasium). He said that an inspection of the gymnasium floor is scheduled for later this week and hopefully it will be accessible to the district next week. He noted that there are still some minor punch list items that need to be addressed and that these should be completed within sixty (60) to ninety (90) days.

Next, Mr. Larkins reported that the SDA issued the first phase of a notice to proceed (NTP) for construction of the Elliott Street Elementary School project (Elliott Street) in the Newark School District. He said that this award went to Hall Construction, Inc. in May 2013. He said that use of the design-build delivery method contributed to advancement of this project. Mr. Larkins said that this project brings the SDA's current inventory of active construction projects to five (5). He also informed the Members that the SDA anticipates that another three (3) projects will begin construction in the next few months or sooner, depending on how well the constructability review process goes. Of the three, Mr. Larkins said that there is one minor issue being sorted out for the Oliver Street Elementary School project (Oliver Street) in the Newark School District. He said that the other two (2) projects are the New Phillipsburg High School project (Phillipsburg) in the Phillipsburg School District and the Marshall Street Elementary School project (Marshall Street) in the Paterson School District.

With regard to other projects, Mr. Larkins reported that the award for demolition of the existing building for the New PS No. 16 project (PS No. 16) has been issued, which will finalize demolition work on the site. He said that construction of PS No. 16 will begin in 2014. Mr. Larkins reminded the Members that the project is currently in the procurement phase for advancement of a design-build package. He said that the SDA is also in the process of procuring for the Caruso Elementary School project (Caruso) in the Keansburg School District. Mr. Larkins then reported that the SDA is re-advertising the remediation package for the South Street School (South Street) in the Newark School District.

With regard to the emergent projects, Mr. Larkins reported that the program is moving along. He said that the SDA has several emergent projects that have been finalized. Mr. Larkins informed the Members that there are a couple of projects that are in construction and some that

are in the design phase for construction to take place when the buildings are not occupied next summer. He reminded the Members that the SDA delegated more than half of the projects back to the school districts for direct advancement.

Mr. Larkins then provided a brief update regarding the status of Trenton Central High School (TCHS), reminding the Members of the pending lawsuit that the district has recently filed. He reported that work is currently taking place at TCHS by both the district and the design firm that was hired by the SDA. Mr. Larkins noted that SDA's design firm (STV) is currently performing its assessment and will deliver it to the SDA in the near future so that the SDA can advance the work. He said that things are moving along and that the district's filing of a lawsuit has not resulted in any stalling of the process. Mr. Larkins said that the SDA will continue to defend the lawsuit.

Audit Committee Report

The Chairman then requested that Mr. Nixon provide the report of the Audit Committee. Mr. Nixon reported that the Audit Committee met on September 16, 2013. He said that management had provided the Committee with the August 2013 New Funding Allocation and Capital Plan Update. He advised that management reported no change in the Unforeseen Events Reserve balance and an increase of \$13.6 million in the Planning Reserve balance. He reported a \$100,000 increase in the 2008 Capital Plan Emergent Projects Reserves balance and no change in the 2011 Capital Plan Emergent Projects Reserve during the reporting period. Mr. Nixon advised that the reserve balance for the Regular Operating Districts ("RODs") increased by \$2.7 during the reporting period.

Mr. Nixon then reported that Management had presented the results of two statutorily required audits involving Section 15 Grants and the processes and procedures followed in

connection therewith. Mr. Nixon said that the audits looked at documentation supporting the execution of the grants and disbursement of funds. He advised that the audits had determined that the state funds were expended in accordance with the grant agreement, applicable laws and regulations. He noted that one audit offered one recommendation, with which Management agreed, regarding the dating and initialing of all manual cross-outs and/or overrides of dollar amounts.

In continuing, Mr. Nixon reported that Management presented the results of the Prompt Payment Compliance Act Audit (the Audit). He explained the scope of the Audit, noting that a sample of 30 invoices was selected out of a population of 192 invoices for the period between July 1, 2012 through June 30, 2013. He said that the Audit concluded that there were no instances of untimely payments. He advised that the Audit contained one medium risk observation regarding the Central Processing Unit's (CPU) inability to locate one invoice file. Mr. Nixon said that Management's response to this observation was to point out that a scanned copy of the missing file could have been obtained through the Contract Manager system and that the new Centralized File Room (CFR) will address any such potential concerns going forward.

Mr. Nixon advised the Board that the Committee was provided with the August 2013 Monthly Financial Report with Management advising that, as of August 2013, the Authority's operating expenditures totaled \$13.8 million which is \$480,000 lower than the operating budget for the corresponding period. He said that this is a \$10.3 million decrease from actual expenses for the corresponding period in the prior year. He reported that, as of August 2013, the year to date project expenditures are \$143.6 million, down \$26.7 million as compared to the 2013 Capital spending forecast for the corresponding period and \$19.9 million higher as compared to the actual expenses in the corresponding prior year period.

Mr. Nixon then advised that, since inception, 67.1% of the funds authorized for the SDA Districts have been disbursed. Additionally, he reported that 96% of all SDA disbursements relate to school facilities projects and 4% relate to program administrative and general expenses. In conclusion, Mr. Nixon advised that the estimated value of current school facilities project activity is approximately \$2.2 billion.

School Review Committee Report

Change Orders/Amendments – 1) Hall Building Corporation; 2) Tricon Enterprises, Inc.; 3) Design-Build Award and Approval of Final Project Charter – Buckshutem Rd. ES/Quarter Mile Lane ES – Bridgeton 4) Approval of Award – Legal Services (GP-0200-R01)

The Chairman then requested that Mr. Luckie provide the report of the School Review Committee. Mr. Luckie advised the Members that the Committee met on September 16, 2013 and discussed various issues. He reported that the Committee recommends that the Board approve change order No. 112 and resolving change orders No. 113 and 114 to Hall Building Corporation in the amount of \$432,276.76 for the Lincoln Avenue Elementary School in the City of Orange Township School District. Mr. Luckie explained that, in 2007, Hall Building Corporation was issued a NTP to provide an addition and perform renovation services at the Lincoln Ave ES. He said that the work included renovation of an existing 81,856 SF facility and construction of a 48,174 SF two story addition to educate 645 students in grades K-8. Mr. Luckie noted that the construction is complete and the building has been occupied by the district since September 2010. He said that the Committee recommends that the Board approve a change order in the amount of \$97,944.23 and two (2) resolving change orders with credit amounts of \$89,553.25 and \$11,114.22 respectively. Mr. Luckie added that the two resolving change orders would resolve two (2) construction change directives (CCDs) issued during the

pendency of the job in order to close them out. He added that, as the aggregate amount of the three (3) change orders, with all prior change orders, exceeds 10% of the contract value, Board approval is required. Ms. Milsted was available to answer questions.

A resolution for the approval of change order No. 112 and resolving change orders No. 113 and 114 to Hall Building Corporation had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Nixon, and seconded by Mr. McNamara, the proposed change order and resolving change orders were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as **Exhibit 6a1**.

Next, Mr. Luckie reported that the Committee recommends Board approval of credit change order No. 1 to Tricon Enterprises, Inc. (Tricon) in the amount of \$229,255.76 for the New Elementary School No. 3 (ES No. 3) in the Jersey City School District. He informed the Members that, in 2012, Tricon was issued a NTP for early site preparation services including demolition, foundation and slabs, excavation and soil removal and disposal for the ES No. 3 project. He said that all contract work was completed on April 30, 2013. Mr. Luckie noted that before the Board is a credit change order (CCO) to facilitate close out of Tricon's contract by finalizing a credit representing the dollar value for work that was not required to be performed. He said that the amount of the CCO is \$229,255.76, which is an amount greater than 10% of the contract value. Mr. Luckie informed the Members that the Committee recommends that the Board approve the credit change order. Mr. Minervini was available to answer questions.

A resolution for approval of credit change order No. 1 to Tricon had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Nixon, and seconded by Mr. Luckie, the proposed credit change order was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as **Exhibit 6a2**.

Next, Mr. Luckie presented a memorandum recommending approval of a design-build award and final project charters for the Buckshutem Road Elementary School/Quarter Mile Lane Elementary School projects in the Bridgeton School District. Mr. Luckie informed the Members that the proposed Buckshutem Road ES project will increase the capacity of the existing facility from 404 to 581 students in grades K-8 and the Quarter Mile Lane Elementary School project will increase the capacity of the existing facility from 254 students in grades K-8 to 731 students in grades Pre-K through 8. He said that the Board approved the preliminary project charters for the Bridgeton projects in August 2012. Mr. Luckie explained that, following a competitive procurement process (60% price/40% other factors), the Committee recommends that the Board approve an award to Ernest Bock & Sons for design-build services for the projects in the amount of \$45,613,770 and the proposed final project charters. Mr. Murphy provided the Members with a general description of the procurement process that was followed. The Members then briefly discussed certain bid protests that had been filed in the process.

A resolution for approval of the design-build award and final project charters had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Ms. D'Autrechy, the proposed design-build award and final project charters were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as **Exhibit 6b**.

Lastly, Mr. Luckie presented a memorandum recommending approval of an award for Legal Services (Package No. GP-0200-R01). He explained that the SDA's contracts for outside legal services will expire on October 20, 2013. He said that the Board is now requested to approve the retention of a new group of law firms with legal expertise in the areas of insurance coverage, bankruptcy and insolvency proceedings, environmental claims, professional errors and

omissions and cost recovery, employment litigation, government contracting, construction litigation and real estate law for school facilities projects. He said that the recommendation of these firms follows a competitive procurement process and approval of each contract will be conditioned upon a firm's successful completion of a moral integrity review conducted by the NJ State Police. Mr. Murphy provided an overview of the procurement process followed and the parameters of the contract awards. Mr. Luckie advised the Board that the Committee recommends approval of the contract awards to the proposed firms.

A resolution for approval of the Legal Services contract awards had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Nixon, and seconded by Mr. McNamara, with Mr. Walsh abstaining, the proposed Legal Services contract awards were approved by the Board upon its vote in favor of the resolution attached hereto as **Exhibit 6c.**

Reports

Mr. Walsh inquired as to the progress of the A. Chester Redshaw Elementary School (Redshaw Project) in the New Brunswick School District. Mr. Lewis-Powder then joined the meeting. Mr. Larkins advised that Hall Construction Company, Inc. is doing a commendable job and the school is on track to open as scheduled. Mr. Larkins added that he believes that the Elliot Street school project in the Newark School District will follow the same successful track as the Redshaw Project. Mr. Larkins noted that the Phillipsburg High School project in the Phillipsburg School District is in the final stage of the constructability review process. Mr. Schrum noted that discussions are ongoing regarding the cost impact items.

Public Comments

The Chairman then called the Public Comments portion of the meeting to order. He requested that those members of the public who wish to address the Board please come to the podium together if appropriate.

Mr. Walsh asked Dr. Jonathan Hodges of the Paterson Board of Education to address the Board. Dr. Hodges referenced a visit by SDA CEO Marc Larkins to Paterson to discuss the status of the PS No.16 and Hazel-Marshall Street projects. He said that the community is confused and concerned as to why they are not currently seeing construction activity at those school sites, particularly at the Hazel-Marshall site. He asked for a timetable to take back to the community regarding those projects. He also asked for an identification of what steps remain in the process and whether outstanding issues remain that must be resolved before construction commences.

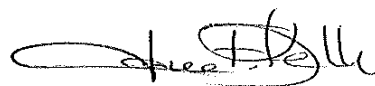
Mr. Larkins suggested that Dr. Hodges call SDA anytime to obtain project updates, without the need to wait for Board meetings. He said that the Hazel-Marshall project is currently in the constructability review phase. Mr. Schrum noted that the constructability phase will be completed in November. Mr. Schrum added that he is in frequent, and has been in recent, communication with the District regarding the projects' status. Mr. Larkins said that he would outline the particulars of the constructability review process for Dr. Hodges following the meeting. Dr. Hodges agreed. With regard to outstanding issues that remain, Mr. Larkins said that there are no remaining District- related issues. He said that the only issue that remains with regard to PS No. 16 is the hiring of a contractor. He said that SDA is waiting for bids to come in, that these will be reviewed and that an award will be made. Dr. Hodges again noted the concern of the community with the time that advancement of the projects has taken.

Next, the Chairman asked Mr. R. Mangaliso of Camden and the Save Our Schools Coalition to address the Board. Mr. Mangaliso reminded the Board that he had appeared in August regarding the Lanning Square project. He said that the Camden BOE then determined to give the \$10 million site over to a private citizen and noted that the Governor has taken over the school system and turned the BOE into an Advisory Board. He discussed the current composition of the BOE. He advised that he wished to discuss the Early Child Development School which was built 6 to 7 years ago. He noted certain environmental issues encountered by that school facility as well as his concerns with the treatment methods used to address them. He said that a request has been made for an air quality monitoring system at the school. He noted additional concerns with the quality of the water at the school citing contamination problems with the drinking water.

He also discussed conditions at the Camden High School which he indicated is “falling apart”. He said that after the current Administration’s review of the program, Camden High School did not make the list for advancement. He noted the presence of scaffolding at the school and discussed certain rumors involving the school’s possible future as a Charter School. He asked for some indication as to any plans that exist for the two schools and whether the SDA will be advancing work there. The Chairman asked Mr. Mangaliso to speak to him following the meeting. He suggested that Mr. Mangaliso make an appointment with SDA staff to discuss the particular matters he raised with the Board today.

Mr. Walsh then asked if there were any other members of the public present who wished to address the Board. Hearing none, Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion 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 2, 2013 meeting.



Jane F. Kelly
Assistant Secretary

RESOLUTION—3a.**Approval of Minutes**

WHEREAS, the By-Laws provide that the minutes of actions taken at meeting 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 2, 2013 Board meeting of the New Jersey Schools Development Authority, for the Open Session was forwarded to the Governor on October 2, 2013.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's October 2, 2013 Open Session meeting is hereby approved.

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

Dated: November 6, 2013

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE

CHAIRMAN'S REPORT

BUSINESS AND REAL ESTATE PROPERTY & CASUALTY INSURANCE PROGRAM (GP-0173-R01)



TO: Members of the Authority

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

DATE: November 6, 2013

SUBJECT: Business and Real Estate Property & Casualty Insurance Program
GP-0173-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 for broker services with The Safeguard Group, Inc. ("Safeguard"). The renewal policies will have a one year term with an effective date of December 14, 2013, and the proposed cost is not to exceed \$762,595. The "Operating Authority By Level," adopted by the Board, 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 2011, the Board approved the award of the Business and Real Estate Property and Casualty Insurance Broker services to Safeguard for a three-year term. As part of their scope of services, Safeguard 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. Concurrently, in November 2011, the Board approved the purchase of various insurance policies for an annual term effective December 14, 2011 at a cost not to exceed of \$1,002,100. Subsequently, in November 2012, the Board approved the cost to renew these policies at a cost not to exceed \$828,000.

DESCRIPTION

In preparation for the 2013-2014 Insurance Program renewal, Risk Management has provided Safeguard with key data and other information that was disseminated to the incumbent insurers to obtain insurance policy quotations. This data is used by the insurers to quantify the Authority's various insurable risk exposures, and for pricing of the insurance policies. Data provided for the quotations was based on the Authority's risk exposures as of September, 2013. Risk Management has met with Human Resources,

Members of the Authority
November 6, 2013
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Facilities, MIS, Office of the Chief Financial Officer, Office of Chief Counsel and Real Estate. We believe that the Authority's risk exposures are reasonably quantified in the quoted premiums and that any exposure changes and related premium adjustments during the policy year will be funded from the 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, 2013. 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 2013-2014 Insurance Program, as outlined below, is \$743,994.66, which is inclusive of commissions.

Coverage	2011-2012 Annual Premium (as of 12/14/2011)	2012-2013 Annual Premium (as of 12/14/2012)	2013-2014 Renewal Premium (as of 12/14/2013)
Business Administration Package	\$43,008.65	\$46,138.52	\$39,813.13
Automobile Liability	\$24,200.87	\$27,133.02	\$29,133.87
Workers' Compensation	\$122,686.00	\$103,916.00	\$108,460.00
Umbrella and Excess Liability	\$119,524.14	\$68,775.46	\$69,480.77
Public Officials' Liability/EPL and Excess Public Officials' Liability	\$286,056.55	\$286,056.55	\$288,124.45
Real Estate Property, Excess Property and Equipment Breakdown	\$152,775.25	\$139,296.16	\$105,863.65
Real Estate Liability	\$211,895.05	\$112,460.13	\$103,118.79
Total Premiums	\$960,146.51	\$783,775.84	\$743,994.66
Allowance for Exposure Adjustments	\$41,953.49	\$44,224.16	\$18,600.34
Total Not to Exceed Amount	\$1,002,100.00	\$828,000.00	\$762,595.00

The highlights of the Insurance Program renewal include:

- While Workers' Compensation estimated annual payroll has remained steady, the rates have effectively increased by an average 7.6%.
 - Due to 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 14% premium discount was granted, which partially offsets the rate increase of 7.6%.
 - The NJSDA's experience rating modification also decreased by 3%, further offsetting the rate increase.

Members of the Authority

November 6, 2013

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- Business Personal Property, which includes Improvements & Betterments, decreased by 64% from \$11,882,165 to \$4,324,229, as a result of the move from 1 West State Street to 32 East Front Street.
- There has been a continuous reduction within the REO inventory. The total insured value under the Property policy has been reduced by 28% as several completed schools have been deeded to the Districts, and the last of the NJSDA Temporary Classroom Units (TCUs) have either been sold or transferred to the Districts. The cost avoidance from the overall REO reduction is approximately \$42,193, which more than offsets the average 4.8% rate increase.

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, 2013, at a cost not to exceed \$762,595, inclusive of an approximate 2.5% 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: Stephanie Ryan and Jeanell Newmuis-Haley

Attachments:

- Safegard's Program Executive Summary
- Safegard's Program Coverage Summary

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
ADMINISTRATION & REAL ESTATE PROPERTY & CASUALTY INSURANCE**

EFFECTIVE DECEMBER 14, 2013 TO DECEMBER 14, 2014 (REV. 10/2/2013)

The Safeguard 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

COVERAGE	2012 - 2013 ESTIMATED PREMIUM (INCLUDES PLIGA)	2012 - 2013 ANNUALIZED PREMIUM (INCLUDES PLIGA)	2013 - 2014 RENEWAL PREMIUM (INCLUDES PLIGA)	CHANGE
Administration Package	\$ 46,138.52	\$ 46,239.42	\$ 39,813.13	14% Decrease
Automobile	\$ 27,133.02	\$ 27,560.00	\$ 29,133.87	6% Increase
Workers' Compensation	\$ 103,916.00	\$ 103,916.00	\$ 108,460.00	4% Increase
Umbrella Liability	\$ 49,301.76	\$ 49,301.76	\$ 49,300.77	No Change
Excess Liability	\$ 19,473.70	\$ 19,473.70	\$ 20,180.00	3% Increase
Public Officials' Liability	\$ 209,872.00	\$ 209,872.00	\$ 211,390.00	< 1% Increase
Excess Public Officials' Liability	\$ 76,184.55	\$ 76,184.55	\$ 76,734.45	< 1% Increase
Real Estate Property	\$ 108,808.00	\$ 78,866.00	\$ 78,934.00	< 1% Increase
Real Estate Excess Property	\$ 26,250.00	\$ 19,025.00	\$ 23,500.00	23% Increase
Real Estate Equipment Breakdown	\$ 4,238.16	\$ 3,195.00	\$ 3,429.65	7% Increase
Real Estate General Liability	\$ 112,460.13	\$ 96,327.09	\$ 103,118.79	7% Increase
Total Premium	\$ 783,775.84	\$ 729,960.52	\$ 743,994.66	2% Increase

MARKETING RESULTS

We are several years into what is considered a hard market cycle in which increases in exposure and tightening of markets/coverage is common. At this time, we are experiencing overall rate increases of 10% - 20% on accounts with little or no claim experience and upwards of 20% on accounts with adverse claim experience. Current trends that have potential impact on New Jersey Schools Development Authority's insurance program are as follows:

- Property rates are increasing due to recent catastrophic flood, storm and fire losses. Many insurance companies are restricting coverage on catastrophe exposure (flood and earthquake).
- Workers Compensation claim costs are on the rise due to the changing healthcare environment. Overall frequency of claims has also significantly increased.
- Fewer insurance companies are willing to provide coverage for vacant properties. Those that do are significantly limiting policy terms. These buildings pose an increased Property and General Liability exposure from vandals and vagrants who gain access to the building. Without proper oversight, significant property damage can occur. We have also seen an increase in claims for loss of life due to fire in vacant buildings.
- No new insurance companies have entered the Public Officials Liability market at this time. Additionally none of the markets currently writing this line of business have expanded their appetite to provide Inverse Condemnation coverage.

Conversations were conducted with all incumbent markets in July and August to ensure that there would be no significant changes in terms or pricing that would require moving coverage. At the time of our discussions, the insurance companies advised that terms and conditions would remain close to expiring. Given SDA's favorable loss history, anticipated rate increases were expected to be under 10% assuming no significant changes in exposure.

Safeguard is currently exploring alternative options for the Real Estate Property coverage. Since all vacant buildings were removed from the policy mid-term, the following markets expressed interest in providing quotations:

- Chubb
- Great American
- Wilshire/Acceptance
- Seneca
- Everest

Unfortunately none of these markets were able to present a quotation by the deadline given. We will continue to push them for quotes and will advise upon receipt of competitive options.

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.

ADMINISTRATION PACKAGE

- All Property coverage has been removed at 1 West State Street, Trenton, NJ as NJSDA is no longer occupying that space as of 12/14/2013. However, this location will remain under the General Liability coverage until the lease expires on December 31, 2013.
- Blanket Business Personal Property, which includes Improvements & Betterments **decreased** 64% from \$11,882,165 to \$4,324,229 as a result of the following changes in the Statement of Values:

<i>Location</i>	<i>Coverage</i>	<i>2012 Value</i>	<i>2013 Value</i>
1 West State Street	Business Personal Property	\$ 2,590,850	Deleted
	Improvements & Betterments	\$ 7,498,516	Deleted
32 E. Front Street	Business Personal Property	\$ 1,004,500	\$ 3,595,350
	Improvements & Betterments	\$ 59,420	\$ 0
375 McCarter Highway	Business Personal Property	\$ 308,850	\$ 308,850
	Improvements & Betterments	\$ 420,029	\$ 420,029
Blanket Business Personal Property		\$ 11,882,165	\$ 4,379,216

- All other limits remain as expiring.
- General Liability is rated based on office square footage. At 32 E. Front Street, Trenton, NJ this **increased** from 6,462 square feet to 68,725 square feet as a result of the move.
- Chubb added Exclusion – Loss of Use Electronic Data (80-02-8423) to the General Liability coverage, which clarifies that there is no coverage in the event that SDA causes loss of electronic data to a third party. Cyber Liability coverage is better designed to handle this exposure. This is a mandatory exclusion being added to all New Jersey General Liability policies.

New Jersey Schools Development Authority

2013 Executive Summary

AUTOMOBILE

- The total number of owned vehicles remains at 18.
- The following vehicle garaging locations were amended:

<i>Year</i>	<i>Make/Model</i>	<i>VIN</i>	<i>Previous Garage Loc.</i>	<i>Current Garage Loc.</i>
2003	Ford Focus Wagon	1FAFP36333W336824	Princeton Junction, NJ	Trenton, NJ
2010	Ford Escape	1FMCU0DG4AKA53052	Trenton, NJ	Millstone, NJ
2012	Ford Focus	1FAHP3E29CL357596	Trenton, NJ	Yardville, NJ
2012	Ford Focus	1FAHP3E27CL469492	Trenton, NJ	Marlton, NJ
2012	Ford Focus	1FAHP3E28CL470604	Trenton, NJ	Vineland, NJ

WORKERS' COMPENSATION

- Estimated payroll remains as expiring.
- Rates are set by the New Jersey Compensation Rating Bureau and are amended as follows:

<i>Classification</i>	<i>State - Code</i>	<i>2012 - 2013 Expiring Rate</i>	<i>2013 - 2014 Renewal Rate</i>	<i>Change</i>
Clerical	NJ - 8810	\$ 0.24	\$ 0.25	4% Increase
Outside Sales	NJ - 8742	\$ 0.52	\$ 0.64	23% Increase
Contractor - Executive	NJ - 5606	\$ 2.43	\$ 2.57	6% Increase
Buildings – NOC (janitorial/maintenance staff)	NJ - 9015	\$ 6.68	\$ 7.20	8% Increase

- New Jersey Experience Rating Modification *decreased* 3% from 0.857 to 0.833.
- NJSDA applied, and was approved, for a 14% Construction Classification Credit from the State of New Jersey. The expiring credit was 15%.
- Chubb’s initial quote included a reduction in the Scheduled Credit from 20% to 13%, primarily due to current loss activity on this line of business. At this time last year, Workers Compensation was operating at a 27% loss ratio over the previous five years. This year, the five year loss ratio increased to 61%. Safegard was successful in having the full 20% credit applied as the total account loss ratio over the past five years is favorable at approximately 30%.
- The Dividend endorsement remains on the policy for renewal. Please see the coverage summary for dividend details. Dividends totaling \$101,049 have been provided to SDA over the course of your tenure with Chubb.

*New Jersey Schools Development Authority**2013 Executive Summary***5****WORKERS' COMPENSATION (CONTINUED)**

- Chubb advised after last year's renewal that they cannot continue to include the Voluntary Compensation Endorsement (WC290101) on the policy as the New Jersey Workers Compensation Rating Bureau has authorized this endorsement only in conjunction with the following classification codes: 7394, 7046, 7038, 7019, 7151, 8814, 8737 and 6702.

UMBRELLA AND EXCESS LIABILITY

- Coverage will renew as expiring.

PUBLIC OFFICIALS' AND EXCESS PUBLIC OFFICIALS' LIABILITY

- Limits will renew as expiring.
- An Economic Sanctions endorsement is being added to the AIG Public Officials Liability policy. This endorsement clarifies that the insurer will not pay claims for which they would be exposed to sanctions, prohibition or restriction under the United Nations resolutions or trade or economic sanctions of the European Union or the United States of America.

REAL ESTATE PROPERTY & EXCESS PROPERTY

- As of 8/15/2013, NJSDA elected to remove Property coverage for all vacant buildings. This reduced the Total Insured Value 28% from \$75,722,263 to \$54,882,743. The remaining locations are as follows:
 - 135 Glenwood Ave., East Orange, NJ 07017
 - 1700-1804 W. Front St., Plainfield, NJ 07063
- The \$25,000 Theft & Vandalism deductible was removed as there are no longer any buildings located in Camden, NJ
- The Wind/Hail deductible of the greater of 1% of TIV or \$10,000 for locations within 2 miles of the coast was removed as there are no longer properties on the coast.

REAL ESTATE PROPERTY & EXCESS PROPERTY (CONTINUED)

- The following changes were made as a result of deleting all vacant buildings:
 - The Locked & Secured and Heat Maintained/Pipes Drained warranty provisions were removed.
 - There are no buildings subject to Basic Causes of Loss at this time
 - There are no buildings currently valued on Actual Cash Value. All buildings are valued at Replacement Cost.

- The Loss Limit remains at \$10,000,000 on Primary Property and \$18,906,297 on Excess Property as the highest insurable value at any one location remains as expiring.

REAL ESTATE EQUIPMENT BREAKDOWN

- As of 8/15/2013, NJSDA elected to remove Property coverage for all vacant buildings. This reduced the Total Insured Value 28% from \$75,722,263 to \$54,882,743. The remaining locations are as follows:
 - 135 Glenwood Ave., East Orange, NJ 07017
 - 1700-1804 W. Front St., Plainfield, NJ 07063

REAL ESTATE GENERAL LIABILITY

- Real Estate General Liability exposure changed as follows:

<i>Class Code</i>	<i>Description</i>	<i>Rating Basis</i>	<i>2012 Exposure</i>	<i>2013 Exposure</i>	<i>Difference</i>
49451	Vacant Land/Parking Lots	Acre	106	89	16% Decrease
61212	Occupied Building/School	Per 1,000 [']	653,945	504,090	23% Decrease
68606	Vacant Building	Per 1,000 [']	438,069	438,069	No Change
91591	Subcontractors	Per \$1,000 Cost	1,400,000	1,400,000	No Change
63010	1-4 Family Dwelling (Vacant or Occupied)	Per Unit	13	13	No Change
60010	Occupied Apt. Building	Per 1,000 [']	0	0	No Change
46671	Athletic Fields/Playgrounds	Flat Per Field	2	7	250% Increase
61212	Temporary Classroom Units	Per Unit	6	0	100% Decrease

*New Jersey Schools Development Authority**2013 Executive Summary*

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REAL ESTATE GENERAL LIABILITY

- Renewal rates are as follows:

<i>Class Code</i>	<i>Description</i>	<i>Rating Basis</i>	<i>2012 Rate</i>	<i>2012 Rate</i>	<i>Difference</i>
49451	Vacant Land/Parking Lots	Acre	\$ 50	\$ 54	8% Increase
61212	Occupied Building/School	Per 1,000 [']	\$ 110	\$ 117.645	7% Increase
68606	Vacant Building	Per 1,000 [']	\$ 50	\$ 54	8% Increase
91591	Subcontractors	Per \$1,000 Cost	\$ 1.96	\$ 2.090	6% Increase
63010	1-4 Family Dwelling (Vacant or Occupied)	Per Unit	\$ 175	\$ 187	7% Increase
60010	Occupied Apt. Building	Per 1,000 [']	\$157.50	\$ 168.530	9% Increase
46671	Athletic Fields/Playgrounds	Flat Per Field	\$ 850	\$ 910	7% Increase

- Although rates *increased* from expiring, they are still significantly lower than historic rate levels. (See next page for historical rate comparison.)

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE

*New Jersey Schools Development Authority
TCU Package/Site Acquisition Liability Rate History with Safegard Group, Inc.*

<i>Class Code</i>	<i>Class Description</i>	<i>Rating Basis</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006*</i>	<i>2007**</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
99999	TCU	Average Per Unit	\$450.00	\$447.00	\$433.00	\$ 439.00	\$ 419.00	\$ 404.00	\$ 362.00	\$362.00	\$300.00	\$315.00	n/a
99999	Vacant Dwelling	Per Dwelling	\$225.00	\$225.00	\$203.00	\$ 182.25	\$ 164.03						
63010	Occupied 1 Family Dwelling	Per Dwelling	\$320.00										
63011	Occupied 2 Family Dwelling	Per Dwelling	\$490.00	\$320.00	\$288.00	\$ 288.00	\$ 259.20	\$ 175.00	\$ 145.00	\$145.00	\$145.00	\$175.00	\$187.00
63012	Occupied 3 Family Dwelling	Per Dwelling	\$520.00										
63013	Occupied 4 Family Dwelling	Per Dwelling	\$680.00										
49451	Vacant Land	Per Acre	\$ 75.00	\$ 75.00	\$ 67.50	\$ 60.75	\$ 54.68	\$ 50.00	\$ 42.00	\$ 42.00	\$ 45.00	\$ 50.00	\$ 54.00
68606	Vacant Commercial Building	Per 1,000 Square Feet	\$120.00	\$120.00	\$108.00	\$ 97.20	\$ 87.48	\$ 50.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 50.00	\$ 54.00
61212	Occupied Commercial Building	Per 1,000 Square Feet	\$400.00	\$225.00	\$202.50	\$ 182.25	\$ 164.03	\$ 114.00	\$ 100.00	\$100.00	\$ 97.50	\$110.00	\$117.65
61212	Occupied Schools	Per 1,000 Square Feet			\$162.00	\$ 145.80	\$ 131.22						
91591	Subcontractors	Per \$1,000 Cost	\$ 6.00	\$ 6.00	\$ 6.00	\$ 5.40	\$ 4.86	\$ 3.00	\$ 1.86	\$ 1.86	\$ 1.86	\$ 1.96	\$ 2.09
99999	Athletic Fields	Per Field				\$ 2,500.00	\$ 2,250.00	\$ 1,000.00	\$ 800.00	\$800.00	\$800.00	\$850.00	\$910.00

*Average Per Unit rate increased as a result of addition of double unit TCUs.

**Site Acquisition Liability coverage moved from surplus lines market to Chubb (standard insurance company) as of this policy term, providing significant coverage enhancements. TCU Package policy has been with Chubb for all years shown.

PAYMENT TERMS

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

ADDITIONAL COVERAGE CONSIDERATIONS

- 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.
- Flood Zones which are excluded from coverage under the Real Estate Property policy are “All A, B, Shaded X and V Flood Zones and any other zone with a greater than .2% chance of flooding as delineated by the National Flood Insurance Program (NFIP).” Flood coverage for all properties not located in an excluded flood zone has a maximum limit of \$2,500,000 for each occurrence. Additional limits can be quoted upon request.
- Network Security/Cyber Liability coverage was discussed extensively during the 2011 policy term with Safeguard coordinating meetings between various NJSDA departments and underwriters from Chartis. Chartis continues to provide the Network Security & Privacy Liability endorsement at no additional charge. A stand alone policy is also available to provide more robust coverage.

DOCUMENTS REQUIRED FOR BINDING***Umbrella***

- Signed Terrorism (TRIA) Disclosure

Excess Liability

- Signed & dated ACORD Application
- Signed Terrorism (TRIA) Disclosure

Public Officials' Liability

- Signed & dated MuniPro Renewal Application
- Signed & dated NetAdvantage Application

Excess Public Officials' Liability

- Signed & dated Chartis MuniPro Renewal Application

Real Estate Property

- Signed & dated ACORD Application
- Signed Terrorism (TRIA) Disclosure

Real Estate Excess Property

- Signed & dated ACORD Application
- Signed Terrorism (TRIA) Disclosure

New Jersey Schools Development Authority

2013 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

Extension: 224
rdonato@safegardgroup.com

William C. Donato, Jr.
President & COO

Extension: 222
wdonato@safegardgroup.com

Customer Service

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

Extension: 237
jackerman@safegardgroup.com

- Contract Review
- Policy/Coverage Review
- Audits
- Billing

Christopher Santoleri
Account Executive – Commercial Lines

Extension: 265
csantoleri@safegardgroup.com

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

Gina Brunetto
Account Assistant – Commercial Lines

Extension: 236
gbrunetto@safegardgroup.com

- Certificates of Insurance
- Automobile ID Cards
- Policy Changes

Claims

Lisa Hale, CIC, AIC
Senior Claims Consultant

Extension: 226
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-0173-R01

Effective Date:

December 14, 2013 through December 14, 2014

Presented by:

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

As of:

October 2, 2013

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

2013 Coverage Summary

SCHEDULE OF LOCATIONS - ADMINISTRATION

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<i>Loc#</i>	<i>Location</i>	<i>BPP</i>	<i>I & B</i>	<i>EDP</i>	<i>Extra Expense</i>	<i>Valuable Papers</i>
1	1 W. State Street Trenton, NJ 08608	n/a	n/a	n/a	n/a	n/a
2	375 McCarter Highway Newark, NJ 07114	\$ 308,850	\$ 420,029	included	included	included
3	32 E. Front Street Trenton, NJ 08608	\$3,595,350	\$ 0	included	included	included
	Blanket Limits:	\$4,324,229		\$2,331,282	\$360,000	\$500,000

New Jersey Schools Development Authority

2013 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 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: 3577-04-04

Annual Premium: \$38,249.00

Terrorism: \$ 1,209.00

NJPLIGA: \$ 348.12

EB Surcharges: \$ 7.01
\$39,813.13

Named Insured: New Jersey Schools Development Authority

Property Coverage

<u>Coverage</u>	<u>Locations</u>	<u>Limits</u>
Business Personal Property/Improvements & Betterments	Loc 2-3	\$4,324,229
Electronic Data Processing	Loc 2-3	\$2,331,282
Extra Expense	Loc 2-3	\$ 360,000
Valuable Papers on premises & any other location	Loc 2-3	\$ 500,000
Earthquake	Loc 2-3	
Each Occurrence		\$1,000,000
Premises Aggregate		\$5,000,000
Policy Aggregate		\$5,000,000
Flood	Loc 2-3	
Each Occurrence		\$1,000,000
Premises Aggregate		\$5,000,000
Policy Aggregate		\$5,000,000

New Jersey Schools Development Authority

2013 Coverage Summary

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 Mobile Communication Property
 \$ 50,000 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 do not represent the entirety of the policy enhancements.*

<i>Description</i>	<i>Limit</i>	<i>Form No.</i>
Customarq Supplementary Declarations		17-02-5220
Covered Premises – Blanket Limit of Insurance up to limit shown for any combination of the following coverages: Accounts Receivable Electronic Data Processing Property Fine Arts Leasehold Interest – Bonus Payment, Prepaid Rent, Sublease Profit, Tenants Lease Interest Leasehold Interest – Undamaged Tenant’s Improvements & Betterments Non-Owned Detached Trailers Outdoor Trees, Shrubs, Plants or Lawns Personal Property of Employees Property Damage Extortion Public Safety Service Charges Rental Income Valuable Papers	\$500,000	
Any Other Location Accounts Receivable Building Components Electronic Data Processing Property Fine Arts Personal Property Valuable Papers	\$ 75,000	
Debris Removal – 25% of direct damage loss, plus: Premises Shown In Declarations Any Other Location Exhibition, Fair or Trade Show In Transit	\$500,000 \$ 50,000 \$ 50,000 \$ 50,000	
Extra Expense	\$250,000	

New Jersey Schools Development Authority

2013 Coverage Summary

Property Coverage Extensions (continued):

<i>Description</i>	<i>Limit</i>	<i>Form No.</i>
Exhibition, Fair or Trade Show	\$ 25,000	17-02-5220
Electronic Data Processing Property		
Fine Arts		
Personal Property		
Fungus Clean Up or Removal	\$ 25,000	
In Transit	\$100,000	
Accounts Receivable		
Electronic Data Processing Property		
Fine Arts		
Personal Property		
Valuable Papers		
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)	\$ 10,000	
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:		
Building	\$2,000,000	
Personal Property	\$1,000,000	
Personal Property At Existing Premises	\$ 100,000	
Electronic Data Processing Equipment	\$ 500,000	
Electronic Data	\$ 250,000	
Communication Property	\$ 250,000	
Fine Arts	\$ 25,000	

Property 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>
Acts or Decisions	17-02-3069
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	
Settling	

New Jersey Schools Development Authority

2013 Coverage Summary

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>
1 West State St., Trenton	61226	Building or Premises – Office	68,358 (sf)
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>	251 Employees

New Jersey Schools Development Authority

2013 Coverage Summary

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

Coverage Features	Chubb Customary General Liability-80-02-2000	ISO Commercial General Liability-CG 00 01
<i>Who Is An Insured</i>		
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
<i>Covered Exposures</i>		
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

2013 Coverage Summary

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Coverage Features	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<i>Covered Exposures (Continued)</i>		
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 sublimited
War and insurrection	Yes	No

New Jersey Schools Development Authority

2013 Coverage Summary

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Coverage Features	Customary General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<i>Limits of Insurance - Supplementary Payments</i>		
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 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	17-02-3140
Securities and Trade Practices	17-02-3141
Foreclosure, Trust, Leasing	17-02-3307
Information Distribution Laws	80-02-6528
Non-Accumulation of Limits of Insurance	80-02-2324
Total Policy Exclusion for Lead	80-02-2375
Biological Agents	80-02-2668
Total Professional Liability	80-02-6428
Intellectual Property Laws or Rights	80-02-8290
Loss of Use Electronic Data	80-02-8423

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: 60 Days Notice of Cancellation; 20 days for non-payment of premium

New Jersey Schools Development Authority

2013 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 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: 7352-24-25

Annual Premium: \$28,874.00

Terrorism: Not Applicable

NJ PLIGA: \$ 259.87
\$29,133.87

Named Insured: New Jersey Schools Development Authority

Coverages	Limits
Bodily Injury and Property Damage (Symbol 1)	\$ 1,000,000 each accident
Personal Injury Protection (Symbol 5)	NJ Statutory
Medical Expenses	\$ 250,000 per person
Income Continuation Benefits	\$ 100 per week / \$5,200 max
Essential Services Benefits	\$ 12 per day / \$4,380 max
Death Benefits	Up to \$5,200 (see policy for details)
Funeral Expenses	\$ 1,000
Deductible	\$ 250
Uninsured Motorists (Symbol 2)	\$ 35,000 each accident
Underinsured Motorists (Symbol 2)	\$ 35,000 each accident
Physical Damage (Symbols 2)	
Comprehensive Deductible	\$ 500
Collision Deductible	\$ 500
Rental Reimbursement (Symbol 3)	\$ 50 per day / 30 days
Towing & Labor (Symbol 3)	\$ 50
Hired Car Physical Damage (Symbols 8)	
Comprehensive Deductible	\$ 500
Collision Deductible	\$ 500

New Jersey Schools Development Authority

2013 Coverage Summary

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Vehicle Schedule

Veh. #	Year	Make/Model	VIN	Cost New	Garage Location
1	2003	Ford Taurus	1FAFP53273A241168	\$19,695	Trenton, NJ
2	2003	Ford Focus Wagon	1FAFP36333W336824	\$17,010	Trenton, NJ
3	2008	Toyota Prius	JTDKB20UX87707904	\$23,155	Trenton, NJ
4	2008	Toyota Prius	JTDKB20U087705417	\$23,155	Trenton, NJ
5	2004	Jeep Grand Cherokee	1J4GW48S74C338343	\$28,550	Cape May Courthouse, NJ
6	2009	Honda Civic	JHMFA36229S001975	\$23,550	Barnegat, NJ
7	2009	Honda Civic	JHMFA36219S005709	\$23,550	Trenton, NJ
8	2009	Honda Civic	JHMFA36269S002627	\$23,550	Wall, NJ
9	2009	Honda Civic	JHMFA36269S004023	\$23,550	Neptune City, NJ
10	2009	Ford Escape Hybrid	1FMCU59399KB92981	\$30,555	Irvington, NJ
11	2010	Ford Escape	1FMCU0DG4AKA53052	\$25,338	Millstone, NJ
12	2007	Dodge Caravan	2D46P44L37R331888	\$11,996	Trenton, NJ
13	2012	Ford Focus	1FAHP3E29CL357596	\$16,270	Yardville, NJ
14	2012	Ford Focus	1FAHP3E29CL357597	\$16,270	Trenton, NJ
15	2012	Ford Focus	1FAHP3E27CL469492	\$16,270	Marlton, NJ
16	2012	Ford Focus	1FAHP3E28CL470604	\$16,270	Vineland, NJ
17	2013	Ford Focus	1FADP3E2XDL28678	\$20,000	Trenton, NJ
18	2013	Ford Focus	1FADP3E21DL285679	\$20,000	Trenton, NJ

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

Description	Form No.
Employers Non-Ownership	16-02-0214
Extended Notice of Occurrence and Knowledge of Accident	16-02-0292
Unintentional Failure to Disclose	16-02-0292
Fellow Employee Exclusion Deleted	CA 00 01
Employees as Insureds'	CA 99 33
Waiver of Transfer of Rights of Recovery Against Others (where required by contract)	CA 04 44
Automatic Additional Insured and Loss Payee (where required by contract)	16-02 0292

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; 20 days for non-payment of premium

New Jersey Schools Development Authority

2013 Coverage Summary

WORKERS' COMPENSATION

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 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: 7170-03-77

Annual Premium: \$ 90,309.00

Expense Constant: \$ 220.00

Terrorism: \$ 7,920.00

NJ SIF/UEF: \$ 10,011.00
\$108,460.00

Named Insured: New Jersey Schools Development Authority

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

Code	Classification	Estimated Annual Payroll
8810	Clerical Office	\$ 11,900,000
8742	Outside Sales	\$ 3,550,000
5606	Contractor – Executive	\$ 4,100,000
9015	Buildings – NOC (janitorial & maintenance staff)	\$ 250,000

New Jersey Schools Development Authority

2013 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.*

- **Sliding Scale Dividend Plan:** Should a dividend be declared by Chubb and SDA maintains a loss ratio of 30% or less, a percentage of the annual premium will be returned. Chubb has issued dividends totaling \$101,049 to NJSDA in the past.

Loss Ratio	Dividend %	Estimated Dividend (based on quoted premium)
0%	35.71%	\$32,253
5%	31.39%	\$28,344
10%	27.06%	\$24,434
15%	22.73%	\$20,525
20%	18.40%	\$16,615
25%	14.07%	\$12,706
30%	9.74%	\$ 8,796
35%	0.00%	\$ 0

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

2013 Coverage Summary

UMBRELLA LIABILITY

Carrier: ACE Property & Casualty Insurance Company
*ACE 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 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: M00530438005

Annual Premium: \$46,534.00

Terrorism: \$ 2,327.00

NJ PLIGA: \$ 439.77
\$49,300.77

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	\$ 10,000

Scheduled of Underlying Policies

Administration General Liability (incl. Employee Benefit Liability) – Great Northern Ins. Co.
 Policy # 3577-04-04
 Limits: \$1,000,000 each occurrence / \$2,000,000 aggregate – General Liability
 Limits: \$1,000,000 each occurrence / \$3,000,000 aggregate – Employee Benefits Liability

TCU/Real Estate General Liability – Chubb Ins. Co. of NJ
 Policy # 3589-23-99
 Limits: \$1,000,000 each occurrence / \$2,000,000 aggregate

Automobile Liability – Chubb Ins. Co. of NJ
 Policy # 7352-24-25
 Limit: \$1,000,000 Combined Single Limit

Employers Liability – Pacific Indemnity Co.
 Policy # 7170-03-77
 Limit: \$500,000 BI Each Accident / \$500,000 BI by Disease (Policy) / \$500,000 BI by Disease (Each Employee)

New Jersey Schools Development Authority

2013 Coverage Summary

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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>
Catastrophe Management Coverage Endorsement - \$250,000 Annual Limit	XS-22088 (04/07)
Contractors Limitation Endorsement	XS-20750 (08/06)
Employee Benefit Plan Limitation (Claims Made)	XS-26426 (02/09)

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	XS-20784 (08/06)
Athletic and Sports Participants Exclusion	XS-20759 (08/06)
Construction Operations Exclusion – except maintenance and renovations	XS-30047 (07/10)
Construction Loan Exclusion	XS-20778 (08/06)
Cross Suits Exclusion	XS-20796 (08/06)
Designated Premises Exclusion	XS-20799 (08/06)
Fungi or Bacteria Exclusion	XS-20779 (08/06)
Lead Exclusion	XS-20854 (08/06)
Medical Malpractice and Professional Services Exclusion	XS-20813 (08/06)
Professional Services Liability Exclusion – Absolute	XS-20819 (08/06)
Real Estate Agents Limitation and Exclusion	XS-20821 (08/06)
Securities Exchange Commission (S.E.C.) Exclusion	XS-20822 (08/06)
Silica or Silica-Related Dust Exclusion	XS-26431 (02/09)
Stucco / EIFS Exclusion Endorsement	XS-21045 (08/06)

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; 20 days for non-payment of premium

New Jersey Schools Development Authority

2013 Coverage Summary

EXCESS LIABILITY

Carrier: Navigators Insurance Company
*Navigators 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 X as of 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: NY12EXC738708IV

Annual Premium: \$20,000.00

Terrorism: Included in Premium Above

NJ PLIGA: \$ 180.00
\$20,180.00

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
 Self Insured Retention	 Nil

Scheduled of Underlying Policies

Umbrella – ACE Property & Casualty Insurance Co.
 Policy # TBD
 Limit: \$15,000,000 each occurrence / \$15,000,00 Aggregate

New Jersey Schools Development Authority

2013 Coverage Summary

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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>
25% Minimum Earned Premium	NAV-EXC-001 (04/10)
Coverage will follow primary form except as noted	NAV-EXC-001 (04/10)

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>
Exclusion – Rejected Coverage	NAV-EXC-321 (07/09)
Nuclear Energy Liability	NAV-EXC-302 (07/09)
Athletic or Sports Participants	NAV-EXC-307 (07/09)
Abuse or Molestation	NAV-EXC-308 (07/09)
Professional Services	NAV-EXC-305 (05/10)

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

New Jersey Schools Development Authority

2013 Coverage Summary

PUBLIC OFFICIALS' & EMPLOYMENT PRACTICES LIABILITY

Carrier: National Union Fire Insurance Company (Chartis)
*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 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: 014819228

Annual Premium: \$208,000.00

Terrorism: \$ 1,504.00

NJ PLIGA: \$ 1,886.00
\$211,390.00

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

Deductible: \$ 100,000 Each Wrongful Act – Public Officials (inclusive of *Defense Costs*)
 \$ 100,000 Each Wrongful Act – EPL (inclusive of *Defense Costs*)
 \$ 200,000 Network Security & Privacy Liability Class Action Claims (inclusive of *Defense Costs*)

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

New Jersey Schools Development Authority

2013 Coverage Summary

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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
Volunteer Endorsement	Manuscript
Marital Estate Endorsement – coverage for claims against lawful spouses of Public Officials	Manuscript
EEOC Hearing Coverage Enhancement	99749
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 as shown above.	Manuscript
Exclusion (T) Amendatory Endorsement	97520
Profit or Advantage Exclusion Amendatory Endorsement – front & back wages. Sublimit shown above.	99751
Network Security & Privacy Liability – Sublimit shown above.	94305
Notice of Claim Reporting via Email	99758

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
Intellectual Property Exclusion	89689
Fungus & Mold Exclusion	80959
Breach of Contract Exclusion	68928
Economic Sanctions Exclusion	89644

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

2013 Coverage Summary

EXCESS PUBLIC OFFICIALS' LIABILITY

Carrier: RSUI Indemnity Company
RSUI is a NJ licensed carrier, however, they are considered a non-admitted carrier in the State of New Jersey and are subject to limited regulation by the insurance department; in the event of insolvency of the insurer, losses will not be paid by the New Jersey Surplus Lines Guaranty Fund.

A.M. Best Rating: A XIII as of 9/15/2013
Policy Period: December 14, 2013 to December 14, 2014
Policy Number: NHS649545
Annual Premium: \$76,050.00
Terrorism: Premium Waived by Carrier
NJ PLIGA: \$ 684.45
\$76,734.45

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: \$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.*

Description	Form No.
Coverage will follow primary form except as noted	RSG 231007 0609

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

Description	Form No.
Prior & Pending Litigation before 12/14/2003	RSG 236008 0204

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.

New Jersey Schools Development Authority

2013 Coverage Summary

REAL ESTATE PROPERTY

Carrier: Aspen Insurance UK Limited
Aspen Specialty Insurance is a NJ licensed carrier, however, they are considered a non-admitted carrier in the State of New Jersey and are subject to limited regulation by the insurance department; in the event of insolvency of the insurer, losses will not be paid by the New Jersey Surplus Lines Guaranty Fund.

A.M. Best Rating: A XV as of 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: WKAUK00163-04

Annual Premium: \$ 71,622

Terrorism: \$ 7,162

Taxes/Fees: \$ 150

\$ 78,934

Named Insured: New Jersey Schools Development Authority

Location Schedule: (1) 135 Glenwood Avenue, East Orange, NJ 07017
 (2) 1700-1804 W. Front St., Plainfield, NJ 07063

Property Coverage

<u>Coverage</u>	<u>Locations</u>	<u>Limits</u>
Property Loss Limit	Loc 1-2	\$10,000,000
<i>A loss limit is the maximum amount of coverage that will be provided in any one loss at any one location. The loss limit allows us to insure the maximum potential loss as opposed to the Total Insured Value, thus achieving greater cost effectiveness.</i>		
Earthquake	Loc 1-2	
Each Occurrence (within 72 hours)		\$2,500,000
Aggregate		\$2,500,000
Flood	Loc 1-2	
Each Occurrence (within 72 hours)		\$2,500,000
Aggregate		\$2,500,000

New Jersey Schools Development Authority

2013 Coverage Summary

Perils Insured:	Special Causes of Loss, subject to policy exclusions
Valuation:	Replacement Cost
TIV:	\$54,882,743 (<i>per schedule of locations on file with insurance carriers</i>)
Coinsurance:	Waived in favor of Agreed Amount
Deductible:	\$ 10,000 each occurrence \$ 10,000 each occurrence Earthquake \$ 10,000 each occurrence Flood

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>
Cancellation Changes	CP 0299 1185
Cap of Losses From Certified Acts of Terrorism	IL 0952 0108
Disclosure Pursuant to Terrorism Risk Insurance Act	IL 0985 0108
Earthquake and Volcanic Eruption	CP 1045 0899
Earthquake – Volcanic Eruption Coverage Schedule	CP DS06 1000
Notice to Policyholders U.S. Treasury Dept.'s Office of Foreign Assets Control	WK CP 010709
Service of Suit	WK CP 04 07 09
Notice to Policyholders – Fraud Notice	WK FN 01 1009
Multiple Deductible Form	WK 0320 1092
Flood Coverage Endorsement	WK 1065 0607
Flood Coverage Schedule	CPDS 65 1000
Occurrence Limit of Liability	WK 6228 1007
Minimum Earned Premium	WK 6464 1007

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>
Certain Computer Related Loss Exclusion	IL 0935 0702
Absolute Mold Exclusion (Property)	WK CP 07 0111
Asbestos Material Exclusion	WK 2723 1007
Pollution and Contamination Exclusion	WK 7655 1007

New Jersey Schools Development Authority

2013 Coverage Summary

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
- Minimum Earned Premium: 25% in the event of cancellation by the insured. Flat cancellation not permitted once coverage is bound.
- Premium is minimum & deposit.
- Subject to favorable inspection of properties by insurance company

REAL ESTATE EXCESS PROPERTY

Carrier: Homeland Insurance Company of New York (One Beacon)
*Homeland is a NJ licensed carrier, however, they are considered a **non-admitted** carrier in the State of New Jersey and are subject to limited regulation by the insurance department; in the event of insolvency of the insurer, losses will not be paid by the New Jersey Surplus Lines Guaranty Fund.*

A.M. Best Rating: A XII as of 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: TBD

Annual Premium: \$22,500

Terrorism: \$ 1,000

Taxes/Fees: not applicable
\$23,500

Named Insured: New Jersey Schools Development Authority

Location Schedule: (1) 135 Glenwood Avenue, East Orange, NJ 07017
 (2) 1700-1804 W. Front St., Plainfield, NJ 07063

Property Coverage

<u>Coverage</u>	<u>Locations</u>	<u>Limits</u>
Property Loss Limit	Loc 1-2	\$18,906,297

The highest insured value at any one location is \$28,906,297. As a result, this policy covers the balance of the limit between the highest insured value and the \$10,000,000 loss limit provided by the primary property policy.

Earthquake	Loc 1-2	
Each Occurrence (within 72 hours)		\$2,500,000
Aggregate		\$2,500,000
Flood	Loc 1-2	
Each Occurrence (within 72 hours)		\$2,500,000
Aggregate		\$2,500,000

New Jersey Schools Development Authority

2013 Coverage Summary

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- Perils Insured:** Special Causes of Loss, subject to policy exclusions
- Valuation:** Replacement Cost, if replaced. If not replaced, Actual Cash Value.
- TIV:** \$54,882,743 (*per schedule of locations on file with insurance carriers*)
- Coinsurance:** Waived in favor of Agreed Amount
- Rating Basis:** Total Insured Value (any changes in total insured value will affect pricing whether the property limit is over \$10,000,000 or not)

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

Description
Loss Occurrence Limit of Liability Endorsement
Electronic Data Endorsement
Minimum Earned Premium of 25% in the event of cancellation by the Insured

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

Description
Pollution, Contamination/Asbestos and Debris Removal
Mold, Spores or Fungus Exclusion
Nuclear, Chemical and Biological Acts Exclusion
Year 2000/Date Change Exclusion
Cyber Crime
Law & Ordinance (A, B, & C)
Boiler and Machinery

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
- Minimum Earned Premium: 25% in the event of cancellation by the insured. Flat cancellation not permitted once coverage is bound.
- Premium is minimum & deposit.
- Subject to favorable inspection of properties by insurance company

New Jersey Schools Development Authority

2013 Coverage Summary

REAL ESTATE EQUIPMENT BREAKDOWN

Carrier: Federal 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 9/15/2013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: 7642-68-93

Annual Premium: \$2,822.00

Insp. Certificates: \$ 554.00

Terrorism: \$ 28.00

NJ PLIGA Surcharge: \$ 25.65

\$3,429.65

Named Insured: New Jersey Schools Development Authority

Location Schedule: (1) 135 Glenwood Avenue, East Orange, NJ 07017
 (2) 1700-1804 W. Front St., Plainfield, NJ 07063

Loss Limits

<u>Coverage</u>	<u>Locations</u>	<u>Limits</u>
Property Damage	Loc 1-2	\$30,000,000
Business Income/Extra Expense	Loc 1-2	Included
Expediting Expense	Loc 1-2	\$ 100,000
Consequential Damage	Loc 1-2	\$ 100,000
Utility Interruption	Loc 1-2	\$ 100,000
Ammonia Contamination	Loc 1-2	\$ 100,000
Ordinance or Law	Loc 1-2	\$ 100,000
Water Damage	Loc 1-2	\$ 100,000
Data & Media	Loc 1-2	\$ 100,000
Hazardous Substances	Loc 1-2	\$ 100,000
Fungus Clean-Up	Loc 1-2	\$ 25,000

TIV: \$54,882,743

Deductible: \$ 5,000 Property Damage
 12 Hours Waiting Period for Business Interruption & Utility Interruption

New Jersey Schools Development Authority

2013 Coverage Summary

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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>
Ordinance or Law Exclusion	43-02-0214-C
Earth Movement Exclusion	
Nuclear Hazard Exclusion	
War and Military Action Exclusion	
Flood Exclusion	
Spoilage or Utility Interruption Exclusion	
Testing Exclusion	
Water Exclusion	
Electronic Data Processing Media Exclusion	
Windstorm or Freezing Exclusion	
Interruption of Business Exclusion	
An "accident" caused by the following causes of loss: Aircraft or Vehicles Lightning Sinkhole Collapse Smoke Sprinkler Leakage Weight of Snow, Ice or Sleet	

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; 20 days for non-payment of premium

New Jersey Schools Development Authority

2013 Coverage Summary

REAL ESTATE PACKAGE

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 9/15/013

Policy Period: December 14, 2013 to December 14, 2014

Policy Number: 3589-23-99

Annual Premium: \$ 99,222.00

Terrorism: \$ 2,977.00

Taxes/Fees: \$ 919.79

\$103,118.79

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:

Class Code	Description	Total Exposure	Rating Basis	Rate
49451	Vacant Land/Parking Lots	89	Acre	\$ 54.000
61212	Occupied Building/School	504,090	Per 1,000 [']	\$117.645
68606	Vacant Building	438,069	Per 1,000 [']	\$ 54.000
91591	Subcontractors	1,400,000	Per \$1,000 Cost	\$ 2.090
63010	1-4 Family Dwelling (Vacant or Occupied)	13	Per Unit	\$187.000
60010	Occupied Apartment Building	if any	Per 1,000 [']	\$168.530
46671	Athletic Fields/Playgrounds	7	Flat Per Field	\$910.000

New Jersey Schools Development Authority

2013 Coverage Summary

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

Coverage Features	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<i>Who Is An Insured</i>		
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
<i>Covered Exposures</i>		
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

2013 Coverage Summary

5

Coverage Features (continued)	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
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 sublimited
War and insurrection	Yes	No

New Jersey Schools Development Authority

2013 Coverage Summary

5

Coverage Features (continued)	Customarq General Liability-80-02-2000 (Rev. 4/01)	ISO Commercial General Liability-CG 00 01 (Rev. 10/01)
<i>Limits of Insurance - Supplementary Payments</i>		
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 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, Trust, Leasing Exclusion	17-02-3308
Information Distribution Laws Exclusion	80-02-6528
Designated Premises or Project Limitation: Per schedule provided quarterly	80-02-2313
Non-Accumulation of Limits of Insurance Exclusion	80-02-2324
Partial Policy Exclusion for Lead Exclusion	80-02-2376
Biological Agents Exclusion	80-02-2668
Total Professional Liability Exclusion	80-02-6428
Construction or Development, Except Maintenance or Renovation Exclusion	80-02-8211
Intellectual Property Laws or Rights Exclusion	80-02-8290
Loss of Use Electronic Data Exclusion	80-02-8423

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

- Cancellation Clause: 60 Days Notice of Cancellation; 20 days for non-payment of premium
- Mid-Term Reporting Provision: Due to the high volume of properties added/deleted from this policy, Chubb has agreed per our request to provide blanket coverage for all properties purchased by NJSDA during the 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.

Resolution—5a.

Business and Real Estate Property & Casualty Insurance Program
GP-0173-R01

Resolution

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

WHEREAS, in November 2011, the Members of the Authority Board approved a contract award for Business and Real Estate Property and Casualty Insurance broker services to The Safeguard Group, Inc. (Safeguard) for a three-year term; and

WHEREAS, as part of their scope of services, Safeguard was directed to purchase on behalf of the Authority various insurance policies included in the SDA's Business and Real Estate Property and Casualty Insurance Program (Insurance Program) as set forth in detail in the materials presented to the Board on this date and incorporated herein; and

WHEREAS, in preparation for the 2013-2014 Insurance Program renewal, SDA provided Safeguard with key data and other information that was provided to the incumbent insurers to obtain insurance policy quotations; and

WHEREAS, as set forth in detail in the memorandum presented to the Board on this date and incorporated herein, Safeguard has presented the Authority with a proposal which outlines the limits, terms and conditions for renewing the Insurance Program, effective December 14, 2013; and

WHEREAS, associated program staff has determined that the Authority's risk exposures are reasonably quantified and any changes forthcoming will be endorsed onto the policy accordingly; and

WHEREAS, the renewal policies, to be purchased pursuant to the third year of the three-year term for broker services, will have a one year term and a proposed cost not to exceed \$762,595; and

WHEREAS, executive management and associated program staff have reviewed Safeguard's renewal recommendations and considerations and determined that they are reasonable, appropriate and in the best interest of the Authority and the state's taxpayers.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the purchase of various Business and Real Estate insurance policies, for a one year policy term commencing December 14, 2013, at a cost not to exceed \$762,595 consistent with 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, Business and Real Estate Property & Casualty Insurance Program,
GP-0173-R01, dated November 6, 2013

Dated: November 6, 2013

REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE

CHAIRMAN'S REPORT

CHANGE ORDERS/AMENDMENTS

SSP ARCHITECTURAL GROUP, INC.



MEMORANDUM

TO: Members of the Authority

FROM: Corrado Minervini
Program Director, Program Operations

DATE: November 6, 2013

SUBJECT: Amendment – SSP Architectural Group, Inc. (SSP) (formerly NJ K-12 Architects, LLC)

COMPANY NAME: SSP Architectural Group, Inc.
 DISTRICT: Jersey City
 CONTRACT NO: JE-0010-A01
 CM: Gilbane Building Company
 SCHOOL NAME: New PS No. 20 Elementary School
 AMENDMENT NO: 14
 REASON: Increase to Testing and Inspection Allowance
 AMOUNT: \$250,000
 CONTRACT STATUS: 75% Paid to Date

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of a contract amendment for SSP Architectural Group, Inc. (SSP) in the amount of \$250,000. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an amendment valued in excess of \$100,000 or 10% of the contract value, requires approval by Members of the Authority. This amendment exceeds \$100,000. Funding for this amendment is available within the Project Charter Budget, in accordance with the most recent Project Charter, dated August 7, 2013.

BACKGROUND

When completed, the New PS No. 20 Elementary School project will be a 108,867 square-foot facility designed to educate 628 students in grades Kindergarten through Five in the Jersey City Public Schools District.

In October 2003, SSP was issued a Notice to Proceed (NTP) for design and construction administration services. At that time, the Project Scope consisted of a 94,594 square foot facility to educate 568 students in grades Kindergarten through Five with an estimated construction cost of \$19.4 million.

Members of the Authority
Amendment No. 14 – SSP Architectural Group, Inc. (SSP)
Contract No. JE-0010-A01
Jersey City – New PS No. 20 Elementary School
November 6, 2013
Page 2 of 3

In the time since the NTP, several design and contract amendments have been executed associated with increased project scope, value management, additional and extended design and construction administration services. In 2007, further advancement of the project was suspended pending the NJSDA's review of Capital Projects.

The New P.S. No. 20 Elementary School project was approved to advance under the Authority's 2011 Capital Plan at the March 2, 2011 NJSDA Board Meeting. The project design was reviewed and released for construction by the Department of Community Affairs (DCA) on July 2, 2013. The award for construction services and the Final Project Charter for the New P.S. No. 20 Elementary School were approved by the Members of the Authority at the August 7, 2013 Board Meeting. A Notice to Proceed for the Constructability Review Phase was issued to Dobco, Inc. on September 16, 2013. This phase is currently in progress.

REASON FOR CHANGE

This amendment is exclusively to increase the allowance for Testing and Inspection services required to meet the Uniform Construction Code (UCC) and to provide for timely support of construction progress. Testing and Inspection Services include the following: Testing and Inspection of Soils, Concrete, Masonry, Structural Steel, Fire-stopping and other fire resistance materials and Building Envelope Materials Systems. It is also required that these services are performed by an entity independent of the construction contractor.

The original contract contained an allowance of \$10,000 for Testing and Inspection services. Eighty percent of the original allowance has been expended. To date, the original established Testing and Inspection Allowance has not been increased.

Amendment No.14, in the amount of \$250,000, seeks to increase the Testing and Inspection Allowance for the construction phase of this project reflecting present day standards, estimated costs and utilization needs based upon other projects of similar size and scope.

SUMMARY OF CHANGE

This amendment shall modify NJSDA Contract No. JE-0010-A01 with SSP Architectural Group to provide for additional testing and inspection allowance funds.

All documents supporting this amendment have been reviewed by the associated program team members, as well as the Program Director, Deputy Director, the NJSDA Contract Management Division (CMD), and the Office of Chief counsel for adherence to current NJSDA policy and procedure. All reviewing NJSDA staff members, including CMD, have determined that the amendment is justified and that the amount is reasonable and appropriate.

Members of the Authority
 Amendment No. 14 – SSP Architectural Group, Inc. (SSP)
 Contract No. JE-0010-A01
 Jersey City – New PS No. 20 Elementary School
 November 6, 2013
 Page 3 of 3

CALCULATIONS

a.	Original Contract Amount (base contract including allowances)	\$	1,665,000
b.	Amendments to Date (excluding proposed Amendment)		1,766,400
c.	Proposed Amendment Amount		250,000
d.	Total Amendments to Date including this Amendment (Total of Line (b.) and Line (c.))		2,016,400
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))		121.1%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$	3,681,400

RECOMMENDATION

The Members of the Authority are requested to approve Amendment No. 14 in the amount of \$250,000. In accordance with Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012 any amendment which exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000.

Recommended by:

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

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations
 Reviewed and Recommended by: Vishal Maher, Program Officer, Program Operations
 Prepared and Recommended by: Gabriel Salas, Program Officer, Program Operations

Resolution—6a1.

Amendment – SSP Architectural Group, Inc. (SSP) (formerly NJ K-12 Architects, LLC)

COMPANY NAME: SSP Architectural Group, Inc.
 DISTRICT: Jersey City
 CONTRACT NO: JE-0010-A01
 CM: Gilbane Building Company
 SCHOOL NAME: New PS No. 20 Elementary School
 AMENDMENT NO: 14
 REASON: Increase to Testing and Inspection Allowance
 AMOUNT: \$250,000
 CONTRACT STATUS: 75% Paid to Date

Resolution

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

WHEREAS, when completed, the New PS No. 20 Elementary School project (the project) in the Jersey City Public Schools District will be a 108,867 square-foot facility designed to educate 628 students in grades Kindergarten through Five; and

WHEREAS, the project received Board approval to advance as part of the SDA’s 2011 Capital Plan in March 2011; and

WHEREAS, in October 2003, SSP Architectural Group, Inc. (SSP) was issued a Notice to Proceed (NTP) for design and construction administration services for a project whose scope consisted of a 94,594 square foot facility to educate 568 students in grades Kindergarten through Five with an estimated construction cost of \$19.4 million; and

WHEREAS, the background of the project, including its previous design and contract amendment history, reason for the proposed change and a summary of the proposed change are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, the most recent project design was reviewed and released for construction by the Department of Community Affairs (DCA) on July 2, 2013 and the award for construction services and the Final Project Charter for the project were approved by the SDA Board of Directors in August 2013; and

WHEREAS, this amendment is recommended exclusively to increase the allowance for Testing and Inspection services required to meet the Uniform Construction Code (UCC) and to provide for timely support of construction progress as described in detail in the memorandum presented to the Board on this date; and

WHEREAS, this amendment exceeds \$100,000 necessitating Board approval; and

WHEREAS, funding for this amendment is available within the most recent Project Charter Budget for the project; and

WHEREAS, all documents supporting this amendment have been reviewed by the associated program team members, as well as the Program Director and Deputy Director, and SDA Contract Management Division (CMD), all reviewing SDA staff members have determined that the amendment is justified and that the amount is reasonable and appropriate; and

WHEREAS, all documents supporting this amendment have been reviewed and approved by the SDA Office of Chief Counsel for adherence to current SDA policy and procedure.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Amendment No. 14 in the amount of \$250,000 for SSP Architectural Group, Inc. (Contract No. JE-0010-A01) for the PS No. 20 Elementary School Project in the Jersey City School District consistent with 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, Contract Amendment No. 14, SSP Architectural Group, Inc. (Contract No. JE-0010-A01), Jersey City Public School District, dated November 6, 2013

Dated: November 6, 2013

APPROVAL OF EARLY SITE PACKAGE AND REVISED PRELIMINARY PROJECT CHARTER - SOUTH STREET ELEMENTARY SCHOOL - NEWARK SCHOOL DISTRICT



MEMORANDUM

TO: Members of the Authority

FROM: James D. Adams
Program Director, Program Operations

Sean Murphy
Procurement Director

RE: District: Newark
School Name: South Street Elementary School
Description: Early Site Package
Package No.: NE-0003-N01 RB1
CCE: \$9,335,798.00
Award: \$8,262,700.00
CM: NJSDA Self-Managed (Phase I - Early Site Package)
TBD (Phase II - Design/Build)
Design Consultant: Whitman (Phase I - Early Site Package)
TBD (Phase II - Design/Build)

DATE: November 6, 2013

SUBJECT: Approval of Early Site Package Award and Revised Preliminary 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 \$8,262,700 to the joint venture of USA Environmental Management, Inc. and Luzon, Inc. for the Early Site Package (ESP) for the New South Street ES project in the Newark Public School District. This is the first phase of construction for the project which is planned to advance in two phases with building construction anticipated to advance via a design-build engagement.

We are also recommending approval by the Members of the attached revised Preliminary Project Charter, representing the current planned scope, schedule and budget for the project.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended on March 7, 2012, Board approval is required for the award of construction contracts greater than \$500,000. Additionally, Board approval is required for charter revisions due to a DOE modeling change, a substantial increase to student population and changes to project budgets which singularly or in the aggregate exceed 10% of the most recent Board-approved Project Charter estimate.

The Preliminary Project Charter approved by the Members in November 2008 contemplated a 91,502 SF facility to educate 463 students in grades Pre-K to 2. The revised charter represents a change in DOE model to a Pre-K to 8 facility to educate 640 students. Developed to reflect the revised grade alignment and resultant increase in building size and student population, as well as better defined costs associated with remediation

Members of the Authority
Approval of Award
Package No. NE-0003-N01 RB1
Newark – South Street ES
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and preparation of the site for building construction, the revised charter represents an increase of approximately \$7.7 million or 13% from the prior approved charter.

BACKGROUND

The New South Street Elementary School is planned to be an approximately 104,000 SF facility to educate 640 students in grades Pre-K to 8. The project is to be constructed on an acquired site and will serve to replace the existing South Street Elementary School when completed.

The New South Street Elementary School project was approved to advance as a Pre-K to grade 8 facility under the Authority's 2012 Capital Plan. The project's history included an engagement in 2003 for services to design a facility for students in grades Pre-K to 2, as well as completion of site acquisition activities in 2005. Planning discussions held in 2011 with the District, DOE and SDA identified model and grade alignment adjustments to better suit the District's needs and enhance overall efficiencies, adjustments that were recognized in the 2012 Capital Plan. The design work performed for a Pre-K to grade 2 facility was no longer appropriate for the project. Further assessment revealed the suitability of the NJSDA-developed "Kit-of-Parts" for this project, and the NJSDA thereafter issued a termination for convenience of the 2003 design engagement. The review also determined that project cost and schedule efficiencies would be supported by a two phase project advancement process: Phase I: Early Site Preparation; and Phase II: Design-Build services for the New South Street Elementary School.

Demolition of existing buildings on the acquired site was completed in 2009. During demolition, underground storage tanks (USTs) impacting both soil and ground water were encountered beneath concrete foundation slabs. As a result, Whitman Companies was retained by the NJSDA to complete environmental studies defining the impacts, and to develop a Remedial Action Work Plan (RAWP) to facilitate environmental cleanup of the site.

The environmental studies identified the need for significant excavation, proper disposal of the materials and impacted soil that had been encountered during demolition, shoring and sheeting of the site, dewatering activities, and site restoration with certified clean fill. Several approaches for addressing the needed activity were evaluated. The approach selected for inclusion in the Early Site Package (ESP) Scope of Work is the most effective and efficient in terms of overall construction cost and schedule and minimizes the potential for unforeseen conditions and impacts to surrounding areas.

Whitman completed the RAWP in July 2013, and concurrently developed plans and specifications to implement the RAWP, as well as perform additional site work needed to prepare the site for school construction.

PROCUREMENT PROCESS

The Early Site Package was initially advertised beginning on June 28, 2013 on the NJSDA's website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. After the receipt and opening of bids on September 6, 2013, NJSDA confirmed that not all eligible bidders that submitted a Project Rating Proposal received copies of all addenda issued. As required by statute, NJSDA cancelled this bid process on September 13, 2013.

This package was re-advertised beginning on September 17, 2013 on the NJSDA's website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process.

Members of the Authority
 Approval of Award
 Package No. NE-0003-N01 RB1
 Newark – South Street ES
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A mandatory pre-bid conference was held on September 24, 2013.

Project Rating Proposals were received from bidders by October 1, 2013. 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, eight (8) bidders received a Project Rating Limit.

Requests for Information (RFIs) were received by October 3, 2013, and Addenda containing responses were issued on September 25, September 27 and October 9, 2013.

Price Proposals were received on October 22, 2013. The Price Proposals were publicly opened and the lump sum bids were read aloud as required by law. Following the public bid opening, the NJSDA performed a review of the Price Proposals to determine the responsiveness of each bidder to the solicitation. The review determined that six (6) bidders were responsive. The results of the review are listed below.

Contractor	Bid Amount	Comments
USA Environmental Management, Inc. and Luzon, Inc. (Joint Venture)	\$ 8,262,700.00	Qualified and responsive bidder.
Vollers Excavating & Construction, Inc.	\$ 8,987,000.00	Qualified and responsive bidder.
Montana Construction Corp., Inc.	\$ 9,606,111.00	Qualified and responsive bidder.
D&K Construction Co., Inc.	\$ 9,917,917.00	Qualified and responsive bidder.
Creamer Environmental, Inc.	\$ 9,929,800.00	Qualified and responsive bidder.
Barbella Construction Services, LLC	\$ 12,998,780.00	Qualified and responsive bidder.

The responsive low bidder was the joint venture of USA Environmental Management, Inc. and Luzon, Inc. (USA/Luzon).

Since the bid submitted by USA/Luzon was 11.49% below the CCE, a conference was conducted with Procurement, Program Operations, Contract Management Department, the Design Consultant and USA/Luzon to review the bid. It was determined that the major differentials between the CCE and the bid price were due to: the Contractor’s planned use of an installation-efficient excavation bracing system with a lower cost than the SDA engineer’s estimate, and unit costs for disposal of both hazardous and non-hazardous waste that are below the engineer’s estimates.

At the time of review, USA/Luzon confirmed that its Price Proposal is inclusive of all scope elements contained in the Contract Documents. The Program Operations Deputy Director, the Program Operations Director, the Contract Management Deputy Director and the Contract Management Director recommended award of the project to USA/Luzon.

REVISED PRELIMINARY PROJECT CHARTER

The attached revised Preliminary Project Charter represents the project budget of \$69,693,268 million inclusive of dollar values for the award of the Early Site Package, pre-development expenses, land acquisition and related costs, and prior engaged design services as well as SDA staff design and project management costs and future project scope elements such as Design-Builder and CM engagements, FF&E, technology and appropriate contingencies.

Members of the Authority
Approval of Award
Package No. NE-0003-N01 RB1
Newark – South Street ES
November 6, 2013
Page 4 of 4

RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the joint venture of USA Environmental Management, Inc. and Luzon, Inc., for Package No. NE-0003-N01 RB1, in the amount of \$8,262,700. Such approval is conditioned upon the agreement and related documentation being reviewed and approved by the NJSDA Division of Chief Counsel.

We are also recommending approval by the Members of the attached revised Preliminary Project Charter representing the revised project scope, schedule and estimated budget inclusive of the award of the Early Site Package.

Recommended by:

/s/ James Adams
James D. Adams, Program Director, Program Operations

/s/ Sean Murphy
Sean Murphy, Director, Procurement

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations
Reviewed and Recommended by: Aaron C. Goss, Deputy Program Director, Program Operations
Prepared and Recommended by: Robert Zeiders, Program Officer, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
11/06/13
Supersedes Charter Dated
11/06/08

Region: Northern
District: Newark
Project Name: South Street ES
School Type: Elementary School
DOE # / Project #: 3570-640-02-0311
Project Type (New/Add/Reno): New Construction
Project Location: McWhorter Street and Johnson Street Newark, NJ
Number of Students: 640

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

Funding Source
2012 Capital Plan
Funding Allocated
\$60,950,751
District Local Share
\$0.00

Project Budget: \$ 68,650,360
Anticipated Substantial Completion Date: 11/15/17
Anticipated School Occupancy Date: 02/13/18
Project Team Leader: James Adams
Project Initiation Date: March-12
SDA Board - Project Charter Approval Date: 11/06/13

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning	
<input checked="" type="checkbox"/> Preliminary	11/06/08
<input type="checkbox"/> Final	
Purpose for Advancement of Current/Revised Project Charter	
Purpose of Revised Project Charter is to reflect the revised budget and schedule for the current proposed educational program utilizing SDA In-House design to implement a Kit-of-Parts model program and allow for procurement of necessary professional and construction services required for project advancement.	
District Project Goals	
This project will address overcrowding in grades Pre-K to 8.	

Recommendation

Program Director - Program Operations _____ **Date** _____
 James Adams _____ Gregory Voronov _____

Vice President - Program Operations _____ **Date** _____
 Andrew Yosha _____

Approval

_____ **Date** _____
 Chief Executive Officer
 Marc Larkins

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

Charter Date
11/06/13

District / Project Name:	Newark / South Street ES
DOE # / Project #:	3570-640-02-0311

Project Milestones	Date
School Occupancy Date	02/13/18

DELIVERY METHOD	Design/Build
------------------------	---------------------

<u>Real Estate Services</u>	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Feasibility	07/01/03	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/01/04	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	03/21/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10/02/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Site Acquisition	07/01/03	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/01/05	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Relocation	12/15/03	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/07/06	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Demolition	03/25/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>	05/25/09	<input type="checkbox"/>	<input type="checkbox"/>
Remediation	12/20/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12/12/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	Yes			Date		
District Notified?	Yes	11/15/08	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Classification Exception Area?	Yes					
District Notified?	Yes	11/15/08	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

Special Considerations

Remediation will be partly accomplished through implementation of an Early Site Package that includes soil excavation and hydrocarbon recovery. Additional remedial actions, including engineering controls, vapor barriers and a Deed Notice will also be implemented during Building Construction.

<u>Design:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>		<u>Est.</u>	<u>Act.</u>
Design Start (NTP)	12/20/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Design Restart (if applicable)	_____	<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase	12/20/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>	02/17/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schematic Design	02/18/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>	06/13/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bridging Documents	04/29/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>	07/23/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build Bid/Award	07/24/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>	04/15/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	04/16/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Final Design	04/16/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	01/28/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Construction:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>
Construction Start (NTP)	11/03/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	11/15/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	02/13/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	05/07/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	02/13/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	10/11/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	11/08/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		11/06/13
District / Project Name:	Newark / South Street ES	
DOE # / Project #:	3570-640-02-0311	
2012 Capital Plan Funding Allocation	\$	60,950,751
Special Considerations:		
<p>The Project Budget is representative of the application the SDA's design-build cost model, planning assumptions for other project scope elements and appropriate contingencies to the SDA's model program for a Pre-K to 8 facility to educate 640 students. Additionally, the budget includes expenditures for a prior design engagement as well as costs incurred related to land acquisition and related activities. Further the Early Site Package costs are based upon prior completed demolition services and the award amount for the current ESP and contingency.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	103,742	1.55
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	103,742	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$263.70	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$1,847,000	
Building Costs	\$24,118,000	
Site Costs	\$3,239,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 30 months at 5 % per year	\$3,420,000	
Design Contingency	\$2,920,400	
Construction Contingency	\$1,631,200	
Total Construction Costs	\$37,175,600	
Pre-Development Costs:		
Consultant Services	\$3,048,817	
Early Site Package (Demolition/Remediation)	\$10,278,110	
Land Acquisition	\$8,628,843	
Relocation	\$610,800	
Property Maintenance/Carry Costs	\$163,859	
Total Pre-Development Costs	\$22,730,429	
Other Costs:		
Design		%
Prior Design Services	\$1,853,809	
In-House Design	\$547,140	
Project Management (SDA Staff)	\$1,827,000	
PMF/CM	\$1,331,440	
FF&E	\$1,155,421	
Technology	\$1,027,041	
Commissioning	\$350,000	
Temporary Space	\$0	
Other Costs	\$652,480	
Total Other Costs	\$8,744,331	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$68,650,360	
Funding from Prior Allocation	\$10,812,306	
Funding from 2012 Capital Plan	\$57,838,054	

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

Charter Date

11/06/13

District / Project Name: Newark / South Street ES
DOE # / Project #: 3570-640-02-0311

Project Budget:

	Preliminary Charter 11/6/2008	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.55	1.55	0.00
Gross Building Area (GSF):			
New	91,502	103,742	(12,240)
Addition		0	
Renovation		0	
Total Gross Area (GSF):	91,502	103,742	(12,240)
Design-Builder Costs			
Design	Inc. in Other Costs Below	\$1,847,000	
Building Costs	\$25,368,141	\$24,118,000	(\$596,859)
Site Costs	\$2,818,682	\$3,239,000	(\$420,318)
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$2,466,347	\$3,420,000	(\$953,653)
Design Contingency	\$1,532,659	\$2,920,400	(\$3,018,941)
Construction Contingency		\$1,631,200	
Total Construction Costs	\$32,185,829	\$37,175,600	(\$4,989,771)
Pre-Development Costs:			
Consultant Services	\$1,104,054	\$3,048,817	(\$1,944,763)
Early Site Package (Demolition/Remediation)	\$8,285,603	\$10,278,110	(\$1,992,507)
Land Acquisition	\$8,596,188	\$8,628,843	(\$32,655)
Relocation	\$569,152	\$610,800	(\$41,648)
Property Maintenance/Carry Costs	\$0	\$163,859	(\$163,859)
Total Pre-Development Costs	\$18,554,997	\$22,730,429	(\$4,175,432)
Other Costs:			
Design			
Prior Design Services	\$2,558,802	\$1,853,809	\$157,853
In-House Design		\$547,140	
Project Management (SDA Staff)	\$1,827,000	\$1,827,000	\$0
PMF/CM	\$1,839,190	\$1,331,440	\$507,750
FF&E	\$919,595	\$1,155,421	(\$235,826)
Technology	\$1,226,127	\$1,027,041	\$199,086
Commissioning	\$1,226,127	\$350,000	\$876,127
Temporary Space	\$0	\$0	\$0
Other Costs	\$613,084	\$652,480	(\$39,396)
Total Other Costs	\$10,209,926	\$8,744,331	\$1,465,595
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$60,950,751	\$68,650,360	(\$7,699,609)
Funding from Prior Allocation	\$10,812,306	\$10,812,306	\$0
Funding from 2012 Capital Plan	\$50,138,445	\$57,838,054	(\$7,699,609)

Budget Variance Analysis:

The budget variance is driven by a change in planned project scope. The prior approved charter represented the planned project scope based upon its inclusion in the SDA's 2008 Capital Plan. Subsequent to that approval and based upon the project's inclusion in the SDA's 2012 Capital Plan, the project scope has been modified from a 91,502 SF facility to educate 463 students in grades Pre-K to 2 to an approximately 104,000 SF facility to educate 640 students in grades Pre-K to 8. Additionally, the prior charter included planning estimates for necessary site remediation to ready the acquired site for building construction. These costs have been further refined and adjusted based upon additional investigations conducted since the charter was approved.

Schedule Variance Analysis:

Resolution—6b.

Approval of Early Site Package Award and Revised Preliminary Project Charter

District:	Newark
School Name:	South Street Elementary School
Description:	Early Site Package
Package No.:	NE-0003-N01 RB1
CCE:	\$9,335,798.00
Award:	\$8,262,700.00
CM:	NJSDA Self-Managed (Phase I - Early Site Package) TBD (Phase II - Design/Build)
Design Consultant:	Whitman (Phase I - Early Site Package) TBD (Phase II - Design/Build)

Resolution

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

WHEREAS, the Operating Authority further requires that the Members of the Authority approve project charter revisions due to a Department of Education (DOE) modeling change, a substantial increase to student population and changes to project budgets which singularly or in the aggregate exceed 10% of the most recent Board-approved Project Charter estimate; and

WHEREAS, the New South Street Elementary School project (Project), approved to advance as part of the Authority’s 2012 Capital Program, is planned as an approximately 104,000 SF facility to educate 640 students in grades Pre-K to 8 in the Newark Public School District (District); and

WHEREAS, the Project will be constructed on an acquired site and, upon completion, will serve to replace the existing South Street Elementary School; and

WHEREAS, the Program Operations Deputy Director and Director, and the Contract Management Deputy Director and Director recommend that the Members of the Authority approve a contract award in the amount of \$8,262,700.00 to the joint venture of USA Environmental Management, Inc. and Luzon, Inc., for an Early Site Package (ESP) which shall constitute the first phase of the Project; and

WHEREAS, it is further recommended that the Members of the Authority approve a revised Preliminary Project Charter representing the current planned scope, schedule and budget for the Project; and

WHEREAS, the Project background, the basis for and particulars of the revised Preliminary Project Charter, and the procurement process followed for the early site package award are set forth in detail in the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of a contract to the joint venture of USA Environmental Management, Inc. and Luzon, Inc., for Package No. NE-0003-N01 RB1, in the amount of \$8,262,700.00 with such approval conditioned upon the agreement and related documentation being reviewed and approved by the SDA Division of Chief Counsel.

BE IT FURTHER RESOLVED, that the Members of the Authority authorize and approve the revised Preliminary Project Charter presented to the Board on this date, which represents the revised project scope, schedule and estimated budget inclusive of the award of the Early Site Package.

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 Early Site Package Award and Revised Preliminary Project Charter, (Package No. NE-0003-N01 RB1) South Street Elementary School, Newark School District, Dated November 6, 2013

Dated: November 6, 2013

**DESIGN-BUILD AWARD AND APPROVAL OF FINAL PROJECT CHARTER - JOSEPH C. CARUSO
ELEMENTARY SCHOOL - KEANSBURG SCHOOL DISTRICT**



MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

James Adams
Program Director, Program Operations

RE: District: Keansburg
School: Joseph C. Caruso Elementary School
Description: Design-Build
Package No.: ET-0061-B01
CCE: \$32,434,000
Award Amount: \$34,333,000
CM: TBD

DATE: November 6, 2013

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 \$34,333,000 to Hall Construction Company, Inc.¹ for Design-Build services for the New Joseph C. Caruso Elementary School in the Keansburg School District.

The Design-Build Team will complete the design for the facility utilizing SDA-developed documents and will also provide construction and construction administration services, including securing of all required permits and approvals, for the new two-story, grades K through 4 school facility. 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 a subcontractor and subconsultant role.

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 SDA 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.

¹ Hall Construction Company, Inc. listed the following subcontractors for the required trades in its Price Proposal: Preferred Mechanical, Inc. (HVAC), Brooks Mechanical Consultants, Inc. (Plumbing), Beach Electric Co., Inc. (Electrical), and Weir Welding Company, Inc. (Structural Steel & Ornamental Iron). Hall Construction Company, Inc. also listed a design consultant team lead by Paulus, Sokolowski & Sartor Engineering, PC (Architecture), and including Paulus, Sokolowski & Sartor, LLC (HVAC Engineering, Electrical Engineering, Plumbing Engineering, Civil Engineering, and Structural Engineering).

Members of the Authority
Design Build Award and Charter Approval
Contract No. ET-0061-B01
Keansburg – New Joseph C. Caruso ES
November 6, 2013
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BACKGROUND

The New Joseph C. Caruso Elementary School project will provide a new approximately 122,000 square foot facility designed to educate 758 students in grades K through 4. The new school is to be constructed on the site of the original Joseph C. Caruso Elementary School. The original school was vacated by the District in 2009 and subsequently demolished by an NJSDA engaged contractor pursuant to an early site preparation package awarded in 2012. The students previously educated at the Joseph C. Caruso Elementary School are currently being educated in an NJSDA leased facility.

The New Joseph C. Caruso Elementary School project was approved to advance under the Authority's 2012 Capital Plan at the March 7, 2012 NJSDA Board Meeting. The Preliminary Project Charter for the New Joseph C. Caruso Elementary School was approved by the Members of the Authority at the October 3, 2012 Board Meeting.

Following approval of the Preliminary Charter, SDA staff developed Schematic Design Documents which were approved by the District and NJDOE, and, with the assistance of the previously engaged Site Environmental Consultant, developed bridging documents to support procurement of a Design-Builder.

A Construction Management firm (CM) will be hired to manage the construction phase of the New Joseph C. Caruso Elementary School project and these services are currently being procured.

PROCUREMENT PROCESS

This package was advertised as a design-build solicitation on June 27, 2013 on the SDA website, NJ State website, and in selected newspapers for interested firms to participate in the bidding process. For this procurement "Price" was 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 July 16, 2013.

In accordance with regulations, the SDA 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 SDA to determine each bidder's Project Rating Limit, or maximum amount that a bidder may bid, for the project. Project Rating Proposals were received on July 30, 2013. 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.

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The Project Rating Limits resulting from the Project Rating Evaluations are listed in Table 1 below:

TABLE 1

Firm Name	Project Rating Limit
Bedwell Company (The)	\$ 62,509,530
Dobco, Inc.	\$ 83,639,710
Epic Management, Inc.	\$231,312,160
Ernest Bock & Sons, Inc.	\$107,084,530
G&P Parlamas, Inc.	\$ 25,437,347
Hall Building Corporation	\$ 47,370,481
Hall Construction Company, Inc.	\$131,295,840
Patock Construction Company, Inc.	\$ 57,908,033
Prismatic Development Corporation	\$103,600,000
Terminal Construction Corporation	\$212,681,000

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 8, 2013. Addenda responses to Bidder Questions were issued to the bidders on August 6, August 13, August 22, August 26, September 10, September 19, September 20, and September 26, 2013.

Technical and Price Proposals were received on October 8, 2013 from eight (8) bidders. In the Technical Proposal, bidders were required to provide information regarding the bidder’s past experience and qualifications as well as the bidder’s overall approach to the projects and to the Design portion of the projects. Interviews were held with each of the eight (8) Design-Build teams at SDA offices in Trenton on October 17 and October 18, 2013 affording members of the Selection Committee an opportunity to obtain any additional information from each team as needed to complete their evaluations of the Technical Proposals. After the interviews concluded, it was determined that one of the SDA representatives on the Selection Committee was unable to complete the evaluation process. Consequently, a substitute Selection Committee member was identified to review the Technical Proposals and participate with the other two Selection Committee members in new interviews with the Design-Build teams. Prior to the date of the rescheduled interviews, the Technical Proposals submitted by The Bedwell Company and Patock Construction Company, Inc. were rejected for being non-responsive to the Request for Proposals (RFP) requirements. Interviews were held with each of the six (6) remaining Design-Build teams at SDA offices in Trenton on October 29, 2013.

Members of the Selection Committee, comprised of two (2) SDA Program Operations representatives and one (1) Keansburg School District representative, were responsible for independently evaluating and scoring the Technical Proposal submittals with respect to the non-price evaluating criteria. The proposals were evaluated by the Selection Committee members based on the following criteria:

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- Design-Builder’s experience on similar projects
- Experience of Design-Builder’s Design Consultant on similar projects
- Design-Builder’s prior affirmative action experience
- Approach to Project
- Approach to Schedule
- Approach to LEED requirements

Each Selection Committee member evaluated each Technical Proposal, assigning a raw score for each criterion 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 address and lack of detail precludes adequate evaluation.

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

TABLE 2

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Design-Builder’s experience on similar projects	2.5	25
Experience of Design-Builder’s Design Consultant on similar projects	1.5	15
Design-Builder’s prior affirmative action experience	0.5	5
Approach to Project	3.0	30
Approach to Schedule	1.0	10
Approach to LEED requirements	1.5	15
Total Possible Points		100

For each Technical Proposal, the individual criteria 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 a Selection Committee member were added together and averaged to arrive at a final non-price score for each Technical Proposal.

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The results of the Selection Committee’s review of the Technical Proposals are listed in Table 3 below:

TABLE 3

Contractor	Raw Non-Price Score	Non-Price Rank
Hall Construction Company, Inc.	79.667	1
Epic Management, Inc.	77.000	2
Terminal Construction Corporation	74.667	3
Ernest Bock & Sons, Inc.	71.833	4
Hall Building Corporation	63.833	5
Dobco, Inc.	35.833	6

Once all the Technical Proposals were scored, the Authority opened the sealed Price Proposals and reviewed them for responsiveness. The Price Proposals were publicly opened on October 30, 2013 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 SDA’s review of the Price Proposals are listed in Table 4 below:

TABLE 4

Contractor	Bid Amount	Raw Price Score	Price Rank
Hall Construction Company, Inc.	\$34,333,000	100.000	1
Ernest Bock & Sons, Inc.	\$35,685,000	96.062	2
Hall Building Corporation	\$36,491,000	93.715	3
Epic Management, Inc.	\$37,400,000	91.067	4
Dobco, Inc.	\$38,852,000	86.838	5
Terminal Construction Corporation	\$40,250,000	82.766	6

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 40% weighting factor.

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

TABLE 5²

Contractor	Raw Non-Price Score	Weighted Non-Price Score	Raw Price Score	Weighted Price Score	Combined Score	Final Rank
Qualified and Responsive Bidders						
Hall Construction Company, Inc.	79.667	31.867	100.000	60.000	91.867	1
Ernest Bock & Sons, Inc.	71.833	28.733	96.062	57.637	86.370	2
Epic Management, Inc.	77.000	30.800	91.067	54.640	85.440	3
Hall Building Corporation	63.833	25.533	93.715	56.229	81.762	4
Terminal Construction Corporation	74.667	29.867	82.766	49.660	79.526	5
Non-Responsive Bidder - Bid Rejected						
Dobco, Inc.	35.833	14.333	86.838	52.103	66.436	N/A

The highest ranked bidder was Hall Construction Company, Inc.

The bid submitted by Hall Construction Company, Inc. was 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 conference was conducted on October 31, 2013 with Procurement, Program Operations, Contract Management Division and Hall Construction Company, Inc. to review the bid. The discussion identified variances between the CCE and price proposal in several areas, with the majority of the overall variance representing costs primarily associated with the building substructure, electrical and site work. At the time of the review, Hall Construction Company, Inc. confirmed that its price proposal is inclusive of all scope elements contained in the Contract Documents.

The Program Operations Deputy Director, the Program Operations Director and the Contract Management Director recommend award of the project to Hall Construction Company, Inc.

FINAL PROJECT CHARTER

The attached Final Project Charter represents the project budget inclusive of actual dollar values for the award of Design-Build contract, pre-development expenses, prior engaged design services, as well as SDA staff design and project management costs and estimated costs for CM services as well as

² Following the scoring of Technical Proposals and opening of Price Proposals, Dobco’s Technical Proposal was rejected for being non-responsive to the RFP requirements.

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estimated costs for future project scope elements such as FF&E, technology, and appropriate contingencies.

The proposed Final Project Charter represents an increase to the budget of approximately \$2.3 million from the Preliminary Charter approved by the Members on October 3, 2012. The variance from the Preliminary Charter is due to an increase to the building square footage consistent with current design standards implemented since the time of Preliminary Project Charter approval and the resulting adjustment to Design-Builder costs, now represented with actual dollar values for 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, Hall Construction Company, Inc., for Contract ET-0061-B01 in the amount of \$34,333,000. Such approval is conditioned upon the agreement and related documentation being reviewed and approved by the SDA 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/ James D. Adams
James D. Adams, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations
Reviewed and Recommended by: Aaron C. Goss, Deputy Program Director, Program Operations
Prepared and Recommended by: Jack DeStefano, Program Officer, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
11/06/13

Supersedes Charter Dated
10/03/12

Region: Southern
District: Keansburg
Project Name: New Caruso ES
School Type: Elementary School
DOE # / Project #: 2400-E01-02-0116
Project Type (New/Add/Reno): New Construction
Project Location: 18 Frances Place, Keansburg, New Jersey 07734
Number of Students: 758

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

Funding Source
2012 Capital Plan

Project Budget: \$ 50,933,675
Anticipated Substantial Completion Date: 06/09/16
Anticipated School Occupancy Date: 09/02/16

Funding Allocated
\$48,664,503

Project Team Leader: James D. Adams
Project Initiation Date: 03/01/11
SDA Board - Project Charter Approval Date: 11/06/13

District Local Share
\$0.00

Charter Version and Date	Project Summary	
<input type="checkbox"/> Planning	The Project calls for the design and construction of a new three-story 122,140 SF elementary school, to educate 758 students in grades K through 4. The school building includes 28 general classrooms, 8 kindergarten classrooms, 6 specialized instructional classrooms, a media center, multi-purpose cafetorium and gymnasium, as well as administrative and support facilities.	
<input type="checkbox"/> Preliminary 10/03/12		
<input checked="" type="checkbox"/> Final 11/06/13		
Purpose for Advancement of Current/Revised Project Charter		
Revision # and Date	Establishment of the final project scope, schedule and budget based upon the award amount for design build services. (Land acquisition and demolition of existing structures have been undertaken through separate contracts, which were advanced under the Preliminary Project Charter)	
<input type="checkbox"/> One		
<input type="checkbox"/> Two		
<input type="checkbox"/> Three		
District Project Goals		
<input type="checkbox"/> Four		In conjunction with the Port Monmouth Road School project address overcrowding in grades Pre-K through Four.
<input type="checkbox"/> Five		
<input type="checkbox"/> Six		

Recommendation

Program Director - Program Operations _____ Date _____
 James D. Adams

Managing Director - Capital Planning _____ Date _____
 Gregory Voronov

Vice President - Program Operations _____ Date _____
 Andrew Yosha

Approval

Chief Executive Officer _____ Date _____
 Marc Larkins

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

Charter Date
11/06/13

District / Project Name:	Keansburg / New Caruso ES
DOE # / Project #:	2400-E01-02-0116

Project Milestones	Date
School Occupancy Date	09/02/16

DELIVERY METHOD	Design/Build
------------------------	---------------------

<u>Real Estate Services</u>	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Feasibility	06/22/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/31/10	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations	10/27/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/23/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Acquisition	11/18/09	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10/29/10	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Relocation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Demolition	01/27/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/13/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Remediation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	No	Date				
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?	No					
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

<u>Design:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>		<u>Est.</u>	<u>Act.</u>
Design Start (NTP)	10/04/12	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Design Restart (if applicable)		<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Schematic Design	01/09/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/25/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bridging Documents	03/25/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06/27/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design-Build Bid/Award	06/27/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12/19/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	12/20/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Final Design	12/20/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10/02/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Construction:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>
Construction Start (NTP)	06/11/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	06/09/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	09/02/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	10/03/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	09/06/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	05/04/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	06/02/17	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		11/06/13
District / Project Name:	Keansburg / New Caruso ES	
DOE # / Project #:	2400-E01-02-0116	
2012 Capital Plan Funding Allocation	\$	48,664,503
Special Considerations:		
<p>The Project Budget is based upon the award amount for Design-Build Services, current estimates for all project scope elements inclusive of existing contracts and estimated costs for future scope elements. Additionally, the budget is inclusive of expenditures for a prior design engagement, as well as costs incurred related to land acquisition and related activities.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	122,140	1.55
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	122,140	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$267.43	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$1,668,870	
Building Costs	\$30,414,930	
Site Costs	\$2,249,200	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 0 months at 5 % per year	\$0	
Construction Contingency	\$3,433,300	
Total Construction Costs	\$37,766,300	
Pre-Development Costs:		
Consultant Services	\$504,560	
Early Site Package (Demolition/Remediation)	\$952,316	
Land Acquisition	\$319,581	
Relocation	\$0	
Property Maintenance/Carry Costs	\$63,875	
Total Pre-Development Costs	\$1,840,333	
Other Costs: %		
Design		
Prior Design Services	\$868,342	
In-House Design	\$578,886	
Project Management (SDA Staff)	\$1,393,000	
PMF/CM	\$1,430,000	
FF&E	\$1,209,186	
Technology	\$1,074,832	
Commissioning	Included in DB Scope	
Temporary Space	\$4,086,136	
Other Costs	\$686,660	
Total Other Costs	\$11,327,042	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$50,933,675	
Funding from Prior Allocation	\$560,733	
Funding from 2012 Capital Plan	\$50,372,942	

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

Charter Date
11/06/13

District / Project Name: Keansburg / New Caruso ES
DOE # / Project #: 2400-E01-02-0116

Project Budget:

	Preliminary Charter 10/3/12	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.50	1.55	-0.05
Gross Building Area (GSF):			
New	116,000	122,140	(6,140)
Addition		0	
Renovation		0	
Total Gross Area (GSF):	116,000	122,140	(6,140)
Design-Builder Costs			
Design	\$1,722,850	\$1,668,870	\$53,980
Building Costs	\$28,904,333	\$30,414,930	(\$1,510,597)
Site Costs	\$1,445,217	\$2,249,200	(\$803,983)
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$0	\$0	\$0
Construction Contingency	\$2,959,800	\$3,433,300	(\$473,500)
Total Construction Costs	\$35,032,200	\$37,766,300	(\$2,734,100)
Pre-Development Costs:			
Consultant Services	\$489,872	\$504,560	(\$14,688)
Early Site Package (Demolition/Remediation)	\$1,172,145	\$952,316	\$219,829
Land Acquisition	\$309,910	\$319,581	(\$9,671)
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$73,547	\$63,875	\$9,672
Total Pre-Development Costs	\$2,045,474	\$1,840,333	\$205,141
Other Costs:			
Design			
Prior Design Services	\$868,342	\$868,342	\$0
In-House Design	\$591,960	\$578,886	\$13,074
Project Management (SDA Staff)	\$1,393,000	\$1,393,000	\$0
PMF/CM	\$1,550,000	\$1,430,000	\$120,000
FF&E	\$1,160,145	\$1,209,186	(\$49,041)
Technology	\$1,031,240	\$1,074,832	(\$43,592)
Commissioning	\$350,000	Included in DB Scope	\$350,000
Temporary Space	\$4,015,651	\$4,086,136	(\$70,485)
Other Costs	\$626,491	\$686,660	(\$60,169)
Total Other Costs	\$11,586,829	\$11,327,042	\$259,787
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$48,664,503	\$50,933,675	(\$2,269,172)
Funding from Prior Allocation	\$560,733	\$560,733	\$0
Funding from 2012 Capital Plan	\$48,103,770	\$50,372,942	(\$2,269,172)

Budget Variance Analysis:

The budget variance recognizes increased design builder costs based upon the award amount for design-build services. These increased costs are the result of an increase in building square footage consistent with current design standards that have been implemented since the time that the preliminary charter was approved, as well as, increased costs based upon the design-builder's bid related to building substructure, electrical and site costs.

Schedule Variance Analysis:

Resolution—6c.

Design-Build Award and Approval of Final Project Charter

District:	Keansburg
School:	Joseph C. Caruso Elementary School
Description:	Design-Build
Package No.:	ET-0061-B01
CCE:	\$32,434,000
Award Amount:	\$34,333,000
CM:	TBD

Resolution

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

WHEREAS, the Operating Authority further requires that the Members of the Authority authorize and approve Final Project Charters; and

WHEREAS, when completed, the New Joseph C. Caruso Elementary School project (Caruso ES or “the Project”) in the Keansburg School District will be a new approximately 122,000 square foot facility designed to educate 758 students in grades K through 4; and

WHEREAS, in March 2012 the Caruso ES project was approved by the Members of the Authority to advance as part of the Authority’s 2012 Capital Plan and its Preliminary Project Charter was approved in October 2012; and

WHEREAS, the background and history relevant to the Caruso ES project is set forth in detail in the materials presented to the Board on this date and incorporated herein; and

WHEREAS, commencing on June 27, 2013 with an advertisement for design-build services, SDA conducted a procurement process consistent with all applicable laws, rules and regulations as set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, for this procurement, “price” was 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%; and

WHEREAS, following conclusion of the procurement process, executive management, the Program Operations Deputy Director and Director and the Contract Management Director recommend that the Members of the Authority approve the award of the contract for design-build services for the new Joseph C. Caruso Elementary School in the Keansburg School District (Package No ET-0061-B01) to Hall Construction Company, Inc. in the amount of \$34,333,000; and

WHEREAS, the services to be provided by Hall Construction Company, Inc. are described in detail in the materials presented to the Board on this date and incorporated herein; and

WHEREAS, the Final Project Charter for the Caruso ES project is attached and described in detail in the materials presented to the Board on this date and represents the project budget inclusive of dollar values for the award of the design-build package as described in the memorandum presented to the Board; and

WHEREAS, the proposed Final Project Charter represents an increase to the budget of approximately \$2.3 million from the Preliminary Charter approved by the Members on October 3, 2012, as detailed in the memorandum presented to the Board on this date; and

WHEREAS, executive management and all associated program staff recommend that the Members of the Authority approve the final Project Charter for the Caruso ES project as presented to the Board on this date.

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, Hall Construction Company, Inc. , for Package No. ET-0061-B01 in the amount of \$34,333,000, for the New Joseph C. Caruso Elementary School project in the Keansburg School District, with such approval conditioned upon the agreement and related documentation being reviewed and approved by the SDA Division of Chief Counsel.

BE IT FURTHER RESOLVED, that the Members of the Authority hereby approve the Final Project Charter for the New Joseph C. Caruso Elementary School project as presented to the Board on this date representing all expended and projected funds necessary for completion of the project.

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

Attached: Memorandum, Design Build Award and Approval of Final Charter, Joseph C. Caruso Elementary School Project (Package No.ET-0061-B01), Keansburg School District, dated November 6, 2013

Dated: November 6, 2013

**CONSTRUCTION MANAGEMENT SERVICES - BUCKSHUTEM RD. ELEMENTARY SCHOOL/QUARTER
MILE LANE ELEMENTARY SCHOOL - BRIDGETON**



MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
 Director, Procurement

RE: District: Bridgeton
 Schools: Buckshutem Road ES and Quarter Mile Lane ES
 Description: Construction Management Services
 Package No.: ST-0044-M01
 Estimated Fee: \$2,970,000.00
 Award: \$1,697,636.00
 Design-Builder: Ernest Bock and Sons, Inc.

DATE: November 6, 2013

SUBJECT: Construction Manager Award

INTRODUCTION

I am writing to recommend approval of the award of a single contract for Construction Management (CM) Services. This contract is for services to manage the design-build construction for two distinct School Facilities Projects: the Buckshutem Road Elementary School Addition/Alteration Project, and the Quarter Mile Lane Elementary School Addition/Alteration Project, both in the Bridgeton Public School District (“the Projects”). The CM engagement will address both projects in one overall contract, but requires the CM to maintain separate accounting and invoicing for each project.

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 consultant contracts greater than \$100,000. Funding for this engagement is available within the Project Budget, in accordance with the most recent Project Charters approved by the Members on October 2, 2013.

BACKGROUND

The Buckshutem Road Elementary School project will increase the capacity of the existing facility from 404 to 581 students, in grades K through 8 and includes a Gymnasium and classroom addition, conversion of the existing Gymnasium to a Media Center and conversion of the existing Media Center to Student Services Offices.

The Quarter Mile Lane Elementary School project will increase the capacity of the existing facility from 254 students, in grades K through 8 to 731 students in grades Pre-Kindergarten through 8 and includes Gymnasium, Multi-Purpose Room, Cafeteria and Classroom additions. It also includes the conversion of the existing Cafeteria to a Media Center, and the renovation of an existing classroom wing will provide Pre-K classrooms.

Members of the Authority
 Package No. ST-0044-M01
 Bridgeton - Buckshutem Rd ES/Quarter Mile Lane ES - Construction Management Services
 November 6, 2013
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The Board approved the Final Project Charters and award for design-build services for both projects to Ernest Bock and Sons at the October 2, 2013 Board meeting.

PROCUREMENT PROCESS

This package was advertised as a “Price and Other Factors” solicitation beginning on August 7, 2013 on the NJSDA website and on the State of New Jersey Business Opportunities website. In addition, the advertisement was distributed to those firms that are pre-qualified in the area of Construction Management (P029) by both the Department of Treasury-Division of Property Management and Construction and the NJSDA. For this procurement, price was weighted as 40% of the overall weight, and all non-price factors had a combined weight of 60%.

A Selection Committee consisting of three NJSDA staff members was established.

Firms interested in submitting a proposal were required to send an e-mail giving Notice of Intent to Participate (NOI) by August 14, 2013. NOIs were received from eleven (11) prequalified construction management firms. Responsive proposals were received from nine (9) firms by August 28, 2013. Technical Proposals were evaluated by the Selection Committee. Evaluations were based upon the information provided by the firms in response to the RFQ/RFP for this project. The three committee members evaluated the Technical Proposals for Construction Management Services separately based on the following criteria:

- Firm’s CM Experience on Similar Projects
- Staffing Proposal
- Key Team Members’ Experience on Similar Projects
- Approach to Project

Each Selection Committee member evaluated each Technical Proposal, assigning a raw score for each criterion on a scale of 0 to 10 as follows:

- Outstanding (9-10): depth and quality of response offers significant advantages.
- Superior (7-8): exceeds RFQ/RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFQ/RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFQ/RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFQ/RFP but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors were applied to each of the Selection Committee member’s raw scores for each criterion to arrive at a total weighted score as follows:

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Firm’s CM Experience on Similar Projects	2.0	20
Staffing Proposal	3.0	30
Key Team Members’ Experience on Similar Projects	3.0	30
Approach to Project	2.0	20
Total Possible Points		100

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For each firm’s Technical Proposal, the individual criteria scores awarded by a particular Selection Committee member were added together to calculate a score for that Technical Proposal. The maximum score for a Technical Proposal is 100. All of the scores awarded by the Selection Committee members to a particular firm’s Technical Proposal were added together and averaged to arrive at a Final Technical Proposal Score for each firm. The responsive firms, their scores and ranks are listed in Table 1 below:

TABLE 1

Firm	Final Technical Proposal Score	Technical Rank
STV Construction, Inc.	67.833	1
Joseph Jingoli & Son, Inc.	58.500	2
Gilbane Building Company	58.000	3
Epic Management, Inc.	56.833	4
GREYHAWK North America LLC	55.833	5
Armand Corporation	48.333	6
Heery International, Inc.	47.833	7
Greenman-Pedersen, Inc.	44.500	8
P. W. Moss & Associates	40.333	9

A shortlist of the six (6) highest-ranked firms was determined based on the Final Technical Proposal Scores. The shortlisted firms participated in interviews with the Selection Committee on September 18, 2013. The interviews allowed the firms to expand and detail their firm and team experience with respect to NJSDA requirements for construction management services. The Selection Committee interviewed each of the shortlisted firms and evaluated each firm on Interview Criteria and Weighting Factors that were the same as those used in the evaluation of the Technical Proposals, as detailed above.

The individual criteria scores awarded by a particular Selection Committee member were added together to calculate an Interview Score for that firm. The maximum Interview Score is 100. All of the Interview Scores awarded to a particular firm by the Selection Committee members were added together and averaged to arrive at a Final Interview Score for each firm. The shortlisted firms, their scores and ranks are listed in Table 2 below:

TABLE 2

Firm	Final Interview Score	Interview Rank
Joseph Jingoli & Son, Inc.	90.000	1
STV Construction, Inc.	85.333	2
GREYHAWK North America LLC	47.333	3
Armand Corporation	45.667	4
Epic Management, Inc.	44.500	5
Gilbane Building Company	43.833	6

The Final Interview Score for each shortlisted firm was added to the Final Technical Proposal Score for such firm, and the two scores were averaged to arrive at a Non-Price Score for each shortlisted firm. The maximum Non-Price Score is 100. The shortlisted firms, their scores and ranks are listed in Table 3 below:

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 Bridgeton - Buckshutem Rd ES/Quarter Mile Lane ES - Construction Management Services
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TABLE 3

Firm	Non-Price Score	Non-Price Rank
STV Construction, Inc.	76.583	1
Joseph Jingoli & Son, Inc.	74.250	2
GREYHAWK North America LLC	51.583	3
Gilbane Building Company	50.917	4
Epic Management, Inc.	50.667	5
Armand Corporation	47.000	6

Once all the Non-Price Scores for all shortlisted firms were calculated, the NJSDA opened the sealed Price Proposals and reviewed them for responsiveness.

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

Firm	Bid Price	Price Score	Price Rank
STV Construction, Inc.	\$1,697,636	100.000	1
Gilbane Building Company	\$1,778,636	95.229	2
Joseph Jingoli & Son, Inc.	\$2,197,155	70.576	3
Epic Management, Inc.	\$2,297,152	64.685	4
GREYHAWK North America LLC	\$2,312,553	63.778	5
Armand Corporation	\$3,421,453	-1.542	6

After the Price Scores were determined for all shortlisted firms, the Price Scores were adjusted by a weighting factor of 40%. The Non-Price Scores for “Other Factors” criteria were adjusted by a weighting factor of 60%. The Price Score and Non-Price Score for each shortlisted firm were added together for a Final Combined Score. The maximum Final Combined Score is 100. The Final Combined Scores and Final Rankings are listed in Table 5 below:

TABLE 5

Firm	Raw Non-Price Score	Weighted Non-Price Score	Raw Price Score	Weighted Price Score	Final Combined Score	Final Rank
STV Construction, Inc.	76.583	45.950	100.000	40.000	85.950	1
Joseph Jingoli & Son, Inc.	74.250	44.550	70.576	28.230	72.780	2
Gilbane Building Company	50.917	30.550	95.229	38.092	68.642	3
GREYHAWK North America LLC	51.583	30.950	63.778	25.511	56.461	4
Epic Management, Inc.	50.667	30.400	64.685	25.874	56.274	5
Armand Corporation	47.000	28.200	-1.542	-0.617	27.583	6

The highest ranked firm was STV Construction, Inc. (STV).

The bid submitted by STV was less than the NJSDA estimate. In order to ensure the firm’s Price Proposal for each school was inclusive of all scope elements, a conference was conducted on October 18, 2013 with

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Bridgeton - Buckshutem Rd ES/Quarter Mile Lane ES - Construction Management Services
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Procurement, Program Operations, Contract Management Division, Division of Chief Counsel and STV to review the bid. At the time of the review, STV confirmed that its Price Proposals are inclusive of all scope elements contained in the Contract Documents and will be obligated to perform services for both schools under the Contract for a term of thirty-seven months.

The Program Operations Director and the Contract Management Director recommend award of the project to STV Construction, Inc.

RECOMMENDATION

The Members are requested to approve the award of a contract to the firm with the highest Final Combined Score, STV Construction, Inc., for a total lump sum fee of \$1,697,636 for Construction Management Services for the Buckshutem Road Elementary School and Quarter Mile Lane Elementary School projects located in the Bridgeton Public School District.

Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

/s/ Sean Murphy
Sean Murphy
Director, Procurement

Resolution—6d.

Construction Manager Award

District: Bridgeton
 Schools: Buckshutem Road ES and Quarter Mile Lane ES
 Description: Construction Management Services
 Package No.: ST-0044-M01
 Estimated Fee: \$2,970,000.00
 Award: \$1,697,636.00
 Design-Builder: Ernest Bock and Sons, Inc.

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that the Members of the Authority approve the award of consultant contracts greater than \$100,000; and

WHEREAS, the proposed Bridgeton Buckshutem Road Elementary School project (Buckshutem) will increase the capacity of the existing facility from 404 to 581 students in grades K-8 and the Bridgeton Quarter Mile Lane Elementary School project (QML) will increase the capacity of the existing facility from 254 students in grades K through 8 to 731 students in grades Pre-Kindergarten through 8; and

WHEREAS, the Members of the Authority approved the Final Project Charters and award for design-build services for the Buckshutem and QML projects (the projects) to Ernest Bock & Sons in October 2013, following a competitive procurement process; and

WHEREAS, a procurement for construction management services was advertised as a “Price and Other Factors” solicitation beginning on August 7, 2013; and

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

WHEREAS, upon completion of the procurement process, executive management and associated program staff recommend the award of a contract for construction management services for the projects to the firm with the highest Final Combined Score, STV Construction, Inc., for a total lump sum fee of \$1,697,636; and

WHEREAS, funding for this engagement is available within the Project Budget, in accordance with the most recent Project Charters approved by the Members on October 2, 2013.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of a contract to the firm with the highest Final Combined Score, STV Construction, Inc., for a total lump sum fee of \$1,697,636 for the Buckshutem Road Elementary School and Quarter Mile Lane Elementary School projects in the Bridgeton School District, with the contract and related documentation to be reviewed and approved by the SDA Division of Chief Counsel prior to execution of the contract.

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, Construction Manager Award, STV Construction, Inc. (Package No.: ST-0044-M01), Bridgeton School District, dated November 6, 2013
Dated: November 6, 2013

**PASSAIC CITY SCHOOL DISTRICT - DAYTON AVENUE EDUCATIONAL CAMPUS - PRELIMINARY
PROJECT CHARTER**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

6

TO: Members of the Authority

FROM: Ritchard J. Sherman
Director, Program Operations

Gregory Voronov
Managing Director, Program Operations

DATE: November 6, 2013

SUBJECT: Preliminary Project Charter

RE: Passaic City School District – Dayton Avenue Educational Campus

INTRODUCTION

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. That Plan identified the Passaic Dayton Avenue Educational Campus project for validation and advancement into Pre-Development. We are writing to advise the Members of the results of that validation performed by SDA staff and to provide detail of recommended action for advancement of the above-identified project.

We are also writing to recommend approval by the Members of the attached Preliminary Project Charter, created by Program Operations staff, which details project advancement recommendations including estimated project costs for project completion. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Preliminary Project Charters require approval by the Members of the Authority.

BACKGROUND

Based upon the DOE's 2010 Educational Facilities Needs Assessment (EFNA), which identified severe overcrowding in all grade levels of the Passaic City Public School District, the NJSDA 2012 Capital Plan identified the Passaic Dayton Avenue Educational Campus project for validation and advancement.

Working Group Activities

Following approval of the SDA 2012 Capital Plan, SDA staff commenced review and validation activities which included a review of the District's Long Range Facilities Plan (LRFP) and identification of existing and proposed school facilities included in that plan. A Working Group comprised of District, DOE and SDA staff was convened to review and validate current District needs and discuss the proposed Dayton Avenue Educational Campus. The validation process began with a review of current and projected District enrollments and current District educational capacity. These activities determined that the District lacks capacity for over 3,500 students in grades PK-8, as a result the Working Group concluded that further evaluation of District capacity needs was unnecessary at this time.

Based upon this review and validation, the Working Group confirmed that advancement of the Dayton Avenue Educational Campus project would address District-wide overcrowding in grades PK-8. Through additional Working Group discussions, the District expressed its strong support to proceed with the Dayton Avenue Educational Campus project based upon location of the site and the addressing of District needs in grades PK-8.

Members of the Authority
 Preliminary Project Charter
 Passaic City School District – Dayton Avenue Educational Campus
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Prior Project Activity

Prior designs for elementary school and middle school projects on the Dayton Avenue site were initiated in 2003 and advanced through the Schematic Design Phase, but were suspended in 2006, following acquisition of the former Beth Israel Hospital site on Dayton Avenue and demolition of existing structures on that site.

Additionally, two stand-alone Early Childhood Center projects, one of which was to be located on the Dayton Avenue site, were previously contemplated for advancement by the SDA in 2007 to eliminate the need for temporary classroom units (TCUs) currently accommodated on a portion of the Dayton Avenue site, but were never advanced into design. These TCU's currently educate approximately 400 Pre-K students and as discussed below, the Working Group has considered the impact of these existing TCUs on advancement of the project through construction.

In 2008, a Consultant, Hatch Mott MacDonald (HMM), was contracted through a Real Estate Task Order engagement to conduct site investigative services, generate a conceptual site plan, and create a site conceptual design for a school campus for grades Pre-K through 8. The Working Group's review of that study served to validate the feasibility of the current proposed project.

Current Advancement Status

In May 2012, the SDA assigned HMM as the LSRP for the SDA-owned Dayton Avenue site. In September 2012, SDA staff undertook a conceptual approach to environmental site closure at the proposed Dayton Avenue Educational Campus site. Staff reviewed environmental documents pertaining to the site to identify potential data gaps and identify a preliminary scope of work for closure of these gaps. During this review, staff identified areas of concern and formulated a scope of work for HMM that would require further investigation prior to the continuation of development of the site for a school facility.

In July 2013, HMM was engaged through the existing task order agreement to undertake additional site investigation activities. The purpose of the additional site investigation activities was to build upon previous site investigation work completed in 2008, fill certain geotechnical and environmental data gaps, and to evaluate other critical site elements in support of advancing design-related services for the project. These investigations have provided sufficient information to support project advancement. Upon approval of the Preliminary Project Charter, additional site investigation activities to confirm the need for an early site package will be undertaken concurrent with activities necessary to support SDA in-house design and development of bridging documents.

NJSDA staff has developed a proposed project scope based on application of standard programmatic models and has considered application of Kit of Parts in project delivery. Based on that analysis, the following project is being recommended for advancement to address District overcrowding.

Recommended Project Scope:

The recommended project scope calls for the construction of a new school facility to educate approximately 2,740 students in grades PK-8. The project scope is anticipated to include the following elements:

- An elementary school component educating approximately 1,370 students in grades PK-5
- A middle school component educating approximately 1,370 students in grades 6-8
- Related site development work, including outdoor PE/play areas and parking
- Removal of the existing TCUs and additional site development work to be advanced upon completion of the new school facility

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 Preliminary Project Charter
 Passaic City School District – Dayton Avenue Educational Campus
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Based on completed site investigation activities, it is anticipated that early site package work necessary to prepare the site for building construction, if any, would be minimal and not impact the projected design and construction schedule.

Project Delivery Recommendations:

The potential for use of standard SDA design elements, including Kit of Parts components, and alternatives for project delivery have been analyzed. Although the proposed project is larger than standard SDA programmatic models, it has been concluded that the design may nonetheless make significant use of SDA Kit of Parts components. Therefore, it is recommended that this project be advanced utilizing in-house design staff through Schematic Design and that bridging documents be prepared to support a Design-Build delivery process.

The project budget which has been developed is reflective of the recommendation for Design-Build project delivery.

PROJECT BUDGET

By providing the Dayton Avenue Educational Campus project, the District’s capacity needs in grades PK to 8 will be significantly addressed. The proposed project will also eliminate the need for the temporary classroom units currently in use on the Dayton Avenue site. Additionally, advancement of this project will serve to leverage the SDA’s prior investment of approximately \$39 million in acquisition, relocation and demolition costs associated with the Dayton Avenue site. The estimated cost of \$209.5 million for the project reflected in the Preliminary Project Charter is inclusive of all prior expenditures related to prior design work and acquisition and related costs for the Dayton Avenue site, as well as, estimated future costs necessary for advancement of the current project scope. The estimated costs are based upon the application of planning estimates to the current anticipated project scope. This proposed project will serve to address District needs that were represented by four separate projects within the 2010 Statewide Prioritization that served as the underpinning for the SDA’s Capital Program.

RECOMMENDATION

The Members are requested to approve the Project Charter for the Passaic City School District’s Dayton Avenue Educational Campus project. In so doing, the Board is providing the Authority with approval to:

1. Proceed with in-house design activities.
2. Procure necessary professional and construction services in relationship to this project.

The Operating Authority will govern the award of all professional services and construction contracts and the Board’s notification of the use of contingency monies.

Recommended by:

/s/ Ritchard J. Sherman
 Ritchard J. Sherman, Director, Program Operations

/s/ Gregory Voronov
 Gregory Voronov, Managing Director, Program Operations

Prepared by: Shawn Taylor and Mike Wielage, Program Officers, Program Operations
 Reviewed and Recommended by: Paul Hamilton, Senior Program Officer, Program Operations
 Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
11/06/13

Supersedes Charter Dated
N/A

Region: Northern
District: Passaic City
Project Name: New Pre K to 8 Education Campus @ Dayton Avenue
School Type: ES/MS
DOE # / Project #: 3970-x03-01-0776
Project Type (New/Add/Reno): New
Project Location: Dayton Avenue Passaic, NJ
Number of Students: 2,741

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

Funding Source
2012 Capital Plan

Project Budget: \$ 209,543,450
Anticipated Substantial Completion Date: TBD
Anticipated School Occupancy Date: TBD

Funding Allocated
\$209,543,450

Project Team Leader: Thomas Schrum / Ritchard Sherman
Project Initiation Date: March-12
SDA Board - Project Charter Approval Date: 11/06/13

District Local Share
\$0.00

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning	New educational facility at the acquired Dayton Avenue site to educate 2,741 students in grades Pre-K to 8.
<input checked="" type="checkbox"/> Preliminary 11/06/13	
<input type="checkbox"/> Final	
Purpose for Advancement of Current/Revised Project Charter	
Revision # and Date	Project advancement, including in-house design and procurement of necessary professional and construction services for the project.
<input type="checkbox"/> One	District Project Goals
<input type="checkbox"/> Two	
<input type="checkbox"/> Three	
<input type="checkbox"/> Four	
<input type="checkbox"/> Five	
<input type="checkbox"/> Six	
Alleviate district wide overcrowding in grades Pre-K to 8.	

Recommendation

Program Director - Program Operations _____ Date _____
 Thomas Schrum / Ritchard Sherman

Managing Director - Capital Planning _____ Date _____
 Gregory Voronov

Vice President - Program Operations _____ Date _____
 Andrew Yosha

Approval

Chief Executive Officer _____ Date _____
 Marc Larkins

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

Charter Date
11/06/13

District / Project Name:	Passaic City / New Pre K to 8 Education Campus @ Dayton Avenue
DOE # / Project #:	3970-x03-01-0776

Project Milestones	Date
School Occupancy Date	TBD

DELIVERY METHOD	Design/Build
------------------------	---------------------

Real Estate Services	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	07/08/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/04/14	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Site Acquisition	Complete	<input type="checkbox"/>	<input type="checkbox"/>	Complete	<input type="checkbox"/>	<input type="checkbox"/>
Relocation	Complete	<input type="checkbox"/>	<input type="checkbox"/>	Complete	<input type="checkbox"/>	<input type="checkbox"/>
Demolition	Complete	<input type="checkbox"/>	<input type="checkbox"/>	Complete	<input type="checkbox"/>	<input type="checkbox"/>
Early Site Package	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	Yes	Date				
District Notified?	Yes	<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?	Yes					
District Notified?	Yes	<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

Design:	Date	Est.	Act.	Finish	Est.	Act.
Design Start (NTP)	12/09/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Design Restart (if applicable)	NA	<input type="checkbox"/>	<input type="checkbox"/>			
Program Concept Phase	12/09/13	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schematic Design	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bridging Documents	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build Bid/Award	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Design	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

The project is planned to be advanced through a Design-Build approach and assumes that an early site package will be performed to ensure the project site is prepared for advancement of construction by the design builder. The need for an early site package will be validated by additional site investigations to be undertaken by the engaged Site Environmental Consultant. The schedule will be revisited and updated based upon validation of the need for and extent of an early site package.

Construction:	Date	Est.	Act.
Construction Start (NTP)	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

The project scope anticipates implementation of an additional Site Package upon completion of the new facility to remove/relocate the existing TCU's, perform necessary remedial activities at the existing TCU area, and necessary site work for parking/play space.

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		11/06/13
District / Project Name:	Passaic City / New Pre K to 8 Education Campus @ Dayton Avenue	
DOE # / Project #:	3970-x03-01-0776	
2012 Capital Plan Funding Allocation	\$	209,543,450
Special Considerations:		
The project budget represented below is based upon the application of planning assumptions based upon the current project scope as well as prior expenditures related to acquisition of and demolition of existing structures on the Dayton Avenue site as well as prior engaged design services.		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	438,000	1.55
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	438,000	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$282.88	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$7,432,860	
Building Costs	\$94,853,280	
Site Costs	\$13,674,360	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 34 months at 5 % per year	\$15,374,749	
Design Contingency	\$6,367,436	
Construction Contingency	\$6,566,762	
Total Construction Costs	\$144,269,447	
Pre-Development Costs:		
Consultant Services	\$2,101,305	
Building Demolition / Late Site Package	\$8,174,076	
Land Acquisition	\$31,354,501	
Relocation	\$2,538,146	
Property Maintenance/Carry Costs	\$151,351	
Total Pre-Development Costs	\$44,319,380	
Other Costs: %		
Design		
Prior Design Services	\$2,353,430	
In-House Design	\$1,627,915	
Project Management (SDA Staff)	\$2,332,000	
PMF/CM	\$1,848,000	
FF&E	\$5,275,710	
Technology	\$4,689,520	
Commissioning	\$350,000	
Temporary Space	\$0	
Other Costs	\$2,478,048	
Total Other Costs	\$20,954,623	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$209,543,450	
Funding from Prior Allocation	\$40,830,350	
Funding from 2012 Capital Plan	\$168,713,100	

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

Charter Date

11/06/13

District / Project Name: Passaic City / New Pre K to 8 Education Campus @ Dayton Avenue
DOE # / Project #: 3970-x03-01-0776

Project Budget:

	2012 Capital Plan Estimate	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.55	1.55	0.00
Gross Building Area (GSF):			
New	438,000	438,000	0
Addition		0	
Renovation		0	
Total Gross Area (GSF):	438,000	438,000	0
Design-Builder Costs			
Design	\$7,432,860	\$7,432,860	\$0
Building Costs	\$94,853,280	\$94,853,280	\$0
Site Costs	\$13,674,360	\$13,674,360	\$0
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$15,374,749	\$15,374,749	\$0
Design Contingency	\$6,367,436	\$6,367,436	\$0
Construction Contingency	\$6,566,762	\$6,566,762	\$0
Total Construction Costs	\$144,269,447	\$144,269,447	\$0
Pre-Development Costs:			
Consultant Services	\$2,101,305	\$2,101,305	\$0
Building Demolition / Late Site Package	\$8,174,076	\$8,174,076	\$0
Land Acquisition	\$31,354,501	\$31,354,501	\$0
Relocation	\$2,538,146	\$2,538,146	\$0
Property Maintenance/Carry Costs	\$151,351	\$151,351	\$0
Total Pre-Development Costs	\$44,319,380	\$44,319,380	\$0
Other Costs:			
Design			
Prior Design Services	\$2,353,430	\$2,353,430	\$0
In-House Design/Bridging Services	\$1,627,915	\$1,627,915	\$0
Project Management (SDA Staff)	\$2,332,000	\$2,332,000	\$0
PMF/CM	\$1,848,000	\$1,848,000	\$0
FF&E	\$5,275,710	\$5,275,710	\$0
Technology	\$4,689,520	\$4,689,520	\$0
Commissioning	\$350,000	\$350,000	\$0
Temporary Space	\$0	\$0	\$0
Other Costs	\$2,478,048	\$2,478,048	\$0
Total Other Costs	\$20,954,623	\$20,954,623	\$0
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$209,543,450	\$209,543,450	\$0
Funding from Prior Allocation	\$40,830,350	\$40,830,350	\$0
Funding from 2012 Capital Plan	\$168,713,100	\$168,713,100	\$0

Budget Variance Analysis:

Schedule Variance Analysis:

Resolution—6e.

Passaic City School District – Dayton Avenue Educational Campus
Approval of Preliminary Project Charter

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority requires that the Members of the Authority approve Preliminary Project Charters; and

WHEREAS, in March 2012, the Members of the Authority approved the 2012 Capital Plan (2012 Plan); and

WHEREAS, the 2012 Plan identified the Passaic Dayton Avenue Educational Campus project for validation and advancement into Pre-Development; and

WHEREAS, following approval of the SDA 2012 Capital Plan, SDA staff commenced review and validation activities which included a review of the District's Long Range Facilities Plan (LRFP) and the identification of existing and proposed school facilities included in that plan; and

WHEREAS, a Working Group comprised of District, DOE and SDA staff was convened to review and validate current District needs and to discuss the proposed Dayton Avenue Educational Campus; and

WHEREAS, the validation process conducted by the Working Group is described in detail in the memorandum presented to the Board on this date; and

WHEREAS, the Working Group confirmed that advancement of the Dayton Avenue Educational Campus project would address District-wide overcrowding in grades PK-8; and

WHEREAS, the District has expressed its strong support to proceed with the Dayton Avenue Educational Campus project based upon location of the site and the addressing of District needs in grades PK-8; and

WHEREAS, prior activity on the project, its current advancement status, project scope and delivery recommendations and the project budget are described in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, executive management and associated program staff recommend approval of the proposed Preliminary Project Charter for the Passaic City School District's Dayton Avenue Educational Campus project and advancement of in-house design activities and the procurement of necessary professional and

construction services in relation thereto, as reasonable, appropriate and in the best interests of the SDA and the state's taxpayers.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the Preliminary Project Charter for the Passaic City School District's Dayton Avenue Educational Campus project as presented to the Board on this date, specifically authorizing the SDA to proceed with in-house design activities and to procure necessary professional and construction services in relation thereto consistent with 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, Passaic City School District – Dayton Avenue Educational Campus, Approval of Preliminary Project Charter, November 6, 2013

Dated: November 6, 2013

**EXTENSION OF STATE-WIDE PROPERTY MANAGEMENT AND MAINTENANCE SERVICES CONTRACT
(GP-0175-R01)**



MEMORANDUM

TO: Members of the Authority

FROM: Jacqueline A. Howard, Director Real Estate Services /s/ Jacqueline A. Howard

DATE: November 6, 2013

SUBJECT: Extension of State-Wide Property Management and Maintenance Services Contract (GP-0175-R01)

COMPANY NAME: Bluegrass Hydro-Seeding, L.L.C.

AMENDMENT NO: 1

AMOUNT: \$356,800.00 Lump Sum for Property Management Services
\$1,000,000.00 Not to Exceed for Property Maintenance Services

INTRODUCTION

I am writing to recommend the approval by the Members of the Authority of a one (1) year extension of the initial term to the State-Wide Property Management and Maintenance Services Contract (GP-0175-R01) awarded to Bluegrass Hydro-Seeding, L.L.C. for a lump sum amount of \$356,800.00 for **property management services**. Further, in connection with and contingent upon receiving such recommended approval to extend the Contract term for property management services, I am also writing to recommend the approval by the Members of the Authority of a one (1) year extension for a not to exceed amount of \$1 million for **property maintenance services** pursuant to the same contract.

As discussed below, the recommended lump sum amount of \$356,800.00 for property management services, as negotiated by the Authority, is \$43,184.00 less than the lump sum amount specified in the Contract for the optional extended period.

At the December 7, 2011 NJSDA Board Meeting, the Members approved the State-Wide Property Management and Maintenance Services Contract, resulting in an award to Bluegrass Hydro-Seeding, L.L.C. The initial award value of the Contract for property management services is a lump sum amount of \$799,968 for an initial two-year term. The Contract, scheduled to expire on January 27, 2014, provides for a one-year extension of the initial term at a lump sum amount of \$399,984.00 for property management services, such option to be exercised at the sole discretion of the NJSDA; however, as a result of negotiations initiated by NJSDA, Bluegrass Hydro-Seeding, L.L.C. has agreed to a 10.8% reduction in the annual lump sum fee for property management services during the extended period.

The reduced annual lump sum fee (\$356,800) is reflective of the actual and anticipated reductions in the number of SDA-owned properties to be managed by Bluegrass Hydro-Seeding, L.L.C. due to several capital projects advancing to the construction phase and the execution of various Use & Occupancy Agreements.

Members of the Authority
Extension of Statewide Property Management and Maintenance Services
Amendment No. 1 to Contract GP-0175-R01
November 6, 2013
Page 2 of 3

The Contract value for property maintenance services for the initial two-year term expiring in February 2014 is a not to exceed amount of \$2,000,000. Property maintenance services are: (1) provided pursuant to separate competitively bid contracts between Bluegrass Hydro-Seeding, L.L.C. and various third-party service providers; OR (2) self-performed by Bluegrass Hydro-Seeding, L.L.C. in the case of routine maintenance tasks. When maintenance services are performed on behalf of the NJSDA by third parties, Bluegrass Hydro-Seeding, L.L.C. pays the service providers directly then seeks reimbursement of their costs from the NJSDA with no additional mark ups. All property maintenance services performed on behalf of the NJSDA must first be approved by the Real Estate Services Division.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, the exercising of contract options for extension to the original term of Board-approved contracts requires Board approval.

BACKGROUND

The NJSDA previously procured property management and maintenance services in 2008 for calendar years 2009, 2010 and 2011. That agreement provided for the consultant (Bluegrass Services) to be compensated for property management services on an hourly rate basis plus travel reimbursement. During 2009 to mid-2011, the cost for property management services averaged approximately \$550,800 per year, or \$1,101,600 for a comparable two-year period.

In 2011, the current State-Wide Property Management and Maintenance Services Contract was awarded to Bluegrass Hydroseeding L.L.C. in the amount of \$799,968, with anticipated savings of approximately \$300,000 to the NJSDA during the initial two-year term.

Property maintenance services in the amount of \$734,196 have been paid to date during the first twenty (20) months of the current Contract, resulting in further savings to the NJSDA.

PROCUREMENT PROCESS (For Current Contract in which Extension is Being Requested)

In accordance with NJSDA regulations, the NJSDA followed a competitive two-step bidding process. The first step was the issuance of a Request for Proposal and a review of all responses in order to establish a short list of the top three (3) ranked firms.

The RFP was publically advertised on September 20, 2011, and a mandatory pre-proposal conference was held on October 4, 2011 with five (5) firms in attendance. On October 18, 2011, NJSDA received three (3) responsive proposals. After review and scoring of the responsive proposals by the Selection Committee, a determination was made to award the Contract to Bluegrass Hydroseeding L.L.C.

Members of the Authority
Extension of Statewide Property Management and Maintenance Services
Amendment No. 1 to Contract GP-0175-R01
November 6, 2013
Page 3 of 3

6

A Notice of Award was extended to Bluegrass Hydroseeding L.L.C. on December 29, 2011, subject to submission, review and approval of required information. Ultimately, the NJSDA executed the Contract and issued a Notice to Proceed on January 27, 2012.

SCOPE

The consultant is required to provide state-wide property management and maintenance services in connection with properties acquired and owned by the NJSDA. At any time during the one-year extended period, the NJSDA may issue a project assignment to perform property management and maintenance services anywhere in the State, and the consultant shall be responsible for providing all specifically required services with respect to a project assignment until they are completed, even if such completion will occur after the end of the initial or extended engagement period.

As of the date of this memorandum, property management and maintenance services are required on thirty (30) NJSDA-owned properties, many of which still have standing structures.

RECOMMENDATION

For the reasons discussed above including more importantly that the current Contract is effectively and economically serving the needs of the Authority, I am recommending the approval by the Members of the Authority of a one (1) year extension to the initial term of Contract GP-0175-R01 to Bluegrass Hydroseeding L.L.C. in the lump sum amount of \$356,800 for property management services. The Members of the Authority are also requested to approve a one (1) year extension of the Contract for a not to exceed amount of \$1 million for property maintenance services. The proposed one (1) year extension, if approved, would commence on January 28, 2014 and terminate on January 28, 2015.

Reviewed and Recommended by: Donald Guarriello, Vice President, Chief Financial Officer
Prepared by: Anna Marie Sanford, Senior Real Estate Services Specialist

Resolution—6f.

Approval of Award
Package No. GP-0175-R01
State-Wide Property Management and Maintenance Services

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that the Members of the Authority approve the exercise of contract options for the extension of the original term of Board approved contracts; and

WHEREAS, in December 2011 the Members of the Authority approved the award of a contract (contract) for property management and property maintenance services to Bluegrass Hydro-Seeding, LLC for an initial two year term; and

WHEREAS, the contract approved by the Board in 2011 provides for a one-year extension of its initial term at the option of the SDA; and

WHEREAS, the background, terms and scope of the existing contract and the procurement process followed in connection therewith are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, the proposed one year extension, as recommended, would commence on January 28, 2014 and terminate on January 28, 2015; and

WHEREAS, executive management and associated program staff recommend that the Board approve the exercise of the contract's one year extension option in the lump sum amount of \$356,800.00 for property management services and in the not to exceed amount of \$1 million for property maintenance services.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the exercise of the option to extend for one year commencing January 28, 2014 the SDA's contract with Bluegrass Hydro-Seeding, LLC (Package No. GP-0175-R01) for property management services in a total lump sum amount of \$356,800 consistent with the memorandum presented to the Board on this date.

BE IT FURTHER RESOLVED, that the Members of the Authority authorize and approve the exercise of the option to extend for one year commencing January 28, 2014 the SDA's contract with Bluegrass Hydro-Seeding, LLC pursuant to the same contract for a not to exceed amount of \$1 million for property maintenance services consistent with the provisions of the memorandum presented to the Board on this date.

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, Extension of State-Wide Property Management and Maintenance Services Contract (GP-0175-R01), dated November 6, 2013

Dated: November 6, 2013

**FINAL ADOPTION WITHOUT CHANGE: TITLE 19, CHAPTER 38 - PROCEDURES FOR LOW-BID
PROCUREMENT OF CONSTRUCTION CONTRACTS FOR SCHOOL FACILITIES PROJECTS, N.J.A.C. 19:38**



MEMORANDUM

TO: Members of the Authority

FROM: Jane Kelly, Vice President
 Division of Corporate Governance and Operations

DATE: November 6, 2013

RE: Final Adoption Without Change: Title 19, Chapter 38
 Procedures for Low-Bid Procurement of Construction Contracts For School Facilities
 Projects, N.J.A.C. 19:38

On May 10, 2013, the Members of the New Jersey Schools Development Authority (“Authority” or “SDA”) approved for proposal and publication the readoption with technical amendments of Rules at Title 19, Chapter 38, Procedures for Low-Bid Procurement of Construction Contracts For School Facilities Projects (originally captioned “Procedures for Bidding For The New Jersey Schools Construction Corporation’s School Facilities Projects For the Schools Construction Program.

Management of the Authority now seeks the Members’ approval to formally adopt the Rules as previously approved for proposal and publication. The text of the Rules to be adopted has not changed since the Board’s initial approval on May 10, 2013 with the exception of minor edits suggested by the Office of Administrative Law prior to publication. The proposed Adoption Notice for the Rules is attached hereto, along with the Rules as published in the New Jersey Register.

Prior Regulatory History

Chapter 38 was originally adopted by the NJSCC on May 15, 2006, and was scheduled to expire on May 15, 2013. Upon submission of the readoption proposal to the Office of Administrative Law, the expiration period was extended by 180 days, until November 11, 2013.

The proposed Rules appeared in the New Jersey Register on July 1, 2013 at 45 N.J.R. 1592(a), and were subject to a sixty (60) day public comment period. The official comment period ended August 30, 2013. No comments were received. Accordingly, the form of the Rules has not changed from the original proposal as published in the Register.

Description of Rules and Technical Amendments

The Rules establish requirements, standards and procedures for the Authority’s procurement of construction contracts on a “low-bid” basis for the Authority’s capital program contracts, and are intended to apply mainly to smaller scale construction projects that do not involve complete construction of a new school facility. Accordingly the Rules are intended to complement, not supplant, the Authority’s other procurement paradigms of “price and other factors” construction procurement, under

N.J.A.C. 19:38B; and design-build procurement processes pursuant to design-build procurement rules under N.J.A.C. 19:36.

The Rules were proposed for readoption with technical amendments to reflect the abolition of the New Jersey Schools Construction Corporation (“Corporation” or “NJSCC”) and the creation of the New Jersey Schools Development Authority (“Authority” or “SDA”) by P.L. 2007, c. 137, § 13 (N.J.S.A. 52:18A-247), which transferred all functions, powers and duties of the former NJSCC to the Authority, and decreed that statutory and regulatory references to the NJSCC shall mean and refer to the Authority.

Additionally, changes were proposed to reflect applicable statutory and regulatory updates, and the Authority proposed to change the name of the chapter from “Procedures For Bidding For The New Jersey Schools Construction Corporation's School Facilities Projects For The Schools Construction Program” to “Procedures for Low-Bid Procurement of Construction Contracts For School Facilities Projects” to reflect the abolition of the NJSCC and to reflect that the procedures for “low-bid” procurement through award to the “lowest responsible bidder” are in addition to other procurement procedures for “design-build” and “price and other factors” procurement of construction contracts for School Facilities Projects, pursuant to rules codified at N.J.A.C 19:36 and N.J.A.C. 19:38B.

Requested Board Action

The Members of the Authority are requested to approve completion of the adoption process for these Rules, which requires filing the attached Notice of Adoption with the Office of Administrative Law, and subsequent publication of the final approved Rules and Notice of Adoption in the New Jersey Register.

/s/ Jane F. Kelly

Jane F. Kelly, Vice President
Corporate Governance & Operations

Prepared by Cecelia Haney, Senior Counsel

JFK/ceh

OTHER AGENCIES

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

**Procedures For Bidding For The New Jersey Schools Construction Corporation's School
Facilities Projects For The Schools Construction Program**

Proposed Readoption with Technical Amendments: N.J.A.C. 19:38

Proposed: July 1, 2013 at 45 N.J.R. 1592(a)

Adopted: DATE by the New Jersey Schools Development Authority,

Marc Larkins, Chief Executive Officer

Filed: [DATE] as R. 2013 d.____, **without change**.

Authority: P.L. 2007, c.137, § 4k (N.J.S.A. 52:18A-238k) (rulemaking authority); P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c.137, (NJ.S.A. 52:18A-235 et seq.) (enabling statutes).

Effective date: [PUBLICATION DATE], 2013;

Expiration date: [PUBLICATION DATE], 2020.

Federal Standards Statement

The readopted rules with amendments implement a State statute, specifically P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.). There are no Federal standards or requirements applicable to these rules. A Federal standards analysis, therefore, is not required.

Full text of the adoption follows:

OTHER AGENCIES

PROPOSALS

for negotiations and resolution of impasses [which] that are reached prior to the required budget submission date and for utilization of impasse procedures for parties who reach impasse during alternative time periods. N.J.A.C. 19:12-2.1 through [19:12-]4.3 do not apply to negotiations between a public fire or police department as defined by N.J.S.A. 34:13A-15 and an exclusive representative. See N.J.A.C. 19:16. **Forms needed to initiate any of the procedures set forth in this chapter may be downloaded from the Commission’s website at: www.state.nj.us/perc.**

SUBCHAPTER 5. GRIEVANCE ARBITRATION

19:12-5.9 Award

(a) The arbitrator shall issue an award as soon as possible after the close of hearing, but not more than 45 days thereafter or such other time for date of award that the arbitrator shall fix upon written notice to the parties.

(b) The award shall be in writing and shall be submitted to the parties simultaneously, **and electronically to the Public Employment Relations Commission.**

(c) If the parties agree, the arbitrator may submit the award without a written opinion.

(a)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
Procedures for Bidding for the New Jersey Schools Construction Corporation’s School Facilities Projects for the Schools Construction Program
Proposed Readoption with Amendments: N.J.A.C. 19:38**

Authorized By: New Jersey Schools Development Authority, Marc Larkins, Chief Executive Officer.

Authority: P.L. 2007, c. 137, § 4k (N.J.S.A. 52:18A-238k) (rulemaking authority); P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c. 137, (N.J.S.A. 52:18A-235 et seq.) (enabling statutes).

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-107.

Submit written comments by August 30, 2013 to:

Cecelia Haney, Administrative Practice Officer
New Jersey Schools Development Authority
PO Box 991
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The agency proposal follows:

Summary

The New Jersey Schools Development Authority proposes to readopt N.J.A.C. 19:38 (the “rules”) with technical amendments to reflect the abolition of the New Jersey Schools Construction Corporation (“Corporation” or “NJSCC”) and the creation of the New Jersey Schools Development Authority (“Authority” or “SDA”) by P.L. 2007, c. 137, § 13 (N.J.S.A. 52:18A-247), which transferred all functions, powers, and duties of the former NJSCC to the Authority, and decreed that statutory and regulatory references to the NJSCC shall mean and refer to the Authority.

Chapter 38 was originally adopted by the NJSCC effective May 15, 2006, and is scheduled to expire on May 15, 2013. The rules govern the Authority’s procedures for the procurement of construction contracts through a low-bid procedure, and are intended to apply mainly to smaller scale construction projects that do not involve complete construction of a new school facility. Accordingly, the rules are intended to complement, not supplant, the Authority’s other procurement paradigms of “price and other factors” construction procurement, under Authority rules formerly codified at N.J.A.C. 19:38B and currently proposed for adoptions as new

rules (see 45 N.J.R. 112(a)); and design-build procurement processes pursuant to design-build procurement rules codified N.J.A.C. 19:36. As this notice of proposed readoption with amendments was submitted to the Office of Administrative Law prior to the chapter expiration date, that date is extended 180 days, to November 11, 2013, pursuant to N.J.S.A. 52:14B-5.1.c(2).

The Authority has reviewed Chapter 38 and has determined that it remains adequate, reasonable, and necessary for the purposes for which it was originally promulgated, with the addition of the proposed amendments.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Chapter 38 consists of five subchapters, summarized as follows:

Subchapter 1 sets forth the applicability of the chapter and provides definitions of key words and terms.

Subchapter 2 sets forth the requirement that only firms that hold a valid Notice of Prequalification issued by the Corporation in accordance with the prequalification rules, N.J.A.C. 19:38A, will be permitted to bid on school facilities projects and that all firms must be prequalified on the date of the Project Rating Proposal (PRP) submission and the date of the Price Proposal submission.

Subchapter 3 establishes the requirements for bid submission for firms intending to bid on a school facilities project.

Subchapter 4 provides procedures for challenges to actions of the Corporation in issuing Project Ratings, issuing contract documents, or accepting Price Proposals.

Subchapter 5 provides the procedure for the award of contracts by the Authority.

A section-by-section description of the rules proposed for readoption and the proposed amendments to the chapter follows.

Chapter Heading

The Authority has proposed to change the heading of the chapter from “Procedures For Bidding for the New Jersey Schools Construction Corporation’s School Facilities Projects for the Schools Construction Program” to “Procedures for Low-Bid Procurement of Construction Contracts for School Facilities Projects” to reflect the abolition of the NJSCC and to reflect that the procedures for “low-bid” procurement through award to the “lowest responsible bidder” are in addition to other procurement procedures for “design-build” and “price and other factors” procurement of construction contracts for school facilities projects, pursuant to rules currently codified at N.J.A.C. 19:36 and proposed rules currently pending as N.J.A.C. 19:38B.

Subchapter 1. General Provisions

N.J.A.C. 19:38-1.1 Applicability

This section, regarding the applicability of this chapter, has been proposed for readoption with amendments to replace references to “Corporation” with references to “Authority.”

N.J.A.C. 19:38-1.2 Definitions

This section sets forth the meaning of the words and terms used throughout this chapter. Amendments to the section include changes to previously defined terms, the addition of new terms, and the deletion of terms and definitions rendered obsolete by the proposed amendments, as set forth below.

New definitions include:

“Act,” or EFCFA, which refers to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 52:18A-1 et seq.) as amended, and P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.); and

“Authority” or “SDA,” which reflects the creation of a new governmental entity by P.L. 2007, c. 137 as the successor to the New Jersey Schools Construction Corporation, which was simultaneously abolished in that same legislation. Accordingly, throughout N.J.A.C. 19:38, references to “Corporation” and “SCC” have been replaced, where appropriate, with references to the “Authority” and “SDA.”

The following definitions have been amended:

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"Aggregate Rating," which is amended to replace references to the now-abolished New Jersey Schools Construction Corporation with references to its successor entity, the New Jersey Schools Development Authority;

"Bid advertisement," which is amended to replace the reference to "Corporation" with "Authority" and to replace reference to the repealed statutes authorizing the NJSCC's procurement of construction contracts, with reference to N.J.S.A. 52:18A-243.h, which governs the Authority's procurement of construction contracts;

"Bid documents," which is amended to replace the reference to "Corporation" with "Authority";

"Contract," which is amended to replace the reference to "Corporation" with "Authority";

"Grant funded district," which is amended to replace the reference to "Corporation" with "Authority";

"Instructions to Bidders," which is amended to replace the reference to "Corporation" with "Authority";

"Notice of Prequalification," which is amended to replace the reference to "Corporation" with "Authority";

"Prequalification," which is amended to replace the reference to "Corporation" with "Authority";

"Project management firm," which is amended to replace the reference to "Corporation" with "Authority";

"Project Rating Proposal," which is amended to replace the reference to "Corporation" with "Authority"; and

"Schools Construction Program," which is amended to replace the reference to "the EFCFA" with "the Act," for consistency.

The following definition was deleted:

"Corporation," which referred to the now-defunct New Jersey Schools Construction Corporation.

Subchapter 2. Necessity for Prequalification**N.J.A.C. 19:38-2.1 Necessity for Prequalification**

This section is amended to replace references to "Corporation" with references to "Authority."

Subchapter 3. Requirements for Bidding**N.J.A.C. 19:38-3.1 Contents of the bid**

This section is amended to replace a reference to EFCFA with "the Act," and to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.2 Fraudulent statements

This section is proposed for readoption without amendment.

N.J.A.C. 19:38-3.3 Submission of Project Rating Proposal

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.4 Calculation of the Project Rating

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.5 Determination of Project Rating

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.6 Submission of Price Proposal

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.7 Special project rating and price proposal requirements

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.9 Multiple bids

This section is amended to replace references to "Corporation" with references to "Authority."

OTHER AGENCIES**N.J.A.C. 19:38-3.10 Withdrawal or substitution of bid prior to bid opening**

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-3.11 Irregular bids

This section is amended to replace references to "Corporation" with references to "Authority."

Subchapter 4. Hearing Procedures Protest**N.J.A.C. 19:38-4.1 Scope and purpose**

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-4.2 Bid protests, hearing procedures, time limitations

This section is amended to replace references to "Corporation" with references to "Authority."

N.J.A.C. 19:38-4.3 Hearing procedures

This section is amended to replace references to "Corporation" with references to "Authority."

Subchapter 5. Award of Contracts**N.J.A.C. 19:38-5.1 Contracts**

This section is amended to replace references to "Corporation" with references to "Authority."

Social Impact

The rules proposed for readoption with amendments establish the standards and procedures for the Authority's "low bid" procurement of contracts for the construction of school facilities projects. The rules should establish public confidence that all contractors bidding on schools facilities projects are bidding in conformity with fixed, published procedures to ensure quality and integrity in the bidding process and to provide clear methods for contractors to resolve any objections or disputes regarding the bidding process, with fairness and expediency.

Upon readoption, the rules will continue to affect those construction companies that would bid on contracts for the construction of new school facilities projects. There is no change in the social impact in that social conditions affected by the rules have not changed since the original promulgation of the rules.

Economic Impact

The economic impact of the rules proposed for readoption with amendments has not changed since original promulgation of the rules. The Authority has no current way of estimating the costs of the rules proposed for readoption, though the economic impact of the rules is expected to be limited to those firms that choose to participate in the Authority's future school facility construction procurements, as the rules outline the bidding process for construction contracts awarded on a "responsible low bidder" basis. If the rules are not readopted, the Authority would be unable to procure construction contracts on a traditional low-bid basis pursuant to valid rules. The rules establish a bidding process which entails certain incidental costs associated with the preparation and submission of price proposals. Such costs may include professional staff time associated with preliminary planning, as well as the costs associated with the production and reproduction of plans and specifications in preparation of price proposals. The construction activities to be procured are to be funded with the State share of the eligible costs of a school facilities project, which may be funded with State contract bonds issued by the New Jersey Economic Development Authority pursuant to section 25 of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.), as amended, the payment of which is conditioned on appropriations being made by the Legislature. Additional activity in the construction, planning, architecture, and engineering professions may directly result from these rules, providing State-wide economic benefits in the short term. This economic information should be beneficial to all private firms wishing to provide services to the Authority in the construction of new school facilities.

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The Authority will incur direct and indirect costs for advertisement of procurements, and will incur staff and administrative expense arising from the preparation of bid documents for such procurements, the evaluation of the submittals received, and the award of contracts and agreements.

Federal Standards Statement

The rules proposed for readoption with amendments implement a State statute, specifically P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.). There are no Federal standards or requirements applicable to these rules. A Federal standards analysis, therefore, is not required.

Jobs Impact

The rules proposed for readoption with amendments establish the Authority’s process for “low bid” procurement of construction services. Thus, to the extent the rules have an effect on jobs, it will be to create jobs in New Jersey, primarily in the construction, consulting, and service sectors, rather than eliminate positions.

Agriculture Industry Impact

The rules proposed for readoption with amendments will have no direct impact on the agriculture industry. However, implementation of the rules with respect to the Authority’s activities in selection and acquisition of proposed school facility sites will be coordinated with the Farmland Preservation Program.

Regulatory Flexibility Analysis

The rules proposed for readoption with amendments impose some compliance requirements on small businesses as the term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but only for those small businesses that choose to seek the award of contract with the Authority for the construction of school facilities projects. The rules proposed for readoption with amendments outline the criteria and procedures the Authority will apply to the bidding process for construction contracts. The rules proposed for readoption with amendments specify that bidders of construction services be prequalified by the Authority, a requirement that is imposed by public contracting provisions set forth in N.J.S.A. 52:18A-235 et seq. As implemented by the Authority, all firms seeking prequalification will be required to submit audited financial statements, a cost which these firms might not otherwise need to incur; in the interests of financial probity, however, no exemption for small businesses would be warranted. Aside from these requirements and those for performance security and insurance, the rules should impose no costs upon bidders beyond those normally incurred in the course of contracting in their respective business areas. No lesser requirements or exemptions are provided for small businesses as the requirements imposed are considered the minimum necessary to ensure that the awarding of contracts is a fair, open, and competitive process.

Housing Affordability Impact Analysis

The rules proposed for readoption with amendments address the requirements and the process for the procurement of construction contracts for school facilities projects and, therefore, will not have an impact on affordable housing or evoke a change in the average costs of housing in the State of New Jersey.

Smart Growth Development Impact Analysis

The rules proposed for readoption with amendments govern the process by which the Authority procures construction contracts, and thus the rules will have no impact on housing production because the scope of the rules is minimal, and because it is extremely unlikely that the rules would evoke a change in the average price or availability of housing in the State of New Jersey or would in any way affect new construction in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 19:38.

Full text of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

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CHAPTER 38

[PROCEDURES FOR BIDDING FOR THE NEW JERSEY SCHOOLS CONSTRUCTION CORPORATION’S SCHOOL FACILITIES PROJECTS FOR THE SCHOOLS CONSTRUCTION PROGRAM]
PROCEDURES FOR LOW-BID PROCUREMENT OF CONSTRUCTION CONTRACTS FOR SCHOOL FACILITIES PROJECTS

SUBCHAPTER 1. GENERAL PROVISIONS

19:38-1.1 Applicability

This chapter applies to all construction contracts with the New Jersey Schools [Construction Corporation] **Development Authority**, except for design-build contracts. “Design-build contract” means a written contract, entered into between a contractor and the [Corporation] **Authority**, which provides both for construction services and for the performance of architectural services by an architect retained by the contractor pursuant to a separate written contract.

19:38-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise:

“**Act**” or “**EFCFA**” means the **Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.), as amended, and P.L. 2007, c. 137.**

...

“**Aggregate Rating**” means the limit of the outstanding dollar value of all contracts, public and private, which a firm may perform at a given time as assigned by the [New Jersey Schools Construction Corporation’s] **Authority’s** Notice of Prequalification in effect at the time of the contractor’s bid, which shall be identical to that which is assigned by the New Jersey Department of Treasury, Division of Property Management and Construction. Should the Division of Property Management and Construction modify a firm’s aggregate rating after the [Corporation] **Authority** has issued a Notice of Prequalification, the Aggregate Rating issued by the [Corporation] **Authority** is considered modified to be identical to that of the Division of Property Management and Construction.

“**Authority**” or “**SDA**” means the **New Jersey Schools Development Authority, an entity formed pursuant to P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.), as successor to the New Jersey Schools Construction Corporation. The Authority is statutorily charged with undertaking and funding school facilities projects, pursuant to the Act.**

...

“**Bid advertisement**” means the advertisement by the New Jersey Schools [Construction Corporation] **Development Authority** setting forth the information as required by N.J.S.A. [34:1B-5.7] **52:18A-243.h** and shall be part of the contract documents.

“**Bid documents**” means the bid advertisement, the project manual, general conditions, supplemental conditions, plans, specifications, scopes of work, Instructions to Bidders, addenda, form of Project Rating Proposal, form of Price Proposal, and any other documents provided to the bidder by the [Corporation] **Authority** prior to the submission of the Price Proposal.

“**Contract**” means the entire and integrated agreement between the firm and the New Jersey Schools [Construction Corporation] **Development Authority** encompassing all of the contract documents.

...

[“**Corporation**” means the New Jersey Schools Construction Corporation.]

...

“**Grant funded district**” means a district which receives funding for a school facilities project from the [Corporation] **Authority** pursuant to section 15 of EFCFA, N.J.S.A. 18A:7G-15.

“**Instructions to Bidders**” means that portion of the bid and contract documents setting forth the requirements and procedures for bidding on [a Corporation] **an Authority** project.

...

“**Notice of Prequalification**” means the letter from the [Corporation] **Authority** issuing the firm its prequalification.

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“Prequalification” means the process and product of being approved by the [Corporation] **Authority** to perform work in a given trade and within a given aggregate limit on school facilities packages and grant funded projects.

“Project management firm” or “PMF” means the firm engaged by the [Corporation] **Authority** to provide overall construction management services, oversight, direction, coordination, and reporting in connection with school facilities projects.

“Project Rating Proposal” means that part of the bid to be submitted by the firm for issuance by the [Corporation] **Authority** of the Project Rating.

“Schools Construction Program” or “School Program” means the over-all program mandated by the [EFCFA] **Act** for the design, renovation, repair, and new construction of primary and secondary public schools throughout the State, through the implementation of school facilities projects.

SUBCHAPTER 2. NECESSITY FOR PREQUALIFICATION

19:38-2.1 Necessity for Prequalification

(a) Only those firms holding a valid Notice of Prequalification issued by the [Corporation] **Authority** in accordance with the procedures in N.J.A.C. 19:38A shall be eligible to bid for work on a school facilities package. A firm’s prequalification must be valid on the due date for the submission of the Project Rating Proposal and on the due date for the submission of the Price Proposal.

(b) The [Corporation] **Authority** may establish appropriate and special prequalification requirements as may be necessary in order to ensure competitive bidding on any and all school facilities projects or as may be dictated by the unique or specialized nature of the work to be performed.

SUBCHAPTER 3. REQUIREMENTS FOR BIDDING

19:38-3.1 Contents of the bid

(a) A bid consists of two separate proposals:

1. The first proposal is the Project Rating Proposal, which consists of information regarding the “other factors” as defined in the [EFCFA] **Act** which will be evaluated by the [Corporation] **Authority**. The [Corporation] **Authority** will determine a firm’s Project Rating based on this Proposal. A firm may not submit a Project Rating Proposal prior to the effective date of the firm’s prequalification. If, in the prior 24-month period, a firm has been assigned a Project Rating, the firm may so indicate on the signed Project Rating Proposal submitted for each project and may request that the [Corporation] **Authority** apply the prior Project Rating to the current bid, provided that the firm certifies that there has been no change regarding safety, prevailing wage record, or its [Corporation] **Authority** Project Evaluation Record, since the prior Project Rating was assigned.

2. (No change.)

19:38-3.3 Submission of Project Rating Proposal

(a) The Project Rating Proposal shall be delivered by the firm to the [Corporation] **Authority** at the hour, date, and place specified in the bid advertisement as may be modified by addendum. Project Rating Proposals will be accepted only from firms currently prequalified with the [Corporation] **Authority** in accordance with N.J.A.C. 19:38A.

(b) (No change.)

(c) The [Corporation] **Authority** shall examine the Project Rating Proposal and all documents required to be submitted with the Project Rating Proposal for completeness and conformity with bidding requirements. If the [Corporation] **Authority** determines that a Project Rating Proposal received for a school facility package must be rejected as being non-responsive, it shall notify the firm in writing of the rejection of its Project Rating Proposal and the reason for the rejection within 10 business days of the receipt of the Project Rating Proposal unless there are circumstances that require additional time.

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19:38-3.4 Calculation of the Project Rating

(a) Firms shall supply the information required for the calculation of a Project Rating in the trade for which the firm is seeking a Project Rating. The Project Rating shall be based on the following factors:

1.-3. (No change.)

4. The firm’s [corporation] **Authority** project evaluation record; and

5. Other information deemed relevant by the [Corporation] **Authority**.

19:38-3.5 Determination of Project Rating

(a) (No change.)

(b) Reference Adjustment Calculation: A firm will be required to list in its Project Rating Proposal a minimum of two projects completed within the past seven years. The firm shall also provide project contacts for those projects. The [Corporation] **Authority** shall select, at its discretion, two projects to be confirmed and shall contact the owner’s contact identified by the firm. If the [Corporation] **Authority** cannot contact an owner’s contact, the [Corporation] **Authority** will contact the firm for another owner’s contact for that project. If the firm is unable to provide an additional owner’s contact, or if the [Corporation] **Authority** is unable to contact the additional owner’s contact provided by the firm, the [Corporation] **Authority** will not use that project in the determination of the firm’s Project Rating. The [Corporation] **Authority** will confirm the firm’s performance on the job and assign a percentage value to the responses received. Project contacts will be asked if the performance in each of the following seven categories “exceeded expectations,” “met expectations,” or fell “below expectations” and the [Corporation] **Authority** will assign to the response the percentage adjustment listed below:

	Exceeded Expectations	Met Expectations	Below Expectations
Safety	+5 percent	+3 percent	-5 percent
Quality of the construction.	+5 percent	+2 percent	-5 percent
Timeliness of the work performed.	+2 percent	+1 percent	-2 percent
Efficiency of the firm’s contract administration.	+2 percent	+1 percent	-2 percent
Supervision of subcontractors.	+2 percent	+1 percent	-2 percent
Firm’s level of cooperation during construction.	+2 percent	+1 percent	-2 percent
Timeliness and efficiency of punch list work corrections.	+2 percent	+1 percent	-2 percent

1. If an owner’s contact rates a firm “below expectations” in either safety or quality of construction, or if the project reference adjustment is -5 or lower, the [Corporation] **Authority** will not use that project in the determination of the firm’s Project Rating.

2. The [Corporation] **Authority** will total the project reference adjustments together and the sum shall be the Reference Adjustment. This Reference Adjustment shall be used as “B” in the calculation of the firm’s Project Rating in (a) above.

(c) Bidders shall provide mandatory safety information as follows:

1. The firm will be required to list its most recent New Jersey Workers Compensation Insurance Experience Modification Rate (NJEMR) on its Project Rating Proposal. For any firm that has not performed work in New Jersey prior to the submission of this Project Rating Proposal, or for which the NJEMR has not been calculated, the firm will be required to submit its most recent Experience Modification Rate (EMR) for all other States for which it has performed work. The [Corporation] **Authority** will then calculate the average of the other states’ EMRs. Where appropriate, the firm’s NJEMR or its average EMR as calculated by the

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[Corporation] **Authority** will be assigned a percentage value as listed below:

EMR is less than or equal to .80	+30 percent
EMR is greater than .80 but less than or equal to .90	+20 percent
EMR is greater than .90 but less than or equal to 1.00	+10 percent
EMR is greater than 1.00 but less than or equal to 1.10	-10 percent
EMR is greater than 1.10 but less than or equal to 1.20	-20 percent
EMR is greater than 1.20	-40 percent

2. (No change.)

(d) Prevailing Wage: The firm will be required to list its prevailing wage record with the New Jersey Department of Labor and Workforce Development on its Project Rating Proposal. The [Corporation] **Authority** will assign a prevailing wage percentage value as listed below:

The firm has been adjudicated as having committed the following prevailing wage rate violations during the past five years:

None	0 percent
One	-10 percent
More than one	-20 percent

This percentage value shall be the Prevailing Wage Adjustment. The Prevailing Wage Adjustment shall be used as "D" in the calculation of the firm's Project Rating in (a) above.

(e) Project Evaluations: Every construction project managed by the [Corporation] **Authority** will be evaluated by two evaluators for the following: quality of work; scheduling; management; cost control and change orders; safety and industrial hygiene; subcontractors; small business goals; and close-out.

1.-2. (No change.)

3. The [Corporation] **Authority** will assign a Project Evaluation Performance Multiplier as listed below:

<u>Performance Evaluation Summary Rating</u>	<u>Performance multiplier</u>
80 points or higher	1.00
70 points to 79.9 points	.50
69.9 points or lower	.25

This Performance Multiplier shall be used as "E" in the calculation of the firm's Project Rating. In the event that a contractor does not have a Performance Evaluation Summary Rating, the [Corporation] **Authority** will disregard the Performance Multiplier in the calculation of the firm's Project Rating in (a) above.

19:38-3.6 Submission of Price Proposal

(a) Price Proposals will be received at the time, date, and place specified in the bid advertisement as may be modified by addendum. Price Proposals will be accepted only from firms currently prequalified with the [Corporation] **Authority** and which have submitted a Project Rating Proposal in accordance with the Instructions to Bidders and this chapter.

(b) An officer or employee of the [Corporation] **Authority** will open each bid session as near to the time specified in the advertisement as is practical. The [Corporation] **Authority** representative will announce the school facilities packages on which bids are being received during that bid session. The [Corporation] **Authority** representative will then declare the bidding closed. No bids will be accepted after the bidding has been closed.

(c) (No change.)

(d) Unless otherwise directed by the [Corporation] **Authority**, each Price Proposal shall be accompanied by a bid proposal bond in an amount

equal to or greater than 10 percent of the bid price. Each bid bond shall reference the package to which it applies.

1. Bid bonds shall comply with the requirements of this chapter and relevant State statutes. Bid bonds covering [corporation] **Authority** packages shall be issued only in accordance with N.J.S.A. 2A:44-143 through 147 to the contractor and shall indicate aggregate bonding limits; by companies listed in the current United States Treasury Department Circular 570, which Circular will establish the underwriting limitation for any one risk.

2.-3. (No change.)

(e) The [Corporation] **Authority** shall examine all the Price Proposals and all documents required to be submitted with the Price Proposals for completeness, conformity with requirements and mathematical accuracy. Adjustments will be made by the [Corporation] **Authority** where necessary to establish the correct total bid amount. If the [Corporation] **Authority** determines that a Price Proposal received for a school facility package must be rejected as being non-responsive, it shall notify the firm in writing of the rejection of its Price Proposal as being non-responsive and the reason for the rejection within 10 business days of the receipt of Price Proposals, unless there are circumstances that require additional time.

(f) (No change.)

19:38-3.7 Special project rating and price proposal requirements

With respect to N.J.A.C. 19:38-3.5 and 3.6, the [Corporation] **Authority** may establish appropriate and special requirements and/or waive requirements as may be necessary in order to ensure competitive bidding on any and all school facilities projects or as may be dictated by the unique and specialized nature of the work to be performed.

19:38-3.8 Requirements to bid within a firm's Aggregate Rating and Project Rating

(a) (No change.)

(b) A firm shall not submit a Price Proposal which causes the total outstanding amount of all of its existing contracts, as defined in the [Corporation] **Authority** backlog form, both public and private, to exceed its Aggregate Rating.

(c) A firm shall include with its Price Proposal a completed [Corporation] **Authority** backlog form, which is a statement of the current value and status of its backlog of uncompleted construction work as of the Price Proposal due date and certification that the award of the subject schools facilities package will not cause the firm to exceed its Aggregate Rating.

(d)-(e) (No change.)

(f) A firm shall not be awarded a school facilities package which, when added to the backlog of uncompleted construction work as defined in and shown on the completed [Corporation's] **Authority's** backlog form, would exceed the firm's Aggregate Rating. The backlog of uncompleted construction work shall be the total contract value of unbilled work, as evidenced by the most recent approved invoice (or other similar documentation) received by the firm before the date of the Price Proposal.

(g) (No change.)

19:38-3.9 Multiple bids

(a) A firm may submit multiple bids when the sum of the bids exceeds the firm's aggregate rating; however, a firm may not enter into any contracts in excess of its Aggregate Rating as set forth on the [Corporation's] **Authority's** backlog form submitted with the Price Proposal. Upon receipt of multiple bids, the [Corporation] **Authority**, at its sole discretion, shall determine which contract or contracts are to be awarded to such firm within the firm's aggregate rating.

(b) If a bidder submits bids on two or more packages at the same bid session, that bidder must have a current Aggregate Rating greater than or equal to the combined amount of its bids, unless a reservation has been placed in each bid limiting the maximum gross amount of awards acceptable to the bidder at that particular bid letting. If such reservations are placed in the bids, the [Corporation] **Authority** will select which contract or contracts are to be awarded to such bidder within the maximum gross amount reserved.

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19:38-3.10 Withdrawal or substitution of bid prior to bid opening
 A firm may withdraw a bid or substitute a bid with another by submitting a letter to the [Corporation] **Authority** prior to the bid opening. The withdrawal or substitution shall include the name of the firm, the date and time of the original Project Rating Proposal and Price Proposal, the name of a principal of the firm responsible for the action, and the action to be taken.

19:38-3.11 Irregular bids
 (a) Bids will be considered irregular and may be rejected for failure to comply with the bid and contract documents for reasons that may include, but are not limited to, the following:

1. If the bid is on a form other than that furnished by the [Corporation] **Authority** or if the form is altered or any part thereof is detached or incomplete;

2.-4. (No change.)

5. If the bid contains any provisions reserving the right to accept or reject an award, or in any way submits a contingent bid to enter into a contract pursuant to any award. The prohibition does not include a reservation limiting the maximum gross amount of awards acceptable to any one bidder at any one bid letting. However, the [Corporation] **Authority** will make the selection of which contract or contracts are to be awarded to such bidder within the maximum gross amount reserved;

6. If the bid contains any alterations to any prices or amounts that have been established by the [Corporation] **Authority** in the bid and contract documents;

7.-8. (No change.)

9. If the firm fails to acknowledge addenda, letters, and other notices required to be acknowledged that have been sent by the [Corporation] **Authority** or the PMF;

10.-12. (No change.)

13. If the [Corporation] **Authority** deems it advisable to do so in the interest of the State or the public interest.

SUBCHAPTER 4. HEARING PROCEDURES PROTEST

19:38-4.1 Scope and purpose

(a) This subchapter sets forth the procedures that govern challenges to an action of the [Corporation] **Authority** in the issuance of a Project Rating, in the issuance of a bid advertisement or an issuance of proposed contract documents, or to the acceptance of a Price Proposal for school facilities packages.

(b) (No change.)

19:38-4.2 Bid protests, hearing procedures, time limitations

(a) A challenge to the following actions of the [Corporation] **Authority** shall be made as follows:

1. Project Rating: If a firm is dissatisfied with its Project Rating, the firm must submit a written protest to the Managing Director of Procurement, setting forth all arguments, materials, or other documents that may support the protestor's position and a statement as to whether the protestor requests the opportunity for an informal hearing.

i. If the Project Rating Proposal is received by the [Corporation] **Authority** more than 10 days prior to the date for submission of the Price Proposal, the written request must be received by the [Corporation] **Authority** within five calendar days after the date of the notification of the firm's Project Rating.

ii. If the Project Rating Proposal is received by the [Corporation] **Authority** less than 10 days prior to the date for the submission of the Price Proposal, but not on the same day as the submission of the Price Proposal, the written request must be received by the [Corporation] **Authority** at least three business days prior to the date for submission of the Price Proposal.

iii. If the Project Rating Proposal is received by the [Corporation] **Authority** on the same day as the Price Proposal, the written request must be received by the [Corporation] **Authority** within five days of the receipt of both the Project Rating Proposal and the Price Proposal.

2. Bid and Contract Documents: A firm intending to submit a Price Proposal for a school facilities project and objecting to a requirement of the bid and/or contract documents must submit a written protest to the Managing Director of Procurement at least three business days prior to

OTHER AGENCIES

the opening of the Price Proposals, setting forth in detail the grounds for such protest. The protest must contain all arguments, materials, or other documents that may support the protestor's position. The [Corporation] **Authority** may disregard any protest of bid and contract documents, which is filed less than three business days prior to the scheduled Price Proposal opening or which fails to provide the specific reasons for and arguments supporting the protest.

3. (No change.)

19:38-4.3 Hearing procedures

(a) Hearing procedures shall be as follows:

1. The [Corporation] **Authority**, in its sole discretion, shall determine whether to grant the opportunity for an informal hearing regarding a bid protest. Informal hearings are for fact-finding purposes for the benefit of the [Corporation] **Authority** and the [Corporation] **Authority** shall have the sole discretion as to requesting or requiring a hearing. Alternatively, the [Corporation] **Authority** may determine that sufficient information already exists in the record so that a decision may be made without a hearing and the [Corporation] **Authority** may waive the hearing and issue a final agency decision accordingly. In the event that the [Corporation] **Authority** determines that a hearing is not necessary, a written decision will be issued by the [Corporation] **Authority** within 48 hours of receipt of all documents related to said protest.

2.-3. (No change.)

SUBCHAPTER 5. AWARD OF CONTRACTS

19:38-5.1 Contracts

(a) The [Corporation] **Authority** will send the successful firm a Notice of Award letter. The Notice of Award letter shall contain a list of the additional documents required to be submitted by the contractor with the executed contract. The [Corporation] **Authority** will specify the time within which the executed contract and required documents must be returned.

(b) (No change.)

(c) If the contractor fails to return the executed contract and bonds and other required documents within the time specified by the [Corporation] **Authority**, the [Corporation] **Authority** may take whatever action is appropriate and authorized by law and by the contract documents, including, but not limited to, proceeding to recover under the bid bond.

(d) After execution by the [Corporation] **Authority**, a copy of the signed contract will be sent to the contractor.

(a)

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program

Proposed Readoption with Amendments: N.J.A.C. 19:38A

Authorized By: New Jersey Schools Development Authority, Marc Larkins, Chief Executive Officer.

Authority: P.L. 2007, c. 137, § 4k (N.J.S.A. 52:18A-238k) (rulemaking authority); P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c. 137, (N.J.S.A. 52:18A-235 et seq.); N.J.S.A. 52:34-9.3 (enabling statutes).

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-108.

Submit written comments by August 30, 2013 to:

Cecelia Haney, Administrative Practice Officer
 New Jersey Schools Development Authority
 PO Box 991
 Trenton, NJ 08625-0991

The agency proposal follows:

Resolution—6g.

Final Adoption Without Change: Title 19, Chapter 38
Procedures for Low-Bid Procurement of Construction Contracts For School
Facilities Projects, N.J.A.C. 19:38

Resolution

WHEREAS, N.J.A.C. 19:38, as adopted by the New Jersey Schools Development Authority (“SDA” or “the Authority”) sets forth Procedures for Low-Bid Procurement of Construction Contracts for School Facilities Projects for the schools construction program (“Chapter 38” or “the Rules”); and

WHEREAS, on May 10, 2013, the Members of the Authority approved for proposal and publication the re-adoption with technical amendment of the Rules; and

WHEREAS, the memorandum presented to the Board on this date and incorporated herein details the prior regulatory history of the Rules and a description of the Rules and technical amendments thereto; and

WHEREAS, a sixty (60) day public comment period was provided upon publication of the Rules in July 2013 and no comments were received, with the comment period ending on August 30, 2013; and

WHEREAS, the Members of the Authority have reviewed the memorandum and the Rules presented to the Board on this date; and

WHEREAS, SDA management recommends the Members’ approval to proceed with completion of the formal adoption of the Rules, which requires filing of a Notice of Adoption with the Office of Administrative Law and subsequent publication of the final approved Rules and Notice of Adoption in the New Jersey Register.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the memorandum presented to the Board on this date, the Members of the Authority hereby authorize and approve the completion of the adoption process for Title 19, Chapter 38, Procedures for Low-Bid Procurement of Construction Contracts For School Facilities Projects, the filing of same with the New Jersey Office of Administrative Law and publication of the final approved Rules and Notice of Adoption in the New Jersey Register.

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, Final Adoption Without Change: Title 19, Chapter 38, Procedures for
Low-Bid Procurement of Construction Contracts For School Facilities Projects,
N.J.A.C. 19:38, dated November 6, 2013

Dated: November 6, 2013

**FINAL ADOPTION WITHOUT CHANGE: TITLE 19, CHAPTER 38A - PROCEDURES FOR
PREQUALIFICATION OF CONTRACTORS AND PROFESSIONAL SERVICES CONSULTANTS FOR THE
NEW JERSEY SCHOOLS CONSTRUCTION PROGRAM, N.J.A.C. 19:38A**



1 WEST STATE STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955

MEMORANDUM

TO: Members of the Authority

FROM: Jane Kelly, Vice President
Division of Corporate Governance and Operations

DATE: November 6, 2013

RE: Final Adoption Without Change: Title 19, Chapter 38A
Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program, N.J.A.C. 19:38A

On May 10, 2013, the Members of the New Jersey Schools Development Authority (“Authority” or “SDA”) approved for proposal and publication the readoption with technical amendments of Rules at Title 19, Chapter 38A, Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program..

Management of the Authority now seeks the Members’ approval to formally adopt the Rules as previously approved for proposal and publication. The text of the Rules to be adopted has not changed since the Board’s initial approval on May 10, 2013, with the exception of minor edits suggested by the Office of Administrative Law prior to publication. The proposed Adoption Notice for the Rules is attached hereto, along with the Rules as published in the New Jersey Register.

Prior Regulatory History

Chapter 38A was originally adopted by the NJSCC on May 15, 2006, and was scheduled to expire on May 15, 2013. Upon submission of the readoption proposal to the Office of Administrative Law, the expiration period was extended by 180 days, until November 11, 2013.

The proposed Rules appeared in the New Jersey Register on July 1, 2013 at 45 N.J.R. 1597(a), and were subject to a sixty (60) day public comment period. The official comment period ended August 30, 2013. No comments were received. Accordingly, the form of the Rules has not changed from the original proposal as published in the Register.

Description of Rules and Technical Amendments

The Rules address the procedures for prequalification of contractors, subcontractors, professional services consultants and subconsultants seeking to participate in school facilities projects, and further set forth the requirements and standards for prequalification, grounds for denial or revocation of prequalification, and protest and appeal procedures for the prequalification process. The Rules are intended to insure that only qualified contractors and professional services consultants possessing the

requisite moral integrity are permitted to engage in providing construction, professional services, and other goods and services for school facilities projects.

The Rules were proposed for readoption with technical amendments to reflect the abolition of the New Jersey Schools Construction Corporation (“Corporation” or “NJSCC”) and the creation of the New Jersey Schools Development Authority (“Authority” or “SDA”) by P.L. 2007, c. 137, § 13 (N.J.S.A. 52:18A-247), which transferred all functions, powers and duties of the former NJSCC to the Authority, and decreed that statutory and regulatory references to the NJSCC shall mean and refer to the Authority.

Additionally, other amendments update references to the statutory authority for contractor and consultant prequalification, N.J.S.A. 18A:7G-26, 18A:7G -33 through -35, (regarding contractor prequalification), and N.J.S.A. 52:34-9.3 (regarding consultant prequalification).

Requested Board Action

The Members of the Authority are requested to approve completion of the adoption process for these Rules, which requires filing the attached Notice of Adoption with the Office of Administrative Law, and subsequent publication of the final approved Rules and Notice of Adoption in the New Jersey Register.

/s/ Jane F. Kelly

Jane F. Kelly, Vice President
Corporate Governance & Operations

Prepared by Cecelia Haney, Senior Counsel

JFK/ceh

OTHER AGENCIES

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program

Proposed Readoption with Technical Amendments: N.J.A.C. 19:38A

Proposed: July 1, 2013 at 45 N.J.R. 1597(a)

Adopted: DATE by the New Jersey Schools Development Authority,

Marc Larkins, Chief Executive Officer

Filed: [DATE] as R. 2013 d.____, **without change**.

Authority: P.L. 2007, c.137, § 4k (N.J.S.A. 52:18A-238k) (rulemaking authority); P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c.137, (N.J.S.A. 52:18A-235 et seq.); N.J.S.A. 52:34-9.3 (enabling statutes)

Effective date: [PUBLICATION DATE], 2013;

Expiration date: [PUBLICATION DATE], 2020.

Federal Standards Statement

The readopted Rules with amendments implement State statutes, specifically, N.J.S.A. 18A:7G-33 to -35; N.J.S.A. 52:34-9.3 and P.L. 2007, c.137, (N.J.S.A. 52:18A-235 et seq.). There are no Federal standards or requirements applicable to these Rules. A Federal standards analysis, therefore, is not required.

Full text of the adoption follows:

PROPOSALS

19:38-3.10 Withdrawal or substitution of bid prior to bid opening
 A firm may withdraw a bid or substitute a bid with another by submitting a letter to the [Corporation] **Authority** prior to the bid opening. The withdrawal or substitution shall include the name of the firm, the date and time of the original Project Rating Proposal and Price Proposal, the name of a principal of the firm responsible for the action, and the action to be taken.

19:38-3.11 Irregular bids
 (a) Bids will be considered irregular and may be rejected for failure to comply with the bid and contract documents for reasons that may include, but are not limited to, the following:

1. If the bid is on a form other than that furnished by the [Corporation] **Authority** or if the form is altered or any part thereof is detached or incomplete;

2.-4. (No change.)

5. If the bid contains any provisions reserving the right to accept or reject an award, or in any way submits a contingent bid to enter into a contract pursuant to any award. The prohibition does not include a reservation limiting the maximum gross amount of awards acceptable to any one bidder at any one bid letting. However, the [Corporation] **Authority** will make the selection of which contract or contracts are to be awarded to such bidder within the maximum gross amount reserved;

6. If the bid contains any alterations to any prices or amounts that have been established by the [Corporation] **Authority** in the bid and contract documents;

7.-8. (No change.)

9. If the firm fails to acknowledge addenda, letters, and other notices required to be acknowledged that have been sent by the [Corporation] **Authority** or the PMF;

10.-12. (No change.)

13. If the [Corporation] **Authority** deems it advisable to do so in the interest of the State or the public interest.

SUBCHAPTER 4. HEARING PROCEDURES PROTEST

19:38-4.1 Scope and purpose

(a) This subchapter sets forth the procedures that govern challenges to an action of the [Corporation] **Authority** in the issuance of a Project Rating, in the issuance of a bid advertisement or an issuance of proposed contract documents, or to the acceptance of a Price Proposal for school facilities packages.

(b) (No change.)

19:38-4.2 Bid protests, hearing procedures, time limitations

(a) A challenge to the following actions of the [Corporation] **Authority** shall be made as follows:

1. Project Rating: If a firm is dissatisfied with its Project Rating, the firm must submit a written protest to the Managing Director of Procurement, setting forth all arguments, materials, or other documents that may support the protestor's position and a statement as to whether the protestor requests the opportunity for an informal hearing.

i. If the Project Rating Proposal is received by the [Corporation] **Authority** more than 10 days prior to the date for submission of the Price Proposal, the written request must be received by the [Corporation] **Authority** within five calendar days after the date of the notification of the firm's Project Rating.

ii. If the Project Rating Proposal is received by the [Corporation] **Authority** less than 10 days prior to the date for the submission of the Price Proposal, but not on the same day as the submission of the Price Proposal, the written request must be received by the [Corporation] **Authority** at least three business days prior to the date for submission of the Price Proposal.

iii. If the Project Rating Proposal is received by the [Corporation] **Authority** on the same day as the Price Proposal, the written request must be received by the [Corporation] **Authority** within five days of the receipt of both the Project Rating Proposal and the Price Proposal.

2. Bid and Contract Documents: A firm intending to submit a Price Proposal for a school facilities project and objecting to a requirement of the bid and/or contract documents must submit a written protest to the Managing Director of Procurement at least three business days prior to

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the opening of the Price Proposals, setting forth in detail the grounds for such protest. The protest must contain all arguments, materials, or other documents that may support the protestor's position. The [Corporation] **Authority** may disregard any protest of bid and contract documents, which is filed less than three business days prior to the scheduled Price Proposal opening or which fails to provide the specific reasons for and arguments supporting the protest.

3. (No change.)

19:38-4.3 Hearing procedures

(a) Hearing procedures shall be as follows:

1. The [Corporation] **Authority**, in its sole discretion, shall determine whether to grant the opportunity for an informal hearing regarding a bid protest. Informal hearings are for fact-finding purposes for the benefit of the [Corporation] **Authority** and the [Corporation] **Authority** shall have the sole discretion as to requesting or requiring a hearing. Alternatively, the [Corporation] **Authority** may determine that sufficient information already exists in the record so that a decision may be made without a hearing and the [Corporation] **Authority** may waive the hearing and issue a final agency decision accordingly. In the event that the [Corporation] **Authority** determines that a hearing is not necessary, a written decision will be issued by the [Corporation] **Authority** within 48 hours of receipt of all documents related to said protest.

2.-3. (No change.)

SUBCHAPTER 5. AWARD OF CONTRACTS

19:38-5.1 Contracts

(a) The [Corporation] **Authority** will send the successful firm a Notice of Award letter. The Notice of Award letter shall contain a list of the additional documents required to be submitted by the contractor with the executed contract. The [Corporation] **Authority** will specify the time within which the executed contract and required documents must be returned.

(b) (No change.)

(c) If the contractor fails to return the executed contract and bonds and other required documents within the time specified by the [Corporation] **Authority**, the [Corporation] **Authority** may take whatever action is appropriate and authorized by law and by the contract documents, including, but not limited to, proceeding to recover under the bid bond.

(d) After execution by the [Corporation] **Authority**, a copy of the signed contract will be sent to the contractor.

(a)

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program

Proposed Readoption with Amendments: N.J.A.C. 19:38A

Authorized By: New Jersey Schools Development Authority, Marc Larkins, Chief Executive Officer.

Authority: P.L. 2007, c. 137, § 4k (N.J.S.A. 52:18A-238k) (rulemaking authority); P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1 et seq.); P.L. 2007, c. 137, (N.J.S.A. 52:18A-235 et seq.); N.J.S.A. 52:34-9.3 (enabling statutes).

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-108.

Submit written comments by August 30, 2013 to:

Cecelia Haney, Administrative Practice Officer
 New Jersey Schools Development Authority
 PO Box 991
 Trenton, NJ 08625-0991

The agency proposal follows:

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PROPOSALS

Summary

The New Jersey Schools Development Authority proposes to readopt N.J.A.C. 19:38A (the "rules") with technical amendments. The amendments to the rules consist of changes to eliminate references to repealed statutes and supply updated statutory references, and changes to reflect the abolition of the New Jersey Schools Construction Corporation ("Corporation" or "NJSCC") and the creation of the New Jersey Schools Development Authority ("Authority" or "SDA") by P.L. 2007, c. 137, §§ 3 and 13 (N.J.S.A. 52:18A-237 and 52:18A-247), which transferred all functions, powers, and duties of the former NJSCC to the Authority, and decreed that statutory and regulatory references to the NJSCC shall mean and refer to the Authority.

Chapter 38A was originally adopted by the NJSCC effective May 15, 2006, and is scheduled to expire on May 15, 2013. The rules proposed for readoption with amendments address the procedures for prequalification of contractors, subcontractors, professional services consultants and subconsultants seeking to participate in school facilities projects, and further set forth the requirements and standards for prequalification, grounds for denial or revocation of prequalification, and protest and appeal procedures for the prequalification process. The rules proposed for readoption with amendments are intended to insure that only qualified contractors and professional services consultants possessing the requisite moral integrity are permitted to engage in providing construction, professional services, and other goods and services for school facilities projects. As this notice of proposed readoption with amendments was submitted to the Office of Administrative Law prior to the chapter expiration date, that date is extended 180 days, to November 11, 2013, pursuant to N.J.S.A. 52:14B-5.1.c(2).

The Authority has reviewed Chapter 38 and has determined that it remains adequate, reasonable, and necessary for the purposes for which it was originally promulgated, with the addition of the proposed amendments.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

A section-by-section description of the proposed amendments to the chapter follows.

Subchapter 1. General Provisions

N.J.A.C. 19:38A-1.1 Purpose, scope and applicability

This section is proposed for readoption with amendments to describe the creation of the of the New Jersey Schools Development Authority, and to delete references to the New Jersey Schools Construction Corporation, in favor of references to the SDA. This section is further amended to clarify references to the statutory authority for contractor and consultant prequalification, N.J.S.A. 18A:7G-26, 18A:7G-33 through 35, (regarding contractor prequalification), and N.J.S.A. 52:34-9.3 (regarding consultant prequalification).

N.J.A.C. 19:38A-1.2 Construction of rules

This section is amended to replace the reference to "Corporation" with a reference to the "Authority."

N.J.A.C. 19:38A-1.3 Definitions

This section sets forth the meaning of the words and terms used throughout this chapter. Amendments are proposed to replace references to the "Schools Construction Corporation" with references to the "Schools Development Authority," and to correct and update statutory references.

The following definitions have been amended:

"Act" is amended to include reference to the codified statutes for the Educational Facilities Construction and Financing Act N.J.S.A. 18A:7G-1 et seq., and to add a reference to the subsequent amending legislation P.L. 2007, c. 137;

"Application," which means the forms, certifications, and accompanying documents filed in connection with a firm's request for prequalification, is amended to replace references to the "Corporation" with "Authority";

"Authority" is amended to refer to the SDA, as successor to the New Jersey Schools Construction Corporation, and not the New Jersey Economic Development Authority;

"Bid" is amended to replace the reference to "Corporation-managed projects" with "Authority-managed projects";

"CEO" is amended to refer to the Chief Executive Officer of SDA, not the NJSCC;

"Contractor" is amended to replace a reference to "Corporation" with a reference to the "Authority";

"Corporation-managed project" is amended to replace references to the "Corporation" with "Authority";

"Debarment," which means an exclusion from bidding or contracting, is amended to replace references to "Corporation" with "Authority";

"Material testing laboratory," which means a laboratory engaged in the testing of samples and other materials, is amended to replace references to "Corporation" with "Authority";

"Notice of Prequalification," which refers to the SDA-issued prequalification notice letter, is amended to replace references to "Corporation" with "Authority";

"Professional services consultants' or 'consultants'" is amended to replace a reference to "Corporation" with "Authority";

"Project Rating Proposal," which refers to the application to the Authority for a project rating limit, is amended to replace a reference to "Corporation" with "Authority";

"Request for proposals" is amended to replace a reference to "Corporation" with "Authority"

"School contract," is amended to replace references to "Corporation" with "Authority"; and

"Suspension," which means a temporary exclusion from bidding, proposing, or contracting with the Authority, is amended to replace references to "Corporation" with "Authority."

Deleted definitions include:

"Corporation," which referred to the now-defunct New Jersey Schools Construction Corporation; and

"SCC," which referred to the New Jersey Schools Construction Corporation.

Subchapter 2. General Requirements

N.J.A.C. 19:38A-2.1 Requirement to be prequalified

This section defines when prequalification is required for contractors or consultants who wish to perform work or services on a school facilities project, either through an engagement by the Authority, through a subcontractor or subconsultant relationship with an entity engaged by the Authority, or through an engagement by a school district with a school facilities project funded by SDA. This section is amended to replace references to "Corporation" or "SCC" with "Authority" and "SDA." The section is further amended to update a statutory reference to the bidding process and subcontractor identification requirement for Authority procurements.

Subchapter 3. Application and Notice of Prequalification Determination

N.J.A.C. 19:38A-3.1 Prequalification application

This section, which describes the process for applying for prequalification to the Authority, is amended throughout to replace references to "Corporation" or "SCC" with "Authority" and "SDA." The section is also amended to correct a statutory reference to N.J.S.A. 18A:7G-34, governing prequalification.

N.J.A.C. 19:38A-3.2 Notice of Prequalification determination

This section, which describes the notification process for prequalification by the Authority, is amended throughout to replace references to "Corporation" or "SCC" with "Authority" and "SDA."

Subchapter 4. Revocation, Suspension and Debarment

N.J.A.C. 19:38A-4.1 Grounds for revocation of prequalification or denial of a renewal application

This section is amended throughout to replace references to "Corporation" or "SCC" with "Authority" and "SDA."

N.J.A.C. 19:38A-4.2 Effect of revocation of prequalification or denial of a renewal application

This section is amended to replace a reference to "Corporation" with "Authority."

PROPOSALS

N.J.A.C. 19:38A-4.3 Grounds for suspension

This section, indicating that the grounds for suspension are identical to those for debarment or revocation of prequalification, is amended to replace a reference to "Corporation" with "Authority."

N.J.A.C. 19:38A-4.4 Conditions for suspension

This section, regarding the conditions for suspension, is amended to replace a reference to "Corporation" with "Authority."

N.J.A.C. 19:38A-4.5 Procedures, period of suspension and scope of suspension

This section, regarding the procedures for suspension, is amended to replace references to "Corporation" with "Authority."

N.J.A.C. 19:38A-4.6 Grounds for debarment

This section, regarding the grounds for debarment, is amended to replace references to "Corporation" with "Authority."

N.J.A.C. 19:38A-4.7 Effect of debarment or suspension

This section, regarding the effect of debarment, is amended to replace references to "Corporation" with "Authority."

N.J.A.C. 19:38A-4.8 Notice of adverse action

This section is amended to replace a reference to "Corporation" with "Authority."

N.J.A.C. 19:38A-4.9 Appeal process

The text of this section is amended to replace references to "Corporation" with "Authority."

Social Impact

The rules proposed for readoption with amendments establish the standards and procedures for prequalification of contractors, subcontractors, and professional services consultants and subconsultants seeking to participate in school facilities projects, and further set forth the requirements and standards for prequalification, grounds for denial or revocation of prequalification, and protest and appeal procedures for the prequalification process. The rules proposed for readoption with amendments are intended to insure that only qualified contractors and professional services consultants possessing the requisite moral integrity are permitted to engage in providing construction, professional services, and other goods and services for school facilities projects. The rules should establish public confidence in the Authority's ability to ensure that the public's interest in the Authority's selection of contractors and consultants for school facilities projects is adequately protected and that the Authority fairly obtains the services of contractors, subcontractors, or consultants of the requisite quality, honesty, and integrity to qualify for public contracts. Upon readoption, the rules will continue to affect those construction contractors, consultant firms, and subcontractors that would bid on or participate in contracts with the Authority. There is no change in the social impact in that social conditions affected by the rules have not changed since the initial promulgation of the rules.

Economic Impact

The economic impact of the rules proposed for readoption with amendments has not changed since original promulgation of the rules. The Authority has no current way of estimating the costs of the rules proposed for readoption, though the economic impact of the rules is expected to be limited to those firms that choose to participate in the Authority's future procurements, as the rules outline the process that is used to prequalify firms to do business with the Authority. The rules establish a prequalification process which entails certain incidental costs associated with the preparation and submission of applications for prequalification, as well as costs associated with responding to any follow up inquiries raised by the application submission. Additionally, as implemented by the Authority, all firms seeking prequalification will be required to submit audited financial statements, a cost which these firms might not otherwise need to incur. In the interests of financial probity, however, no exemption for small businesses would be warranted. This economic information should be beneficial to all private firms wishing to perform work for, or provide services to, the Authority.

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The Authority will incur direct and indirect costs for staff time spent reviewing and responding to applications for prequalification, and will incur direct costs for the "moral integrity" review component of the prequalification process. These costs have not been passed down to the applicants, in efforts to prevent burdening small business entities' participation in the Authority's procurements.

Federal Standards Statement

The rules proposed for readoption with amendments implement State statutes, specifically, N.J.S.A. 18A:7G-33 to 35 and 52:34-9.3 and P.L. 2007, c. 137, (N.J.S.A. 52:18A-235 et seq.). There are no Federal standards or requirements applicable to these rules. A Federal standards analysis, therefore, is not required.

Jobs Impact

The rules proposed for readoption with amendments establish the Authority's process for prequalification of contractors, subcontractors, and professional services consultants, consistent with the Authority's enabling statutes and state procurement law. Thus, to the extent the rules have an effect on jobs, it will be to create jobs in New Jersey, primarily in the construction, consulting, and service sectors, rather than eliminate positions.

Agriculture Industry Impact

The rules proposed for readoption with amendments will have no impact on the agriculture industry.

Regulatory Flexibility Analysis

The rules proposed for readoption with amendments impose some compliance requirements on small businesses as the term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but only for those small businesses that choose to seek to do business with the Authority. The rules proposed for readoption with amendments outline the standards and procedures for prequalification of contractors, subcontractors, and consultants, a requirement that is imposed by public contracting provisions set forth in N.J.S.A. 52:18A-235 et seq. Applicants for prequalification will file an application as required by the Act, but no professional services are required to comply with this requirement. The Authority considers the information submission requirements of the prequalification process the minimum necessary to ensure the requisite qualifications and integrity of the contractors and subcontractors, and professional services consultants and subconsultants, providing goods and services related to school facilities projects under the Act. Costs of compliance are discussed in the Economic Impact above. As implemented by the Authority, all firms seeking prequalification will be required to submit audited financial statements, a cost which these firms might not otherwise need to incur. In the interests of financial probity, however, no exemption for small businesses would be warranted.

Housing Affordability Impact Analysis

The rules proposed for readoption with amendments address the requirements and the process for the procurement of construction contracts for school facilities projects and, therefore, will not have an impact on affordable housing or evoke a change in the average costs of housing in the State of New Jersey.

Smart Growth Development Impact Analysis

The rules proposed for readoption with amendments govern the process by which the Authority procures construction contracts, and thus the rules will have no impact on housing production because the scope of the rules is minimal, and because it is extremely unlikely that the adoption of the rules would evoke a change in the average price or availability of housing in the State of New Jersey, or would in any way affect new construction in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 19:38A.

Full text of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

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SUBCHAPTER 1. GENERAL PROVISIONS

19:38A-1.1 Purpose, scope, and applicability

These rules are promulgated by the New Jersey Schools [Construction Corporation (the Corporation)] **Development Authority (the Authority)**, [a subsidiary of the New Jersey Economic Development Authority.] **an entity formed pursuant to P.L. 2007, c. 137 (N.J.S.A. 52:18A-235 et seq.), as successor to the New Jersey Schools Construction Corporation. The rules are promulgated to implement Sections 26, 59, 60, and 61 of the [Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the Act)] Act (N.J.S.A. 18A:7G-26 and 18A:7G-33 through 35), and N.J.S.A. 52:34-9.3. These rules shall apply to the procurement of contractors[,] and consultants and their use of subcontractors and subconsultants on all school facilities projects and pre-development activities undertaken by the [Corporation] **Authority** and to certain categories of such firms who are engaged to provide goods and/or services to school districts which undertake their own school facilities projects and receive funding from the [Corporation] **Authority**. These rules are adopted in order to provide the mechanism whereby firms wishing to work on school facilities projects and pre-development activities may be prequalified by the [Corporation] **Authority**. Any firm which, pursuant to these rules, is required to be prequalified by the [Corporation] **Authority** in order to provide goods and/or services for school facilities projects and pre-development activities, shall, at a minimum, comply with the requirements of this chapter, as applicable.**

19:38A-1.2 Construction of rules

This chapter shall be liberally construed to permit the [Corporation] **Authority** to discharge its statutory functions under the Act.

19:38A-1.3 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly states otherwise:

“Act” means the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, [enacted on July 18, 2000] (N.J.S.A. 18A:7G-1 et seq.), as amended, and P.L. 2007, c. 137.

“Application” means the forms, certifications, and accompanying documents filed in connection with a firm’s request for prequalification, including such documents as are required by or are expressly relied upon by the [Corporation] **Authority**, which are mandatory and which must be made under oath or by certification on forms designated by the [Corporation] **Authority**. The submission shall include[;]:

1.-5. (No change.)

6. Any other information or documents that the [Corporation] **Authority** or OGI deems necessary from a specific applicant.

“Authority” or [“NJEDA”] “SDA” means the New Jersey [Economic] Schools Development Authority, [created] **an entity formed pursuant to P.L. [1974] 2007, c. [80] 137 (N.J.S.A. [34:1B-1] 52:18A-235 et seq.), as successor to the New Jersey Schools Construction Corporation, which is statutorily charged with undertaking and funding school facilities pursuant to the Act.**

“Authority-managed project” means a school facilities project or pre-development activity undertaken by the Authority. It includes projects in the Abbott districts, districts with a district aid percentage of 55 percent or more, level II districts and those districts with a district aid percentage less than of 55 percent which elect to have the Authority undertake their school facilities projects. As used in this definition, “Abbott district” means as defined in N.J.S.A. 18A:7F-3 and “level II district” means a school district which is directed by the commissioner of education to enter Level II monitoring pursuant to the provisions of N.J.S.A. 18A:7A-14.

“Bid,” for [Corporation-managed] Authority-managed projects, means the Project Rating Proposal and the Price Proposal.

“CEO” means the Chief Executive Officer of the [Corporation] **Authority**.

“Contractor” means those persons or firms engaged by the school district or the [Corporation] **Authority** to undertake the construction or the acquisition and installation of the school facilities project. There may

be either a single “general” contractor who has overall contractual responsibility for delivering all of the services needed to complete the school facilities project or there may be multiple contractors who have responsibility for delivering particular aspects of the school facilities project.

[“Corporation” means the New Jersey Schools Construction Corporation.

“Corporation-managed project” means a school facilities project or pre-development activity undertaken by the Corporation. It includes projects in the Abbott districts, districts with a district aid percentage of 55 percent or more, level II districts and those districts with a district aid percentage less than of 55 percent which elect to have the Corporation undertake their school facilities projects. As used in this definition, “Abbott district” means as defined in N.J.S.A. 18A:7F-3 and “level II district” means a school district which is directed by the commissioner of education to enter Level II monitoring pursuant to the provisions of N.J.S.A. 18A:7A-14.]

“Debarment” means an exclusion by the [Corporation] **Authority** from bidding, proposing, or contracting with the [Corporation] **Authority**, or with any school district for a school facilities project or predevelopment activity, or from providing goods or services on any school facilities project or predevelopment activity, for a definite period of time.

“Material testing laboratory” means a laboratory engaged in the testing of samples and other materials that is engaged by the [Corporation] **Authority** or its contractor or professional services consultant for a school facilities project or pre-development activity.

“Notice of Prequalification” means the letter from the [Corporation] **Authority** issuing the firm its Prequalification.

“Prequalification” means the approval of a firm by the [Corporation] **Authority** enabling the firm to submit a bid for, and be awarded, a contract or to work as a subcontractor on any school facilities project or pre-development activity, or to enable a professional to submit a proposal for, and to be awarded, a professional consultant services contract or to serve as a subconsultant on any school facilities project or pre-development activity.

“Professional services consultants” or “consultants” means consultants, providing professional services associated with research, development, design and construction administration, alteration, or renovation in connection with school facilities projects or predevelopment activities or the school construction program, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform. These consultants may provide services including studies, investigations, surveys, evaluations, consultations, planning, programming, conceptual designs, plans and specifications, cost estimates, construction management, inspections, shop drawing reviews, preparation of operating and maintenance manuals, and other related services. Notwithstanding anything to the contrary, “professional services consultants” for the purposes of this chapter shall mean those consultants who provide “professional architectural, engineering or land surveying services” within the meaning of N.J.S.A. 52:34-9.2, and shall also include project management firms, which are firms engaged by the [Corporation] **Authority** to provide overall construction management services, oversight, direction, coordination, and reporting in connection with school facilities projects.

“Project Rating Proposal” means that part of the bid to be submitted by the firm for issuance by the [Corporation] **Authority** of the project rating.

“Proposal” means the technical proposal, or fee proposal, or both, as the case may be, submitted by a consultant in response to a request for proposals.

“Request for proposals” means the request for technical proposals and/or fee proposals issued by the [Corporation] **Authority** in connection with the selection of a professional services consultant or contractor for a school facilities project, pre-development activity, or other type of engagement for the school construction program, as the case may be.

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["SCC" means the Corporation.]

"School contract" means, with respect to the [Corporation] **Authority**, a contract entered into between the [Corporation] **Authority** and a contractor or professional services consultant; and with respect to a school district, a contract entered into between the school district and a contractor or professional services consultant.

"Suspension" means an exclusion by the [Corporation] **Authority** from bidding, proposing, or contracting with the [Corporation] **Authority**, or with any school district for a school facilities project or predevelopment activity, or from providing goods or services on any school facilities project or predevelopment activity, for a period of time, pending the completion of an investigation, legal proceedings, or administrative proceedings.

SUBCHAPTER 2. GENERAL REQUIREMENTS

19:38A-2.1 Requirement to be prequalified

(a) For [Corporation-managed] **Authority-managed** projects, a contractor or professional services consultant that desires to submit bids or proposals for school contracts is required to be prequalified by the [Corporation] **Authority** pursuant to this chapter. A contractor must be [SCC] **SDA** prequalified, including having complied with N.J.A.C. 19:38A-3.1 regarding obtaining a DPMC Classification as of the due date for the submission of the Project Rating Proposal. A professional services consultant must be [SCC] **SDA** prequalified, including having complied with N.J.A.C. 19:38A-3.1 regarding obtaining a DPMC Prequalification, by the time specified in N.J.A.C. 19:38C for the appropriate category of contract.

(b) For [Corporation-managed] **Authority-managed** projects, all subcontractors required to be named in the bid, whether pursuant to N.J.S.A. [34:1B-5.7] **52:18A-243**, the advertisement for the specific contract, or the contract documents, are required to be [SCC] **SDA** prequalified pursuant to these regulations, including having complied with N.J.A.C. 19:38A-3.1 regarding obtaining a DPMC classification, prior to the submission of the Price Proposal. All subconsultants required to be named in the proposal are required to be [SCC] **SDA** prequalified, including having complied with N.J.A.C. 19:38A-3.1 regarding obtaining a DPMC prequalification, by the time specified in the request for proposals.

(c) For [Corporation-managed] **Authority-managed** projects, in addition to the requirements of (a) and (b) above:

1. All subcontractors of any tier in the trades listed in this paragraph, engaged in subcontracts valued at \$500,000 or more, whether required to be named in the bid or not, are required to be prequalified by the [Corporation] **Authority** pursuant to this chapter. Such subcontractors must be [SCC] **SDA** prequalified, including having complied with N.J.A.C. 19:38A-3.1 regarding obtaining a DPMC Classification, prior to performing the work.

These subcontractor trades are:
i.-xxi. (No change.)

2. All subconsultants of any tier in the disciplines listed in this paragraph, engaged in subcontracts valued at \$500,000 or more, whether required to be named in the proposal or not, are required to be prequalified by the [Corporation] **Authority** pursuant to this chapter. Such subconsultants must be [SCC] **SDA** prequalified, including having complied with N.J.A.C. 19:38A-3.1 regarding obtaining a DPMC Prequalification, prior to performing the work. These subconsultant disciplines are:

i.-vi. (No change.)

(d) For school facilities projects undertaken by a school district and funded under N.J.S.A. 18A:7G-15, a contractor or construction management firm that wishes to be able to submit bids or proposals for school contracts above the bid threshold specified in N.J.S.A. 18A:18A-3 is required to be prequalified by the [Corporation] **Authority** pursuant to this chapter. A contractor or construction management firm must be prequalified prior to the submission of its bid or proposal. Subcontractors in the trades specified in N.J.S.A. 18A:18A-18 must be prequalified prior to entering into the subcontract.

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(e) For the following types of projects, the prequalification requirements shall be the same as for [Corporation-managed] **Authority-managed** projects:

1.-3. (No change.)

4. Projects to acquire, construct, or renovate temporary facilities undertaken pursuant to a funding agreement with the [Corporation] **Authority**.

(f) Neither the [Corporation] **Authority** nor any school district receiving funds pursuant to the Act shall contract for school facilities projects or pre-development activities with any contractor, professional services consultant, or construction management firm required to be prequalified by this chapter, unless that firm has been prequalified by the [Corporation] **Authority**. No contractor, professional services consultant, or construction management firm contracted for a schools facilities project or pre-development activity shall use on the project any subcontractor or subconsultant required to be prequalified by this chapter, unless that firm has been prequalified by the [Corporation] **Authority** at the time specified in this chapter. Any failure to comply with this chapter shall entitle the [Corporation] **Authority** to terminate or suspend its contract with the contractor, professional services consultant, or construction management firm or to terminate its payment of contract-related funds to the school district.

(g) If two or more firms which are individually DPMC classified or prequalified propose to form a joint venture for a school contract, each firm comprising the joint venture must be individually [SCC] **SDA** prequalified in accordance with this chapter.

SUBCHAPTER 3. APPLICATION AND NOTICE OF PREQUALIFICATION DETERMINATION

19:38A-3.1 Prequalification application

(a) A firm seeking initial prequalification with the [Corporation] **Authority** must apply to DPMC and obtain a contractor DPMC Classification or consultant DPMC Prequalification. Upon securing a DPMC Classification or Prequalification, the firm shall submit an application to the [Corporation] **Authority**. See N.J.S.A. 18A:7G-3.4[34].

(b) A firm seeking to renew an existing [SCC] **SDA** prequalification must file a timely and complete renewal application. A renewal application will be considered timely if it is received by [SCC] **SDA** no later than 10 business days after the expiration date of the existing [SCC] **SDA** prequalification. A renewal applicant must apply to DPMC and obtain a contractor DPMC Classification or consultant DPMC Prequalification. Because the DPMC and [SCC] **SDA** expiration dates generally coincide, a renewal applicant may submit its [SCC] **SDA** renewal application including either:

1. (No change.)

2. A certification on a form developed by [SCC] **the Authority**, that the applicant firm has filed with DPMC to renew its DPMC Classification or Prequalification. A firm which files a renewal application before receiving its Notice of DPMC Classification or Prequalification must provide a copy of the DPMC Notice to [SCC] **SDA**, within five business days of receiving it. If the [firms's] **firm's** DPMC application is denied or otherwise closed without being granted, the firm must notify [SCC] **SDA** within five business days of its being advised of DPMC's action. A renewal applicant will have a maximum of 60 days from the date its renewal application is received by [SCC] **SDA** to provide [SCC] **SDA** with a copy of its renewed Notice of DPMC Classification or Prequalification. If the renewal applicant does not file a copy of its renewed Notice of DPMC Classification or Prequalification within that time, the renewal application may be administratively closed.

(c) An application will be reviewed initially to determine if the application is complete. Incomplete applications may be administratively closed with no further action by the [Corporation] **Authority**.

(d)-(e) (No change.)

(f) Upon an initial application, the firm has the burden of demonstrating a satisfactory record of responsibility by a preponderance of the evidence. The determination shall be made based on the firm's completed application and any other information requested or obtained by the [Corporation] **Authority** or the OGI. The OGI shall submit its

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recommendation regarding prequalification of the firm to the [Corporation] **Authority**.

19:38A-3.2 Notice of Prequalification determination

(a) Upon a determination by the [Corporation] **Authority** that the firm should be prequalified, the [Corporation] **Authority** shall send to the firm a Notice of Prequalification. The [Corporation] **Authority** will post a listing of prequalified firms on the [Corporation's] **Authority's** website.

(b) (No change.)

(c) If prequalification is denied, the firm will be notified in writing of the reasons for the denial. Any firm protesting the denial of an initial application for prequalification shall provide information in writing to the [Corporation] **Authority**, to explain why it should be granted prequalification. The firm shall submit written information to the Corporation within 30 calendar days of receiving the notice of denial, unless a longer time is agreed to by the [Corporation] **Authority**. The [Corporation's] **Authority's** decision on the protest shall be embodied in a written decision provided to the firm, which shall constitute final agency action by the [Corporation] **Authority**.

(d)-(e) (No change.)

(f) Throughout the term of its prequalification, a firm shall notify the [Corporation] **Authority** and the OGI in writing of any material change in the information on its application, within 10 business days of when such change occurs.

(g) Any prequalification approved by the [Corporation] **Authority** under interim procedures in place prior to May 15, 2006 shall remain valid until the expiration date assigned at the time that prequalification was approved.

SUBCHAPTER 4. REVOCATION, SUSPENSION, AND DEBARMENT

19:38A-4.1 Grounds for revocation of prequalification or denial of a renewal application

(a) The [Corporation] **Authority** has the burden of proof in revoking a current, valid prequalification, and in denying a timely, complete application to renew a current, valid prequalification.

(b) Any prequalification may be revoked or a renewal may be denied by the [Corporation] **Authority** for any of the following causes:

1. Fraud, deceit, or misrepresentation in securing prequalification, failure to supply information, or the supplying of information which is untrue or misleading, as to a material fact pertaining to the responsibility of the firm, any key person, or any person required to be listed in the application;

2. (No change.)

3. Conviction of the firm, any key person, or any person required to be listed in the application, of any of the following crimes under the laws of New Jersey or the equivalent thereof under the laws of any other jurisdiction:

i.-ii. (No change.)

iii. The provisions of this paragraph shall not apply with regard to any [Conviction] **conviction** which occurred more than 10 years before the application, or to any conviction which has been addressed by a judicial order of expungement or a pardon; however, the [Corporation] **Authority** may consider the conduct underlying the criminal conviction;

4.-13. (No change.)

14. Offering, conferring, or agreeing to confer any benefit to induce the [Corporation] **Authority**, a school district, or any person either to perform or violate an official duty, or to violate the provisions of these regulations or of any law related to or implicating integrity or any rule or regulation adopted pursuant thereto; or

15. (No change.)

(c) (No change.)

(d) If a firm, key person, or person required to be listed in the application has been convicted of a crime which may be grounds for denial of a renewal application or revocation of prequalification, the [Corporation] **Authority** may consider any of the following actions taken or proposed by the firm in determining whether to deny renewal of, or revoke, prequalification:

1.-4. (No change.)

5. Agreement by the firm to permit monitoring by or on behalf of the [Corporation] **Authority** for a specific length of time of any changes in the firm's policy, procedure, or structure to insure the continued responsibility and integrity of the firm, the cost of such monitoring to be borne by the firm; or

6. (No change.)

19:38A-4.2 Effect of revocation of prequalification or denial of a renewal application

A firm whose renewal prequalification application has been denied, or whose prequalification has been revoked, may not participate in a school facilities project or predevelopment activity in any capacity as to which prequalification is required; provided, however, that in its sole discretion, the [Corporation] **Authority** or school district, as appropriate, may permit the firm to complete some or all of its existing school contracts when doing so is in the public interest. The firm may reapply for prequalification upon curing the deficiency which led to the denial or revocation of prequalification.

19:38A-4.3 Grounds for suspension

In the public interest, the [Corporation] **Authority** may suspend a firm for any cause specified in N.J.A.C. 19:38A-4.1, or upon reasonable suspicion that such cause exists.

19:38A-4.4 Conditions for suspension

(a) The conditions for the suspension of a firm shall include the following:

1.-5. (No change.)

6. A suspension invoked by another agency of government for a cause equivalent to one described in N.J.A.C. 19:38A-4.1(b) may be the basis for the imposition of a concurrent suspension by the [Corporation] **Authority**, which may impose such suspension when found to be in the best interest of the State.

7. (No change.)

19:38A-4.5 Procedures, period of suspension, and scope of suspension

(a) The [Corporation] **Authority** may suspend a firm, provided that at least 10 days before the effective date of the suspension, the [Corporation] **Authority** provides such firm with a written notice:

1.-3. (No change.)

4. Indicating that, if such legal proceedings are not commenced, or the suspension removed within 60 days of the date of such notice, the firm or the individual will be given either a statement of the reasons for the suspension and an opportunity for a hearing, or a statement declining to give such reasons which sets forth the [Corporation's] **Authority's** position regarding the continuation of the suspension. Where the [Corporation] **Authority** suspends a firm based on a suspension by any other agency of government, the [Corporation] **Authority** shall identify same as a reason for the suspension.

(b) (No change.)

19:38A-4.6 Grounds for debarment

(a) (No change.)

(b) The [Corporation] **Authority** shall have the burden of proof by clear and convincing evidence in any debarment action. The rendering of a final judgment, including by a guilty plea or plea of *nolo contendere*, by a court of competent jurisdiction or by an administrative agency empowered to render such judgment, shall be sufficient but not required to establish the existence of the causes set forth in N.J.A.C. 19:38A-4.1(b)7, 8, 9, and 10.

(c) The existence of any of the causes listed in N.J.A.C. 19:38A-4.1 shall not necessarily require that a firm or person be debarred. In each instance, the decision to debar shall be made within the discretion of the [Corporation] **Authority** unless otherwise required by law and shall be rendered in the best interests of the State.

(d) (No change.)

(e) If a firm, key person, or person required to be listed in the application has been convicted of a crime which may be grounds for debarment, the [Corporation] **Authority** may consider any of the actions listed in N.J.A.C. 19:38A-4.1(d), which are taken or proposed by the firm, in determining whether to debar.

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19:38A-4.7 Effect of debarment or suspension

(a) Any firm which has been debarred or suspended is precluded during the period of debarment or suspension from bidding on, proposing on, or entering any contract or subcontract for a school facilities project or pre-development activity managed or funded by the [Corporation] **Authority**, and from providing any goods or services on any school facilities project or pre-development activity managed or funded by the [Corporation] **Authority**; provided, however, that in its sole discretion, the [Corporation] **Authority** or school district, as appropriate, may permit the firm to complete some or all of its existing school contracts when doing so is in the public interest.

(b)-(c) (No change.)

(d) Except as otherwise provided by law, a debarment may be removed or the period thereof may be reduced at the discretion of the [Corporation] **Authority** upon the submission of a good faith application under oath, supported by documentary evidence, setting forth substantial and appropriate grounds for the granting of relief, such as newly discovered material evidence; reversal of a conviction or judgment; actual change of ownership, management, or control; or the elimination of the causes for which the debarment was imposed.

19:38A-4.8 Notice of adverse action

When the [Corporation] **Authority** determines to deny a timely and complete renewal application, revoke prequalification, or debar, it shall serve written notice upon the subjects of the adverse action, clearly stating the causes for the adverse action.

19:38A-4.9 Appeal process

(a) Any firm or person which is the subject of an adverse action, and which desires to appeal the [Corporation's] **Authority's** determination, must transmit a written request to the [Corporation] **Authority** within seven calendar days of receipt of the notice of adverse action.

(b) If the adverse action is based upon an agency of government's prior similar action, the [Corporation] **Authority** may also impose a similar adverse action without affording an opportunity for a hearing, provided the [Corporation] **Authority** furnishes notice of the proposed similar adverse action to that party, and affords that party an opportunity to present information in its behalf to explain why the proposed similar adverse action should not be imposed in whole or in part.

(c)-(d) (No change.)

(e) Hearings under (d) above shall be conducted by the Office of Administrative Law in accordance with the provisions of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. A final decision in such matters shall be made by the Board of Directors of the [Corporation] **Authority**.

(f) Nothing contained in this chapter shall be construed to limit the authority of the [Corporation] **Authority** to refrain from contracting within the discretion allowed by law.

Resolution—6h.

Proposed Final Adoption Without Change: Title 19, Chapter 38A
 Procedures for Prequalification of Contractors and Professional Services Consultants for the
 New Jersey Schools Construction Program, N.J.A.C. 19:38A

Resolution

WHEREAS, N.J.A.C. 19:38A governs the procedures for pre-qualification of contractors, sub-contractors, professional services consultants and sub-consultants seeking to participate in school facilities projects, and the requirements and standards for pre-qualification, grounds for denial or revocation of pre-qualification, and protest and appeal procedures for the pre-qualification process (“Chapter 38A” or “the Rules”); and

WHEREAS, the Rules are intended to insure that only those qualified contractors and professional services consultants who possess the requisite moral integrity are permitted to provide construction services, professional services, and other goods and services for school facilities projects; and

WHEREAS, the Rules are scheduled to expire on November 11, 2013 and are thus being proposed for final adoption without change; and

WHEREAS, on May 10, 2013, the Members of the Authority approved for proposal and publication the re-adoption with technical amendment of the Rules; and

WHEREAS, the memorandum presented to the Board on this date and incorporated herein provides the prior regulatory history of the Rules and a description of the Rules and technical amendments thereto; and

WHEREAS, a sixty (60) day public comment period was provided upon publication of the Rules in July 2013 and no comments were received, with the comment period ending on August 30, 2013; and

WHEREAS, the Members of the Authority have reviewed the memorandum and the Rules presented to the Board on this date; and

WHEREAS, management of the SDA recommends the Members’ approval to proceed with completion of the formal adoption of the Rules, which requires filing of a Notice of Adoption with the Office of Administrative Law and subsequent publication of the final approved Rules and Notice of Adoption in the New Jersey Register.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the memorandum presented to the Board on this date, the Members of the Authority hereby authorize and approve the completion of the adoption process for Title 19, Chapter 38A, Procedures for Prequalification of Contractors and Professional Services Consultants for the New Jersey Schools Construction Program, N.J.A.C. 19:38A, the filing of same with the New Jersey Office of Administrative Law and publication of the final approved Rules and Notice of Adoption in the New Jersey Register.

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, Final Adoption Without Change: Title 19, Chapter 38A, Procedures for
Pre-qualification of Contractors and Professional Services Consultants for the New Jersey
Schools Construction Program, N.J.A.C. 19:38A, dated November 6, 2013

Dated: November 6, 2013

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: November 6, 2013

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

The 1st section of the report includes an Activities Summary of projects identified for advancement in the 2011 & 2012 Capital Plans.

The 2nd part of the report displays project completion milestones for all other major capital projects and emergent projects.



2011 & 2012 Portfolio Projects Activities Summary

as of 10/24/13

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	Academic HS	9-12	1,091	\$64.1	Existing Design	Phase 2 Award approved Nov. 2012 Board (Patoch Construction)	12/8/11 7/11/12
Jersey City	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	\$54.6	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). Groundbreaking 9/24.	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	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	641	\$61.7	Kit of Parts/ Design-Build	D-B advertised 8/28/13	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	TBD	Pre-Design Services	Award for Demolition of existing structure on SDA owned site approved at Jun. 2012 Board. NTP For Pre-Design Services sent Oct. 21, 2013.	2/27/12

*PLEASE NOTE - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
 NOTE # 1 - Except Projects with an approved Charter, Total Estimated Costs, Grade Alignment and Capacity are based upon cost and programmatic assumptions utilized in the 2010 reassessment, which do not include benefits of standardization. Application of principles of standardization and 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 10/24/13

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	779	\$75.7	Kit of Parts Candidate/ Design-Build	Site Investigations ongoing.	1 QTR 14
Keansburg	Caruso ES	K-4	736	\$47.3	Kit of Parts/ Design-Build	Preliminary Charter approved Oct. 2012 Board. D-B currently advertised.	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	\$15.1	New Design Procurement	Planning Charter approved Oct. 2012 Board.	3 QTR 15
New Brunswick	Robeson ES	1-5	599	\$29.9	Kit of Parts/ Design-Build (Recommended)	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
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	640	\$57.1	Kit of Parts Candidate/ Design-Build	Revised Preliminary Charter and ROA for Phase 1 Construction advancing to Nov. 2013 Board meeting.	6/28/13
Passaic	Dayton Ave. Campus	PK-8	2,741	\$209.5	Kit of Parts Candidate/ Design-Build	Preliminary Charter advancing to Nov. 2013 Board meeting.	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	\$61.1	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 - Except Projects with an approved Charter, Total Estimated Costs, Grade Alignment and Capacity are based upon cost and programmatic assumptions utilized in the 2010 reassessment, which do not include benefits of standardization. Application of principles of standardization and 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 10/24/13

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

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Elizabeth	New ES @ Halloran PS #22 ES Site	ES	860	\$54.8	Kit of Parts Candidate/ Design-Build	Preliminary Charter Approved Jul. 2013 Board meeting.	3 QTR 14
Garfield	ES Grade Level	ES	275	\$28.0	Existing Design	Preliminary Charter Approved Aug. 2013 Board.	TBD
Harrison	MS Grade Level	MS	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Millville	HS Grade level	HS	3,323	108.5	Design-Build	Planning Charter Approved Sep. 2013 Board Meeting	TBD
Paterson	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Perth Amboy	All Grade levels	All	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Union City	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD

*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Hoboken	Connors ES	PK-4	351	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-8	492	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	High School	9-12	1,048	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Trenton	Central HS	9-12	1,843	\$45.7	Pre-Design Services	NTP for Pre-Design Services 7/25/13 (STV Architects.)	TBD

*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.

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**Active Project Status Report
Status as of 10/1/2013**

Major Capital Projects

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	Occupancy Date	Status of Occupancy Date	Total Estimated Project Cost
1	Elizabeth	Victor Mravlag ES	New Construction	Construction	Sep-13	Achieved	Sep-13	Achieved	\$ 45,464,204
2	Elizabeth	New Academic HS	New Construction	Construction	Apr-16	On-target	Sep-16	On-target	\$ 64,061,687
3	Jersey City	New ES #3	New Construction	Design-Build Design Phase	Feb-16	On-target	May-16	On-target	\$ 54,004,014
4	Jersey City	New PS #20	New Construction	Constructability Review	Mar-16	On-target	May-16	On-target	\$ 48,202,265
5	Long Branch	Catrambone ES	New Construction	Construction	Jun-14	On-target	Sep-14	On-target	\$ 40,026,889
6	New Brunswick	New Redshaw ES	New Construction	Construction	May-15	On-target	Sep-15	On-target	\$ 51,204,641
7	Newark	Elliott Street ES	New Construction	Construction	Jan-16	On-target	Apr-16	On-target	\$ 46,678,296
8	Newark	Oliver Street ES	New Construction	Design-Build Design Phase	Dec-15	On-target	Mar-16	On-target	\$ 73,548,257
9	Passaic City	New Henry Street ES	New Construction	Construction	Feb-15	On-target	May-15	On-target	\$ 55,023,004
10	Paterson	New Marshall Street ES	New Construction	Constructability Review	Feb-16	On-target	May-16	On-target	\$ 55,150,306
11	Phillipsburg	New HS	New Construction	Constructability Review	Aug-16	On-target	Sep-16	On-target	\$ 127,508,125

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**Active Project Status Report
Status as of 10/1/2013**

Emergent Projects

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	East Orange	Louverture ES	Ceilings & Roof	Construction	Oct-13	On-Target	Nov-13	On-Target	\$ 485,869
2	Irvington	Chancellor Ave ES	Building Envelope	GC TO w/ Design	Mar-14	On-Target	Apr-14	On-Target	\$ 804,253
3	Irvington	Madison Ave ES	Building Envelope	GC TO w/ Design	Sep-13	Achieved	Oct-13	On-Target	\$ 389,814
4	Irvington	Union Ave MS	Building Envelope	GC TO w/ Design	Aug-14	On-Target	Sep-14	On-Target	\$ 3,126,332
5	Irvington	University MS	Building Envelope	GC TO w/ Design	Aug-14	On-Target	Sep-14	On-Target	\$ 3,641,797
6	Harrison	Washington MS	Structural Repairs	GC TO w/ Design	Dec-13	On-Target	Jan-14	On-Target	\$ 455,766
7	Newark	Alma Flagg ES	HVAC	GC TO w/ Design	Mar-14	On-Target	Apr-14	On-Target	\$ 683,409
8	Newark	Hawkins ES	Boiler Replacement	Construction	Nov-13	On-Target	Dec-13	On-Target	\$ 998,100
9	Newark	Ridge Street ES	Boiler Replacement	Construction	Oct-13	On-Target	Nov-13	On-Target	\$ 1,102,593
10	Newark	Sussex Ave ES	Boiler Replacement	Construction	Oct-13	On-Target	Nov-13	On-Target	\$ 652,960
11	Newark	West Side HS	Electrical Switch Gear	Construction	Sep-13	Achieved	Oct-13	On-Target	\$ 69,008
12	Passaic City	School #11	Building Envelope	GC TO w/ Design	Dec-13	On-Target	Jan-14	On-Target	\$ 1,754,983
13	Passaic City	Passaic HS #12	Building Envelope	GC TO w/ Design	Jan-14	On-Target	Feb-14	On-Target	\$ 669,339
14	Salem City	Salem HS	Building Envelope	GC TO w/ Design	Sep-13	Achieved	Sep-13	Achieved	\$ 877,143
15	Salem City	Salem MS	Building Envelope	GC TO w/ Design	Mar-14	On-Target	May-14	On-Target	\$ 1,618,348
16	Trenton	Trenton Central HS (West)	Condensate System	Construction	Oct-13	On-Target	Oct-13	On-Target	\$ 1,878,853
17	West New York	PS #1	Structural Repairs	GC TO w/ Design	Dec-13	On-Target	Feb-14	On-Target	\$ 1,409,740
18	West New York	PS #5	Structural Repairs	GC TO w/ Design	Feb-14	On-Target	Mar-14	On-Target	\$ 1,617,433

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PROJECT CLOSEOUT STATUS REPORT



1 WEST STATE STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955

To: Members of the Authority

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

Date: November 6, 2013

Subject: Project Close Out Status Report

The attached report provides a listing of Capital and Emergent projects managed by the SDA all of which have achieved school occupancy. The listing is further defined by District and year of occupancy, and details those projects that are fully closed out and those which achieved building and/or land transfer to the district.

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

Year of Occupancy	Project #	Project Type	District	School	Status
2008	1320-240-03-0339	Capital Plan	Plainfield	Emerson Elementary School	Transferred
N/A	0680-300-12-0ACQ	Emergent	Camden	Sharp Elementary School	Transferred
N/A	3570-440-08-0GAB	Emergent	Newark	Dr. William H. Horton Elementary School	Closed
N/A	3570-050-08-0GAI	Emergent	Newark	Malcolm X Shabazz High School	Closed
N/A	3570-615-08-0GAH	Emergent	Newark	Roberto Clemente Elementary School	Transferred
N/A	3570-750-12-0ACD	Emergent	Newark	Wilson Avenue Elementary School	Transferred
N/A	3970-140-08-0GAY	Emergent	Passaic	William B. Cruise Memorial School #11	Transferred

Prepared by: Ayisha Cooper
Reviewed by: Carol Petrosino
Bridget Capasso

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
Asbury Park					
Legacy	Bradley Primary	Closed		04/29/09	
2008	T. Marshall Primary	Closed		04/29/09	
Barnegat					
2008	Collins ES	Closed		04/16/13	
2009	Dunfee ES	Closed		04/16/13	
2009	Horbelt ES	Closed		04/16/13	
Legacy	Barnegat HS	Land and/or School Transferred	10/13/09		Open contract(s)
2007	Brackman MS	Land and/or School Transferred	09/23/09		Open contract(s)
2008	HS Addition	Land and/or School Transferred	10/13/09		Open contract(s)
2008	New Donahue, ES (aka Ronald Reagan)	Land and/or School Transferred	10/13/09		Open contract(s)
Bridgeton					
Legacy	Buckshutem Road ES	Closed		05/12/09	
2009	Bridgeton HS Media Center	Closed		02/23/12	
Buena					
Legacy	Cleary MS	Closed		06/02/09	
2010	Buena MS	Closed		02/23/12	
Burlington City					
Legacy	Burlington City - Samuel Smith ES	Closed		11/24/09	
2007	Wilbur Watt Intermediate School & Stadium Maintenance Bldg. (MB)	Land and/or School Transferred	07/01/11		Open contract(s)
2007	New HS	Land and/or School Transferred	12/29/11		Open contract(s)
Camden					
2007	Octavius V. Catto Community School - Demonstration Project	Land and/or School Transferred	01/09/12		Open contract(s)
2009	Camden ECDC	Land and/or School Transferred	11/04/09		Open contract(s)

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**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2009	HB Wilson ES	Land and/or School Transferred	04/14/10		Open contract(s)
2009	Dudley ES	Land and/or School Transferred	02/06/12		Open contract(s)
2011	Morgan Village	Land and/or School Transferred	02/25/13		Open contract(s)
Clark					
2007	Frank Hehny ES	Closed		03/13/13	
2007	Carl Kumpf MS	Closed		03/13/13	
2007	Arthur Johnson HS	Closed		03/13/13	
2007	Valley Road ES	Closed		03/13/13	
Cumberland					
2009	Cumberland Regional HS	Land and/or School Transferred	06/25/10		Open contract(s)
East Orange					
Legacy	Wahlstrom ECC	Closed		06/30/12	
Legacy	New - Langston Hughes Replacement	Closed		01/18/13	
Legacy	East Orange HS	Closed		12/07/12	
2008	Campus #9 CJ Scott HS	Closed		11/23/12	
2008	Mildred Barry Garvin	Land and/or School Transferred	03/29/13		Open contract(s)
2009	Cicely Tyson School of Performing and Fine Arts - Demonstration Project	Land and/or School Transferred	12/01/09		Open contract(s)
2010	Benjamin Banneker (New ES #5)	Land and/or School Transferred	07/23/12		Open contract(s)
Egg Harbor City					
2009	Spragg ES	Closed		02/10/12	
2010	New MS	Land and/or School Transferred	01/01/12		Open contract(s)
Egg Harbor Township					
2007	Slaybaugh ES	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, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2007	Davenport ES	Land and/or School Transferred	10/23/12		Open contract(s)
2011	Egg Harbor Twp HS - Phase 1 (add/reno)				
2011	Egg Harbor Twp HS - Phase 2 (add/reno)				
Elizabeth					
Legacy	Albert Einstein #29	Closed		09/16/09	
Legacy	#44 aka #51	Closed		09/16/09	
Legacy	Dr. MLK Jr. # 52 aka ECC # 45*	Closed		6/13/2012*	
Legacy	#31 Monsignor Joao Antao School	Closed		01/18/13	
2008	Pre K-8 #27 Dr. Antonia Pontoja School	Closed		10/29/09	
Legacy	#30 Ronald Reagan Academy	Land and/or School Transferred	07/09/12		Open contract(s)
Legacy	New ES	Land and/or School Transferred	09/23/09		Open contract(s)
2009	New PreK-8 #28	Land and/or School Transferred	08/26/10		Open contract(s)
2013	Victor Mravlag ES # 21				
Garfield					
Legacy	Garfield ECC		04/23/09		DEP Action Required
2007	Garfield MS	Land and/or School Transferred	06/25/09		Open contract(s)
Gloucester City					
Legacy	JR SR HS	Land and/or School Transferred	11/28/12		Open Retainage
Legacy	Cold Springs ES	Land and/or School Transferred	06/05/09		Open contract(s)
Greater Egg Harbor Township					
2008	Oakcrest Regional, HS (Auditorium upgrade)	Closed		04/10/13	
2010	Greater Egg Harbor HS (Cedar Creek HS)	Land and/or School Transferred	01/01/12		Open contract(s)
Harrison					

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2007	New Harrison HS	Land and/or School Transferred	10/23/12		Open contracts(s)
Hoboken					
2007	Calabro ES # 4	Closed		07/09/12	
Irvington					
2007	Augusta ES	Closed		03/13/09	
2007	Irvington - New Mt. Vernon, ES	Closed		03/13/09	
2007	University Six School	Closed		03/13/09	
Jersey City					
Legacy	ECC #9 - School Site only	Closed		05/24/10	
Legacy	ECC #9 - Parking lot only	Closed		05/24/10	
2008	ES # 34	Land and/or School Transferred	03/22/13		Open Contract(s)
Legacy	Freshman Academy - Lincoln HS				
Legacy	New ES #3 (Frank R. Conwell ES #3)				
Legacy	Jersey City MS # 4 (Frank R. Conwell MS # 4)				
2007	Heights MS # 7				
Long Branch					
Legacy	New MS - Building	Closed		07/25/09	
Legacy	New Anastasia ES	Closed		10/23/09	
2007	Gregory ES	Land and/or School Transferred	05/25/12		Open Contract(s)
2008	Long Branch - Athletic Fields & High School	Land and/or School Transferred	12/07/12		Open Contract(s)
Manchester					
Legacy	Manchester - Manchester Township MS	Land and/or School Transferred	07/16/09		Open contract(s)
Legacy	Whiting ES	Land and/or School Transferred	07/16/09		Open contract(s)
Legacy	Manchester Township HS				
Millville					
Legacy	Millville ECC	Closed		06/19/09	

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**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
Legacy	Lakeside MS	Closed		07/08/09	

Neptune					
Legacy	Neptune ECC	Closed		10/31/06	
Legacy	Gables ES	Closed		04/30/09	
Legacy	Neptune MS	Closed		04/30/09	
Legacy	Summerfield ES	Closed		04/30/09	
Legacy	Shark River Hills ES	Closed		07/13/09	
Legacy	Neptune Township - Green Grove ES	Closed		11/27/09	
Legacy	HS Swing Space	Closed		10/21/11	
2008	Midtown Community ES & Parking	Closed		11/16/11	
2010	Neptune HS Aux. Gym	Closed		10/21/11	

New Brunswick					
2007	McKinley K Center #3	Land and/or School Transferred	07/09/12		Open contract(s)
2010	New Brunswick High School - Demonstration Project	Land and/or School Transferred	08/19/11		Open contract(s)

Newark					
Legacy	Science Park	Land and/or School Transferred	05/03/13		Open contract(s)
2007	1st Avenue ES	Land and/or School Transferred	09/28/11		Open contract(s)
2008	Central HS	Land and/or School Transferred	03/28/12		Open contract(s)
2009	Park ES (aka North Ward Park ES)	Land and/or School Transferred	02/24/10		Open contract(s)
2010	Speedway ES				

Orange					
Legacy	New Main St. ES	Closed		06/22/09	
2009	Park Ave ES	Land and/or School Transferred	07/19/12		Open contracts(s)
2010	Lincoln Ave ES	Land and/or School Transferred	09/07/12		Open contracts(s)

Passaic

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
2010	Daniel F Ryan #19 ES aka New ES Main Ave	Land and/or School Transferred	03/01/13		Open Contracts(s)
Legacy	# 7, Grant, ES	Letter sent to District - Documents needed			
Paterson					
Legacy	Panther Academy	Closed		08/15/11	
2010	Avenue K Center) parking Lot	Land and/or School Transferred	11/09/11		Open contract(s)
Legacy	Roberto Clemente ES	Letter sent to District - No Response			
2008	International HS				
2008	#24 ES				
Pemberton					
2011	ECC	Land and/or School Transferred	02/01/13		Open contract(s)
Perth Amboy					
Legacy	ECC I - Ignacio Cruz	Land and/or School Transferred	06/17/10		Open contract(s)
Legacy	#10 ES - Dr. N. H. Richardson School	Letter sent to District - No Response			
2009	ECC #2 - Edmund Hmieleski ECC	Land and/or School Transferred	04/30/13		Open contract(s)
Phillipsburg					
Legacy	ECC	Closed		04/27/12	
Plainfield					
Legacy	Hubbard MS	Closed		07/24/13	
Legacy	Clinton ES - Site only	Land and/or School Transferred	05/06/10		Open contract(s)
2008	Emerson ES School Site only	Land and/or School Transferred	09/20/13		Open contract(s)
2009	Emerson ES - Parking/Playground only	Land and/or School Transferred	09/20/13		Open contract(s)
2009	Clinton ES - Parking/Playground only				

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
Trenton					
Legacy	Mott ES	Closed		05/07/09	
Legacy	P. J. Hill ES	Closed		05/07/09	
Legacy	Gregory ES	Closed		06/30/09	
Legacy	Joyce Kilmer	Closed		12/29/11	
Legacy	Columbus ES	Closed		02/02/12	
2007	Parker ES	Closed		03/13/09	
2008	Daylight/Twilight Alternative School - Demonstration Project	Land and/or School Transferred	12/01/08		Open contract(s)
2010	MLK-Jefferson	Land and/or School Transferred	12/01/11		Open contract(s)
Union City					
Legacy	Jose Marti MS Jose Marti MS Athletic Field	Closed		08/25/11	
2007	ECC @ JFK - Phase I (School only)	Letter sent to District - Documents needed; Deed transferred to District 03/20/12			
2007	ECC @ JFK - Phase II (Schlemm) Parking/Playgrounds	Letter sent to District - Documents needed; Deed transferred to District 03/20/12			
2009	Union City High School and Athletic Complex - Demonstration Project	Land and/or School Transferred	10/27/11		Open contract(s)
2012	Columbus Elementary School	Deed transferred to District 03/26/13			
Vineland					
Legacy	Petway - ES #1	Closed		03/12/09	
Legacy	MS #1 Thomas Wallace	Closed		03/12/09	
Legacy	Johnstone ES	Closed		05/20/09	
2007	Vets Memorial	Closed		03/13/09	
2007	Gloria M. Sabeter Elementary School - Demonstration Project	Land and/or School Transferred	05/06/11		Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
West New York					
2007	#4	Closed		03/01/13	
Legacy	West New York MS	Letter sent to District - Documents needed			
2009	ES #2				
2012	West New York #3	Deed transferred to District 09/11/12			
Woodlynne					
Legacy	Woodlynne ES	Closed		06/10/09	
Capital and Demonstration Projects Totals					
Total Capital and Demonstration Projects		133			
Closed Capital and Demonstration Projects		61			
Capital and Demonstration Projects Not Closed		72			
	Capital and Demonstration Projects Not Closed, Land & School Transferred	51			
*Dr. MLK Jr. Center for ECC School # 52 aka ECC # 45 (Legacy) has been closed although an NFA is still needed. The District fulfilled its obligations with the DEP 06/08/2011. The SDA has fulfilled all of its obligations regarding this project.					
Emergent Projects					
Camden					
	Broadway Elementary School	Closed		08/12/11	
	Lanning Square at Feters Elementary School	Closed		11/02/11	
	Sharp Elementary School	Closed		01/30/13	
	Washington Elementary School	Closed		04/09/13	
	Molina Elementary School	Closed		04/10/13	
	Camden High School - Window Repairs	Closed		08/26/13	
	Camden High School - Cooling Tower	Project Transferred	08/26/13		Open Contract(s)
	Sharp Elementary School - Roof	Project Transferred	09/30/13		Open Contract(s)
	East Camden Middle School				

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
	Pyne Poynt Middle School				
East Orange					
	Hart Middle School	Closed		12/02/11	
	Jackson Academy	Closed		12/14/11	
	Houston Elementary School	Closed		03/12/13	
	Warwick Elementary School	Closed		03/12/13	
	Cochran Academy	Closed		03/12/13	
	Louverture				
Harrison					
	Washington Middle School				
Irvington					
	Union Avenue Middle School	Closed		02/01/13	
	Irvington High School - Roof, HVAC, Bathroom				
	Irvington High School - Physical Ed. Field				
	Madison Avenue Elementary School				
Jersey City					
	Public School #5	Closed		03/22/13	
	William L. Dickinson High School	Closed		03/22/13	
Newark					
	Branch Brook ES	Closed		11/09/11	
	Franklin ES	Closed		11/09/11	
	Sussex Avenue ES	Closed		11/09/11	
	Barringer High School	Closed		12/01/11	
	McKinley	Closed		12/02/11	
	Weequahic High School	Closed		04/02/12	
	South Street	Closed		04/30/12	
	East Side High School	Closed		10/31/12	
	Avon Avenue - Roof	Closed		04/30/13	
	Horton Elementary School	Closed		09/26/13	
	Malcolm X Shabazz High School	Closed		09/30/13	
	Avon Avenue - Playground	Project Transferred	10/20/11		Open contract(s)
	Maple Avenue	Project Transferred	10/20/11		Open contract(s)
	13th Avenue - Boiler	Project Transferred	11/09/11		Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
	Lafayette Street School	Project Transferred	11/09/11		Open contract(s)
	Bragaw Avenue ES	Project Transferred	06/20/13		Open contract(s)
	R. Clemente	Project Transferred	09/26/13		Open contract(s)
	Wilson Avenue School	Project Transferred	09/26/13		Open contract(s)
	Speedway				
	American History High School (Warren Street ES)				
	Hawkins ES - Boiler Replacement				
	Ridge Street ES - Boiler Replacement				
	Sussex Avenue ES - Boiler Replacement				
	West Side High School				
Passaic					
	School #1 T. Jefferson ES	Closed		10/07/11	
	Dr. MLK, Jr. School #6	Closed		08/26/13	
	William B. Cruise Memorial School #11	Project Transferred	09/26/13		Open contract(s)
Paterson					
	Sage Adult School & Alternative MS/HS	Closed		05/23/12	
	Public School #3	Closed		04/30/12	
	Public School #10	Closed		05/23/12	
	Public School #16	Closed		04/30/12	
	Early Learning Center at 14th (aka Rutland Center)	Closed		03/18/13	
	Public School #6				
Trenton					
	Trenton Central HS	Closed		05/21/12	
	TCHS (Main Campus) - Original portion of building				
West New York					
	Public School #1				
	Public School #5				
Emergent Project Totals					
Total Emergent Projects		60			
Emergent Closed Out		33			
Emergent Not Closed		27			

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of October 1, 2013**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Date Full Project Close Out	Outstanding Issues remaining for complete close out
	Emergent Projects Not Closed but Transferred	10			
Health and Safety Contract Totals					
Total Contracts		399			
# of Contracts Closed		385			
# of Contracts Open		14			
Open Design Contracts					
Total Contracts		106			
# of Contracts Closed		17			
# of Contracts Open		89			



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

1 WEST STATE STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955*Informational Memorandum*

To: Members of the Authority

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

Date: November 6, 2013

Subject: Project Close Out

The Chief of Staff's Special Projects Division offers this overview of the Project Close Out (Close Out) process and monitoring efforts following the discussion of this key initiative during the September 4, 2013 Board Meeting.

Overview

Close-Out is a multi-phased process that occurs throughout the School Facilities Project lifecycle. It is a mechanism to help ensure that all work was performed in accordance with all contracts/tasks executed for that project and the facility is brought into the fully operational stage. The process serves to verify that all required documents are executed, all regulatory documents are obtained, the Project is transferred to the District, and the District acknowledges ownership and obligation as set forth in 13C and 13D Agreements. Lastly, it ensures that all claims are resolved, all documentation to support final payments is submitted, final payments are made and all contracts are closed within the School Facilities Project thereby releasing the NJSDA of any liability.

There are three major milestones associated with Project Close Out:

1. School Transfer

- School Transfer occurs upon achievement of Substantial Completion of a School Facilities Project. A project achieves Substantial Completion upon the issuance of a Temporary Certificate of Occupancy (TCO); Certificate of Occupancy (CO); Certificate of Acceptance (CA); or other appropriate instrument for occupancy; creation of the punch list; and receipt of evidence that the District has added the School Facility to its insurance policy. School Transfer is memorialized through execution of the Assignment of Warranties document that formalizes the transfer of ownership for maintenance, custody, controls and financial responsibility of the School Facility to the School District, and, the delivery of a Project Transfer binder to the District. The Project Transfer Binder contains copies of the TCO, CO or CA, the Exhibit E, which formally documents achievement of Substantial Completion (per the 13C Agreement with the District and Department of Education), contractual completion documents and copies of acknowledgment of receipt of Operations and Maintenance manuals, completion of training, and formulation of the punch list.

Members of the Authority
Project Close Out
November 6, 2013
Page 2

- If land was acquired to support the School Facilities Project, the Deed to the land is conveyed to the School District simultaneously at Project Transfer. NJSDA staff executes and facilitates the recording of the Deed for transfer. If there is any remediation associated with the project and a deed restriction is required, NJSDA will facilitate that process and record the deed and deed restrictions with the County Clerk of the county in which the district lies prior to delivery of the Deed documents to the District.
2. Contract Close-Out
- The Contract Close out process is focused on ensuring all contractual obligations have been met for all contracts and task orders associated with the project; validates that all claims are resolved, that all documentation to support final payments is obtained, and all final payments (including release of retainage) are made. Contract Close Out will not conclude until all related regulatory documents are obtained (Certificate of Occupancy, No Further Action Letter or Remedial Action Outcome as applicable); all deliverables to the District have been received and acknowledged by the District, and all financial obligations for contracts are met.
3. Final Close-Out
- Final Close-Out cannot be achieved unless School Transfer and Complete Contractual Close-Out have been achieved. At this point, the Project Charter budget is reconciled and any remaining allocated funds are returned to the General Fund for use with other School Facility Projects.

Insurance

Project transfer of a school does not affect OCIP insurance costs for our vendors as premiums are paid shortly after contract execution. Insurance coverage under SDA's Builders' Risk terminates at Substantial Completion and SDA's construction liability coverage terminates when the contractor demobilizes and the property has been put to its intended use. For those projects where SDA has acquired property, the SDA's ownership liability continues until such time as the Deed has been recorded and transferred to the District.

Current Activity

The Close Out initiative is focused on the integration of close out processes within the project lifecycle for current and future Capital Plan and Emergent projects while tackling multiple open projects and/or contracts with lingering contract issues such as:

1. Collection of materials, document research and resolution of open issues and/or claims for projects that achieved occupancy prior to 2011 (Legacy projects); and,
2. Open contracts and Task Orders related to pre-legacy or projects that are no longer funded in the Capital Plan such as Health and Safety, Design Consultant, Site Investigation, or other Task Order contracts.

Members of the Authority
Project Close Out
November 6, 2013
Page 3

As to the primary focus, Special Projects and Team Minervini staff is finalizing documentation to complete the Project Transfer of the Victor Mravlag Elementary School, which had achieved occupancy in September 2013. The project included land acquisition so the Deed will be conveyed to the District in conjunction with the Project Transfer.

With regard to Legacy projects, one (1) project that requires a Deed Transfer remains open; we anticipate Project and Deed Transfer to be completed before year's end. At that point, SDA liability exposures will exist with current Capital Plan projects only. School Districts have provided evidence of insurance for all other projects eligible for close out. Staff is working diligently to complete the school transfer of twenty one (21) Legacy projects. Of those, there are now eight (8) projects where school building transfers are in the final stages. The twenty one projects are a subset of the fifty one (51) projects where contract close out is expected to follow quickly thereafter.

Additionally, through our efforts to close out open pre-legacy, task orders, and design contracts, 17 Credit Amendments were executed and processed releasing approximately \$16.6 M in obligated funds back to the Schools Construction program.

Lastly, as I previously reported, audits of the demonstration projects continue to progress. The Audit and Assessment team is currently auditing the New Brunswick demonstration project and is looking towards the Vineland project in the next month or so and will continue auditing the remainder of the demonstration projects prior to discussion of shared savings or potential shared savings take place. All of the respective contractors have been notified that these independent audits will be undertaken on each project and Mr. Yosha and I will be meeting with some of them over the next couple of weeks to respond to any questions they may have. The six demonstration projects are: New Brunswick HS; Vineland MS; Trenton Daylight /Twilight; Union City HS; Camden Catto ES; and East Orange Performing and Fine Arts School.

Special Projects will continue to monitor, assist, and report on the status of Project Close Out utilizing the Project Close Out Report that is submitted to the stakeholders monthly.

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: November 6, 2013

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

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

No new data to report

Projects Greater than 90 Days Behind Schedule:

No new data to report.

Revisions to Project Charters:

No new data to report.

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



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

Reporting Period: Jan. 1, 2008 to Sep. 26, 2013

District	Project ¹	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ²	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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In Construction

Elizabeth	Number 21, Victor Mravlag E.S.	\$8,240,000	\$8,209,899	\$30,101	99.6%	98%	1. Unforeseen asbestos abatement 2. Unforeseen structural integrity issues. 3. Project changed from addition/renovation to new construction.	The project is achieved a temporary certificate of occupancy for the majority of the building in September 2013 and has been occupied by the District.
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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	\$17,808,494	\$22,496	99.9%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement.	Project complete and building occupied. Open contract issues with GC being addressed to advance project to final close-out.
Camden	Dudley E.S.	\$3,215,000	\$3,189,804	\$25,196	99.2%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Open contract issues with GC being addressed to advance project to final close-out.
Camden	Camden ECDC	\$11,314,645	\$9,916,987	\$1,397,658	87.6%	99%	1. Unforeseen soil remediation	Project complete and building occupied. Open contract with GC being addressed to advance project to final close-out.
Camden	HB Wilson E.S.	\$3,097,150	\$2,989,906	\$107,244	96.5%	99%	1. Installation of centralized water filtration system 2. Installation of IT/AV systems	New school project complete and building occupied. Open contract issues with GC being addressed to advance project to final close-out. Demolition of existing school adjacent to school building being advanced. Additional funding for demolition will require a charter revision.
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	\$1,826,000	\$0	100.0%	99%	1. Removal of unforeseen impacted materials	Project substantially complete and building occupied. Open issues with GC regarding change orders and punchlist items being addressed prior to advancement of project to final close-out.
Orange	Lincoln Ave E.S.	\$5,615,000	\$4,906,306	\$708,694	87.4%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	Project complete and building occupied. Open contract issues with GC being addressed to advance project to final 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. Open contract issues with GC being addressed to advance project to final close-out.
Passaic	E.S. at Main Avenue	\$9,548,320	\$8,259,178	\$1,289,142	86.5%	99%	1. Atrium design changes required by code 2. Unforeseen subsurface sewage line work 3. Adding back Security/IT System (removed and anticipated to be bid as a separate engagement for E. Rate reimbursement)	Project complete and building occupied. Open contract issues with GC being addressed to advance project to final close-out.



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to Sep. 26, 2013

District	Project ¹	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ²	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
Paterson	E.S. #24	\$4,616,120	\$4,315,093	\$301,027	93.5%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Open contract issues with GC being addressed to advance project to final 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. Open contract with GC being addressed to advance project to final close-out.

¹ * Indicates Final Project Charter Revision

² Does not include expended contingency or contingency funds allocated for change orders, amendment



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy
 Reporting Period: September 2013

#	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 New Data to Report



Revisions to Project Charters

Reporting Period: September 2013

#	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 to Report

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: November 6, 2013

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

Contracts Executed Report

This report contains the activity of contracts executed during the period September 1 through September 30, 2013.

Noteworthy Items during the reporting period:

- Execution of 1 Professional Services Contract for a Design for the Vineland HS Emergent HVAC Project – Manders Merighi Portadin Farrell Architects, LLC – \$117,095
- Execution of 1 Construction Contract for the Jersey City New Number 20 ES – Dobco, Inc. – \$28,735,000

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period September 1 through September 30, 2013.

Noteworthy Items during the reporting period:

- Execution of 7 Design Contract Amendments totaling a credit of \$0.7M, of the 7 executed amendments 1 required board approval totaling \$0.4M. Additionally, 4 represent credits required to close out contracts for projects not planned for advancement approved for delegation by the Members at the August Board Meeting.
- Execution of 4 Construction Services Change Orders totaling \$4.1M, of the 4 executed change orders 1 required board approval totaling \$4.2M and represents settlement of all claims by the general contractor for the Elizabeth Mravlag ES.

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 during the reporting period



**New Jersey Schools Development Authority
Contracts Executed Report**

Report Period 9/1/13 through 9/30/13

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 1. Professional Services										
Design Consultant										
Vineland City	Vineland Senior H.S. South	Reno	Design	EP-0085-A01	Manders Merighi Portadin Farrell Architects, LLC		\$117,095	9/20/13	8,700,000	\$8,700,000
Design Consultant										
Part 1. Professional Services							\$117,095			\$8,700,000

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Report Period 9/1/13 through 9/30/13

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 2. Construction Services										
Contractor										
Jersey City	Number 20 E.S.	New	Construction	JE-0010-C01	Dobco, Inc.		\$28,735,000	9/16/13	28,867,800	\$28,867,800
Contractor										
Part 2. Construction Services							\$28,735,000			\$28,867,800

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Report Period 9/1/13 through 9/30/13

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE	
Part 4. Other Contracts & Services											
Furniture, Fixtures & Equipment											
Elizabeth	Number 21, Victor Mravlag E.S.	RenoAdd	FFE	EL-0016-K07	Diversant		\$21,898	9/16/13	-		
Elizabeth	Number 21, Victor Mravlag E.S.	RenoAdd	FFE	EL-0016-Q20	Krueger International, Inc.		\$14,219	9/12/13	-		
Furniture, Fixtures & Equipment											
Others											
Elizabeth	New Academic HS	New	General	EL-0006-R02	Verizon		\$11,681	9/5/13	-		
Others											
Part 4. Other Contracts & Services							\$47,798				

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Report Period 9/1/13 through 9/30/13

	Total Contract Award	Total Contracts Awarded
Grand Totals - Professional and Construction Services Combined	\$28,899,893	5

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

Project Types Legend

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

Contract Types Legend

Acquisition	Property Acquisition Related Costs
Appraisal	Appraisal, Appraisal Review, NRE
Construction	Construction
Design	Design or Site Investigation
DB	Design-Build
E-Rate	E-Rate
FFE	Furniture, Fixtures, and Equipment
General	General Program Cost
Legal	Legal
Material	Material Supply
ProjectMgmt	Project Management Firm
PreDevelopment	Predevelopment or Demolition
Relocation	Relocation Services
SiteInvstgtn	Site Investigation
Testing	Testing
Title	Title Services
Utilities	Utilities Services

MWSBE Certifications

M = Minority Business Enterprise
 W = Women Business Enterprise
 S = Small Business Enterprise

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



New Jersey Schools Development Authority
Amendments & Change Orders Report

Reporting Period 9/1/13 through 9/30/13

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Design Consultant																
Barnegat Township	Russell O. Brackman M.S.	ET-0063-A01	3/30/04	8	Thomas Associates Architects + Engineers	9/25/13	\$946,847	\$81,554		\$-129			\$1,028,271	8.59%	\$946,847	8.59%
East Orange	Mildred B. Garvin MicroSociety Sch	ES-0020-A01	9/4/03	8	Guenther & Hee Associates	9/25/13	\$1,355,000	\$163,370	10/31/07	\$-184,690			\$1,333,680	-1.57%	\$1,355,000	-13.26%
Garfield	James Madison School #10 (Most Holy Name)	NT-0014-A01	5/28/03	10	Faridy Veisz Fraytak, P.C. Architects/Planners	9/5/13	\$1,139,765	\$935,924	3/4/09	\$371,535	Yes	8/7/13	\$2,447,224	114.71%	\$1,139,765	33.68%
Jersey City	Number 20 E.S.	JE-0010-A01	10/3/03	15	SSP Architects	9/30/13	\$1,665,000	\$1,763,820	7/5/12	\$2,580			\$3,431,400	106.09%	\$1,665,000	2.77%
Paterson	Number 25 E.S.	PA-0010-A01	8/6/03	5	Guenther & Hee Associates	9/23/13	\$1,241,215	\$353,354	5/11/06	\$-478,415			\$1,116,154	-10.07%	\$1,241,215	-38.54%
Plainfield	Charles H. Stillman E.S. Evergreen E.S. Maxson M.S.	ET-0046-A01	8/7/03	4	Guenther & Hee Associates	9/20/13	\$138,965	\$206,683	5/16/05	\$-853			\$344,795	148.11%	\$138,965	-0.61%
Pleasantville	Decatur Ave Alternative High School	ET-0066-A01	9/29/04	5	Guenther & Hee Associates	9/23/13	\$1,287,015	\$42,674		\$-391,948			\$937,741	-27.13%	\$1,287,015	-27.13%
Design Consultant																
Site Investigation																
Multi-District, Project, or Statewide	East Camden M.S. Elizabeth HS John Fenwick E.S. Lorriane Place New Middle School Number 12, Elmora E.S. Number 3, Peterstown E.S. aka Nicholas Lacorte Number 6 E.S. Number 75, Battin M.S. Pyne Poynt Family M.S. Salem M.S. Seaman Avenue School	GP-0084-L01	2/29/08	31	Arcadis US, Inc.	9/9/13	\$0	\$1,100,226		\$-78,521			\$1,021,705	0.00%	\$0	NA
Paterson	ES at Don Bosco Site	GP-0171-L10	12/1/11	7	Lan Associates, Engineering, Planning, A	9/24/13	\$0	\$484,045		\$95,000			\$579,045	0.00%	\$0	NA
Site Investigation																
Relocation																



NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 9/1/13 through 9/30/13

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Relocation																
Multi-District, Project, or Statewide	New PS#16 Elliott Street E.S. Marshall Street Elementary School New Early Childhood Center New Franklin Elementary School Replacement New North East ES (-x06) Number 20 E.S. Number 21, Victor Mravlag E.S. Ridge Street (Replacement) Roebing School University H.S. West Side H.S.	GP-0175-R03	2/11/12	37	Bluegrass Hydroseeding, LLC	9/20/13	\$27,996	\$686,256		\$11,816			\$726,068	2,493.45%	\$27,996	2493.45%
Relocation																
Others																
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L06	4/15/05	86	JCP&L	9/5/13	\$8,060	\$12,573		\$96			\$20,729	157.17%	\$8,060	157.17%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	87	JCP&L	9/5/13	\$8,060	\$12,669		\$89			\$20,818	158.28%	\$8,060	158.28%
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L16	8/2/11	25	New Jersey American Water	9/13/13	\$410	\$3,964		\$171			\$4,545	1,009.28%	\$410	1009.28%
Haworth	Haworth E.S.	G5-4253-D01	1/23/13	1	District - Haworth	9/5/13	\$246,552	\$0		-\$111,850			\$134,702	-45.36%	\$246,552	-45.36%
Jersey City	Number 14 E.S.	GB-0129-D01	12/11/08	1	District - Jersey City	9/5/13	\$918,884	\$0		-\$107,429			\$811,455	-11.69%	\$918,884	-11.69%
Livingston Township	Burnet Hill E.S.	G5-3444-D01	1/29/10	1	District - Livingston Township	9/30/13	\$1,675,906	\$0		-\$236,313			\$1,439,593	-14.10%	\$1,675,906	-14.10%
Livingston Township	Collins E.S.	G5-3445-D01	1/29/10	1	District - Livingston Township	9/30/13	\$2,218,910	\$0		-\$389,797			\$1,829,113	-17.56%	\$2,218,910	-17.56%
Bridgeton	Buckshutem Road E.S. - G. Foster ECC Quarter Mile Lane E.S.	GP-0005-R01	5/1/01	12	National Reprographics Inc.	9/13/13	\$799,128	\$25,213		\$2,679			\$827,020	3.49%	\$799,128	3.49%
Jersey City	Number 20 E.S.	GP-0005-R07	6/14/02	8	Ace Reprographic Service, Inc.	9/13/13	\$378,841	\$17,613		\$1,147			\$397,601	4.95%	\$378,841	4.95%
Multi-District, Project, or Statewide	New PS#16 Cumberland Regional H.S. Hart Middle School James Madison School #10 (Most Holy Name) New Caruso E.S. New ES #3	GP-0005-R10	7/3/02	27	Napco Copy Graphics Center Corp.	9/13/13	\$251,397	\$97,977		\$905			\$350,279	39.33%	\$251,397	39.33%

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 9/1/13 through 9/30/13

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Others																
Jersey City	ECC 13	GP-0048-R01	1/27/05	3	Hunter Research, Inc.	9/9/13	\$139,403	\$27,258		\$-14,491			\$152,170	9.15%	\$139,403	9.15%
Multi-District, Project, or Statewide	Statewide Project ID	GP-0089-R08	8/19/08	38	Hill Wallack, LLP	9/17/13	\$2,000	\$141,162		\$120			\$143,282	7.064.10%	\$2,000	7064.10%
Multi-District, Project, or Statewide	Statewide Project ID	GP-0089-R11	8/26/08	73	Eckert Seamans Cherin & Mellott, LLC	9/16/13	\$148,910	\$755,086		\$26,642			\$930,638	524.96%	\$148,910	524.96%
Multi-District, Project, or Statewide	Performing Arts School Roebbling School		8/26/08	74	Eckert Seamans Cherin & Mellott, LLC	9/16/13	\$148,910	\$826,495		\$460			\$975,865	555.33%	\$148,910	525.27%
Multi-District, Project, or Statewide	Statewide Project ID		8/26/08	75	Eckert Seamans Cherin & Mellott, LLC	9/16/13	\$148,910	\$781,728		\$44,768			\$975,405	555.02%	\$148,910	555.33%
Multi-District, Project, or Statewide	Procurement of Outside Counsel	GP-0162-R09	10/20/11	5	Ruderman & Glickman, P.C.	9/17/13	\$0	\$8,890		\$5,986			\$14,876	0.00%	\$0	NA
Multi-District, Project, or Statewide	Procurement of Outside Counsel		10/20/11	6	Ruderman & Glickman, P.C.	9/19/13	\$0	\$14,876		\$19,165			\$34,041	0.00%	\$0	NA
Camden City	Dudley E.S.	GP-0162-R12	10/20/11	10	Greenbaum, Rowe, Smith & Davis LLP	9/17/13	\$0	\$8,392		\$660			\$9,052	0.00%	\$0	NA
Jersey City	Frank R. Conwell ES #3 (aka New PS3 ES) Frank R. Conwell MS #4 (New Middle School #4)	GP-0162-R15	10/20/11	5	Eckert Seamans Cherin & Mellott, LLC	9/16/13	\$0	\$115,951		\$15,298			\$131,249	0.00%	\$0	NA
Jersey City	Frank R. Conwell ES #3 (aka New PS3 ES) Frank R. Conwell MS #4 (New Middle School #4)		10/20/11	6	Eckert Seamans Cherin & Mellott, LLC	9/16/13	\$0	\$131,249		\$28,520			\$159,770	0.00%	\$0	NA
Jersey City	Frank R. Conwell ES #3 (aka New PS3 ES) Frank R. Conwell MS #4 (New Middle School #4)		10/20/11	7	Eckert Seamans Cherin & Mellott, LLC	9/16/13	\$0	\$159,770		\$17,748			\$177,517	0.00%	\$0	NA

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 9/1/13 through 9/30/13

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Others																
Paterson	New International High School Academy	PA-0008-N01	7/26/13	2	Aurora Environmental, Inc.	9/13/13	\$158,740	\$5,250		\$-25,000			\$138,990	-12.44%	\$158,740	-12.44%
Paterson	New International High School Academy	PA-0008-R04	3/1/09	31	Paterson Public Schools	9/17/13	\$177,221	\$265,717		\$4,058			\$446,996	152.22%	\$177,221	152.22%
Ramapo Indian Hills Regional High School District	Indian Hills H.S.	G5-3337-D01	10/9/09	1	District - Ramapo Indian Hills Regional High S.D.	9/18/13	\$120,000	\$0		\$-11,600			\$108,400	-9.66%	\$120,000	-9.66%
Ramapo Indian Hills Regional High School District	Indian Hills H.S.	G5-3341-D01	10/9/09	1	District - Ramapo Indian Hills Regional High S.D.	9/18/13	\$115,200	\$0		\$-38,360			\$76,840	-33.29%	\$115,200	-33.29%
Ramapo Indian Hills Regional High School District	Ramapo H.S.	G5-3343-D01	10/9/09	1	District - Ramapo Indian Hills Regional High S.D.	9/18/13	\$19,200	\$0		\$-2,491			\$16,709	-12.97%	\$19,200	-12.97%
Ramapo Indian Hills Regional High School District	Ramapo H.S.	G5-3344-D01	10/9/09	1	District - Ramapo Indian Hills Regional High S.D.	9/18/13	\$120,000	\$0		\$-14,515			\$105,485	-12.09%	\$120,000	-12.09%
Red Bank	Red Bank M.S.	G5-0142-D01	8/24/01	1	District - Red Bank	9/5/13	\$4,238,142	\$0		\$245,408			\$4,483,551	5.79%	\$4,238,142	5.79%
Saddle Brook Township	Saddle Brook H.S.	G5-3403-D01	6/2/10	1	District - Saddle Brook Township	9/30/13	\$85,150	\$0		\$-51,390			\$33,760	-60.35%	\$85,150	-60.35%
Springfield Township - Union	Edward V. Walton E.S.	G5-1022-D01	9/12/03	1	District - Springfield Township - Union	9/5/13	\$1,566,966	\$0		\$-121,740			\$1,445,226	-7.76%	\$1,566,966	-7.76%
Others																
										\$-1,364,685						
Professional Services																

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 9/1/13 through 9/30/13

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Construction Services																
Contractor																
Elizabeth	Number 21, Victor Mravlag E.S.	EL-0016-C03	11/16/06	157	Ernest Bock & Sons, Inc.	9/27/13	\$20,587,000	\$8,319,623	2/6/13	\$4,200,000	Yes	8/7/13	\$33,106,623	60.81%	\$20,587,000	21.01%
Newark	Wilson Avenue E.S.	EP-0077-C01	8/7/12	2	Brockwell & Carrington Contractors, Inc.	9/30/13	\$1,940,000	\$6,883		\$-68,394			\$1,878,490	-3.17%	\$1,940,000	-3.17%
Paterson	Number 6 E.S.	EP-0029-C01	9/7/12	2	Catcord Construction Co., Inc.	9/13/13	\$1,483,300	\$65,000		\$-15,000			\$1,533,300	3.37%	\$1,483,300	3.37%
Paterson	Number 24 E.S.	EP-0062-C01	2/10/12	1	TCI Construction & Management Co., Inc.	9/17/13	\$13,280	\$0		\$-1,704			\$11,577	-12.82%	\$13,280	-12.82%
Contractor																
Construction Services																
										\$4,114,903						

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 9/1/13 through 9/30/13

Total Change Order Summary

Total Change Orders

Grand Totals

\$2,750,218

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Column Description Legend

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
Cumulative CO %	Cumulative percentage change in contract value (excluding additional assignments) over the original contract award amount
RBC Value	Revised Basis Contract Value – This value is the Original Award amount for contracts executed after July 27, 2005 or contracts for which board approval has been required after July 27, 2005. Otherwise, this value is the contract value as of July 27, 2005.
Cumulative % since last Board Approval	Cumulative percentage change in contract value since either the later of July 27, 2005 or last board action date over the RBC Value. If the current change order received approval prior to July 27, 2005 this value is not applicable.

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CONTRACT TERMINATIONS REPORT (*no activity*)

SETTLEMENT CLAIMS

Settled Claims Log

Contract #	School Name	Claimant	Type of Claim	Settlement Date	Claim Amount (Per SDA Form 505)	Settlement
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #56 Snow Melt Sys at ADA Ramp	1/2/2013	\$4,321.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #67 Alumunim Window Storage Costs	1/2/2013	\$22,058.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #30 - Hollow Metal Door Damage	1/2/2013	\$5,447.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #28 Diaper Changing Station	1/2/2013	\$10,375.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #33 Playground Sidewalk	1/2/2013	\$22,934.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #79 Temporary Heat 12/10/10-2/4/11	1/2/2013	\$23,275.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	Non-potable Water	1/2/2013	\$786,579.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR#21 Access Road Costs/Weather Delay	1/2/2013	\$53,702.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	15 Day Time Extension Request/Fire Safing	1/2/2013	\$50,441.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	2 Day Time Delay/3rd Party Inspection Delay	1/2/2013	\$7,156.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #89 and #95 Temp Heat 2/5/11-4/1/11	1/2/2013	\$8,966.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #58 Masonry Changes	1/2/2013	\$5,981.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #68 Stud and HM Frames	1/2/2013	\$3,635.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #94R2 Canopy Flat roof Framing	1/2/2013	\$4,161.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #114 Concrete Pad	1/2/2013	\$7,614.00	\$0.00
WT-0001-C01	Pemberton ECC #1	Tamburro Bros.	COR #60 Elec & Plumbing at Pump House	1/2/2013	\$28,035.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #36 Adtl Tube Steel at Block A	1/2/2013	\$6,043.94	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR 45R1 Fire sys Backflow Preventer	1/2/2013	\$5,375.67	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #47R Adtl Elec Work	1/2/2013	\$2,936.60	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #75 Conflict of Floor Truss/Location	1/2/2013	\$4,509.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #40 Circuit Breaker Changes	1/2/2013	\$1,410.15	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #82R3 1 Day Security/Pwr Outage	1/2/2013	\$4,707.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #83 HVAC Modifications	1/2/2013	\$7,925.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #90 & #103 Truss X-Bracing	1/2/2013	\$34,121.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #91 Review of Addenda	1/2/2013	\$3,274.82	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #97 Wireless Microphone	1/2/2013	\$482.54	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #105 Acit Waste Tank Cover	1/2/2013	\$2,119.82	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #109 Soffit/Chase Wall at Ductwall	1/2/2013	\$2,674.25	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #110 Steel Angle/Gypsum Wallboard	1/2/2013	\$1,329.15	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR 111R1 Reconstruct Elevator Shaft	1/2/2013	\$4,133.52	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #129 Angle Add at Outrigging Block	1/2/2013	\$1,773.90	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #125, #139, #140 Roof/Refrg Comp.	1/2/2013	\$14,376.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #145 Changed Porcelain Tile	1/2/2013	\$1,113.69	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #142 Generator Start-up	1/2/2013	\$4,147.88	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #100 Dehumidification Caf/Gym	1/2/2013	\$12,681.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #144 Ext Const Delay Costs	1/2/2013	\$38,808.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #132 Relocate Gym Lights	1/2/2013	\$1,736.52	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	COR #136 Fireproofing at Ceiling of Elevator	1/2/2013	\$3,637.67	\$0.00

Settled Claims Log

Contract #	School Name	Claimant	Type of Claim	Settlement Date	Claim Amount (Per SDA Form 505)	Settlement
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	Extended General Conditions	1/2/2013	\$250,936.00	\$0.00
ET-0097-C01	Egg Harbor City MS	Tamburro Bros.	Relocate Card Readers	1/2/2013	\$3,966.00	\$0.00
NT-0032-C01	4 Clark Public	D&K Construction	Delay Claim	1/2/2013	\$1,908,972.00	\$192,826.27
ES-0024-C01	Central ES	Occidental Const	Extended General Conditions	1/2/2013	\$444,808.00	\$54,626.14
PA-0019-N01	Paterson PS #24	D&K Construction	Added Excavation/Backfill	1/2/2013	\$24,644.00	\$20,201.00
PA-0019-N01	Paterson PS #24	D&K Construction	Utility Pole Relocation	1/2/2013	\$7,308.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Existing Soil Piles Obstruction	1/2/2013	\$396,235.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - open Excavations	1/2/2013	\$177,419.00	\$35,736.82
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Basement Shoring	1/2/2013	\$610,243.00	\$106,111.75
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Underground Storage Tanks	1/2/2013	\$13,869.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Out of Sequence Work	1/2/2013	\$514,515.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - NJDCA Stop Work Order	1/2/2013	\$141,935.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Revised Structural Dwgs/ACC Block	1/2/2013	\$171,505.00	\$241,222.86
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Concrete Bonding	1/2/2013	\$247,727.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - PSE&G Request for 3 Phase Power	1/2/2013	\$419,891.00	\$153,406.86
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - NJDCA Req. to Protect Beams	1/2/2013	\$473,117.00	\$156,348.60
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - A/E Rejection of Bellows	1/2/2013	\$319,354.00	\$165,282.80
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - PSE&G's Gas Start-up	1/2/2013	\$70,968.00	\$53,605.23
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Issuance of ATC Panels Pwr CO	1/2/2013	\$301,612.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - Install of 3 Story Metal Stud Wall	1/2/2013	\$230,644.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Delay/Addl Costs - Revised Backstop Dwgs	1/2/2013	\$632,438.00	\$69,409.90
ES-0018-C02	East Orange ES #5	D&K Construction	Delay - NJSDA Building Approval	1/2/2013	\$88,709.00	\$0.00
ES-0018-C02	East Orange ES #5	D&K Construction	Added Structural Steel	1/2/2013	\$88,120.00	\$66,000.00
HU-0012-C01	Columbus ES #3	Chanree Construction	Add'l Rock Removal Costs	3/20/2013	\$3,713,633.00	\$2,200,000.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Added Full Time Safety Officer	3/27/2013	\$245,001.00	\$105,000.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Added Base Cabinets Cost	3/27/2013	\$1,058.00	\$0.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Ceiling Rework per DCA Inspection	3/27/2013	\$1,418.00	\$0.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Add Scope Material Handling	3/27/2013	\$2,938.00	\$0.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	PSE&G Extended Costs	3/27/2013	\$154,413.00	\$73,329.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Added Hardware	3/27/2013	\$766.00	\$383.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	DCA Document Changes	3/27/2013	\$1,976.00	\$971.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Unload Redistribute/Add Material	3/27/2013	\$7,073.00	\$5,604.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Added Soffit Installation Costs	3/27/2013	\$660.00	\$0.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	Underground Storm Pipe Work	3/27/2013	\$4,456.00	\$0.00
NT-0019-C01	Main Avenue ES	Ernest Bock & Sons	T&M per DCA Inspection	3/27/2013	\$1,955.00	\$0.00
PA-0019-C01-RB1	Paterson PS #24	Delric Construction	Delay Claim	4/2/2013	\$3,301,428.70	\$532,136.64
ET-0010-C01	Long Branch HS	Hunt Construction	Delay Claim No. 1	6/28/2013	\$4,746,773.00	\$2,493,029.00
ET-0010-C01	Long Branch HS	Hunt Construction	Delay Claim No. 2	6/28/2013	\$10,087,144.00	\$1,975,661.00

Settled Claims Log

Contract #	School Name	Claimant	Type of Claim	Settlement Date	Claim Amount (Per SDA Form 505)	Settlement
ET-0010-C01	Long Branch HS	Hunt Construction	Delay Claim No. 3	6/28/2013	\$4,501,923.00	\$861,988.00
ET-0010-C01	Long Branch HS	Hunt Construction	Escalation - Football Field Turf	6/28/2013	\$82,938.00	\$39,000.00
ET-0010-C01	Long Branch HS	Hunt Construction	Material Escalation	6/28/2013	\$742,580.00	\$0.00
NE-0004-C01	Newark Central HS	Hunt Construction	Delay Claim	6/28/2013	\$37,850,328.00	\$4,845,241.00
NE-0004-C01	Newark Central HS	Hunt Construction	Steel Plate at Top of Shaft Wall	6/28/2013	\$74,235.00	\$74,235.00
NE-0004-C01	Newark Central HS	Hunt Construction	Shaft Wall - Fire Wall Modifications	6/28/2013	\$381,929.00	\$381,929.00
NE-0004-C01	Newark Central HS	Hunt Construction	Water Service Heat Pump Modifications	6/28/2013	\$605,826.00	\$105,159.00
NE-0004-C01	Newark Central HS	Hunt Construction	Excessive M/E/P Coordination	6/28/2013	\$554,729.00	\$192,539.00
NE-0004-C01	Newark Central HS	Hunt Construction	Mechanical Revisions per Bulletins	6/28/2013	\$465,998.00	\$42,069.00
NE-0004-C01	Newark Central HS	Hunt Construction	Added Labor Fire DeDamper Inspection	6/28/2013	\$18,445.00	\$16,791.00
NE-0004-C01	Newark Central HS	Hunt Construction	Added Labor per PMF Noncompliance	6/28/2013	\$19,990.00	\$18,237.00
NE-0004-C01	Newark Central HS	Hunt Construction	Termination of CIN - Mason	6/28/2013	\$6,564,368.00	\$0.00
NE-0004-C01	Newark Central HS	Hunt Construction	Differing Site Condition	6/28/2013	\$1,371,022.00	\$1,312,873.00
NE-0004-C01	Newark Central HS	Hunt Construction	Ductwork Adjustments - Alcove	6/28/2013	\$6,178.00	\$0.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #79.01 Caisson Lengths	6/28/2013	\$56,438.00	\$45,724.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #702 Auditorium Slab Edge	6/28/2013	\$7,253.00	\$6,748.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #1212 Pool Costs	6/28/2013	\$183,868.00	\$183,168.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #12133 Condensate Insulation	6/28/2013	-\$17,586.00	-\$17,268.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #201.01 Mechanical Change	6/28/2013	\$35,076.00	\$31,748.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #370 Paint Block	6/28/2013	\$14,511.00	\$9,700.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #459 Beam Penetrations	6/28/2013	\$20,310.00	\$17,991.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #600 RTU Hoods	6/28/2013	\$3,826.00	\$3,112.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI#701 Auditorium Ductwork	6/28/2013	\$15,966.00	\$14,472.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #712 Window Sills	6/28/2013	\$45,983.00	\$15,000.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #756 Makeup Water Line	6/28/2013	\$10,172.00	\$9,046.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #910 Modify Electroic Room Ductwork	6/28/2013	\$2,111.00	\$1,975.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #916 Repainting	6/28/2013	\$52,694.00	\$26,000.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #998.01 Seat Ligts	6/28/2013	\$36,546.00	\$25,043.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #1058 Air Doors	6/28/2013	\$2,566.00	\$1,701.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #1169 Auditorium Steel	6/28/2013	\$14,723.00	\$9,197.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #1206 Ductwork Insulation Changes	6/28/2013	\$13,157.00	\$12,311.00
NE-0004-C01	Newark Central HS	Hunt Construction	CI #973b/c/d Shaft Wall - Mofifications	6/28/2013	\$164,276.00	\$145,276.00
EL-0016-C03	Eliz #21 (Mravlag)	Ernest Bock & Sons	Subcontractor Escalation claims	9/27/2013	\$3,156,046.31	\$1,900,000.00
EL-0016-C03	Eliz #21 (Mravlag)	Ernest Bock & Sons	Ext. Gen. Cond. Through Sub. Completion	9/27/2013	\$2,651,266.75	\$2,105,500.00
EL-0016-C03	Eliz #21 (Mravlag)	Ernest Bock & Sons	Extended Administration Costs	9/27/2013	\$540,500.00	\$0.00
EL-0016-C03	Eliz #21 (Mravlag)	Ernest Bock & Sons	CO Requests/Release of Costs	9/27/2013	\$581,316.00	\$194,500.00
			TOTAL FOR SEPTEMBER, 2013		\$91,845,132.88	\$21,331,896.87

Settled Claims Log

Contract #	School Name	Claimant	Type of Claim	Settlement Date	Claim Amount (Per SDA Form 505)	Settlement

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY1 WEST STATE STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955**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 6, 2013

SUBJECT: Contractor and Workforce Compliance Monthly Update for August, 2013

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 from January 1, 2013 through August 31, 2013 was \$53,669,223. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$28,156,106 (including minorities and women). This represents 52.39% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$25,421,035.00	47.37%
Small/ Minority Business Enterprises	\$2,508,764.00	4.67%
Small/Women Business Enterprises	\$226,307.00	0.35%
Small/Minority/Women Business Enterprises	\$-0-	0.00%
TOTAL SBE CONTRACTS	\$28,156,106.00	52.39%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 November 6, 2013
 Page 2 of 3

Ethnic Breakdown

The total SBE contracts awarded with minority participation were \$2,508,764.00 equaling 4.67% (includes S/MBEs and S/M/WBEs as shown below).

Ethnicity	Contract Amount	Percentage
American Indian	\$-0-	0.00%
Asian	\$2,276,764.00	4.24%
Black	\$-0-	0.00%
Hispanic	\$232,000.00	0.43%
Total	\$2,508,764.00	4.67%

WORKFORCE COMPLIANCE MONITORING

For the month of August, 2013 there was a contractor workforce of 485 on SDA projects. This represents a total of 31,231 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	43	3,111	9.96%
Hispanic	79	5,084	16.28%
American Indian	1	32	0.10%
Asian	1	77	0.25%
Total Minority Participation	124	8,304	26.59%
Total Non-Minority Participation	361	22,927	73.41%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 November 6, 2013
 Page 3 of 3

There was a contractor workforce of 154,485 total workforce hours and 1,591 total female workforce hours on SDA projects for the period of January 1, 2013 through August 31, 2013. The following table highlights the Local County contractor workforce participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	156,076	100.00%
*Total Local County Workforce Hours	24,458	15.67%
Total Local County Non-Minority Workforce Hours	17,673	11.32%
Total Local County Female Workforce Hours	180	0.12 %
Total Local County Minority Workforce Hours	6,785	4.35%
**Local County Workforce Hours by Ethnicity:		
Black	4,050	2.59%
Hispanic	2,642	1.69%
American Indian	0	0.00%
Asian	93	0.06%

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

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

The following table represents contractor and female workforce for all SDA active capital projects and all active and completed emergent projects for the period of January 1, 2013 through August 31, 2013.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage	Local County Workforce Hours & Percentage
Elizabeth, Victor Mravlag E.S.	27,573	5,682 20.61%	14 0.05%
Elizabeth, New Academic H.S.	318	112 35.22%	318 100.00%
New Henry Street ES	56	22 39.28%	0 0.00%
New Brunswick, A Chester Redshaw	17,745	3,541 19.95%	1,720 9.69%
Long Branch, Catrambone ES	74,885	15,805 21.10%	18,663 24.92%
All Emergent Projects (YTD)	25,267	9,273 36.70%	2,418 9.57%
Totals	145,844	34,435 23.61%	23,133 15.86%

Prepared by: Adele Bonar, CPA, Vendor Analyst
 Nicholas Torrens, Vendor Analyst

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: November 6, 2013

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

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of September 2013. Also included is a detailed list of grants executed and grants offered during the reporting period.

Monthly Update:

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- 13 grants impacting 6 districts were closed out during the reporting period representing \$26.9M in total project costs and state share of \$7.4M.
- Since inception, over \$2.3B has been disbursed to over 500 regular operating districts through the grant program.
- Since inception \$2.8B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



Monthly Regular Operating District Grant Report - Summary
September 2013

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	143	507	479	192
Number of Grant Projects	466	3,971	3,219	752
Total Project Cost Estimate	\$ 642,475,836	\$ 8,059,975,856	\$ 6,661,813,192	\$ 1,398,162,663
Grant Amount	\$ 221,896,913	\$ 2,615,505,131	\$ 2,117,483,857	\$ 498,021,274
Amount Disbursed	N/A	\$ 2,381,026,468	\$ 2,117,483,857	\$ 263,542,611

Total Funding Offered to School Districts via Grant Program	\$ 2,837,402,044
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Total ROD Grant Funding remaining for new Grant Projects	\$ 457,479,763
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1. Includes grants that have been offered to District's but have not yet been executed.

ROD Grant Summary - September 2013		
	Executed	Closed-Out
Districts Impacted	-	6
Number of Grant Projects	-	13
Total Project Cost Estimate	\$ -	\$ 26,912,704
Grant Amount	\$ -	\$ 7,387,793
Amount Disbursed	NA	\$ 7,387,793

* 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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NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$250,000

(no activity)

COMMUNICATIONS MONTHLY REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

1 WEST STATE STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955

MEMORANDUM

TO: Members of the Authority

FROM: /s/ Kristen MacLean, Director of Communications

DATE: November 6, 2013

SUBJECT: Monthly Communications Report

Christie Administration Tours Construction of New George L. Catrambone Elementary School in Long Branch



CEO Marc Larkins joined Long Branch Public Schools officials to tour the ongoing construction of the new George L. Catrambone Elementary School in Long Branch. The tour highlighted the construction progress of the new school following the groundbreaking that took place one year ago.

The new George L. Catrambone Elementary School will be a 109,000 square-foot, two-story facility designed to educate approximately 800 students in pre-kindergarten through fifth grade. The building will be constructed on the site of the former Elberon Elementary School which was demolished in 2009. The facility will include 41 classrooms, four special education classrooms, a cafetorium, stage, computer room, gymnasium, media center/library, art room and music room. The facility is anticipated for completion for the September 2014 school year.

SDA Highlights Recent Project Activity

The SDA continues to issue press releases that highlight recent project advancements. During September, a press release was distributed announcing the start of construction of the Henry Street Elementary School in Passaic.

Members of the Authority
Communications Report
November 6, 2013
Page 2 of 2

Summerfield Elementary School Receives Green Ribbon School Distinction

SDA Chief of Staff Jason Ballard joined Neptune School District officials at a ceremony honoring Summerfield Elementary School for its designation as a U.S. Department of Education Green Ribbon School. The U.S. Department of Education Green Ribbon Schools (ED-GRS) program recognizes school districts, as well as individual schools, for their efforts to ensure sustainable, healthy school environments and effective environmental education.

Summerfield Elementary School, opened in 2006, was the first Design-Build project by the SDA. In addition to the Green Ribbon School Award, Summerfield Elementary School has also received LEED Gold Certification.

Report Prepared by: Andrea Pasquine

MONTHLY FINANCIAL REPORT



MEMORANDUM

TO: The Members of the Authority

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

DATE: November 6, 2013

SUBJECT: Monthly Financial Report – September 2013

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, and headcount information. Page 3A contains an itemized breakdown of personnel costs that have been allocated to school facilities project costs from program general and administrative (“Operating”) expense. The basic financial statement and cash flow report follow.

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

For September 2013 year to date, Authority operating expenses, **\$15.2 million**, are **down \$536 thousand** as compared to the operating budget for the *corresponding period*. The deviation of actual expenses versus budget is mainly due to:

- MIS - system hardware, software & maintenance, as well as the Long Range Projects and external services, **\$501K**.
-

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

For September 2013 year to date, Authority operating expenses, **\$15.2 million**, are **down \$11.2 million** as compared to the *corresponding prior year*. The decrease in the year-over-year expense is due to:

- Personnel Expense, **\$667K** – lower salary cost, \$425K, and a year-over-year reduction to our pension contribution, \$510K, offset by increased spending for temporary-to-hire employees, (\$268K);
- Personnel Expense Allocation, **\$10.4M** – Commencing January 1, 2013, the Authority began apportioning employee salary and benefit expense to school facilities project costs. Previously, all employee salary and benefits expenditures were included in Authority Operating Expenses;
- Spending reductions in MIS (system maintenance and projects), **\$177K** and General Office (Office Rent) & Facilities (Common Area Maintenance Fees), **\$136K**.

The Members of the Authority
November 6, 2013
Page 2

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

For September 2013 year to date, project expenditures, **\$157.8 million**, are **down \$36.2 million** as compared to the capital spending forecast for the *corresponding period*. The variance is primarily due to lower than anticipated expenditures in; grant activity **\$24.8M**, personnel expense allocation **\$2M**, and un-forecasted insurance claim settlement recoveries **\$8.4M** (discussed in next sentence), and decreases in other project related activity **\$1M**. In April 2013, the Authority received nearly \$8.4M from Newark Public Schools representing a portion of the settlement proceeds to be received by the Authority in connection with the Elliott Street insurance claim settlement. The insurance proceeds, which the Authority credited to project costs, will be used by the Authority to offset the cost of a new, replacement Elliott Street School, which was damaged by fire in 2006, and subsequently demolished.

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

For September 2013 year to date, project expenditures, **\$157.8 million**, have increased by **\$23.8M** as compared to the *corresponding prior year*. The year-over-year variance is attributable to increased spending for construction cost **\$36.2M**, and personnel expenses allocated to school facilities project costs from operating expenses **\$10.4M**, offset by a decreases in; grant activity, **\$11.2M** and other project related cost, **\$11.6M**.

Other

Since program inception, 67.2% 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 2013

(Unaudited)



New Jersey Schools Development Authority
 Financial Summary
 September 30, 2013

To: The Audit Committee

From: Sherman E. Cole, Controller

The following unaudited financial statements (pages 5 & 6) and supplementary information is presented as of, and for the year-to-date ending, September 30, 2013.

Selected Financial Information:

► Overall **Cash and Cash Equivalents** has decreased by \$172 million to \$343 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	225,153
■ Miscellaneous revenue	113,809
■ Project costs	(157,768,310)
■ SDA operating expenses	(12,436,761)
■ SDA capital expenditures	(231,904)
■ Deposits (primarily district local shares)	(1,683,244)
Net Change in Cash	<u>\$ (171,781,257)</u>

► **Prepaid Expenses** total \$377,751 as follows:

- Prepaid insurance of \$132,276.
- Prepaid rents of \$182,836 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$33,820.
- Prepaid security deposits of \$10,937 for the Authority's leased swing space.
- Other prepaids of \$17,882.

► **Capital Assets** total \$.4 million (net of accumulated depreciation of \$13.7 million), consisting of leasehold improvements (SDA offices), capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$231,904 and **Depreciation Expense** is \$504,318.

► **Accrued Liabilities** total \$84.2 million, as follows:

- Accrued project costs of \$13.5 million consisting of unpaid invoices (\$5.7 million); retainage (\$7.8 million).
- Pollution remediation obligations (PRO) under GASB 49 net to \$37.7 million (PRO liability \$39.5 million, offset by expected cost recoveries of \$1.8 million).
- Estimated liability for loss contingencies totaling \$17.9 million (contractor claims \$17.9 million).
- Payroll related liabilities of \$1.5 million.
- Post-employment benefits obligation of \$13.3 million.
- Other accrued liabilities of \$.3 million.

► **Deposits** total \$8.2 million, as follows:

- \$8.2 million is held for local share agreements (pass-through item).

(Continued on Next Page)



New Jersey Schools Development Authority
Financial Summary
September 30, 2013

Financial Summary (Continued)

School Construction Highlights:

▶ **Bond Proceeds & School Facilities Project Disbursements**

- During the current year to date, the SDA has received \$0 bond and note proceeds. The total amount of proceeds received from program inception is \$9.020 billion.
- Project disbursements for the month and year-to-date periods total \$14.2 million and \$157.8 million, respectively, as follows:

<u>Category</u>	<u>Month</u>	<u>Year-To-Date</u>	<u>From Inception</u>
■ Construction	\$ 6,312,621	\$ 65,729,254	\$ 3,826,021,673
■ Design Services	237,220	2,052,540	399,472,616
■ PMF/CM Services	155,102	1,274,681	425,995,829
■ SDA Project Management	1,295,382	10,428,504	10,428,504
■ Property Acquisition, Relocation & Environmental	363,957	2,390,111	529,760,432
■ School Furniture, Fixtures & Equipment	85,748	191,527	98,322,074
■ Project Insurance	-	526,285	96,268,422
■ NJ State Inter-Agency Transfers	-	265,442	45,334,066
■ SDA District Grant & Funding Agreements	689,805	7,377,429	791,211,675
■ Regular Operating District Grant Agreements	5,051,825	75,586,799	2,390,019,907
■ Property Management, Maintenance & Utilities	45,584	639,725	12,359,182
■ Legal & Claims Resolution Services	140,201	731,453	3,466,153
■ Other Project Costs	36,811	480,787	53,250,180
■ Project Credits	-	(8,024,704)	(48,184,555)
Total Project Expenditures	14,414,256	159,649,833	8,633,726,158
■ Less: Local Share Disbursements	(245,961)	(1,881,523)	(175,474,115)
Project Expenditures (State Share)	<u>\$ 14,168,295</u>	<u>\$ 157,768,310</u>	<u>\$ 8,458,252,043</u>
■ Invoice Accruals at Month End (not included above)	<u>\$ 5,715,906</u>	<u>\$ 5,715,906</u>	

▶ **Program Funding & Disbursements Allocation** (From Inception)

	<u>Bonding Cap</u> ¹	<u>Available Funding</u> ²	<u>Paid to Date</u> ³	<u>% Paid to Date</u>
■ SDA Districts	\$ 8,900,000,000	\$ 9,007,001,164	\$ 6,054,035,188	67.2%
■ Regular Operating Districts	3,450,000,000	3,492,799,073	2,684,210,702	76.8%
■ Vocational Schools	150,000,000	151,710,101	98,880,628	65.2%
Totals - State Share	<u>\$ 12,500,000,000</u>	<u>\$ 12,651,510,338</u>	<u>\$ 8,837,126,518</u>	69.9%

▶ **Procurement Activity** (Current Year)

- 29 construction contracts have been awarded with an aggregate contract value of \$298,122,847.
- 3 design contract with a value of \$625,544, and 19 task order design contracts have been awarded on a year-to-date
- 36 Section 15 Grant Agreements have been executed with an aggregate contract value of \$13,318,609 (State Share - Non-SDA Districts).
- 33 purchase orders have been issued for school furniture & technology (i.e., computers & related equipment) purchases with an aggregate contract value of \$1,948,597.

1 Of the \$12.5 billion authorized for the school construction program, \$9,020,129,000 principal amount of bond and note proceeds have been received to date.
 2 Includes bonding cap amounts as well as other income and miscellaneous revenue earned to date, consisting primarily of interest income on invested funds and State appropriations.
 3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$378,874,475.

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



**New Jersey Schools Development Authority
Flash Operating Report
September 30, 2013**

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Prior Yr	Variance - Favorable/(Unfavorable)		Annual Budget	Current Budget Reforecast
				Actual vs. YTD Budget	Actual vs. Prior Yr		
Authority Operating Expenses:							
Employee Salaries *	\$ 6,241,180	\$ 6,095,997	\$ 13,840,486	\$ (145,183)	\$ 7,599,306	\$ 8,128,029	\$ 7,777,335
Fringe Benefits *	4,839,728	4,871,851	8,374,858	32,123	3,535,130	5,685,896	5,409,195
Direct Hire Temporary Employee Costs *	57,052	142,728	-	85,676	(57,052)	172,356	-
Total Employee Salaries & Fringe Benefits Costs Charged to Operating Expense	11,137,960	11,110,576	22,215,344	(27,384)	11,077,384	13,986,281	13,186,530
Temporary Employees	10,952	74,997	-	64,045	(10,952)	100,000	100,000
Interagency Agreements	70,762	173,628	101,363	102,866	30,601	231,500	183,755
Other Contract & Professional Outside Services	222,538	315,615	250,267	93,077	27,729	440,520	446,020
Employee Expense Reimbursements	8,586	20,008	11,362	11,422	2,776	26,700	17,106
Training & Professional Development	32,726	49,518	17,265	16,792	(15,461)	65,492	61,245
Parking	35,700	39,375	37,596	3,675	1,896	52,500	47,520
Automobiles	49,406	58,500	47,492	9,094	(1,914)	78,000	78,000
Communications & Outreach	20	378	-	358	(20)	500	500
Management Information Systems	712,882	1,213,413	919,163	500,531	206,281	1,555,900	1,533,900
General Office & Facilities	2,622,653	2,530,435	2,758,869	(92,218)	136,216	3,361,492	3,615,745
Other General	17,436	20,331	8,563	2,895	(8,873)	27,100	28,600
Sub-Total	14,921,621	15,606,774	26,367,284	685,153	11,445,663	19,925,985	19,298,921
Reserve for Unforeseen Events & New Initiatives	-	56,250	-	56,250	-	75,000	75,000
SDA Capital Expenditures (Internal)	231,904	27,000	26,142	(204,904)	(205,762)	54,000	395,000
Total Authority Operating Expenses	\$ 15,153,525	\$ 15,690,024	\$ 26,393,426	\$ 536,499	\$ 11,239,901	\$ 20,054,985	\$ 19,768,921

* All amounts (except prior year data) exclude employee salaries & fringe benefits costs charged to school facilities projects (See Page 3A for details).

(Continued on Next Page)

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



**New Jersey Schools Development Authority
Flash Operating Report
September 30, 2013**

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Prior Yr	Variance - Favorable/(Unfavorable)		Annual Budget	Current Budget Reforecast
				Actual vs. YTD Budget	Actual vs. Prior Yr		
Authority Project Management Expenses:							
Direct - Project Management Salaries & Benefits							
Design Studio - Employee Salaries	\$ 373,690	\$ 525,924	\$ -	\$ 152,234	\$ (373,690)	\$ 701,229	\$ 666,168
Design Studio - Employee Benefits	159,203	222,777	-	63,574	(159,203)	297,041	282,189
Design Studio - Direct Hire Temps	195,812	290,232	-	94,420	(195,812)	386,978	496,442
Field Staff - Employee Salaries	2,393,581	2,489,598	-	96,017	(2,393,581)	3,319,462	3,153,489
Field Staff - Employee Benefits	1,013,903	1,054,593	-	40,690	(1,013,903)	1,406,124	1,335,818
Field Staff - Direct Hire Temps	-	165,843	-	165,843	-	221,129	-
Support Staff - Employee Salaries	968,259	1,498,230	-	529,971	(968,259)	1,997,630	1,897,749
Support Staff - Employee Benefits	410,148	634,644	-	224,496	(410,148)	846,196	803,885
Total Direct Project Management Salaries & Benefits	5,514,596	6,881,841	-	1,367,245	(5,514,596)	9,175,789	8,635,740
Indirect - Project Management Salaries & Benefits							
Indirect - Employee Salaries	3,438,744	3,922,038	-	483,294	(3,438,744)	5,229,363	5,049,155
Indirect - Employee Benefits	1,460,355	1,670,688	-	210,333	(1,460,355)	2,227,596	2,116,216
Indirect - Direct Hire Temps	14,809	-	-	(14,809)	(14,809)	-	-
Total Indirect Project Management Salaries & Benefits	4,913,908	5,592,726	-	678,818	(4,913,908)	7,456,959	7,165,371
Total Authority Project Management Expenses	\$ 10,428,504	\$ 12,474,567	\$ -	\$ 2,046,063	\$ (10,428,504)	\$ 16,632,748	\$ 15,801,111



New Jersey Schools Development Authority
Flash Operating Report
September 30, 2013

Flash Operating Report (Continued)

SDA Headcount by Division/Unit	<u>Current Month</u>	<u>EOY Budget</u>	<u>Variance</u>
Office of Chief Executive Officer (CEO)	3	3	-
COS, Program Assessment & Development	8	8	-
COS, Special Projects	9	11	2
Program Operations, Program Operations Management	5	6	1
Program Operations, Capital Planning & Grants Admin.	23	25	2
Program Operations, Safety	9	10	1
Program Operations, Project Teams	74	80	6
Corp Governance & Operations, Management	3	3	-
Corporate Governance & Operations, Human Resources	8	8	-
Corporate Governance & Operations, Chief Counsel	13	14	1
Corporate Governance & Operations, MIS/Project Services	15	15	-
Corporate Governance & Operations, Facilities	6	6	-
Corporate Governance & Operations, Communications	11	10	(1)
Financial Operations, CFO Management	4	4	-
Financial Operations, Controller	13	12	(1)
Financial Operations, Contract Management	11	14	3
Financial Operations, Real Estate Services	6	6	-
Financial Operations, Procurement & Contract Services	9	9	-
Financial Operations, Risk Management & Vendor Services	12	12	-
Total Full-Time Employees	<u>242</u>	<u>256</u>	<u>14</u>
EOM Budget	<u>256</u>		



New Jersey Schools Development Authority
Statement of Net Position and General Fund Balance Sheet
September 30, 2013

	General Fund		Statement of Net Position	
	Total	Adjustments	Current Yr	Prior Yr End
ASSETS				
Cash and Cash Equivalents	\$ 342,750,413		\$ 342,750,413	\$ 514,531,670
Receivables	163,597	\$ 558,297	721,894	1,109,650
Prepaid Expenses	377,751		377,751	749,536
Capital Assets (Net of Accumulated Depreciation of \$13,729,382)		372,804	372,804	645,218
Total Assets	\$ 343,291,761	\$ 931,101	\$ 344,222,862	\$ 517,036,074
LIABILITIES				
Accrued Project Costs	\$ 13,514,231	\$ 55,631,339	\$ 69,145,570	\$ 120,369,259
Accrued Other Post-Employment Benefits Obligation		13,321,053	13,321,053	11,635,026
Other Accrued Liabilities	675,860	1,061,136	1,736,996	1,646,194
Deposits	8,237,593		8,237,593	9,920,837
Total Liabilities	22,427,684	70,013,528	92,441,212	143,571,316
FUND BALANCE/NET POSITION				
Invested in Capital Assets		372,804	372,804	645,218
Nonspendable:				
Prepaid Expenses	377,751	(377,751)		
Restricted:				
Schools Construction Build America Bond Program	-		-	98,297,315
Schools Construction Special Revenue Fund	320,486,326	(69,077,480)	251,408,846	274,522,225
Total Fund Balance/Net Position (Deficit)	320,864,077	(69,082,427)	251,781,650	373,464,758
Total Liabilities and Fund Balance/Net Position	\$ 343,291,761	\$ 931,101	\$ 344,222,862	\$ 517,036,074

New Jersey Schools Development Authority
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balances
September 30, 2013 Year-To-Date



NJ SCHOOLS DEVELOPMENT AUTHORITY

			Statement of Activities	
			<u>Current Yr</u>	<u>Prior Yr</u>
	<u>General Fund</u>	<u>Adjustments</u>		
	<u>Total</u>			
Revenues				
Program Revenues:				
Bond and Note Proceeds (Issued by EDA)	\$		\$	-
Bidding Fees-Plans & Specs	-		-	27,825
General Revenues:				
Investment Earnings	225,153		225,153	98,358
Rental Income	113,131		113,131	149,799
Other Revenue-OPRA	678		678	14,054
Total Revenues	<u>338,962</u>	<u>-</u>	<u>338,962</u>	<u>290,036</u>
Expenditures/Expenses				
Administrative & General Expenses	13,235,594	\$ 1,686,027	14,921,621	26,367,283
Capital Expenditures	231,904	(231,904)	-	-
Capital Depreciation		504,318	504,318	668,303
School Facilities Project Costs	<u>134,103,095</u>	<u>(27,506,964)</u>	<u>106,596,131</u>	<u>82,078,903</u>
Total Expenditures/Expenses	<u>147,570,593</u>	<u>(25,548,523)</u>	<u>122,022,070</u>	<u>109,114,489</u>
Excess of Revenues Over Expenditures	(147,231,631)	25,548,523		
Change in Net Position			(121,683,108)	(108,824,453)
Fund Balance/Net Position (Deficit)				
Beginning of Year	468,095,708	(94,630,950)	373,464,758	178,906,697
End of Period	<u>\$ 320,864,077</u>	<u>\$ (69,082,427)</u>	<u>\$ 251,781,650</u>	<u>\$ 70,082,244</u>

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



**New Jersey Schools Development Authority
Summary of Cash Receipts & Disbursements
September 30, 2013**

Cash Receipts - State Share

Cash Disbursements - State Share

Year	Principal Amount ¹ Bond Proceeds	Appropriations ² from State	Investment Earnings	Miscellaneous ³ Revenue	Project Costs	Operating Expenses	Gross Capital ⁴ Expenditures	Deposits ⁵	Totals
2000	-	\$1,510,975	\$5,013	-	-	\$639,406	\$1,150	-	\$875,432
2001	\$508,600,000	47,125,988	18,862,686	\$10	\$18,967,828	6,705,756	1,735,148	-	547,179,952
2002	629,400,000	(43,500,000)	9,991,010	221,897	460,970,915	11,318,973	1,440,184	\$11,453,239	133,836,074
2003	607,929,000	-	5,488,373	305,596	1,096,480,983	19,983,448	7,609,761	13,612,751	(496,738,472)
2004	1,700,000,000	-	8,098,130	356,167	1,289,801,167	28,882,347	844,489	6,299,119	395,225,413
2005	2,075,000,000	-	17,472,686	638,597	1,332,923,106	27,460,855	194,394	53,393,712	785,926,640
2006	600,000,000	-	39,701,591	446,994	1,069,330,378	30,483,062	349,158	(9,559,780)	(469,573,793)
2007	800,000,000	-	28,304,347	541,065	890,787,821	35,055,800	572,252	(24,223,201)	(121,793,662)
2008	450,000,000	-	13,584,070	837,796	880,936,507	39,760,922	940,178	12,538,723	(444,677,018)
2009	775,000,000	-	2,197,675	260,902	613,756,613	43,258,213	243,801	(40,375,956)	79,823,994
2010	499,200,000	-	(2,749,864)	171,035	282,888,651	41,612,847	82,769	(10,494,369)	161,542,535
2011	-	-	546,039	316,761	173,991,754	34,509,603	26,142	(1,490,714)	(209,155,413)
2012	375,000,000	-	204,840	230,997	189,648,010	32,441,010	54,142	(1,232,687)	152,059,988
2013	-	-	225,153	113,809	157,768,310	12,436,761	231,904	(1,683,244)	(171,781,257)
Totals	9,020,129,000	5,136,963	141,931,749	4,441,626	8,458,252,043	364,549,003	14,325,472	8,237,593	\$342,750,413
Cash & Cash Equivalents									\$342,750,413

1 Pursuant to the provisions of the Educational Facilities Construction and Financing Act (C.18A:7G-14a), as amended, the aggregate principal amount of bonds, notes or other obligations the EDA may issue to finance school facilities projects, and the costs related thereto, shall not exceed \$12.5 billion. This limitation excludes indebtedness incurred for refunding purposes.

2 Represents funds received prior to the first bond issuance by the EDA in 2001.

3 Consists of rental income and cash receipts for bidding fees and OPRA requests.

4 Consists of leasehold improvements (SDA offices), capitalized software, furniture, fixtures & equipment for SDA operations.

5 Consists primarily of deposits held for Section 13(B) Local Share Agreements (\$8,237,593).

6 2010 Investment Earnings includes: 2009 New Brunswick legal settlement, \$144,736, and interest income \$1,299,176, offset by the Rebate Arbitrage payment of \$4,193,776

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



**New Jersey Schools Development Authority
Interagency Agreements
September 30, 2013**

<u>State of New Jersey Department / Agency</u>	<u>Service(s) Provided to SDA</u>	<u>Current Yr Payments</u>	<u>Payments from Inception through December 31, 2012</u>	<u>Total Payments</u>
<u>Included in Project Costs:</u>				
Department of Community Affairs	Provide code inspections, plan reviews and permits for schools.	\$ -	\$ 19,093,688	\$ 19,093,688
Department of Labor and Workforce Development	Provide training in construction trades to women and minorities pursuant to the Educational Facilities Construction & Financing Act (EFCFA). Also, provide enforcement of prevailing wage requirements on SDA projects.	-	10,541,812	10,541,812
Office of the Attorney General - Division of NJ State Police (services formerly provided by the Bureau of Fiscal Oversight)	Perform prequalifying review and investigative services related to vendor integrity as required by the EFCFA.	262,492	5,344,888	5,607,380
Department of Education	Perform educational adequacy reviews for Abbott district schools.	-	3,276,059	3,276,059
New Jersey Institute of Technology	High Performance Schools guideline development and program implementation costs.	-	4,164,319	4,164,319
Rutgers University	Perform studies on the potential cost savings that could be realized through the use of standardized design elements, components, and construction materials. Also, includes fees paid to NJ Small Business Development Centers.	-	477,326	477,326
Department of Environmental Protection	Provide expedited environmental remediation review and support services.	2,950	1,635,105	1,638,055
Department of Transportation (terminated)	Provide relocation assistance services.	-	355,875	355,875
Other	Miscellaneous	-	179,552	179,552
Payments Included in Project Costs		<u>265,442</u>	<u>45,068,624</u>	<u>45,334,066</u>

(Continued on Next Page)



New Jersey Schools Development Authority
 Interagency Agreements
 September 30, 2013

Interagency Agreements (Continued)

<u>State of New Jersey Department / Agency</u>	<u>Service(s) Provided to SDA</u>	<u>Current Yr Payments</u>	<u>Payments from Inception through December 31, 2012</u>	<u>Total Payments</u>
<u>Included in Administrative & General:</u>				
Office of the Attorney General - Division of Law (TRE009)	Provide legal services and contract reviews. Also, provide legal support for environmental cost recoveries.	53,604	9,648,985	9,702,589
Governor's Authorities Unit	Annual assessment (not all years)	-	109,388	109,388
Office of the Inspector General (TRE030) (terminated in 2010)	Salaries & benefits for Assistant Inspector Generals assigned to SDA.	-	858,872	858,872
Rutgers University, Center for Organizational Development and Leadership (RUT009) (terminated)	Assist SDA in the development of a mission statement, vision statement and statement of values.	-	8,300	8,300
Department of Community Affairs (terminated)	Salaries & benefits for DCA employee assigned to SDA.	-	349,471	349,471
Payments Included in Administrative & General		<u>53,604</u>	<u>10,975,016</u>	<u>11,028,620</u>
Total Interagency Payments		<u>\$ 319,046</u>	<u>\$ 56,043,640</u>	<u>\$ 56,362,686</u>

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.