

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, MARCH 2, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, March 2, 2016 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman  
Kevin Luckie (NJDCA)  
Bernie Piaia (NJDOE)  
Kevin Egan  
Loren Lemelle  
Michael Maloney  
Joseph McNamara  
Robert Nixon  
Mario Vargas

being a quorum of the Board. Mr. Walsh, Ms. Lemelle, Mr. Piaia, Mr. Maloney and Mr. Vargas participated in the meeting by teleconference. At the Chairman’s request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; and Albert Barnes, chief counsel, of the SDA participated in the meeting. Michael Collins of the Governor’s Authorities Unit also participated in the meeting.

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

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

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

### ***Authority Matters***

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

The Chairman asked Mr. McKenna to provide the report of the Chief Executive Officer. Mr. McKenna began his report by offering an update on the Trenton Central HS (TCHS) project. He advised the Members that the demolition of Wing A, the last wing, was completed on February 12 and that the building is down. He added that foundation crushing and backfill operations continue. He said that price proposals for design-build services for the new TCHS were opened on February 11 and noted that an award recommendation is on today's agenda.

Turning to the projects in the Bridgeton School District, Mr. McKenna advised the Members that, for the Buckshutem Road ES project, renovation work is underway on the

existing school building. He added that work is proceeding well on the Quarter Mile Lane ES project.

In regard to the Camden HS project, Mr. McKenna said that Design Ideas Group is working on pre-design phase services.

Turning to the projects in the Elizabeth School District, Mr. McKenna said that all major trades continue to work on the Academic HS project and interior finishes are ongoing there. On the Elizabeth New ES project, he reported that construction activities are progressing well. He said that the final design package will be re-submitted to Department of Community Affairs (DCA) within the next few weeks.

In continuing, Mr. McKenna reported that the constructability review process continues for the Garfield James Madison ES No. 10 project. He said that the initial draft of the constructability review report was received from Brockwell & Carrington and is being reviewed by SDA staff. He added that negotiations for an initial change order will follow.

Mr. McKenna said that construction work continues to progress well on the Gloucester ES/MS project. In regard to the Harrison New ES project, he advised the Members that, following February Board approval of the contract award to Ambient for the early site package, a Notice of Award was issued and management anticipates issuing a Notice to Proceed (NTP) for demolition activities within the next few weeks. He added that the Design Studio is advancing the design of the new school. Mr. McKenna reported that the early site package was advertised in November and bids were opened on January 12 for the Irvington Madison Avenue ES project. He said that a recommendation for award is on today's agenda. He added that the Design Studio is advancing the design of the new school.

Turning to the projects in the Keansburg School District, Mr. McKenna reported that exterior and interior masonry work, roof installation, HVAC, and plumbing work continues for the Caruso ES project. He said that installation of interior finishes has begun and that the electrician established permanent power there early this month. In regard to the Port Monmouth Road ES project, Mr. McKenna reported that technical and price proposals for design services were opened on January 11. He said that a contract for pre-design phase services to LAN Associates was approved at the February Board meeting and management anticipates issuing a NTP later this month.

In continuing, Mr. McKenna gave an update on projects in the Jersey City School District. He reported that the Jersey City PS 20 project is nearing completion and is on target. In regard to the Jersey City ES No. 3 project, he said that all major trades continue to progress well and interior and exterior masonry work is ongoing.

With respect to the Millville HS addition/renovation project, Mr. McKenna reported that RSC, the bridging design consultant, has finalized the schematic design submission which has been submitted to the Department of Education (DOE) for approval. He said that management issued a NTP to RSC to proceed with bridging design services.

In regard to the New Brunswick Paul Robeson ES project, Mr. McKenna said that the design-builder, Hall Construction, is actively working on the preliminary design phase. He added that management anticipates advertising for construction management (CM) services in the first quarter of this year.

Turning to the projects in the Newark School District, Mr. McKenna reported that the district is now fully occupying the Elliott Street ES—a semester ahead of schedule. He added that there was a ribbon cutting held there late last month. In regard to the Oliver Street ES

project, he said that management anticipates substantial completion early this month and move in by the district on March 22. Mr. McKenna advised the Members that Ernest Bock & Sons, Inc. (EBS, Inc.), the design-builder, is actively working on the preliminary design for the Newark South Street ES project. He said that management anticipates advertising for CM services during the first quarter of this year.

With respect to projects in the Orange School District, Mr. McKenna reported that pre-design services are ongoing and management continues to work closely with the district to develop the preferred conceptual option for the Orange HS project. In regard to the Cleveland ES project, he said that pre-design services are ongoing and management is working with the district on their conceptual view of the school.

Mr. McKenna said that a kick-off meeting was held earlier this month for the Passaic Leonard Place ES project and the design-builder, Dobco, Inc. has begun work. He added that management anticipates advertising for CM services for the project in the next month.

In continuing, Mr. McKenna gave an update on projects in the Paterson School District. He reported that final inspections by DCA are underway at the Marshall Street ES project. He said that the plumbing inspector has signed-off and recommended issuance of a temporary certificate of occupancy. In regard to the Paterson PS 16 project, Mr. McKenna said that interior finish work is ongoing, including drywall installation and painting.

Next, Mr. McKenna advised the Members that management anticipates receipt of the draft final pre-design report later this month for the Pemberton Denbo Crichton ES project. He said that, on the Phillipsburg HS project, all interior mechanical, electrical and HVAC work is underway and interior building finish work has commenced. He said that the school is on target for a September opening.

With respect to the Vineland New MS project, Mr. McKenna reported that management issued a NTP for design phase services for the design builder, EBS, Inc. He said that the design phase kick-off meeting was held last month and EBS, Inc. has begun the design services phase. He added that management advertised for CM services last month. Mr. McKenna explained that proposals are due March 15 and, following the review and ranking of the technical proposals, the price proposals will be opened on April 8. He said that management anticipates presenting a recommendation of award for the project at the May Board meeting.

In continuing, Mr. McKenna said that management advertised for design-build services earlier this month for the Perth Amboy Seaman Avenue ES project. He added that a pre-bid meeting was held on February 23 and that technical and price proposals are due on April 19. In regard to the West New York Harry L. Bain PS No. 6 project, Mr. McKenna said that management anticipates the receipt of bids for general construction services early this month.

Turning to the Authority's ongoing procurement activity, Mr. McKenna said that, in addition to the design-build services award for the TCHS project and the demolition services award for the Irvington Madison Avenue ES project, other activity currently underway includes procurements for design-build services for the Perth Amboy Seaman Avenue ES project; construction services for both the West New York Harry L. Bain PS No. 6 and Trenton Hedgepeth- Williams MS projects and CM services for the Vineland MS No. 2 project.

Reporting on events, outreach and other activities, Mr. McKenna informed the Members that Governor Christie joined SDA and Newark Public Schools officials at a ribbon cutting ceremony celebrating the opening of the new Elliott Street ES in Newark. He added that the event was held on February 24. He said that he is pleased that some Members of the Board were able to join SDA staff at the event. He said that the community is very happy to be in the new

school after ten years. Mr. McKenna then reported that Communications staff plans to schedule a ribbon cutting for the Oliver Street School in Newark at the end of March or beginning of April. He said that staff is also working to schedule community meetings in Harrison and Garfield to inform members of the public of the start of project activity there.

Mr. McKenna then referenced certain matters that were discussed at the February 16 Committee Meetings. He advised the Members that, at the February School Review Committee meeting, management discussed actions SDA is planning to initiate to support possible advancement of a project in Hoboken. He said that management is considering replacing one school project with another school project there and will be engaging the services of a site consultant to conduct additional investigation. He said that management will come back to the Board before taking any action with regard to the replacement project. He advised the Board that funding for the engagement of a site consultant is available within the funding previously approved by the Board.

In continuing, Mr. McKenna said that, in February, staff had provided the Real Estate Committee with an overview of current SDA owned properties, placing them in one of two categories—those that management deems appropriate to retain in connection with potential school projects and those that may be appropriate for disposition. He said that staff will look at each property individually and seek to address each in a way that is most beneficial to the Authority and the neighborhood in which it is located. He said that management will come to the Board for approval in connection with these matters.

Mr. McKenna then discussed the SDA Financial Statement Audit/Annual Report Schedule. He advised the Board that, on February 25, 2016, the New Jersey Department of the Treasury, Office of Management & Budget notified the Authority that the GASB 68 employer

pension allocation data is not expected to be disseminated to employer participants until late April 2016. He explained that, as a result, management is notifying the Board that the 2015 financial statement audit, currently in progress, will not be completed within the originally scheduled timeframe since the GASB 68 information is required for the audit. He said that since the audited financial statements are required for the completion of the SDA Annual Report, release of the 2015 Annual Report also will be delayed.

Mr. McNamara inquired as to the future of the Newark First Avenue School building now that the students have moved into the Newark Elliott Street School. Mr. Piaia said that it is up to the district to come to the DOE when it determines potential plans for the First Avenue facility.

#### *School Review Committee*

#### **Credit Change Order: The Bennett Company, Inc.; Design-Build Award and Approval of Final Project Charter- Trenton School District - Trenton Central High School; Construction Award and Revised Preliminary Project Charter – Irvington School District – New Madison Avenue Elementary School**

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the SDA School Review Committee met on February 16, 2016 at which time management presented a credit change order for the Irvington University MS project. He reported that the Irvington University MS is a 138,873 square foot facility educating 657 students in grades 6 through 8. He said that the DOE identified an emergent condition at the facility related to water infiltration. He informed the Members that, in July 2013, the Bennett Company, Inc. (Bennett) was issued a NTP by SDA to perform the work on a time and material basis with a Not-to-Exceed (NTE) value of \$2,816,095. Mr. Luckie explained that the NTE value of the award was based upon the scope of work for the anticipated most extensive solution



to address the emergent condition including abatement activities, repair or replacement of roof sections, masonry and window lintels. He said that Bennett engaged a design consultant to provide the professional services necessary to properly evaluate the emergent condition and to recommend a comprehensive and appropriate solution. He added that SDA staff reviewed the consultant's findings and recommendation and concurred that a revised scope was the most appropriate and effective approach for addressing the emergent condition. Mr. Luckie advised the Members that, following successful negotiations with Bennett, the NTE value was converted to a lump sum for a total contract amount of \$2,036,886 and the final projected cost and schedule for the scope of work have been validated by SDA staff. He said that the final recommended corrective action for the emergent condition represents a significant reduction in scope from what was represented by the NTE value of the award. He informed the Members that SDA authorized Bennett to proceed with construction activities in June 2014 and construction activities were completed the following November. He said that SDA staff has reviewed the documentation and validated the costs for each invoice submitted by Bennett. In continuing, Mr. Luckie said that Change Order No. 1, in the credit amount of \$779,209, reflects the dollar value of work that was not required to be performed by Bennett and is necessary for the de-obligation of the unused contract funds to advance contract close-out.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. McNamara, credit change order No.1 in the amount of \$779,209 for the Irvington MS project was approved with the Board's unanimous vote in favor of ***Resolution 5a.***

Next, Mr. Luckie discussed management's recommendation for approval of a design-build award and final project charter in connection with the TCHS project (the Project) in the

Trenton School District. He reported that the Project will consist of an approximately 374,000 square foot school to educate approximately 1,850 students in grades 10 through 12. He informed the Members that, in October 2014, the Board approved the Project for advancement along with a revised preliminary project charter recommending a design-build approach. He said that a package for design-build services was advertised in September 2015 with “price” equaling 60% of the overall weight, and all non-price factors having a combined weight of 40%. Mr. Luckie said that, upon completion of the procurement process, management recommends award of a contract for design-build services in the amount of \$115,950,000 to Terminal Construction Corporation (Terminal) for the Project. He noted that, at the time of review, Terminal confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He advised the Board that management also recommends approval of the final project charter for the Project which reflects the project budget inclusive of actual dollar values for the award of the design-build contract and other costs.

A resolution pertaining to the Trenton Central High School final project charter and a contract award in the amount of \$115,950,000 for design-build services to the highest ranked bidder, Terminal Construction Corporation, had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Nixon, the recommended contract award and final project charter were approved with the Board’s unanimous vote in favor of ***Resolution 5b***.

Mr. McKenna advised the Board that Terminal was ranked number 1 in the technical evaluation and was also the lowest price qualified and responsive bidder. He also noted that Terminal has indicated an ability to deliver the school sooner than its anticipated completion dated.

In continuing, Mr. Luckie discussed management's recommendation for approval of a construction award and revised preliminary project charter for the New Madison Avenue ES project (the Project) in the Irvington School District. He informed the Members that, when completed, the Irvington New Madison Avenue ES will be an approximately 70,500 square foot new school facility on the district-owned Madison Avenue site and will provide capacity to educate approximately 463 students in grades Pre-K through 5. He said that a demolition and early site preparation work package was advertised by SDA as a competitive procurement. He added that, following the competitive procurement process, management has recommended award of a contract in the amount of \$3,043,185 for demolition and early site package work to D&K Construction Company, Inc. Mr. Luckie informed the Members that award of this contract requires revisions to the Project's preliminary project charter which preceded identification of the scope of the Project's early site preparation costs. He said that the proposed charter revisions, which are being presented for Board approval prior to advertisement of the project's design-build procurement, reflect the actual dollar value of the contract and appropriate contingency. Mr. Luckie informed the Chairman that there are some matters pertaining to this award that will require discussion in Executive Session prior to a Board vote. He asked that the vote on this matter be taken upon the Board's return to Open Session.

#### ***Public Comments***

The Chairman then opened the Public Comments portion of the meeting. Ms. Kelly called upon Mr. Frank Faras, a resident of Trenton, to address the Board. Mr. Faras said that he lives across the street from Trenton Central High School (TCHS). He advised the Board that, as Mr. McKenna had alluded to earlier in the meeting, the "rocks" (the foundation) of TCHS are currently being crushed. He said that this is being done despite the fact that the air monitoring

system is no longer installed at the site. He said that, when the school was built, asbestos was used in bricks and expressed the community's concern.

Mr. McKenna replied that the Authority has tested the bricks and that no carcinogens were found. Mr. Faras questioned whether every single brick was tested and, again, said that the community is concerned. Mr. McKenna repeated that the bricks were tested and found to be fine. He said that, as the building is now down, it would be unreasonable to spend additional dollars for this purpose. Mr. Faras expressed his disagreement with Mr. McKenna's position.

The Chairman then said that the Board would be adjourning into Executive Session. Ms. Kelly announced that, in Executive Session, the Board will be discussing matters related to SDA owned real estate. She explained that this item will not require formal Board action. She said that the Board also will discuss issues related to the Irvington Madison Avenue ES contract award and that the Board will vote on this matter when it returns to Open Session.

Thereafter, upon motion and with unanimous consent, the meeting adjourned into Executive Session.

Following discussion in Executive Session, upon motion duly made and seconded and with unanimous consent, the Board returned to Open Session. At this time, Ms. Lemelle left the meeting.

A resolution pertaining to the contract award in the amount of \$3,043,185 to D&K Construction Company, Inc., along with the revised preliminary project charter for the Irvington New Madison Avenue ES project had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Walsh, the recommended contract award and revised preliminary project charter were approved with the Board's unanimous vote in favor of *Resolution 5c*.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion by the Chairman and with unanimous consent, the meeting was adjourned.

**Certification:** The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its March 2, 2016 meeting.

*/s/ Jane F. Kelly*  
Assistant Secretary