

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, JUNE 5, 2019 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

- 1. NOTICE OF PUBLIC MEETING**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF MEETING MINUTES**
 - a. Board Open Session Meeting Minutes of April 3, 2019
 - b. Board Open Session Meeting Minutes of May 1, 2019
- 5. AUTHORITY MATTERS**
 - a. CEO Report
 - b. Chairman's Report
- 6. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Amendment of Memorandum of Understanding Between the NJSDA and the Higher Education Student Assistance Authority [HESAA]
- 7. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Release of Funds from Program Reserve – Camden Public Schools District – Forest Hills Elementary School - Emergent Projects – Roof Repair & Replacement and HVAC System Replacement
 - b. Approval of Emergent Project Charter and Approval of Release of Funds from Program Contingency Reserve – Newark Public School District - Dr. E. Alma Flagg Elementary School – Emergent Project – Exterior Door and Partial Roof Replacement
 - c. Award of Contract, Release of Funds from Program Reserve and Approval of the Final Project Charter -Newark Public School District – Chancellor Avenue Elementary School - Emergent Project – Sub-Basement Water Infiltration
 - d. Approval of Resolving Change Order No. 1, Approval of Emergent Project Charter and Approval of Release of Funds from Program Contingency Reserve - Newark Public Schools District - Lafayette Street School
 - e. Approval of Construction Manager Award – Paterson School District - Middle School at Union Avenue [**PLACEHOLDER**]
 - f. Release of Funds from Program Reserve - Pleasantville School District – North Main Elementary School - Emergent Project – Roof Repair & Replacement and HVAC System Replacement
 - g. Extension of Existing Regulations: Notice of Readoption (without Amendments) -Delegation of School Facilities Projects, N.J.A.C. 19:34B

8. REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN’S REPORT)

- a. Extension of State-Wide Property Management and Maintenance Services Agreement – GP-0128-R01

9. MONTHLY REPORTS

- a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Close Out Status Report
 - iii. Project Status Reports
 - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
 - v. Contract Terminations Report (*no activity*)
 - vi. Settlement Activities Report (*no activity*)
 - vii. Contractor and Workforce Compliance Report
 - viii. Regular Operating District Grant Activity Report
 - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
 - x. Communications Report
 - xi. Monthly Financial Report
 - xii. Design Contract De-Obligations Report (*no activity*)

10. PUBLIC COMMENTS

11. EXECUTIVE SESSION

- a. Recommendation for Global Settlement of All Claims Asserted By Dobco, Inc. in Connection with the Jersey City E.S. No. 3, Passaic Henry Street Elementary School and Jersey City P.S. No. 20 Projects
- b. Recommendation for Global Settlement of All Claims Asserted By and Against the Spector Group
- c. Recommendation for Settlement of the Newark Science Park High School Cost Recovery Litigation
- d. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report

12. ADJOURNMENT

APPROVAL OF MEETING MINUTES

APRIL 3, 2019 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 3, 2019**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, April 3, 2019 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Chairman
Michael Kanef (Treasury)
Bernard Piaia (DOE)
Donna Sullivan (EDA)
Kevin Luckie (DCA)
Richard Elbert
Loren Lemelle
Lester Lewis-Powder
Michael Maloney

being a quorum of the Board. Mr. Kanef, Ms. Lemelle, Mr. Piaia, Mr. Elbert, and Mr. Lewis-Powder participated in the meeting by teleconference.

At the Chairman's request, Lizette Delgado Polanco, chief executive officer; Roy Garcia, chief of staff; Andrew Yosha, chief operating officer; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Manuel Da Silva, vice president; Thomas Schrum, vice president; Patricia Cabrera, deputy chief of staff; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Adam Sternbach of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by Mr. Nixon, 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 20 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Pledge of Allegiance

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's March 6, 2019 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Maloney, the Open Session meeting minutes of the March 6, 2019 SDA Board meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 4a***.

Authority Matters

CEO Report

Mr. Nixon asked Chief Executive Officer (CEO) Lizette Delgado Polanco for the Report of the CEO. Ms. Delgado Polanco gave an update on projects in design. She said that for the Camden HS project, Ernest Bock & Sons, Inc. has been issued notices to proceed (NsTP) for site, foundation, underground utilities and concrete slab work.

With respect to projects in the procurement stage, the CEO said that for Plainfield Woodland ES project, building demolition is ongoing. She reported that for the Orange Cleveland Street ES project, Epic Management, the construction manager (CM), was issued a

NTP on March 15. She added that Brockwell and Carrington Contractors, Inc., the general contractor (GC), was issued a notice of award (NOA) on March 27. For the Orange HS project, she reported that Cambridge Construction Management, the CM, was issued a NTP on March 15. She noted that Terminal Construction, the GC, was issued a NOA on March 27. In regard to the Perth Amboy HS project, she said that the procurement for design-build services was advertised on March 26.

With respect to design-build projects in construction, Ms. Delgado Polanco informed that Members that for the Irvington Madison Avenue ES project, permanent building power and gas services are connected to the building. She reported that for the Millville HS addition and renovation project, phase II structural steel has begun. For the Pemberton Denbo Crichton ES project, she said that structural steel installation is approaching completion.

The CEO said that the Elizabeth New ES, Vineland Lincoln Avenue and Newark South Street ES projects all have been closed out.

Turning to Authority events, outreach and other activities, Ms. Delgado Polanco advised the Members that she wanted to start by mentioning that on March 27 she, along with staff, joined Newark Public Schools District officials for a tour of schools in the district. She said that Newark was the 24th of the 31 SDA Districts that staff has toured since she became CEO. She explained that it was her goal to see the conditions of the schools and what the kids are dealing with on a daily basis. The CEO said that Newark has nearly 70 schools in the district, including one school, the Lafayette School, which was built in 1848 and is 170 years old. She said that staff was told by the district that schools in the City are an average of 100 years old. She noted that on the tour in Newark, staff saw a number of conditions that were very troubling. She said that there was a speech class that was being held in a classroom that has a cage outside instead of a door. She said that the kids are taking tests in rooms where the air is stale and smells of mold.

She also said that kids are learning in classrooms with smart boards that must be covered by plastic each night so that they aren't damaged when water comes into the classrooms from the leaky roofs. Ms. Delgado Polanco said that this is all unacceptable. She said that we can do better and we will do better, because our kids deserve better. She said that the SDA monthly board meetings should be conducted on the road at some of the schools. She added that what she is proposing today is that the Authority host its next Board meeting in Newark at the Hawthorne School so that the Members and staff can see what these kids are dealing with.

Ms. Delgado Polanco reported that the SDA continues to grow its social media following since staff launched these accounts in September. She said that, in total, the SDA has more than approximately 3,300 followers across all its social media accounts including: approximately 1,600 followers on Facebook, which is up from about 500 reported at the last meeting; 415 followers on Twitter, up from 357; on Instagram, 775 followers, up from 579; and on LinkedIn, 490 followers, up from 452. She added that, along with the Authority's website, social media has been a very successful communications tool to help the Authority communicate with stakeholders about the Authority's events as staff visits the districts.

The CEO said that, since the previous Board meeting, the Communications team has helped to generate a number of articles on the new CBRE Heery contract for Camden HS. She added that, in February, articles about the contract appeared in NJBIZ, ROI-New Jersey and the Camden Courier Post.

With respect to the External Affairs Department, Ms. Delgado Polanco advised the Members that on March 12 the Authority's Community Partnerships Department attended the Newark State of the City address. She said that on March 22 the Authority was a featured speaker on Rutgers Radio to talk about the SDA's business initiatives for reaching out to small business. She added that on March 24 the Authority's Community Partnerships Department

attended the Plainfield State of the City address. She also advised the Board that on March 28, the Authority's Community Partnerships Department hosted a Roundtable meeting with local Trenton non-profits.

In continuing, Ms. Delgado Polanco said that on March 28, the Authority's Community Partnerships Department attended the Perth Amboy State of the City address and, also on March 28, the SDA attended several meetings in Newark. She added that on March 29 the SDA attended the African American Chamber of Commerce and Statewide Hispanic Chamber of Commerce "Unity Breakfast" at which the SDA offered remarks. She said that she is really proud that the SDA is getting out into the districts in which the Authority is working and building.

The CEO informed the Members that on April 9 the SDA will be hosting a Dayton Avenue Educational Complex information session in Passaic. She said that on April 11 the Authority's Business & Workforce Diversity Department will attend Essex County's "Small Business Procurement Expo" event. She said that, also on April 11, the Authority's Business & Workforce Diversity Department and Borden Perlman Insurance Company will be co-hosting an event entitled "Insurance Insights: Reclaim your Competitive Edge". Ms. Delgado Polanco advised the Members that on April 16 the Authority will be a featured speaker at the NJ Alliance for Action meeting in Middlesex County. She added that on April 18 the Authority will be hosting a roundtable meeting with Camden and their local stakeholders.

In continuing, Ms. Delgado Polanco reported that April 24 the SDA will participate in a District Tour of Hoboken with Superintendent Christine Johnson. She said that on April 30 the SDA will participate in a District Tour of Jersey City with Superintendent Walker and, also on April 30, the SDA will be hosting the Perth Amboy HS information session. She advised that on May 2 the Authority will attend the Middlesex County Regional Chambers of Commerce's

“Community Leaders of Distinction” and staff will be able to speak about the work being done at the Authority.

School Review Committee

Change Order – Epic Management, Inc.; Extension of Existing Regulations: Notice of Re-adoption (without Amendments) - Procurement of Architects, Engineers, Land Surveyors and other Professional Services Consultants, N.J.A.C. 19:38C; Extension of Existing Regulations: Notice of Re-adoption (without Amendments) - Procurement of Goods and Services, N.J.A.C. 19:38D

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on March 18, 2019 at which time three items were discussed. He said that the first item for Board consideration is a change order for Epic Management, Inc. (Epic) for the Luis Munoz Marin School project (Marin School). He reported that the Marin School is a 172,000 square foot facility in the Newark Public Schools District educating approximately 927 students in grades Pre-K through 8. He said that in 2016 the Department of Education and SDA identified conditions at the Marin School for advancement as an emergent project. He explained that the emergent project identified for the Marin School involved replacement of five gas-fired HVAC units that provide cooling to several windowless educational spaces, including the cafeteria and library. Mr. Luckie said that in February 2018, Epic was engaged to perform all work associated with the replacement of the five units through the Authority’s general construction task order contract. He added that Epic’s engagement included the limited design work necessary to obtain permits from the Department of Community Affairs and the replacement-in-kind of the existing units. Mr. Luckie said that, during the course of replacing the five units, it became clear that additional work was needed to accommodate installation of two of the new units. He informed the Members that the SDA requested and received a price proposal from Epic in the amount of \$17,533.00 to furnish and install all work necessary to modify the curbs and ductwork for the two units. He noted that this

became Change Order No. 3. He said that since the value of Change Order No. 3 singularly exceeds 10% of the contract value, Board approval is required. He added that funding for Change Order No. 3 is available within the construction contingency established in the Emergent Project Charter approved by the SDA CEO in January 2018.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Ms. Sullivan and seconded by Mr. Piaia and with Mr. Lewis-Powder abstaining, Change Order No. 3 for Epic Management Inc. for the Newark Luis Munoz Marin School project was approved with the Board's unanimous vote in favor of ***Resolution 6a.***

Next, Mr. Luckie said that the Committee is recommending an Extension of Existing Regulations and a Notice of Re-adoption (without amendments) for the Procurement of Architects, Engineers, Land Surveyors and other Professional Services Consultants. He reported that in March 2012 the Board approved for final adoption regulations governing the Procurement of Architects, Engineers, Land Surveyors and other Professional Services Consultants by the Authority. He added that the Rules were formally published in the New Jersey Register on April 4, 2012 and that they are due to expire on April 4, 2019. He said that the Rules address requirements for prequalification, advertisement, evaluation and selection in procurements for professional services consultants; procurements for title insurance companies, appraisers, and experts; and also specify procedural and other requirements. Mr. Luckie explained that State agencies and authorities can utilize a Notice of Re-adoption process to seek additional time to review or modify existing rules or to ensure that underlying rules do not expire while the agency pursues substantive amendments through the normal proposal, publication, public comment and adoption process. He said that the Notice of Re-adoption process effectuates the re-adoption of rules and automatically extends the rules for seven-years. He explained that management intends

to draft any amendments needed to correct or improve the Rules and to submit any proposed amendments to external entities for review and validation before seeking Board approval for a proposed re-adoption with amendments to the Rules. He added that, pending expiration of the Rules on April 4, 2019, the Authority sent a Notice of Re-adoption to the Office of Administrative Law to meet the statutory 30-day filing requirement. He noted that the processing of the re-adoption and extension is suspended pending the Board's ratification of the Notice. Mr. Luckie said that management is seeking the Board's ratification of its filing of the Notice of Re-adoption to extend the expiration of the Rules. He explained that the proposed Notice of Re-adoption process will involve no amendments or modifications to the Rules and, upon re-adoption, the Rules will remain in their current form. He said that management recommends that the Members ratify the Authority's use of the Notice of Re-adoption process to effectuate the re-adoption and approve an extension of the Rules.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Nixon, the Extension of Existing Regulations and Notice of Re-adoption (without amendments) for the Procurement of Architects, Engineers, Land Surveyors and other Professional Services Consultants were approved with the Board's unanimous vote in favor of **Resolution 6b**.

Next, Mr. Luckie said that the Committee is recommending an Extension of Existing Regulations and Notice of Re-adoption (without amendments) for the Procurement of Goods and Services. He said that in March 2012 the Board approved for final adoption regulations governing the Authority's Procurement of Goods and Services. He reported that the Rules were formally published in the New Jersey Register on April 4, 2012 and are due to expire on April 4, 2019. He explained that these Rules address requirements for prequalification, advertisement, evaluation and selection in procurements for professional services consultants. Mr. Luckie added

that the Rules also address general provisions and requirements for the procurement of goods and services. He informed the Members that management is utilizing the same Notice of Re-adoption process that was utilized in connection with the rules that were just discussed and is seeking the Board's ratification of its actions to date. He said, again, that the same Notice of Re-adoption process will be utilized in connection with these rules and that there will be no amendments or modifications to the Rules. He advised the Board that, upon re-adoption, the Rules will remain in their current form. Mr. Luckie added that management recommends that the Board ratify the Authority's use of the Notice of Re-adoption process to effectuate the re-adoption and approve the extension of the Rules.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Ms. Lemelle and seconded by Mr. Nixon, the Extension of Existing Regulations and Notice of Re-adoption (without amendments) for the Procurement of Goods and Services were approved with the Board's unanimous vote in favor of **Resolution 6c**.

Public Comments

The Chairman then opened the Public Comments portion of the meeting.

At the Chairman's request, Mr. Keith Benson addressed the Board. Mr. Benson stated that he is the president of the Camden High School Parents Association and advised that he sits on the executive committee of the Camden East Committee of the NAACP. Mr. Benson thanked and complimented the Board and the Governor for their great selection of the current CEO. He said that very few agencies in the United States live out their creed and live out the Declaration of Independence. He said that inclusion and diversity are very important in a fair and moral society. He said that his organization thinks the world of Lizette (the CEO) and supports her. He said that his organization is not in support of the attacks that have appeared in the press and that he has come to let everybody know that the CEO should be retained and that she should be

allowed to expand. Mr. Benson said that he would like to see the diversity on the (SDA project) sites that the CEO has at the SDA--not just diversity at the work sites but also with the contractors. He thanked the CEO and said that she has made "the promise of America real". He said that he speaks for all 40 chapters of the NAACP throughout the State. Mr. Benson asked the Board to continue with Lizette, and to continue and expand the great work that is being done with diversity.

Mr. Nixon then invited Mr. Francisco Cortes to the podium. Mr. Cortes advised the Board that he is the President of the New Jersey Veterans Chamber of Commerce (Chamber). He said that the Chamber represents 400,000 men and women who bravely served our country--many who are diverse business owners in the community. He referenced a 2015 New Jersey law which set aside 3% of the State's budget for service-disabled owned businesses. He advised that, since 2015, zero dollars have been awarded to our brave men and women who serve their communities in the State of New Jersey. Mr. Cortes said that one of the reasons the Chamber was created was to support veterans businesses. He advised that, since inception, the Chamber has engaged with many organizations in New Jersey, including the SDA. He said that the SDA, with its leadership and through its CEO, was one of the first agencies that opened its doors to the veteran community and helped push opportunities that were not afforded before. He said that, like him, many business owners are Latinos looking for opportunities, not handouts. He said that the SDA has provided opportunities and the Chamber stands by the SDA and its leadership for that reason. He thanked the Authority for supporting those that have served their country. Mr. Nixon thanked Mr. Cortes for his service.

Next, the Chairman invited Mr. Lorenzo Hall to the podium. Mr. Hall said that he is the President of Newark Local 617 which represents approximately 950 of the folks in the Newark public schools. He stated that the East Side High School, probably the largest school in Newark,

has three elevators--none of which work. He said that there are over 1,000 children in the building. He described other problems with Newark's school facilities including broken toilets, leaks and collapsing roofs. He described the smell of urine in school buildings and light fixtures in need of repair/replacement. Ms. Delgado Polanco indicated that the SDA would look into these issues.

Mr. Nixon then asked Mr. Manuel Segura to the podium. Mr. Segura said that he is a former Trenton City Councilman and a member of the Dominican-American Elected and Appointed Officials Caucus of New Jersey (DAEOC-NJ). He advised that he is also a former member of the Trenton School Board. Mr. Segura said that as a former school board member he is very familiar with the deterioration of schools. He said that he fought for a new Trenton Central High School and is very happy that there will be a new, state of the art high school. He said that he has known CEO Delgado Polanco for 25 years and referenced her contributions in both politics and the community. Mr. Segura recognized her support in his Trenton mayoral run and referenced her efforts in fighting for the rights of people to be equitably paid. He applauded Ms. Delgado Polanco for visiting the schools, which no one else ever did, in order to see what is happening. He noted his support of his "sister" and quoted César Chávez who said "si se puede, yes we can and si se puede, yes we will".

The Chairman invited Mr. Ameer Natson to address the Members. Pastor Natson advised that he is the Lead Pastor of The Better Life Church at the Cineplex movie theater in Newark. He said that his ministry has been acknowledged as the fastest growing church in the history of the State of New Jersey. He also noted his appearance on the Celebrity Chef show and his experience as a chef to a number of celebrities. He said that he is a product of Newark's public education system and serves with the National Action Network under the leadership of the Reverend Al Sharpton. He said that he was here to celebrate the leadership of SDA. He said that

he, the Reverend Al Sharpton and Pastor Steffie Bartley, who spoke at the last Board meeting, are committed to using their influence to see that inclusion and fairness are happening within the SDA. He stated that he is a man who survived the struggle of an impoverished school system. He provided an overview of his background and his struggle to run a culinary program in a Newark school (GW Carver) that did not have proper heating or air conditioning. Pastor Natson said that he also has been to many other school districts and seen state of the art educational facilities. He noted the unfairness of this situation. He expressed gratitude for the Governor and CEO Delgado Polanco and her commitment to fairness and equality. He said that it is not fair to be bashed or ridiculed. He quoted from the Bible and said that, representing the National Action Network, he will use every ounce of influence that he has to see that we combat what has been going on in the state for way too long-- a lack of inclusion, fairness and equality. He advised that the National Action Network is watching carefully and looking to see fairness across the board. He said that they are not asking for more than their fair due.

Next, Mr. Nixon asked Mr. Stan White of Camden to address the Board. Mr. White said he is a retired community outreach specialist. He said that he wanted to talk about equity. He said that he doesn't want sympathy for the Camden or Abbott Districts but, rather, simply wants what is given to everybody else. He asked if the Board has taken the initiative to address the mold, asbestos, and lead issues in Camden's schools. He asked if the Chairman has seen pictures of those three things in Camden's schools. He said that the SDA should be doing a full forensic report on the public schools and referenced the series on charters schools that is currently in the news. He said that he's not knocking charter schools or renaissance schools but asked where the money went. Mr. White said that somebody needs to be indicted. Mr. White said money was sent to help the district but was given to charters and even to a village for teachers for Newark and Trenton charters. He asked who directed the money to the charters. He said that SDA is all

about building buildings and making life better for the kids but asked if anyone is being held accountable for wrongdoing. He asked for equity.

Mr. Nixon said that no SDA money has been spent to build any private or charter schools and that the Authority is fully committed to addressing the issues that plague Camden and the other districts within its purview. He added that SDA is certainly aware of those issues and, through its capital plan, is addressing them as quickly as possible. He noted that there are problems that are district responsibilities. He said that SDA seeks to ensure that everyone is doing their share.

Mr. Nixon asked Dorothy Sheppard to address the Board. Ms. Sheppard introduced herself and said that she is the president of Local 3 cafeteria workers in Newark, New Jersey. She said that she is before the Board on behalf of her workers. She said that they are working in poor conditions, notably problems with drainage and kitchen flooding when it rains. She added that the conditions in the Cleveland Avenue ES kitchen facilities are so bad that the workers are unable to prepare food products there and cannot even wash the fruit. Ms. Sheppard said that the workers have to contend with equipment that is very old, outdated and no longer functional. She spoke of the need for new equipment for the schools, adding appears that everything is being overlooked. Ms. Sheppard said that many of the children need an adequate meal at school because many times they are not eating what they should eat at home. She said that a nice balanced meal cannot be provided if the workers do not have what they need to prepare it. Ms. Shepard said the food service workers in Newark need help in order to properly feed the children.

The Chairman asked Pastor Amir Khan of Camden to address the Board. Pastor Khan said that first he would like to address the Chairman about his statement that no money from SDA has gone to charter schools. He asked the Chairman to check into the Lanning Square

property. He said that the community rallied around the Lanning Public School and then close to \$10 million in SDA money went to cleaning off that land. He said that now in its place is the Kipp-Norcross School. Mr. Nixon said that the SDA does not build private schools, adding that he is aware of the history of the program.

Next, Pastor Khan addressed the CEO and said that the speakers are all here to speak in defense of and to show support for the management team that she has put in place. He said that he is a pastor but that he was a businessman for the last 40 years. He said that he's been very successful and has had multi-million dollar businesses for the past 40 years. He described his business ventures. He said that he has dealt with business people for many years and with the SDA management team for the last 6-8 years. He said that he's recently had much more success with the current SDA management team, given their professionalism, follow through, and expertise, than with any SDA team in the past. He said that when he reads the articles about SDA hiring people who don't know about business, he figures it's just "fake news". He said the SDA deals primarily in urban areas and noted the importance of having people come in to the districts who are professional and look like the complexion of the community. He said that he and the NAACP and the National Action Network are 100% supportive of CEO Delgado Polanco and her team and think they are doing an outstanding job.

The Chairman asked Pastor Mark Broach to address the Board. Pastor Broach introduced himself and said that he is the pastor of the Deliverance Center in Trenton. He said that, recently, sister Lizette came to a pastors' meeting and the passion and energy that she showed gives a reason to hope again-not only for the pastors but also for the people that they serve. He said that the old Trenton Central HS (TCHS) had issues of sewage running into the cafeteria and the kids that attended the high school were so used to it that it didn't affect them whatsoever. He advised the Board that when suburban children came to TCHS to take their SATs they had to postpone it

because they were becoming sick. Pastor Broach said that there still are schools that remain in as bad or worse condition than TCHS. He said that there is hope with the leadership of Ms. Lizette and the crew that's around her. He added that the pastors will continue to work on the Trenton Public Schools to make sure there is a better environment for learning.

Next, Mr. Nixon asked Mr. David Barie to address the Board. Mr. Barie advised the Board that when he was employed by the SDA he worked on emergent projects and referenced some of the projects with which he was involved. He said that he no longer has enthusiasm for the SDA and asked that the Members bear this in mind as they listen to what he is about to say. He then made lengthy critical comments about the SDA's Vice President of Corporate Governance and Legal Affairs. He also offered disparaging remarks about the Vice President of Real Estate Services and Pre-Development, Chief Operating Officer and Chief Executive Officer. Mr. Nixon asked Mr. Barie to refrain from making personal comments. Mr. Barie said that he was attempting to make public comments and "speak truth to power".

The Chairman asked Mr. Sameer Shah to address the Board. Mr. Shah said that he worked for the SDA for 16½ years before he was terminated in 2018. Mr. Shah said that he felt sorry for Ms. Delgado Polanco after four of her executives took issue with the veracity of the statement she made at the last Board meeting. He said that during testimony before a legislative committee, (former SDA Chief of Staff) Albert Alvarez said that he directed the SDA firings and linked the firings with the hirings to bring in Ms. Delgado Polanco's family and friends. He said that Mr. Alvarez stated that the CEO gave him the delegated authority to fire directors and employees. He asked the Chairman, in his investigation, to check if the delegated authority form was signed by Ms. Lizette Delgado Polanco or not. He said that he is currently working in non-Abbott schools and focusing on an analysis comparing the cost of building non-Abbott schools with the cost of building SDA schools with taxpayers' dollars. He explained to Ms. Delgado

Polanco that, prior to her coming to the SDA, he was targeted by the executives. He cited examples of this claim. Mr. Shah said that the entire organization is dysfunctional and its vice presidents are going against Ms. Delgado Polanco. He then addressed the Chairman and said that in the eight weeks prior to his termination he was promoted and demoted after having his best evaluation at the organization. He asked the Chairman to extend his investigation and review of the hirings to include the firings. He named two Vice Presidents that he believes recommended his firing. Mr. Shah then addressed Ms. Delgado Polanco and said that if she wants to survive, it's time to step up and take action. He said that he was the first person in the Authority to help Mr. Alvarez bring minorities into this program. Mr. Shah then alleged that an SDA Vice President was directly involved in directing the former HR Director to tamper with his personnel files. He added that, prior to the HR Director's firing, he asked for the status of his promotion and was told they were cleansing the files of every employee to present them to the new administration. He said that, at the direction of this Vice President, his promotion was stopped. He said that the Chairman needs to step up and stop the hostile environment that SDA's executives have created.

The Chairman invited Manisha Mehta to come to the podium. Ms. Mehta advised that she has a masters degree in public administration and an MBA from Rutgers University. She said that she has come to speak as a concerned citizen about how she was affected by the hiring practices of this administration. She said that in early 2018 she met with an SDA Vice President and expressed her desire to join the Authority. She said that she was encouraged to apply for a position at the SDA whenever a job became available. She advised the Board that in July 2018 she applied for a SDA Cost Analyst Position that was posted and received a call indicating that she would be contacted with an interview date. Ms. Mehta said that she never received a call-back so she called the SDA again and was asked to resend her application. She said that she was

informed that hiring was on hold at that time (September 2018). She said that she eventually was advised that the SDA had her application but that there was a hiring freeze in effect. She said that she is before the Board waiting for her fair chance. She said that everyone is talking about how this administration is all about fair chances and being inclusive and diverse. She said that she felt that she was being sidelined. Ms. Mehta said that she started reading all the news (about the SDA) in the paper in February. She said that while she was at the (SDA's) front door seeking a fair chance to be hired, there was a back door entry and more than 34 people were hired. She said that she feels flabbergasted that she was treated very unfairly. She said that she is a very concerned citizen and asked the Board Members to please look into the hiring practices at the SDA.

The Chairman asked Pastor Ramon Collazo to address the Board. Pastor Collazo introduced himself as the Pastor of Santa Isabel Lutheran Church in Elizabeth. He described the police presence at the public schools that his son has attended in Elizabeth. He said that he has observed that there are four high schools located close one to another and noted that a police presence is required in the afternoon since the children at all four schools are dismissed at the same time. He asked why these schools are built so close to one another when Elizabeth is the fourth largest city in New Jersey. Pastor Collazo said that he is sometimes contacted to establish roundtables which motivate the community. He explained that these forums provide the opportunity for community leaders and parents to talk about all of the things that are happening in their children's schools. He said that there has not been an opportunity before to bring before the Board all of the things that the parents, teachers and schools are faced with and he thanked the Board and Ms. Delgado Polanco for providing this. He said that actually going into the different districts could bring more justice and equity into determining the amount of money that

is distributed for new schools and for planning because the people in the different districts can inform the process. Pastor Collazo thanked the Board and asked that they keep up the good work.

The Chairman invited Ms. Ronsha Dickerson to come to the podium. Ms. Dickerson advised that she was wearing “3 hats” and would be taking off each hat as she spoke. She advised that she was representing the Journey for Justice Alliance (JJA), a national alliance covering 40 cities across the country (representing black and brown cities), driven for school improvement. She said that, as a national organizer, she is able to go into schools across the country in areas that look like Camden and Newark and to see the suffering due to the conditions. She noted that the schools are not failing but, rather, we have failed. She said that there is a national crisis of old schools becoming land graft for charter proliferation. She explained that this helps the public schools to fail due to a budget crisis. She said that JJA created a report (Report) showing course comparisons. Ms. Dickerson stressed that this Report was not to undermine the great work of the NAACP and the great leader Thurgood Marshall.

Ms. Dickerson said that schools lack the items they need to create opportunities for inspiration. She explained that the Report measured wealthy rich white students’ schools against poor black and brown children’s schools showing that the poorer community schools’ structure couldn’t support what the white communities could. She noted that the Report includes Newark, Paterson and Camden. She then advised that she is a co-founder of the Camden Parent Union, a focus group of community organizers that fight for equity for Camden. Next, Ms. Dickerson discussed Camden High School (CHS). She said that it felt like CHS was stolen from the community because it was a manufactured crisis—i.e., you have a state takeover, an appointed superintendent and an advisory school board with no vote for the public. She said that you then take the number one school, a historical school in the city, and say “we’re going to create a state of the art public school”. She questioned the benefit of this. She said that while CHS is under

construction the children are in other facilities that are not suitable for high school students. She stated that there has been a drop in CHS enrollment and that the site of the new CHS is like a funeral. Ms. Dickerson said that she would now address the Members as the mother of 6 children who went through the Camden public school system. She added that she also is a product of the Camden public school system. She said that her children went to Forest Hills schools where they had to eat and have gym in an all-purpose room where the ceiling was leaking dirty water captured in a kiddie pool. Ms. Dickerson then asked the SDA to investigate all of the Abbott/SDA Districts, especially Camden which is always treated like the stepchild while everyone knows that it is the most politically corrupt city in New Jersey. In conclusion, Ms. Dickerson said that she wanted everyone to walk away knowing that diversity is important and to recognize that these children are left the middle of a war zone if we do not respect and promote schools that serve as opportunities for inspiration.

At this time, Mr. Maloney left the meeting.

Next, the Chairman invited Ms. Debra Coyle to come to the podium. Ms. Coyle said that she is the Executive Director of the New Jersey Work Environment Council that is part of the Healthy Schools Now (HSN) Coalition. She explained that she was before the Board to address what she has read in the papers. She said that it is her understanding that all the money left with the SDA has already been allocated to projects and that there is no money left for future projects. She said that she does not need to describe conditions at school facilities as, given the testimony heard this morning, Lizette and her leadership team are well aware of them. She noted her concern that the SDA, the agency tasked with building new schools, is out of money which delays correcting conditions in the schools in the Abbott districts. She advised that HSN is advocating for more funding for the SDA. She said that this is about the children and about the school staff that are exposed to these conditions day in and day out. She said that while

representing HSN and as a mother, she was speaking to another mother, who has a child in an Abbott (SDA) school district whose child does not want to go to school because it is too hot in the school. She said that temperatures in older schools fluctuate greatly and do not adjust to the heat or the cold. She noted that, with climate change, there will be more days of 90 degree weather and it is unacceptable to have a child crying not because they don't want to go to school to learn but, rather, because of the temperature. She stated that it is a moral obligation to find the money for our kids. She said that the other public commenters spoke about equity, justice and fairness which also is about opportunity. She stressed that we need to give all the children in the state of New Jersey the opportunity to learn in a healthy environment.

The Chairman then invited James Harris to the podium. Mr. Harris said that he represents the New Jersey Association of Black Educators (NJABE). He noted that this is his first time attending an SDA meeting but it will most certainly not be his last. He explained that he was present to speak in support of Lizette Delgado Polanco as the executive director of the Authority. He said that he is very concerned when he reads front page stories in all the newspapers about political matters that have nothing to do with improving the schools for the kids that are stuck in old buildings in the 31 poorest school districts in the state. He said that something happened in November 2017 that resulted in a change of leadership. He stated that everyone knows that when political parties change there are personnel changes. He said that this is nothing new going from Republican to Democratic leadership. He said that the people who sat on the Boards of most of these organizations for 8 years were appointed by the Governor. He said that for African-Americans and Latinos, there was hatred, racism and discrimination that was plainly visible. Mr. Harris stated that the SDA is part of a Supreme Court mandate to fix the poorest 31 school districts in the state to make them equal to the wealthiest school districts and offered that the borrowed money reportedly was not well spent. He questioned whose responsibility it was for

ensuring the adequate use of public money. He said that state government, through the Treasury, was responsible and questioned why no one was brought to justice. Mr. Harris said that the children in these schools are hurting. He said that he is a graduate of South Side High School, now the Malcom X Shabazz High School, in Newark. He said that the school has the capacity for 1,200 children but that the school population is down to 500 because the charter schools have built new buildings and the public schools have gotten nothing. He said that, when talking about leadership, his organization is hoping that with the new leadership will come diversity and inclusion--something that was completely absent for many years. He said that he can understand why people are getting upset that they are losing their jobs and suggested that people lost their jobs because they didn't do their jobs. He stated that the NJABE is not in favor of mistreating employees but that when individuals are mistreated there should be someplace they can go to get legal redress. He stated his belief that there is some emotion when a new director comes into any organization and takes a snapshot to see what is happening. He stated that the report is that the SDA didn't do a good job in many instances so there had to be some change. He said that he is happy to see changes. Mr. Harris said that he is not recommending mistreatment of employees but that he wanted to talk about who gets the jobs to build schools in urban areas. He said that he has looked at the schools being built. He added that it that doesn't look like the people who live in the communities are building the schools. He asked who gave the contracts to white organizations that don't have Black and Latino people on the job. He said that he wanted to pay attention to the unions because there are some that are not racially diverse. He suggested taking a look at the steel workers union which is the union that the President of the Senate comes from. He said to take a look at the operating engineers. He asked why the SDA gives out so many contracts to unions and organizations that don't have a diversity component. He said that most contracts have an agreement to abide by affirmative action and inquired as to who monitors to

ensure that this happened and, if it did not, what the punishment was. Mr. Harris said that 94% of the African Americans that voted, voted for the Phil Murphy Team not Steve Sweeney and not George Norcross. He said that the fighting has to stop so that the children can get a free, competitive education in a global economy. He then asked where the Board's black representatives were. The Board Chairman indicated that they were participating by teleconference. Mr. Harris said that they need to be present so that the public optics can look a little bit better than they do right now. Mr. Harris asked, with New Jersey one of the most racially diverse states in the United States and the 3rd or 4th wealthiest state, how one can reconcile that Camden is the poorest city in the country. He said that he believes that some of that money that went into Camden never got to the people. He said that he wants to know what checkbook or bank account that money went into--federal and/or state. He said that the children need to be in comfortable, safe and modern facilities so that they can take the tests and be competitive. He then spoke about schools that have buckets inside when it rains. Mr. Harris said that the NJABE wants the SDA organization to do the right thing for all of the people in the state of New Jersey. He said that NJABE supports Lizette and her team and that they will be back because the children are at stake.

Finally, at the Chairman's request, Ms. Kelly read a letter from Ms. Rosie Grant of Paterson, New Jersey. Ms. Grant had submitted a letter to the SDA Board on the Authority's website on April 1, 2019. Copies of Ms. Grant's letter were distributed to the Members of the Board and executive staff. Ms. Grant wrote:

Dear SDA Board Members,

My name is Rosie Grant and I am the Program Director for Paterson Education Fund in Paterson NJ. Paterson Education Fund's Mission is to stimulate community action for change in

the Paterson Public Schools, so that every child achieves high standards. We welcome positive systems changes that provide more opportunities for our children to learn and succeed.

I am writing to offer my support for the current leadership and direction of the SDA. Additionally, I fully support the SDA's bid for additional funding and hope to help in the effort to keep the SDA independent and viable. Although there have been some issues in the past, many districts, both urban and suburban, are desperately waiting for new facilities and see this new administration as a ray of hope.

I would like to thank you for the SDA built schools in Paterson. Our 2005 Long Range Facilities Plan highlighted the need for 13 new schools to ease overcrowding and replace crumbling buildings. Since then, Paterson received 6 new schools and additions to 2 others. However, the need is still dire. Paterson still needs 11 new building (sic). In the existing buildings, classrooms are overcrowded and many of our science labs are not fully functional and do not meet current academic needs. There are 13 schools over 100 years old. Because of the need for additional classrooms, not every school has a gym or cafeteria. Some have neither and some have a multi-use space commonly known as a "gymna-café-torium" a combination of gymnasium, cafeteria and auditorium. Three spaces that should serve three distinct purposes and should be available to different groups of student simultaneously.

Additionally, there is increasing demand for vocational education, but the district has no space available. As you may already know, the county technical schools are now focused on technology information systems and high level career academies so that there are very few opportunities for students who want tradition (sic) vocational opportunities.

Recently, for the first time in many years, SDA staff visited Paterson schools, and others, to get first-hand knowledge of our facilities conditions. They have participated in statewide education coalition meetings and are developing a plan to meet our children's need as mandated

by the courts in the Abbott v. Burke decisions. Please know that you have the community's support in advocating for funds from our legislators, maintaining the organization's independence and protecting all our children's future.

Adjournment

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

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its April 3, 2019 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—4a.**Approval of Minutes**

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the April 3, 2019 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on April 9, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's April 3, 2019 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: June 5, 2019

MAY 1, 2019 OPEN MINUTES

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 1, 2019**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, May 1, 2019 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Chairman

Michael Kanef (Treasury)

Bernard Piaia (DOE)

Donna Sullivan (EDA)

Kevin Luckie (DCA)

Kevin Egan

Richard Elbert

Loren Lemelle

Michael Maloney

Mario Vargas

being a quorum of the Board. Mr. Egan, Mr. Elbert, Mr. Kanef, Ms. Lemelle, Mr. Nixon, Mr. Piaia, and Mr. Vargas participated in the meeting by teleconference.

At the Chairman's request, Roy Garcia, chief of staff; Andrew Yosha, chief operating officer; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Manuel Da Silva, vice president; Thomas Schrum, vice president; Patricia Cabrera, deputy chief of staff; and Albert Barnes, chief counsel (by teleconference) of the SDA, participated in the meeting. Adam Sternbach of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by Mr. Nixon, 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 SDA website and the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Pledge of Allegiance

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

Authority Matters

Appointment of Interim Chief Executive Officer (CEO); Appointment of Interim Records Custodian

Mr. Nixon provided the Members with the Chairman's Report. He advised the Board that, with the resignation of the Authority's Chief Executive Officer effective April 26, 2019, it is necessary for the Board to appoint an individual to serve as the Authority's Interim CEO. Referencing his memorandum that was provided to the Members in advance of the meeting, he said that before the Board is a recommendation to elect SDA's Vice President of Construction Operations Manuel Da Silva to serve as the Authority's Interim CEO. Mr. Nixon said that Mr. Da Silva is experienced with the SDA and with construction generally and is prepared to fill this position. He said that, first and foremost, Mr. Da Silva cares about the mission of the SDA.

In continuing, Mr. Nixon said that Mr. Da Silva, the Members and staff have a lot of work to do in the next couple of weeks to ensure that the SDA is focused on one thing and one thing only--and that is to build high quality 21st century schools for the children of New Jersey.

Mr. Nixon said that Mr. Da Silva's appointment today is a temporary beginning, not an ending. He explained that we will soon receive an update regarding the ongoing audit and investigations involving employee hirings and employment decisions that were made over the last several months. He said that the Authority must do what is expected of us and that is to learn, improve and look ahead to our mission of building schools. He said that Governor Phil Murphy is in agreement and shares the same pathway forward for the organization. Mr. Nixon said he would like to thank Governor Murphy for his recommendation of Mr. Da Silva and for his support as the Board takes steps to move the SDA forward in the right direction.

Following discussion, upon a motion by Mr. Vargas and seconded by Mr. Maloney, the Board approved the nomination of Manuel Da Silva to serve as the Authority's Interim Chief Executive Officer with the Members' unanimous vote in favor of **Resolution 4a**.

Mr. Da Silva thanked Mr. Nixon and the Board for their confidence in his ability to run the organization. He said that his primary goal is to move forward with the SDA's mission of delivering 21st century schools. He added that he looks forward to getting the Authority back on track.

Next, referencing his memorandum that was provided to the Members in advance of the meeting, Mr. Nixon explained that the Authority's Records Custodian has retired effective April 30, 2019, necessitating formal election of a replacement. He said that before the Board is a recommendation to elect SDA Policy Director Kristen MacLean to serve as the Authority's Interim Records Custodian. Following discussion, upon a motion by Mr. Luckie and seconded by Mr. Elbert, the Board approved the nomination of Kristen MacLean to serve as the Authority's Interim Records Custodian with the Members' unanimous vote in favor of **Resolution 4b**.

Public Comments

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

Adjournment

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

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its May 1, 2019 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—4b.**Approval of Minutes**

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the May 1, 2019 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on May 2, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's May 1, 2019 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: June 5, 2019

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

CHAIRMAN'S REPORT (*ORAL*)

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

**AMENDMENT OF MEMORANDUM OF UNDERSTANDING BETWEEN THE NJSDA
AND THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY [HESAA]**



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

MEMORANDUM

6

TO: The Members of the Authority

FROM: Aaron Goss, Director – Business & Workforce Diversity

THRU: Rafael Mata, Managing Director – External Affairs
Roy Garcia, Chief of Staff

RE: Amendment of Memorandum of Understanding between NJSDA and HESAA

DATE: June 5, 2019

INTRODUCTION

The purpose of this memorandum is to request the Board's approval to extend the Memorandum of Understanding ("MOU") between the New Jersey Schools Development Authority ("NJSDA") and the New Jersey Higher Education Student Assistance Authority ("HESAA") for an additional three (3) years. The MOU was originally executed on July 31, 2013 and an extension was approved by the NJSDA Board on July 6, 2016 for a three year term from May 1, 2016 to May 1, 2019. Under the MOU NJSDA provides funds for the HESAA administered Governor's Industry Vocations Scholarship Program ("NJ-GIVS").

Additionally, the Authority is seeking approval to establish an annual budget for an amount not to exceed \$250,000.00 (\$227,300.00 that could be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees) for each year of the extended period. The term of the extended MOU would be for the period commencing May 1, 2019 to May 1, 2022, and under no circumstances would the HESAA administrative fees exceed 10% of the total value of scholarships awarded during any year. The requested annual budget amount is consistent with the funding levels for the prior three years.

BACKGROUND

In September 2001, the NJSCC (now NJSDA) entered into a MOU with the State Department of Labor and Workforce Development ("LWD") for the administration and implementation of a community outreach and training program in the construction trades for minorities and women. Training was provided for upgrading academic skills and an introduction to the construction industry was offered in order to facilitate competition for union apprenticeships. As per the agreement, the NJSCC/NJSDA was regularly invoiced by LWD and payments were made accordingly. Participation in the program administered by the LWD was limited to minorities and women residing in the former Abbott Districts (now SDA Districts). The 2001 MOU between NJSDA and LWD was not required by law but was, rather, a voluntary effort by the agencies. However, in 2010, N.J.S.A. 52:38-7 statutorily mandated that:

“upon entering into any public works contract in excess of \$1,000,000 which is funded, in whole or in part, by funds of a public body, or any public works contract of any size which is funded, in whole or in part, by funds provided to the public body pursuant to the “American Recovery and Reinvestment Act of 2009,” Pub.L.111-5, the public body entering into the contract shall transfer an amount equal to one half of one percent (.5%) of the portion of the contract amount funded by funds of the public body, or provided to the public body.... To the Department of Labor and Workforce Development, except that any Statewide authority which enters into the contract and administers a program which meets the requirements of this section may retain all or a portion of the .5% share of the funds under the contract as is necessary for the operation of the program, but shall transfer to the department any portion of the funds not necessary for the program...”

N.J.S.A. 52:38-7 (2010) further provided that:

“The department or authority shall use the transferred or retained funds to provide on-the-job or off-the-job outreach and training programs for minority group members and women in construction trade occupations or other occupations, including engineering and management occupations, utilized in the performance of public works contracts.”

Following enactment of this law, the Authority explored ways to establish an exclusive program which would allow the Authority to exercise control over how the required funds were allocated in order to maximize its benefit. The MOU with HESAA accomplishes this goal, it fulfills the NJSDA's statutory mandate that construction related job training skills be provided to women and minorities.

NJ-GIVS

NJ-GIVS fills a void in state financial aid programs by making scholarships available to students pursuing non-degree certificate programs in construction/engineering related industries. Prior to the implementation of NJ-GIVS, state student financial aid programs only provided grants and scholarships to students in matriculated Associate or Baccalaureate degree programs.

Students from all counties and municipalities in New Jersey are eligible to receive a NJ-GIVS scholarship. Consistent with other HESAA residency requirements, students must be bona fide New Jersey residents for a period of at least 12 months. Students admitted to an approved institutional program must apply directly to HESAA for the scholarship. HESAA awards the funds to eligible students on a “first come first served” basis.

A scholarship covers the cost of tuition up to \$2,000 per year less any federal financial aid the student is eligible to receive. The scholarship is renewable for one year. All scholarship awards are made to the institutions. The institutions, in turn, credit the students' accounts. No funds are disbursed directly to students.

On June 5, 2013, the Board initially allocated \$550,000.00 (\$500,000.00 to be awarded in scholarships to eligible students and up to \$50,000.00 for HESAA administrative fees) for the first year of the NJGIVS program; however, since actual expenditures in year one of the scholarship program were significantly below the \$550,000.00, the Authority transferred the unused balance to year two of the program, and then did the same in year three of the program as an unused balance still remained. To date, the amount of expenditures since the inception of the program is significantly less than the one half of one percent (.5%) statutorily mandated in N.J.S.A. 52:38-7.

On July 6, 2016, upon recommendation by the Audit Committee, the Board approved a three year extension of the program from May 1, 2016 to May 1, 2019 with an annual budget for an amount not to exceed \$250,000.00 (\$227,300.00 that could be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees). Since July 2, 2013, the Authority has expended approximately \$1,132,682.23 on the scholarship program, including \$110,454.85 for HESAA administrative fees. NJSDA and HESAA together have awarded scholarships to over 500 students, which has furthered their education across various institutions of higher education throughout the state.

HESAA

Like SDA, HESAA is an independent state authority. HESAA is charged with administering the state's higher education need-based grants and merit scholarships. Annually, HESAA distributes over \$330 million to over 70,000 students attending New Jersey colleges or universities. HESAA administers the Tuition Aid Grant (TAG) program, the nation's most generous need-based undergraduate aid program; the part-time TAG for County College Students Program; the NJ STARS program; and the NJ STARS II program. Additionally, HESAA has bonding authority and annually sells bonds to finance the New Jersey College Loans to Assist State Students (NJCLASS) program. Along with the state programs, HESAA has contracts with the U.S. Department of Education to administer a number of federal student aid programs including, but not limited to, the Federal Family Education Loan Program and the John R. Justice Loan Redemption Program. In addition to administering financial aid programs, HESAA also has regulatory oversight over the college and university financial aid offices and conducts audits of those offices' functions to make certain the expenditure of funds comports with all statutory and regulatory requirements.

RECOMMENDATION

The Members of the Authority are requested to approve a three (3) year extension of the MOU between NJSDA and HESAA commencing May 1, 2019 and ending on May 1, 2022. Additionally, the Members of the Authority are requested to approve an annual budget for the extended MOU term for an amount not to exceed \$250,000.00 (\$227,300.00 that could be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees) each year.

In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, any amendment (including amendments to MOUs/MOAs) which exceeds \$100,000 or 10% of the contract value requires approval by the Members of the Authority. This amendment exceeds \$100,000 and 10% of the contract value.

KM/cc

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY AND THE
NEW JERSEY HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**

This Memorandum of Understanding (“MOU”) made by and between the New Jersey Schools Development Authority (“SDA”) and the New Jersey Higher Education Student Assistance Authority (“HESAA”) sets forth the understanding of the parties with respect to the funding and administration of the Governor’s Industry Vocations Scholarship Program (“NJ-GIVS”), a Scholarship Program for Women and Minorities, pursuant to which HESAA will administer NJ-GIVS, including the award and disbursement of scholarships, and SDA will provide funding and reimburse HESAA for the costs associated with administration of NJ-GIVS.

WHEREAS, SDA was created pursuant to N.J.S.A. 52:18A-235 to 251 (P.L. 2007, c. 137), among other things, to design and construct school facilities projects in the State of New Jersey pursuant to the Educational Facilities Construction and Financing Act, N.J.S.A. 18A:7G-1 et seq. (the “Act”); and

WHEREAS, regulations adopted by SDA and codified at N.J.A.C. 19:39-5.1, provide for, among other things, the application of school facilities project funding toward training for women and minority workers in life skills, pre-apprenticeship, and construction trades apprenticeship programs; and

WHEREAS, pursuant to N.J.S.A. 52:18A-240(b), SDA may allocate one-half of one percent of the annual value of its construction program to the financing of minority and women worker outreach and training programs pertinent to school facilities project construction; and

WHEREAS, N.J.S.A. 52:38-7 requires that “upon entering into any public works contract in excess of \$1,000,000 which is funded, in whole or in part, by funds of a public body, or any public works contract of any size which is funded, in whole or in part, by funds provided to the public body pursuant to the “American Recovery and Reinvestment Act of 2009,” Pub.L.111-5, the public body entering into the contract shall transfer an amount equal to one half of one percent (.5%) of the portion of the contract amount funded by funds of the public body, or provided to the public body.... to the Department of Labor and Workforce Development, *except* that any Statewide authority which enters into the contract and administers a program which meets the requirements of this section may retain all or a portion of the .5% share of the funds under the contract as is necessary for the operation of the program, but shall transfer to the department any portion of the funds not necessary for the program...”; and

WHEREAS, N.J.S.A. 52:38-7 further provides that “The department or authority shall use the transferred or retained funds to provide on-the-job or other outreach and training programs for minority group members and women in construction trade occupations or other occupations, including engineering and management occupations, utilized in the performance of public works contracts. . . . The department or authority shall use funds

transferred or retained pursuant to this section to provide grants to implement such programs to consortia which include those community-based organization, faith-based organizations, labor organizations, employers, contractors and trade organizations, institutions of higher education, and schools and other local public agencies which the department or authority determines are best able to facilitate entry and success of minority group members and women into training and long-term trade and professional employment in the construction industry. . . .”; and

WHEREAS, pursuant to N.J.S.A. 18A:71A-9, HESAA has the express statutory authority to foster further access to postsecondary education through scholarship programs in the State of New Jersey; and

WHEREAS, in furtherance of its statutory and regulatory obligations to establish minority and women outreach and training programs pertinent to school facilities projects throughout the State of New Jersey, Governor Christie announced on June 25, 2013 authorization for SDA to fund NJ-GIVS administered by HESAA designed to augment and enhance the pool of qualified minority and women workers in the construction trades available to work on school facilities projects;

NOW, THEREFORE, through this MOU, HESAA and SDA agree on the following terms and conditions to govern the funding, administration, implementation and oversight of NJ-GIVS:

SDA Responsibilities:

1. For each school facilities project with a total cost equal to or greater than \$1 million that is the subject of one or more construction contracts entered into by SDA, SDA shall allocate one-half of one percent of the value of the facilities project to the financing of outreach and training, to include programs such as NJ-GIVS.
2. SDA shall monitor and evaluate HESAA’s administration, implementation and funding of NJ-GIVS, including the budgets, programming, and funding of awardees based on quarterly reports provided by HESAA to SDA in accordance with paragraph 4, of this MOU under “HESAA Responsibilities”.
3. Upon receipt of a complete and properly calculated HESAA invoice, accompanied by appropriate reports and other requested documentation, SDA will reimburse HESAA for all approved administrative and programmatic expenses in accordance with the Prompt Payment Act, N.J.S.A. 18A:52:32-1 et seq.
4. HESAA Administrative Fee - SDA agrees to annually reimburse HESAA for fully-documented and actual expenses incurred in administering, implementing, and promoting NJ-GIVS, provided however, that such amounts shall not exceed a cap of the greater of \$50,000 or 10% of the total value of scholarships awarded during a particular fiscal year.

5. SDA shall work independently and jointly with HESAA to foster positive relationships with colleges and universities in the State of New Jersey aimed toward increasing the recruitment of women and minorities who receive scholarships into registered union apprenticeships or positions within the construction trades.
6. SDA reserves the right to create, manage, implement and fund other construction-related education, outreach and training programs under NJ-GIVS umbrella with or without the services of HESAA. SDA shall notify HESAA of such programs in order to avoid duplication of services.
7. Subject to the terms and conditions contained in this MOU, SDA agrees to compensate HESAA as indicated within this MOU. SDA will budget an amount not-to-exceed \$550,000 to cover all eligible costs for the Scholarship Program for the first year inclusive of both funds for the administrative fee and \$500,000 in scholarship funds; amounts available for each subsequent year will be determined by SDA in consultation with HESAA.

HESAA Responsibilities:

1. HESAA shall initiate and implement NJ-GIVS, a statewide scholarship program for women and minorities, in order to assist participants in their effort to finance their post-secondary education in a construction related field or trade.
2. HESAA will support New Jersey's eligible higher education institutions in their efforts to conduct outreach and marketing throughout their student population, so as to promote NJ-GIVS for women and minorities pursuing secondary education in the appropriate construction related field and encourage their application to NJ-GIVS.
3. HESAA, in consultation with SDA, will develop and distribute a Notice of Scholarship Opportunity (NSO) for the provision of NJ-GIVS. This NSO may be amended, updated and reissued as needed. The NSO will outline and provide for, among other things, eligibility standards, application procedures, HESAA's evaluation and approval process for the awarding of scholarships, standards for performance, criteria upon which awardees will be evaluated, and the basis upon which scholarships may be revoked or terminated and the amount of funds available through NJ-GIVS.
4. HESAA will provide SDA with a complete and properly calculated invoice, accompanied by appropriate reports and other requested documentation supporting the specific costs associated with administering NJ-GIVS. Payments to HESAA under this MOU are limited to the total value of scholarships awarded and the Administrative Fee described in Paragraph 4 of SDA Responsibilities set forth above. No other expenses or charges will be compensable under this MOU unless specifically agreed to by both parties in advance and in writing.

5. HESAA will provide awardees and New Jersey's eligible higher education institutions with technical assistance and support as needed and provide adequate HESAA staff to manage and administer NJ-GIVS.
6. HESAA shall be responsible for developing disbursement procedures for awardees under NJ-GIVS prior to the commencement of NJ-GIVS. HESAA will establish a dedicated fund account on the State's accounting systems and will record all transactions associated with NJ-GIVS on that system which is subject to annual oversight and review by the State Auditor through the Comprehensive Annual Financial Report.
7. HESAA will ensure appropriate auditing is conducted as mandated by state law. HESAA will cooperate with any external audit of NJ-GIVS conducted by or on behalf of any authorized State entity.

Miscellaneous:

Interagency Communications -- Regular and open communications between HESAA and SDA is crucial to the success of NJ-GIVS. Therefore:

- (a) HESAA and SDA shall make presentations regarding the status of NJ-GIVS to SDA's Board of Directors, as requested.
- (b) HESAA shall meet with SDA quarterly to update SDA on program activities.
- (c) HESAA shall immediately notify SDA of any and all concerns relevant to NJ-GIVS.

This MOU may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute but one and the same MOU.

This MOU is being entered into for the sole purpose of evidencing mutual understanding and intention of the parties hereto. This MOU may be amended, modified, supplemented, superseded or terminated by the parties at any time through a writing executed by both parties. Any dispute concerning this MOU shall be submitted to Gabrielle Charette, Executive Director, or her designee, of the Higher Education Student Assistance Authority (HESAA) and Marc Larkins, Chief Executive Officer of the New Jersey Schools Development Authority (SDA), or his designee, for review and resolution.

This MOU is for the period of three (3) years commencing on July 23, 2013 and ending on July 23, 2016. The MOU may be renewed annually thereafter, subject to the availability of funds and the agreement of both parties. All terms and conditions of the MOU will continue to have the same force and effect unless otherwise adjusted and indicated in subsequent MOUs, MOU amendments and/or budget agreements. This MOU may be terminated by either party on sixty (60) days advance written notice to the other

party. No adjustments to the amount of this MOU shall be made without written approval of HESAA and SDA.

All correspondence and notices to SDA regarding this MOU should be addressed to:

Marc Larkins, CEO
NJ Schools Development Authority
P.O. Box 991
Trenton, New Jersey 08625-0991

All correspondence and notices to HESAA regarding this MOU should be addressed to:

Gabrielle Charette, Executive Director
Higher Education Student Assistance Authority
4 Quakerbridge Plaza
PO Box 545
Trenton, NJ 08625-0545

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the dates set forth below.

Marc Larkins
Chief Executive Officer
New Jersey Schools Development Authority

Date

Gabrielle Charette
Executive Director
New Jersey Higher Education Student Assistance Authority

Date

**MEMORANDUM OF UNDERSTANDING EXTENSION
BETWEEN THE NJ SCHOOLS DEVELOPMENT AUTHORITY AND
NJ HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**

This serves to extend the Memorandum of Understanding (“MOU”) made by and between the New Jersey Schools Development Authority (“SDA”) and the New Jersey Higher Education Student Assistance Authority (“HESAA”) which sets forth the understanding of the parties with respect to the funding and administration of the Governor’s Industry Vocations Scholarship Program (“NJ-GIVS”), a Scholarship Program for Women and Minorities, pursuant to which HESAA will administer NJ-GIVS, including the award and disbursement of scholarships, and SDA will provide funding and reimburse HESAA for the costs associated with administration of NJ-GIVS.

This Extension is for the period from May 1, 2019 through May 1, 2022. All terms and conditions of the MOU attached hereto will continue to have the same force and effect unless otherwise adjusted and indicated in subsequent MOUs and/or budget agreements.

In WITNESS WHEREOF, the parties have executed this extension of the Memorandum of Understanding on the dates set forth below.

Manuel Da Silva
Interim Chief Executive Officer
NJ Schools Development Authority

Date

David Socolow
Executive Director
New Jersey Higher Education Student Assistance Authority

Date

Resolution – 6a.

Extension and Amendment of Memorandum of Understanding between SDA and the
Higher Education Student Assistance Authority (HESAA)

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve the execution of amendments to Memoranda of Understanding (MOU) between the SDA and other state agencies if such amendment exceeds \$100,000 or 10% of the contract value; and

WHEREAS, interagency cooperation is permitted by N.J.S.A. 52:14-1 et seq.; and

WHEREAS, in September 2001 the New Jersey Schools Construction Corporation (now the SDA) entered into a MOU with the Department of Labor and Workforce Development (LWD) for the administration and implementation of a community outreach and training program in construction trades for minorities and women; and

WHEREAS, the SDA and other entities that enter into “contract(s) in excess of \$1,000,000” with public funds, are statutorily required to implement or fund implementation of an outreach and training program for minority group members and women in construction trade occupations; and

WHEREAS, the New Jersey Governor’s Industry Vocations Scholarship Program (NJ-GIVS) fills a void that exists in state financial aid programs by making scholarships available to students pursuing non-degree certificate programs in construction/engineering related industries; and

WHEREAS, in 2013, SDA determined to maximize the effectiveness of its outreach and training initiative through its funding of the NJ-GIVS; and

WHEREAS, the Higher Education Student Assistance Authority (HESAA) is uniquely situated to provide the SDA with assistance to effectuate NJ-GIVS resulting in the establishment of an MOU between SDA and HESAA in July 2013; and

WHEREAS, in 2016, the SDA Board approved an extension of the MOU for a three year term from May 1, 2016 to May 1, 2019; and

WHEREAS, since July 2, 2013, the Authority has expended approximately \$1,156,516 on the NJ-GIVS program, including \$110,455 for HESAA administrative fees; and

WHEREAS, SDA and HESAA together have awarded scholarships to 600 students and, in so doing, furthered their education across various institutions of higher education throughout the state; and

WHEREAS, management is seeking Board approval to amend and extend the MOU between the SDA and the HESAA for an additional three (3) years; to establish an annual budget for an amount not-to-exceed \$250,000.00, of which \$227,300.00 can be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees for each year of the extended period; and

WHEREAS, the term of the extended MOU as proposed shall be for the period commencing May 1, 2019 to May 1, 2022; and

WHEREAS, administrative fees to be paid to the HESAA shall, in no instance, exceed 10% of the total value of scholarships awarded during any year; and

WHEREAS, the background and a description of the HESAA, of the NJ-GIVS program and of the program's implementation to date, and details as to the funding expended and to be expended along with the relevant statutory authority, are set forth in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, this amendment exceeds \$100,000 and 10% of the contract value thus requiring Board approval; and

WHEREAS, SDA executive management recommends Board approval to extend the MOU between SDA and HESAA consistent with the memorandum presented to the Board on this date and the provisions of the MOU to be amended as proposed.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve a three (3) year extension of the Memorandum of Understanding between SDA and the New Jersey Higher Education Student Assistance Authority commencing May 1, 2019 and ending on May 1, 2022.

BE IT FURTHER RESOLVED, that the Members of the Authority approve an annual budget for the extended Memorandum of Understanding term for an amount not to exceed \$250,000.00, \$227,300.00 that can be awarded in scholarships to eligible students and up to \$22,700.00 for HESAA administrative fees.

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, Extension and Amendment of Memorandum of Understanding between the
New Jersey Schools Development Authority and the Higher Education Student Assistance
Authority, dated June 5, 2019

Dated: June 5, 2019

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

**RELEASE OF FUNDS FROM PROGRAM RESERVE - CAMDEN PUBLIC SCHOOLS
DISTRICT - FOREST HILL ELEMENTARY SCHOOL - EMERGENT PROJECTS -
ROOF REPAIR & REPLACEMENT AND HVAC SYSTEM REPLACEMENT**



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

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov, Managing Director, Planning & Program Operations

RE: District: Camden Public Schools District
 School: Forest Hill Elementary School
 Description: Emergent Projects – Roof Replacement & HVAC System Replacement
 Funding Requested: \$1,950,400

SUBJECT: Release of Funds from Program Reserve
 Camden Public Schools District – Forest Hill Elementary School
 Emergent Projects – Roof Repair & Replacement and HVAC System Replacement

DATE: June 5, 2019

INTRODUCTION:

I am writing to recommend approval of the release of funds from the Program Reserve maintained for emergent projects and emergency situations to address emergent conditions at the Forest Hill Elementary School in Camden. These two projects are being advanced pursuant to NJSDA delegation for District management consistent with statutory and regulatory provisions. The total release of funding requested is \$1,950,400.

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 release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000. The funding requested to address the emergent projects at this school exceeds \$500,000.

At the July 2008 Board meeting, the Members approved the 2008 New Funding Allocation and Capital Plan which allocated \$97 million to fund emergent projects in the 31 SDA Districts. Additionally, at the March 2, 2011 Board meeting, the Members approved the 2011 Capital Program which allocated an additional \$100 Million to fund emergent projects creating a total reserve of \$197 million to address emergent projects throughout the SDA Districts. Funding for the projects is available within the established reserves for emergent projects.

BACKGROUND:

The Forest Hill School, built in 1968, is an approximately 60,000 square foot facility that educates approximately 300 students in grades Kindergarten to 5.

In July 2016 the NJDOE and NJSDA launched a third statewide effort to identify and evaluate potential emergent projects throughout the NJSDA Districts. While the statewide effort allowed for a comprehensive approach to identify potential emergent projects across all 31 SDA-Districts, upon its conclusion districts were advised that they should continue to provide documentation to NJDOE for consideration should additional potential emergent projects arise that may be eligible for NJSDA funding. Subsequently in June 2018, the Camden Public Schools District submitted potential emergent projects to NJDOE for review to address the roof and HVAC systems at the Forest Hill School. NJSDA staff undertook a site visit to confirm the existing conditions and in September 2018 NJDOE issued Preliminary Project Approvals for projects to address both the roof and HVAC systems at the school.

Members of the Authority
 Release of Program Reserve
 Camden School District – Forest Hill Elementary School – Emergent Projects
 June 5, 2019
 Page 2

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Based upon the level of pre-design investigation and preliminary design work completed by the District's consultant, Remington & Vernick Engineers (RVE), and the lack of complexity of the projects it was determined that delegation for the District's management of the project would be the most expedient and efficient means of completing the work.

The District's engaged consultant, RVE reviewed the emergent conditions and developed scopes of work to address the roofing and HVAC systems. Due to the age and condition of the building's roof, the engineer's recommended scope calls for replacement of the existing roofing system. Additionally, due to the condition of the existing HVAC system, which was original to the building, the scope calls for the replacement of the HVAC system and controls throughout the building. The scope has been reviewed by NJSDA staff to ensure it adequately addresses the identified conditions and does not include work above that required to remedy the conditions. Based upon construction bids received by the District and estimated costs for professional services and other costs that have been reviewed by the NJSDA, the cost of the projects including appropriate contingency totals \$1,950,400:

Cost Category	Roof Replacement	HVAC Replacement	Total Funding
Construction Costs	\$911,000	\$536,000	\$1,447,000
Construction Contingency (15%)	\$137,000	\$81,000	\$218,000
Design Fees	\$67,200	\$87,600	\$154,800
Construction Administration	\$36,400	\$21,400	\$57,800
Other Costs (5%)	\$46,000	\$26,800	\$72,800
Total Budget	\$1,197,600	\$752,800	\$1,950,400

RECOMMENDATION:

The Members are requested to approve the release of \$1,950,400 from the Program Reserve to address the emergent roof replacement and HVAC System replacement projects at the Camden Public School District Forest Hill Elementary School.

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Chief Operating Officer

Resolution—7a.

Approval of Release of Funds from Program Reserve, Camden Public
Schools District, Emergent Projects, Forest Hill Elementary School

District:	Camden Public Schools District
School:	Forest Hill Elementary School
Description:	Emergent Projects – Roof Replacement & HVAC System Replacement
Funding Requested:	\$1,950,400

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve a release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000; and

WHEREAS, The Forest Hill Elementary School (the school), built in 1968, is an approximately 60,000 square foot facility that educates approximately 300 students in grades Kindergarten to 5; and

WHEREAS, in June 2018, the Camden Public Schools District (District) submitted potential emergent projects to the state Department of Education (DOE) to address the roof and HVAC systems at the school; and

WHEREAS, SDA staff subsequently undertook a site visit to confirm the existing conditions and in September 2018 DOE issued Preliminary Project Approvals for projects to address both the roof and HVAC systems at the school; and

WHEREAS, for the reasons outlined in the memorandum presented to the Board on this date, it was determined that delegation for District management of the projects would be the most expedient and efficient means of completing the work; and

WHEREAS, the District's engaged consultant reviewed the emergent conditions and developed scopes of work to address the roofing and HVAC systems; and

WHEREAS, this review revealed that replacement of the existing roofing system and HVAC system and controls throughout the building was the recommended scope; and

WHEREAS, SDA staff has reviewed the scope to ensure it adequately addresses the identified conditions and does not include work above that required to remedy the conditions; and

WHEREAS, based upon construction bids received by the District and estimated costs for professional services and other costs that have been reviewed by the SDA, the cost of the projects, including appropriate contingency, totals \$1,950,400; and

WHEREAS, the funding requested to address the emergent projects at the school exceeds \$500,000; and

WHEREAS, for the reasons set forth in the memorandum presented to the Board on this date, management recommends that the Members of the Authority approve the release of \$1,950,400 from the Program Reserve to address the emergent roof replacement and HVAC System replacement projects at the Camden Public School District Forest Hill Elementary School.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the release of \$1,950,400 from the Program Reserve to address the emergent roof replacement and HVAC System replacement projects at the Camden Public School District Forest Hill Elementary School.

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, Release of Funds from Program Reserve, Emergent Projects,
Camden Public Schools District, Forest Hill Elementary School, dated, June 5, 2019
Dated: June 5, 2019

**APPROVAL OF EMERGENT PROJECT CHARTER AND RELEASE OF FUNDS
FROM PROGRAM CONTINGENCY RESERVE - NEWARK PUBLIC SCHOOL
DISTRICT - DR. E. ALMA FLAGG ELEMENTARY SCHOOL - EMERGENT
PROJECT - EXTERIOR DOOR AND PARTIAL ROOF REPLACEMENT**



MEMORANDUM

TO: Members of the Authority

FROM: Bob Ryan
Program Director, Construction Operations

Gregory Voronov
Managing Director, Planning & Program Operations

DATE: June 5, 2019

SUBJECT: Newark - Dr. E. Alma Flagg Elementary School: Emergent Project Exterior Door and Partial Roof Replacement
Approval of Emergent Project Charter
Approval of Release of Funds from Program Contingency Reserve

INTRODUCTION

In November 2017, consistent with the Operating Authority, CEO approval was sought and obtained for the award of a General Construction Task Order engagement to Patock Construction Company (Patock) to initiate an emergent project to address the partial roof replacement and exterior door replacement at the Dr. E. Alma Flagg Elementary School (Flagg School) in the Newark Public School District. The CEO approved engagement and corresponding funding approval for the emergent project totaled \$495,000, below the \$500,000 that would require Board approval. It was recognized at the time of the engagement of Patock that upon completion of pre-design and design phase services by Patock's sub-consultant it would be necessary to establish the Emergent Project Charter and obtain final approval consistent with the Operating Authority based upon the estimated costs necessary to implement the final design of the project.

We are now writing to recommend approval by the Members of the Authority of two (2) related actions necessary to establish the final project budget and associated funding approval for the emergent work at the Flagg School:

1. The approval of the Emergent Project Charter (copy attached). The Emergent Project Charter recognizes the final scope of emergent work, as well as a Final Project Budget reflecting the award value for construction services inclusive of allowances, and construction contingency, along with NJSDA staff costs, and other costs.
2. The approval of the release of monies from the Program Contingency Reserve in the amount of \$159,000. The funds sought from the Program Contingency Reserve represent the total needed to address the final scope of work, construction contingency, NJSDA staff costs, and other costs. NJSDA staff shall provide Construction Management for the entirety of 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 release of monies from the Program Reserve for emergent projects or emergency situations exceeding \$500,000 as well as approval of the a Final Project Charter. The CEO approved engagement of Patock when aggregated with contingency, NJSDA staff costs and other costs exceed \$500,000. As such, Board approval is required to establish the final project budget and associated release of funds from the Program Contingency.

Members of the Authority
Approval of Emergent Project Charter
Approval of Release of Funds from Program Contingency Reserve
Newark Public Schools-Dr. E. Alma Flagg ES
June 5, 2019
Page 2 of 3

At the July 2008 Board meeting the Members approved the 2008 New Funding Allocation and Capital Plan which allocated \$97 million to fund emergent projects in the 31 SDA Districts. Additionally, at the March 12, 2011 Board Meeting, the Members approved the 2011 Capital Program which allocated an additional \$100 Million to fund emergent projects creating a total reserve of \$197 million to address emergent projects throughout the SDA Districts. Funding for the project is available within the established reserves for emergent projects.

BACKGROUND

Dr. E. Alma Flagg ES, built in 1984, is an approximately 53,000 square foot facility in the Newark Public School District educating approximately 450 students in grades K through 8.

In July 2016 the NJDOE and NJSDA launched a third statewide effort to identify and evaluate potential emergent projects throughout the NJSDA Districts. This effort has resulted in the identification of conditions at Flagg for advancement as an emergent project: replacement of limited portions of the roof and repairs and replacement of all ground-level exterior doors.

In November 2017, Patock Construction Company, Inc. (Patock) was engaged to perform all design services and construction work associated with the replacement of a limited portion of flat and standing seam metal roof area over the kitchen and art storage and community rooms located in the northwest corner of the building and replacement of 30 exterior doors through a rotational assignment utilizing the existing General Construction Task Order engagement. Patock's engagement established a not-to-exceed value of \$495,000 to complete the work inclusive of the performance of pre-design and design and construction administration phase services as well as the associated construction work necessary to address the roof and exterior door replacement work.

Based upon Patock's pre-design services, the NJSDA selected a final design option resulting in Patock's completion of final design documents for a negotiated final CCE value in the amount of \$541,015.40, inclusive of allowances totaling \$83,500 for hazardous material testing and abatement and temporary protective measures.

All documents supporting this final negotiated CCE value were reviewed by SDA project team members, Program Director, Deputy Program Director, the Design Studio and the Contract Management Division for adherence to current NJSDA policy and procedures.

The increase in the final negotiated CCE shall be funded from the construction contingency established within the project charter.

On April 16, 2019 a Limited Notice to Proceed (LNTP) was issued to Patock in order to procure the doors, frames and hardware in time to begin construction in June when the school is closed for summer recess. The LNTP was limited to addressing the fabrication of exterior ground level doors and frames.

We are now advancing the Emergent Project Charter and accompanying funding approval request to the Board based upon establishment of the final project scope and budget inclusive of construction contingencies, NJSDA staff costs and other project costs.

NJSDA staff shall provide Construction Management services for the entirety of the project.

Members of the Authority
Approval of Emergent Project Charter
Approval of Release of Funds from Program Contingency Reserve
Newark Public Schools-Dr. E. Alma Flagg ES
June 5, 2019
Page 3 of 3

RECOMMENDATION

The Members of the Authority are requested to approve the following actions:

1. The approval of the Emergent Project Charter (copy attached). The Emergent Project Charter recognizes the final scope of emergent work, as well as a Final Project Budget reflecting the revised not-to-exceed award value of \$541,015.40 for construction services, and construction contingency, along with NJSDA staff costs and other costs.
2. Release of monies from the Program Contingency Reserve in the amount of \$159,000.

/s/ Bob Ryan
Bob Ryan, Program Director, Construction Operations

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

Reviewed and Recommended by: Andrew Yosha, Chief Operating Officer
Reviewed and recommended by: Donald Guarriello, Vice President and Chief Financial Officer
Reviewed and Recommended by: Nicole Burnett, Deputy Director, Construction Operations
Reviewed and Recommended by: Gabe Salas, Program Officer, Construction Operations
Prepared and Recommended by: Rick Ferrara, Program Officer, Construction Operations

New Jersey Schools Development Authority Emergent Project Charter - Summary

Charter Date

06/05/19

Supersedes

Charter Dated

N/A

Region: Northern
District: Newark
School Name: Dr. E. Alma Flagg E.S.
Project Type: Emergent
DOE # / Project #: 3570-415-17-0AER
Project Location: 150 Third St. Newark, NJ 07104

Project Budget: \$ 654,000
Anticipated Construction NTP Date Q2 2019
Anticipated Final Completion Date Q4 2019
Project Initiation Date: Nov-17

Funding Source

2011 Emergent Reserve

Charter Version and Date	Project Summary	
<input checked="" type="checkbox"/> Final	06/05/19	Partial Roof Replacement and Exterior Door Replacement
Revision # and Date		
<input type="checkbox"/> One		
<input type="checkbox"/> Two		
<input type="checkbox"/> Three		Purpose for Advancement of Emergent Charter
		To establish the final budget for the project inclusive of dollar values for the award for construction, appropriate contingency, allowances, NJSDA staff costs, and estimated other costs.

Recommendation

Program Director - Project _____ Date _____
 Robert Ryan

Managing Director - Planning & Prog. Ops. _____ Date _____
 Gregory Voronov

_____ Date _____

Chief Operating Officer _____ Date _____
 Andrew Yosha

Approval

(If Project Budget is greater than \$500,000 Attach Board Memo and Minutes indicating authorization of funding)

Interim Chief Executive Officer _____
 Manuel Da Silva

_____ Date

7

New Jersey Schools Development Authority Emergent Project Charter Project Budget

District / Project Name:	Newark / Dr. E. Alma Flagg E.S.
DOE # / Project #:	3570-415-17-0AER
Charter Date:	06/05/19

Special Considerations:

The project budget is based upon the not-to-exceed award value of the GCTO for the most extensive scope of work to address the emergent project. Other Costs for projects range from 2% to 5% of Building Costs, with such costs for Emergent Projects budgeted at 5%. These costs are inclusive of projected DCA fees for permits and anticipated inspections.

Project Budget:

Construction Costs:	
General Construction Task Order Award	\$411,500
Allowances	\$83,500
Construction Contingency	\$74,000
Total Construction Costs	\$569,000
Other Costs:	
Design Fees	\$0
Construction Admin	\$0
Project Management (SDA Staff)	\$60,000
Other Costs	\$25,000
Total Other Costs	\$85,000
PreDevelopment & Environmental Costs:	
PreDevelopment	\$0
Environmental/Remediation	\$0
Total PreDevelopment & Environmental Costs	\$0
Total Project Budget	\$654,000
2011 Emergent Reserve Impact	
Prior Funding Approved	\$495,000
Current Funding Requested	\$159,000

Resolution—7b.

Approval of Emergent Project Charter and Approval of Release of Funds from Program Contingency Reserve, Newark Public School District, Dr. E. Alma Flagg Elementary School Emergent Project – Exterior Door and Partial Roof Replacement

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve the release of monies from the Program Reserve for emergent projects or emergency situations exceeding \$500,000 as well as Final Project Charters; and

WHEREAS, the Dr. E. Alma Flagg Elementary School (the school), built in 1984, is an approximately 53,000 square foot facility in the Newark Public School District educating approximately 450 students in grades K through 8; and

WHEREAS, in July 2016 the New Jersey Department of Education and SDA launched a third statewide effort to identify and evaluate potential emergent projects throughout the SDA Districts; and

WHEREAS, this effort resulted in the identification of conditions at the school for advancement as an emergent project involving the replacement of limited portions of the roof and repairs and replacement of all ground-level exterior doors; and

WHEREAS, in November 2017, with CEO approval, SDA engaged Patock Construction Company, Inc. (Patock) to perform all design services and construction work associated with the replacement of a portion of the school's roof area and replacement of 30 exterior doors utilizing the existing General Construction Task Order contract; and

WHEREAS, Patock's engagement established a not-to-exceed value of \$495,000 to complete the work; and

WHEREAS, as the CEO-approved engagement of Patock, when aggregated with contingency, SDA staff costs and other costs exceeds \$500,000, Board approval is required to establish the final project budget and associated release of funds from the Program Contingency; and

WHEREAS, management recommends that the Members of the Authority approve the project's emergent project charter which recognizes the final scope of emergent work, as well as a final project budget reflecting the award value for construction services inclusive of allowances, and construction contingency, along with SDA staff costs, and other costs; and

WHEREAS, management further recommends that the Members of the Authority approve the release of monies from the Program Contingency Reserve in the amount of \$159,000, with this amount representing the total needed to address the final scope of work, construction contingency, SDA staff costs, and other costs with the construction contract estimate value in the not-to-exceed value of \$541,015.40.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the emergent project charter for the Newark Dr. E. Alma Flagg Elementary School project as presented to the Board on this date.

BE IT FURTHER RESOLVED, that the emergent project charter recognizes the final scope of emergent work, as well as a final project budget reflecting the revised not-to-exceed award value of \$541,015.40 for construction services, construction contingency, SDA staff costs and other costs.

BE IT FURTHER RESOLVED, that the Members of the Authority approve the release of monies from the Program Contingency Reserve in the amount of \$159,000.

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, Award of Contract, Approval of Release of Funds from Program
Contingency Reserve and Approval of Emergent Project Charter, dated June 5, 2019
Dated: June 5, 2019

**AWARD OF CONTRACT, RELEASE OF FUND FROM PROGRAM RESERVE AND
APPROVAL OF THE FINAL PROJECT CHARTER - NEWARK PUBLIC SCHOOL
DISTRICT - CHANCELLOR AVENUE ELEMENTARY SCHOOL - EMERGENT
PROJECT - SUB-BASEMENT WATER INFILTRATION**



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

MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
Director, Procurement

Andrew Oakley
Program Director, Program Operations

RE: District: Newark Public School District
School: Chancellor Ave Elementary School
Description: Emergent Project – Sub-Basement Water Infiltration
Package No.: EP-0104-C01
CCE: \$525,134.00
Advertised CCE Range: \$498,887 to \$577,647
Award: \$493,300
CM: NJSDA Self-Managed

DATE: June 5, 2019

SUBJECT: Release of Funds from Program Reserve, Award of Contract, and Approval of the Final Project Charter
Newark Public School District – Chancellor Ave Elementary School
Emergent Project – Sub-Basement Water Infiltration

INTRODUCTION

We are writing to recommend approval by the Members of three related actions to address emergent conditions at the Chancellor Avenue Elementary School (Chancellor) in the Newark Public School District:

1. The release of funds from the NJSDA Program Reserve, maintained for emergent projects;
2. The award of a construction contract to Catcord Construction Company, Inc. in the amount of \$493,300; and
3. The Final Project Charter (copy attached) representing the project budget inclusive of dollar values for the award for construction, appropriate contingency, allowances, NJSDA staff costs, other costs, and prior allocation of funds for professional services.

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 release of monies from the Program Reserve for emergent projects or emergency situations exceeding \$500,000. Further, the Operating Authority requires Board approval of a Final Project Charter. The release of funds from the Program Reserve exceeds \$500,000.

At the July 2008 Board meeting, the Members approved the 2008 New Funding Allocation and Capital Plan which allocated \$97 million to fund emergent projects in the 31 SDA Districts. Additionally, at the March 2, 2011 Board meeting, the Members approved the 2011 Capital Program which allocated an additional \$100

Release of Funds from Program Reserve, Award of Contract, and Approval of Final Project Charter

Newark Public School District – Chancellor Ave ES – Emergent Project

June 5, 2019

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Million to fund emergent projects creating a total reserve of \$197 million to address emergent projects throughout the SDA Districts. Funding for the project is available within the established reserves for emergent projects.

NJSDA staff shall provide Construction Management for the entirety of the project.

BACKGROUND

The Newark Chancellor Ave. Elementary School, built in 1938, is an approximately 93,000 square foot facility in the Newark Public School District (NPS) educating approximately 698 students in grades three through eight.

The Department of Education-approved emergent project will address water infiltration in a sub-basement of the facility that houses mechanical equipment and that results from both regional ground water and interior courtyard conditions. Leading up to the recommendation of construction contract award, the NJSDA has performed necessary due diligence activities, including:

- Engagement of the RBA Group (RBA) to perform Pre-Design services including destructive and non-destructive testing;
- Engagement of RSC Architects (RSC) to provide an independent Peer Review;
- Analysis and validation of the extent of any structural repairs required as a result of the water infiltration; and
- Engagement of APTIM to perform site investigation services inclusive of asbestos and lead-based paint surveys, leading to the required removal or encapsulation by NPS of such materials prior to advancement by the NJSDA of construction scope to address the emergent conditions.

Upon the District's completion of environmental remediation, the NJSDA determined to maintain RSC's involvement with the project in order to provide necessary Design and Construction Administration Phase Services needed to complete the Project. The design consultant engagement for this project results from utilization of the NJSDA's 2017 Design Consultant Task Order Contract. On May 29, 2018, RSC was issued the NTP for the necessary design services to address the emergent sub-basement water infiltration project with these design service being completed in January 2019.

PROCUREMENT PROCESS

The construction task order assignment recommended for this project results from utilization of the NJSDA General Construction Services Task Order (GC Task Order) Contract.

At the August 3, 2016 Board Meeting, the Members of the Authority approved the use of the GC Task Order Contract. The GC Task Order Contract has been structured so that the Authority has a pool of contractors to perform certain work. Overall, no individual task order can exceed \$3 million and no individual firm can receive more than \$5 million of work per region during the duration of the Contract. Bidders were required to select a region (North, South, or both) for job order assignments. Bidders were also required to accept the defined cost multiplier of 1.10, as determined by the Authority, for use in establishing compensation for those task order rotational assignments to be performed, at least for the initial phases, on a time and materials basis. GC Task Order Contract work may also be assigned on a lump sum fee basis after competitive bidding among Task Order Contractors.

Release of Funds from Program Reserve, Award of Contract, and Approval of Final Project Charter
 Newark Public School District – Chancellor Ave ES – Emergent Project
 June 5, 2019
 Page 3 of 5

This package was bid on a lump sum basis pursuant to the NJSDA's existing GC Task Order Contract. This package was advertised beginning on April 10, 2019 and constitutes a Task Order scope of work pursuant to the GC Task Order Contract. Bidding for the work was therefore limited to participants in the existing GC Task Order Contract, who hold a valid "Inclusion Notice" for the Northern Region. Accordingly, only bids from participants holding a valid "Inclusion Notice" for the Northern Region were considered for this work.

Interested bidders were required to attend one of the mandatory pre-bid conferences held on April 22 and April 30, 2019.

An addendum containing minor modifications to the bid documents was issued to the bidders on May 9, 2019.

Price Proposals were received on May 22, 2019. The Price Proposals were publicly opened and the lump sum base 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 two (2) bidders were responsive. The results of the review are listed below:

Contractor	Bid Amount	Comments
Catcord Construction Company, Inc.	\$493,300.00	Qualified and responsive bidder.
Intercontinental Construction Contracting, Inc.	\$696,631.00	Non-responsive bidder. Bid rejected.
Santorini Construction, Inc.	\$725,000.00	Qualified and responsive bidder.

The responsive low bidder was Catcord Construction Company, Inc. (Catcord)¹.

The bid submitted by Catcord was less than 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 May 24, 2019 with Catcord, RSC and staff from Procurement, Program Operations, and Financial Operations to review the bid. The discussion verified that Catcord had included all project scope work in its bid and identified variances between the NJSDA's CCE and Catcord's Price Proposal in several areas. The majority of the overall variance is attributable to Catcord including lower costs for General Conditions and Overhead and Profit. At the time of review, Catcord confirmed that its Price Proposal is inclusive of all scope elements contained in the Contract Documents.

The Program Operations Director and the Financial Operations Director recommend award of the project to Catcord.

¹ Catcord listed the following subcontractors for the required trades in its Price Proposal: Peter Hywel Plumbing & Heating, Inc. (Plumbing) and Thor Electric, LLC (Electrical).

Release of Funds from Program Reserve, Award of Contract, and Approval of Final Project Charter
 Newark Public School District – Chancellor Ave ES – Emergent Project
 June 5, 2019
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SCOPE OF WORK

The scope of work for this GC Task Order engagement includes:

1. Structural Repair to the exterior concrete wall including adjacent concrete surface, while also replacing deteriorated exposed rebar.
2. Waterproofing Exterior Face of Sub-Basement Foundation wall with an epoxy injection system to create a waterproofing membrane on the exterior side of the foundation walls.
3. Exterior work at Courtyard which includes paving to allow water to properly drain into drainage system and raising elevation of the doorsill of the existing nearby gym door to prevent water runoff from entering the building.
4. Performance of any code or regulatory improvements which are necessitated by implementation of the above-described scope of work.

An allowance of \$100,000 has been established for Hazardous Materials and related activities. This allowance may be utilized for testing, inspection, abatement and all related work. An additional allowance of \$15,000 has been established for Temporary Utilities Disconnect/Reconnect if needed during the work.

FINAL BUDGET

Based on the results of the bid opening, the construction cost to address the emergent project is \$493,300. The total funding, including design costs, construction costs, contingencies, allowances, and NJSDA staff costs is estimated at a value in the amount of \$1,221,437. The funding for the total project costs are reserved within the NJSDA Program Reserve maintained for emergent projects.

Budget Summary

▪ Construction Costs	\$ 493,300
▪ Construction Contingency (15%)	\$ 99,000
▪ Design Costs including (5%) Contingency	\$ 333,000
▪ Environmental Costs	\$ 10,472
▪ Project Management (NJSDA staff)	\$ 261,000
▪ Other Costs (5%)	<u>\$ 24,665</u>
Total	\$ 1,221,437

Release of Funds from Program Reserve, Award of Contract, and Approval of Final Project Charter
Newark Public School District – Chancellor Ave ES – Emergent Project

June 5, 2019

Page 5 of 5

RECOMMENDATION

The Members of the Authority are requested to approve:

1. The release of \$845,066 from the NJSDA Program Reserve to address the emergent project at Chancellor Ave ES;
2. The award of a construction contract to Catcord Construction Company, Inc. in the amount of \$493,300; and
3. The Final Charter (copy attached) representing the project budget inclusive of dollar values for the award for construction, appropriate contingency, allowances, NJSDA staff costs, other costs, and prior allocation of funds for professional services and the existing contract for design services.

/s/ Sean Murphy

Sean Murphy, Director, Procurement

/s/ Andrew Oakley

Andrew Oakley, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Chief Operating Officer

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

Reviewed and Recommended by: Gregory Voronov, Managing Director, Planning and Program Operations

Reviewed and Recommended by: Robert Carney, Director, Financial Operations

Prepared and Recommended by: Katherine Gallo, Deputy Director, Program Operations

Prepared and Recommended by: Sarmad Kamran, Assistant Program Officer, Program Operations

New Jersey Schools Development Authority Emergent Project Charter - Summary

Charter Date
06/05/19

Region: Northern
District: Newark
School Name: Chancellor Avenue ES
Project Type: Emergent
DOE # / Project #: 3570-330-12-1400 / 3570-330-12-0ABT
Project Location: 321 Chancellor Avenue, Newark, NJ

Supersedes Charter Dated
N/A

Project Budget: \$ 1,221,437
Anticipated Construction NTP Date: 07/19/19
Anticipated Final Completion Date: 02/11/20
Project Initiation Date: 05/22/13

Funding Source
2011 Emergent Reserve

Charter Version and Date	Project Summary
<input checked="" type="checkbox"/> Final 06/05/19	Design and implement the necessary alterations to address emergent conditions related to the sub-basement water infiltration inclusive of the following: 1) Structural repair of deteriorated areas of concrete with polymer-modified structural repair mortar. Replacement, splicing and doweling of deteriorated rebar with an epoxy coat; 2) Waterproofing exterior face of Sub-Basement Foundation walls with an epoxy injection system to allow a waterproofing membrane to coat unexposed surface of wall; 3) Exterior work to include paving Concrete Slab at Courtyard. Exterior work also includes verifying conditions of existing drain and raising elevation of door-sill of existing nearby gym; and 4) Performance of any code or regulatory improvements which are necessitated by implementation of the above-described scope of work.
Revision # and Date	
<input type="checkbox"/> One	
<input type="checkbox"/> Two	
<input type="checkbox"/> Three	Purpose for Advancement of Emergent Charter
	To establish the final budget for the project inclusive of dollar values for the award for construction, appropriate contingency, allowances, NJSDA staff costs, and estimated other costs.

Recommendation

Program Director - Project Andrew Oakley	Date	Managing Director - Program Operations Gregory Voronov	Date
	Date	Chief Operating Officer Andrew Yosha	Date

Approval
 (If Project Budget is greater than \$500,000 Attach Board Memo and Minutes indicating authorization of funding)

Interim Chief Executive Officer Manuel Da Silva	Date
--	------

New Jersey Schools Development Authority Emergent Project Charter Project Budget

District / Project Name:	Newark/Chancellor Avenue ES
DOE # / Project #:	3570-330-12-1400 / 3570-330-12-0ABT
Charter Date:	06/05/19

Special Considerations:

The project budget is based upon the award value of the General Construction Task Order engagement. Other Costs for projects range from 2% to 5% of Building Costs, with such costs for Emergent Projects budgeted at 5%. These costs are inclusive of projected DCA fees for permits and anticipated inspections. A construction allowance of \$100,000 has been established for Hazardous Materials and related activities. An additional construction allowance of \$15,000 has been established for Temporary Utilities Disconnect/Reconnect if needed during the work.

Project Budget:

Construction Costs:	
Building Costs	\$378,300
Allowances	\$115,000
Construction Contingency	\$99,000
Total Construction Costs	\$592,300
Other Costs:	
Design	\$333,000
Construction Admin	
Project Management (SDA Staff)	\$261,000
Other Costs	\$24,665
Total Other Costs	\$618,665
PreDevelopment & Environmental Costs:	
PreDevelopment	\$10,472
Environmental/Remediation	
Total PreDevelopment & Environmental Costs	\$10,472
Total Project Budget	\$1,221,437
2011 Emergent Reserve Impact	
Prior Funding Approved	\$376,371
Current Funding Requested	\$845,066

Resolution—7c.

Approval of Contract Award, Release of Funds from Program Contingency Reserve
and Final Project Charter, Newark Public School District
Emergent Project, Chancellor Avenue Elementary School

DISTRICT:	Newark Public School District
SCHOOL NAME:	Chancellor Avenue Elementary School
DESCRIPTION:	Emergent Project – Sub-Basement Water Infiltration
PACKAGE NO:	EP-0104-C01
CCE:	\$525,134.00
ADVERTISED CCE RANGE:	\$498,887.00 TO \$577,647.00
AWARD:	\$493,300
PMF/CM:	NJSDA Self-Managed

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority requires that the Members of the Authority authorize and approve the release of monies from the Program Reserve (reserve) for emergent projects or emergency situations exceeding \$500,000; and

WHEREAS, the Operating Authority further requires Board approval of the award of construction contracts greater than \$500,000 as well as final project charters; and

WHEREAS, in August 2016, the Members of the Authority approved the use of the general conditions task order contract (GC Task Order Contract) authorizing establishment of a pool of contractors to perform certain work; and

WHEREAS, the Newark Chancellor Avenue Elementary School (the school), built in 1938, is an approximately 93,000 square foot facility in the Newark Public School District educating approximately 698 students in grades three through eight; and

WHEREAS, the state Department of Education (DOE) approved an emergent project (project) for the school to address water infiltration issues as fully described in the memorandum presented to the Board on this date; and

WHEREAS, SDA determined to utilize the GC task order contract and the package was bid on a lump sum basis beginning April 10, 2019 and constitutes a task order scope of work; and

WHEREAS, the memorandum presented to the Board on this date and incorporated herein sets forth the details of the project's final budget, the procurement process utilized by management and the project's scope of work; and

WHEREAS, upon completion of the procurement process, the program operations director and the financial operations director recommend award of the project to Catcord Construction Company, Inc. (Catcord) in the amount of \$493,300; and

WHEREAS, following review, management determined that Catcord had included all project scope work in its bid and Catcord has confirmed that its Price Proposal is inclusive of all scope elements contained in the contract documents; and

WHEREAS, management further recommends that the Members of the Authority approve the Project's final charter and the release of \$845,066 from the emergent program reserve; and

WHEREAS, both the construction award and the release of funds from the reserve for the project exceed \$500,000 and thus require Board approval.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the release of \$845,066 from the SDA Program Reserve to address the emergent project at the Newark Chancellor Avenue Elementary School.

BE IT FURTHER RESOLVED, that the Members of the Authority approve the award of a construction contract to Catcord Construction Company, Inc. in the amount of \$493,300 and the Final Charter representing the project budget inclusive of dollar values for the award for construction, appropriate contingency, allowances, SDA staff costs, other costs, and prior allocation of funds for professional services and the existing contract for design services.

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 Contract Award, Release of Funds from Program Contingency Reserve, and Emergent Project Charter, Newark Public School District Emergent Project, Chancellor Avenue Elementary School, dated, June 5, 2019

Dated: June 5, 2019

**APPROVAL OF RESOLVING CHANGE ORDER NO. 1., APPROVAL OF EMERGENT
PROJECT CHARTER AND APPROVAL OF RELEASE OF FUNDS FROM PROGRAM
CONTINGENCY RESERVE - NEWARK PUBLIC SCHOOLS DISTRICT -
LAFAYETTE STREET SCHOOL - EXTERIOR DOOR AND PARTIAL ROOF
REPLACEMENT**



MEMORANDUM

TO: Members of the Authority

FROM: Bob Ryan
Program Director, Construction Operations

Gregory Voronov
Managing Director, Planning & Program Operations

DATE: June 5, 2019

SUBJECT: Newark - Lafayette Street School: Emergent Project Exterior Door and Partial Roof Replacement
Approval of Resolving Change Order No. 1
Approval of Emergent Project Charter
Approval of Release of Funds from Program Contingency Reserve

COMPANY NAME:	Mark Construction, Inc.
DISTRICT:	Newark School District
CONTRACT NO.:	GP-0231-C18
PACKAGE NO.:	EP-0103-C01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	Lafayette Street School
ORIGINAL CONTRACT VALUE:	\$447,929.33
CONSTRUCTION CHANGE DIRECTIVE NO.:	1
RESOLVING CHANGE ORDER NO.:	1
REASON:	Project Scope Increase
AMOUNT:	\$56,189.00
TIME EXTENSION:	0 Days
CONTRACT STATUS:	0.00% Paid to date against the Current Total Contract value
COMPLETION DATE:	N/A

INTRODUCTION

We are writing to recommend approval by the Members of the Authority of three (3) related actions due to an increase in the project scope of the emergent work at the Lafayette Street School (Lafayette School) in the Newark Public School District (District):

1. Resolving Change Order No. 1 in the lump-sum amount of \$56,189.00 to resolve Construction Change Directive No. 1 (CCD) which was issued for \$0.00 on May 10, 2019. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an Emergent Project change order which singularly exceeds \$250,000 or singularly is greater than 10% of the contract value requires approval by the Members of the Authority. Resolving Change Order No. 1 exceeds 10% of the contract value.

Members of the Authority
Resolving Change Order No. 1-Mark Construction, Inc.
Approval of Emergent Project Charter
Approval of Release of Funds from Program Contingency Reserve
Newark Public Schools-Lafayette Street School
June 5, 2019
Page 2 of 4

2. Emergent Project Charter (copy attached). The Emergent Project Charter recognizes the final scope of emergent work, as well as a Final Project Budget reflecting the award value for construction services inclusive of allowances, and construction contingency, along with NJSDA staff costs, and other costs.
3. The release of monies from the Program Contingency Reserve in the amount of \$210,200.00. The funds sought from the Program Contingency Reserve represent the total needed to address the final scope of work, construction contingency, NJSDA staff costs, and other costs. NJSDA staff shall provide Construction Management for the entirety of the project.

BACKGROUND

The Lafayette Street School, built in 1848 (with several additions), is an approximately 68,000 square foot facility in the Newark Public School District educating approximately 712 students in grades Pre-Kindergarten through 8.

In July 2016, the NJDOE and NJSDA launched a third statewide effort to identify and evaluate potential emergent project throughout the NJSDA Districts. This effort resulted in the identification of conditions at the Lafayette School for advancement as an emergent project: replacement of limited portions of the roof system and replacement of all exterior doors and frames.

On December 22, 2016 the NJSDA and NJDOE performed a joint site visit at the Lafayette School. Based upon the site visit observations and supporting documentation provided by the District, the NJDOE issued preconstruction approval of the project on June 22, 2017. NJSDA determined to advance the project by way of a rotational assignment. On November 22, 2017 Procurement staff contacted Mark Construction (MCI), the next firm on the contractor rotational list, and confirmed its interest in the project. On November 20, 2017 the NJSDA conducted a site visit with MCI to review and assess the emergent condition and discuss appropriate action to address the roof and exterior doors. In April 2018 MCI provided the NJSDA with a cost estimate to complete the identified scope of approximately 3,400 SF of bituminous roofing over the auditorium of the school and replacement of twelve exterior doors and frames. On April 20, 2018 MCI was awarded by task order assignment for General Construction Services with Design to perform all work associated with the identified scope.

MCI was issued the Notice to Proceed on June 6, 2018. NJSDA received the initial Pre-design report on November 29, 2018. MCI addressed NJSDA comments and issued the Final Pre-design Report on March 1, 2019. The NJSDA reviewed and accepted the report on March 18, 2019.

Subsequent to the engagement of MCI in June 2018, an additional roof area that was not included in the original NJDOE approved emergent project scope was identified by the District for potential inclusion in the project. The District engaged The Garland Company, Inc. (Garland) to perform a roof assessment of the additional roof area, an assessment which identified the need for replacement of the approximately 1,300 square feet of additional roof area. The District provided the report to NJSDA for review and consideration. Based upon staff review of the report and in consultation with NJDOE it was determined that the additional roof area should be incorporated into the scope of the emergent project. Utilizing the Garland report, MCI provided a finalized proposal to replace the additional roof area specified.

CCD No. 1 was issued on May 10, 2019 to MCI to address approximately 1,300 square feet of additional roof area, not identified for replacement in the original scope of emergent work in order to maintain the construction schedule.

Members of the Authority
 Resolving Change Order No. 1-Mark Construction, Inc.
 Approval of Emergent Project Charter
 Approval of Release of Funds from Program Contingency Reserve
 Newark Public Schools-Lafayette Street School
 June 5, 2019
 Page 3 of 4

REASON FOR CHANGE

Resolving Change Order No. 1, in the amount of \$56,189.00 resolves CCD No. 1 issued on May 10, 2019 to MCI to address approximately 1,300 square feet of additional roof area. The scope of work for this resolving change order includes:

1. Removal and replacement of 1,300 square feet of bituminous roofing system and insulation board down to the existing concrete deck.
2. Provision and installation of Densglass roofing board, modified bituminous flashing, including new aluminum drip edge in the locations of the additional scope as well as installation of all sealants;

On February 21, 2019, MCI provided the NJSDA with a Proposal for the additional scope of work in the amount of \$56,189.00. NJSDA staff inclusive of Program Operations and the Contract Management Division (CMD) reviewed and negotiated the value of this additional scope with MCI and a final value of \$56,189.00 was agreed to by all parties.

All documents supporting this Resolving Change Order have been reviewed by the associated NJSDA project Team Members and the Program Director for adherence to current SDA policy and procedures. All reviewing NJSDA staff members including CMD, have determined that the items included in Resolving Change Order No. 1 are justified and the amount is reasonable and appropriate.

CALCULATIONS

a.	Original Contract Amount inclusive of allowance	\$447,929.33
b.	Change Orders to Date (excluding proposed change order)	\$0.00
c.	Proposed Change Order Amount	\$56,189.00
d.	Total Change Orders to Date including these Change Order (Total of Line (b.) and Line (c.))	\$56,189.00
e.	Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	12.54%
f.	Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$504,118.33

Members of the Authority
Resolving Change Order No. 1-Mark Construction, Inc.
Approval of Emergent Project Charter
Approval of Release of Funds from Program Contingency Reserve
Newark Public Schools-Lafayette Street School
June 5, 2019
Page 4 of 4

RECOMMENDATION

The Members of the Authority are requested to approve the following actions:

1. The approval of Resolving Change Order No. 1 for a lump-sum amount of \$56,189.00
2. The approval of the Emergent Project Charter (copy attached). The Emergent Project Charter recognizes the final scope of emergent work, as well as a Final Project Budget reflecting the award value for construction services inclusive of allowances, and construction contingency, along with NJSDA staff costs, and other costs.
3. Release of monies from the Program Contingency Reserve in the amount of \$210,200.00

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, an Emergent Project Change Order which singularly exceeds \$250,000 or 10% of the contract value requires approval by the Members of the Authority. Change Order No. 1 exceeds 10% of the contract value.

/s/ Bob Ryan
Bob Ryan, Program Director, Construction Operations

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

Reviewed and Recommended by: Andrew Yosha, Chief Operating Officer
Reviewed and recommended by: Donald Guarriello, Vice President and Chief Financial Officer
Reviewed and Recommended by: Nicole Burnett, Deputy Director, Construction Operations
Reviewed and Recommended by: Gabe Salas, Program Officer, Construction Operations
Prepared and Recommended by: Rick Ferrara, Program Officer, Construction Operations

New Jersey Schools Development Authority Emergent Project Charter - Summary

Region: Northern
District: Newark
School Name: Lafayette Street School
Project Type: Emergent
DOE # / Project #: 3570-480-17-0AET
Project Location: 205 Lafayette St. Newark, NJ

Charter Date
06/05/19
Supersedes
Charter Dated
N/A

Project Budget: \$ 658,129
Anticipated Construction NTP Date Q2 2019
Anticipated Final Completion Date Q4 2019
Project Initiation Date: June-18

Funding Source
2011 Emergent Reserve

Charter Version and Date		Project Summary
<input checked="" type="checkbox"/> Final	06/05/19	Partial Roof Replacement and Exterior Door Replacement
Revision # and Date		
<input type="checkbox"/> One		
<input type="checkbox"/> Two		
<input type="checkbox"/> Three		Purpose for Advancement of Emergent Charter
		To establish the final budget for the project inclusive of dollar values for the award for construction, appropriate contingency, allowances, NJSDA staff costs, and estimated other costs.

Recommendation

Program Director - Project	Date	Managing Director - Program Operations	Date
Robert Ryan		Gregory Voronov	
	Date	Chief Operating Officer	Date
		Andrew Yosha	

Approval

(If Project Budget is greater than \$500,000 Attach Board Memo and Minutes indicating authorization of funding)

Interim Chief Executive Officer	Date
Manuel Da Silva	

New Jersey Schools Development Authority Emergent Project Charter Project Budget

District / Project Name:	Newark/Lafayette Street School
DOE # / Project #:	3570-480-17-0AET
Charter Date:	Lafayette Street School

Special Considerations: **205 Lafayette St. Newark, NJ**

The project budget is based upon the not-to-exceed award value of the GCTO for the most extensive scope of work inclusive of additional scope added to the project via Change Order #1. Other Costs for projects range from 2% to 5% of Building Costs, with such costs for Emergent Projects budgeted at 5%. These costs are inclusive of projected DCA fees for permits and anticipated inspections.

Project Budget:

Construction Costs:	
General Construction Task Order Award	\$332,929
Change Order #1 Work	\$56,200
Allowances	\$115,000
Construction Contingency	\$58,000
Total Construction Costs	\$562,129
Other Costs:	
Design Fees	\$0
Construction Admin	\$0
Project Management (SDA Staff)	\$70,000
Other Costs	\$26,000
Total Other Costs	\$96,000
PreDevelopment & Environmental Costs:	
PreDevelopment	\$0
Environmental/Remediation	\$0
Total PreDevelopment & Environmental Costs	\$0
Total Project Budget	\$658,129
2008 Emergent Reserve Impact	
Prior Funding Approved	\$447,929
Current Funding Requested	\$210,200

Resolution—7d.Approval of Resolving Change Order No. 1, Emergent Project Charter
and Release of Funds from Program Contingency Reserve

COMPANY NAME:	Mark Construction, Inc.
DISTRICT:	Newark School District
CONTRACT NO.:	GP-0231-C18
PACKAGE NO.:	EP-0103-C01
PMF/CM:	NJSDA Self-Managed
SCHOOL NAME:	Lafayette Street School
ORIGINAL CONTRACT VALUE:	\$447,929.33
CONSTRUCTION CHANGE	
DIRECTIVE NO.:	1
RESOLVING	
CHANGE ORDER NO.:	1
REASON:	Project Scope Increase
AMOUNT:	\$56,189.00
TIME EXTENSION:	0 Days
CONTRACT STATUS:	0.00% Paid to date against the Current Total Contract value
COMPLETION DATE:	N/A

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve an emergent project change order which singularly exceeds \$250,000, or singularly is greater than 10% of the contract value and revisions to final project charters; and

WHEREAS, the SDA Operating Authority further requires that the Members of the Authority approve the release of funds from the program contingency reserve when the funds to be released, singularly or in the aggregate, exceed 10% of the most recent Board-approved project charter estimate or final project budget; and

WHEREAS, the Lafayette Street School, built in 1848, is an approximately 68,000 square foot facility in the Newark Public School District (District) educating approximately 712 students in grades Pre-Kindergarten through 8; and

WHEREAS, in July 2016, the state Department of Education (DOE) and SDA launched a third statewide effort to identify and evaluate potential emergent projects throughout the SDA Districts and identified conditions at the Lafayette School for advancement as an emergent project, including replacement of limited portions of the roof system and replacement of all exterior doors and frames; and

WHEREAS, in June 2018, Mark Construction Inc. (MCI) was engaged, through the existing General Construction Task Order contract, to perform all work associated with the replacement of approximately 3,400 square feet of bituminous roofing and replacement of twelve exterior doors and frames, with the engagement to include pre-design and design and construction administration phase services and the associated construction necessary to address the roof and exterior door replacement work; and

WHEREAS, in June 2018, 1,300 in additional roof area that was not included in the original DOE approved emergent project scope was identified by the District and submitted to the DOE and SDA for potential inclusion in the project; and

WHEREAS, the SDA, in consultation with the DOE, determined that the additional roof area should be incorporated into the scope of the emergent project and MCI provided a proposal to replace the additional roof area specified; and

WHEREAS, SDA staff has reviewed and negotiated the value of this additional scope with MCI and a final value of \$56,189 was agreed to by all parties; and

WHEREAS, MCI was issued Construction Change Directive (CCD) No. 1 on May 10, 2019 to address the additional 1,300 square feet of roof area in order to maintain the construction schedule; and

WHEREAS, Resolving Change Order No. 1 in the amount of \$56,189 resolves CCD No. 1; and

WHEREAS, all documents supporting this Resolving Change Order No. 1 have been reviewed by the associated SDA project team members and the Program Director for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that the items included in this change order are justified and the amount is reasonable and appropriate; and

WHEREAS, Resolving Change Order No. 1 exceeds 10% of the contract value and thus requires approval by the Members of the Authority; and

WHEREAS, management recommends Board approval of Resolving Change Order No. 1; and

WHEREAS, management recommends Board approval of the Project's emergent project charter as presented which recognizes the final scope of emergent work, as well as a final project budget reflecting the award value for construction services inclusive of allowances and construction contingency, SDA staff costs and other costs; and

WHEREAS, management further recommends the release of funds from the Program Contingency Reserve in the amount of \$210,200, representing the total needed to address the final scope of work, construction contingency, SDA staff costs and other costs.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Resolving Change Order No. 1 for Mark Construction, Inc. for a lump-sum amount of \$56,189 for additional scope for the Lafayette Street School emergent project in the Newark Public Schools District.

BE IT FURTHER RESOLVED, that the Members of the Authority approve the release of \$210,200 from the Program Contingency Reserve for the Lafayette Street School project along with the project's emergent charter, as presented to the Board, which recognizes a modification to the scope of emergent work, as well as an adjusted Project Budget reflecting adjusted values for construction services, and construction contingency, along with Authority staff costs.

BE IT FURTHER RESOLVED, that the Members of the Authority approve the emergent project charter for the Lafayette Street School emergent project as presented to the Board on this date.

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 Resolving Change Order No. 1, Emergent Project Charter and Release of Funds from Program Contingency Reserve, Lafayette Street School, Newark Public School District, dated, June 5, 2019

Dated: June 5, 2019

**APPROVAL OF CONSTRUCTION MANAGER AWARD - PATERSON SCHOOL
DISTRICT - MIDDLE SCHOOL AT UNION AVENUE**

[PLACEHOLDER]

**APPROVAL OF RELEASE OF FUNDS FROM PROGRAM RESERVE -
PLEASANTVILLE SCHOOL DISTRICT - NORTH MAIN ELEMENTARY SCHOOL -
EMERGENT PROJECT - HVAC SYSTEM REPLACEMENT**



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

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov, Managing Director, Planning & Program Operations

RE: District: Pleasantville Public Schools District
 School: North Main Elementary School
 Description: Emergent Projects –HVAC System Replacement
 Funding Requested: \$2,626,000

SUBJECT: Release of Funds from Program Reserve
 Pleasantville Schools District – North Main Elementary School
 Emergent Projects –HVAC System Replacement

DATE: June 5, 2019

INTRODUCTION:

I am writing to recommend approval of the release of funds from the Program Reserve maintained for emergent projects and emergency situations to address an emergent condition at the North Main Elementary School in Pleasantville. The project is being advanced pursuant to NJSDA delegation for District management consistent with statutory and regulatory provisions. The total release of funding requested is \$2,626,000.

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 release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000. The funding requested to address the emergent project at this school exceeds \$500,000.

At the July 2008 Board meeting, the Members approved the 2008 New Funding Allocation and Capital Plan which allocated \$97 million to fund emergent projects in the 31 SDA Districts. Additionally, at the March 2, 2011 Board meeting, the Members approved the 2011 Capital Program which allocated an additional \$100 Million to fund emergent projects creating a total reserve of \$197 million to address emergent projects throughout the SDA Districts. Funding for the project is available within the established reserves for emergent projects.

BACKGROUND:

The North Main School, built in 1973, is an approximately 56,000 square foot facility that educates approximately 377 students in grades Pre-Kindergarten to 5.

In July 2016 the NJDOE and NJSDA launched a third statewide effort to identify and evaluate potential emergent projects throughout the NJSDA Districts. While the statewide effort allowed for a comprehensive approach to identify potential emergent projects across all 31 SDA-Districts, upon its conclusion districts were advised that they should continue to provide documentation to NJDOE for consideration should additional potential emergent projects arise that may be eligible for NJSDA funding. Subsequently in January 2019, the Pleasantville Public Schools District submitted a potential emergent project to NJDOE for review to address the HVAC system at the North Main School. In May 2019 NJDOE issued Preliminary Project Approval for a project to address the HVAC system at the school.

Members of the Authority
 Release of Program Reserve
 Pleasantville School District – North Main Elementary School – Emergent Projects
 June 5, 2019
 Page 2

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Based upon the level of pre-design investigation and design work completed by the District's consultant, Remington & Vernick Engineers (RVE), and the lack of complexity of the projects it was determined that delegation for the District's management of the project would be the most expedient and efficient means of completing the work.

The District's engaged consultant, RVE reviewed the emergent condition and developed a scope of work to address the HVAC system. Due to the condition of the existing HVAC system, which was original to the building, the scope calls for the replacement of the existing geothermal HVAC system and controls with a traditional boiler and chiller system. The scope has been reviewed by NJSDA staff to ensure it adequately addresses the identified conditions and does not include work above that required to remedy the conditions. Based upon construction bids received by the District and estimated costs for professional services and other costs that have been reviewed by the NJSDA, the cost of the project including appropriate contingency totals \$2,626,000:

Cost Category	
Construction Costs	\$2,005,000
Construction Contingency (15%)	\$301,000
Design Fees	\$140,000
Construction Administration	\$80,000
Other Costs (5%)	\$100,000
Total Budget	\$2,626,000

RECOMMENDATION:

The Members are requested to approve the release of \$2,626,000 from the Program Reserve to address the emergent HVAC System replacement project at the Pleasantville Public School District North Main Elementary School.

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, Chief Operating Officer

Resolution—7f.

Approval of Release of Funds from Program Reserve, Pleasantville
Schools District, Emergent Project, North Main Elementary School

DISTRICT:	Pleasantville Schools District
SCHOOL NAME:	North Main Elementary School
DESCRIPTION:	Emergent Projects – HVAC System Replacement
FUNDING REQUESTED:	\$2,262,000

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve a release of funds from the Program Reserve for emergent projects or emergency situations exceeding \$500,000; and

WHEREAS, the Pleasantville North Main Elementary School (the school), built in 1973, is an approximately 56,000 square foot facility that educates approximately 377 students in grades Pre-Kindergarten to 5; and

WHEREAS, in January 2019 the Pleasantville Public Schools District (District) submitted a potential emergent project to the state Department of Education (DOE) for review to address the HVAC system at the school; and

WHEREAS, in May 2019 DOE issued preliminary project approval for a project to address the HVAC system at the school; and

WHEREAS, for the reasons outlined in the memorandum presented to the Board on this date, it was determined that delegation for the District's management of the project would be the most expedient and efficient means of completing the work; and

WHEREAS, the District's engaged consultant reviewed the emergent condition and developed a scope of work to address the HVAC system; and

WHEREAS, the project scope includes replacement of the existing geothermal HVAC system and controls throughout the building with a traditional boiler and chiller system; and

WHEREAS, SDA staff has reviewed the scope to ensure that it adequately addresses the identified conditions and does not include work above that required to remedy the conditions; and

WHEREAS, based upon construction bids received by the District and estimated costs for professional services and other costs that have been reviewed by the SDA, the cost of the project, including appropriate contingency, totals \$2,626,000; and

WHEREAS, the funding requested to address the emergent project at the school exceeds \$500,000; and

WHEREAS, for the reasons set forth in the memorandum presented to the Board on this date, management recommends that the Members of the Authority approve the release of \$2,626,000 from the Program Reserve to address the emergent HVAC system replacement project at the Pleasantville Public Schools District's North Main Elementary School.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the release of \$2,626,000 from the Program Reserve to address the emergent HVAC System replacement project at the Pleasantville Public Schools District's North Main Elementary School.

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, Release of Funds from Program Reserve, North Main Elementary School Emergent Project, Pleasantville Schools District, dated, June 5, 2019

Dated: June 5, 2019

**EXTENSION OF EXTISTING REGULATIONS: NOTICE OF READOPTION
(WITHOUT AMENDMENTS) - DELEGATION OF SCHOOL FACILITIES PROJECTS,
N.J.A.C. 19.34B**



MEMORANDUM

TO: Members of the Authority

FROM: Jane Kelly, Vice President, Corporate Governance and Legal Affairs
Cecelia Haney, Deputy Chief Counsel and Administrative Practice Officer

DATE: June 5, 2019

RE: Extension of Existing Regulations: Notice of Readoption (without Amendments) -
Delegation of School Facilities Projects, N.J.A.C. 19:34B

On April 4, 2012 the Members of the NJSDA Board approved for final adoption regulations for the Delegation of School Facilities, N.J.A.C. 19:34B (“the Rules”). The Rules were formally published in the New Jersey Register on May 21, 2012 and were scheduled to expire on May 21, 2019.

Management of the Authority now seeks the Members’ ratification of the filing of a Notice of Readoption to extend the expiration of the Rules, an expedited process that permits regulations to be readopted, without amendments, and without prior publication or public comment, pursuant to a filing of the Notice of Readoption with the Office of Administrative Law, at least thirty days prior to the expiration of the regulations. Due to the anticipated expiration of the Rules on May 21, a Notice of Readoption was sent to the Office of Administrative Law on April 16, 2019 to meet the statutory 30-day filing requirement (requiring filing by April 21), but processing of the readoption and extension remains suspended pending the Board’s ratification of the Notice.

This Notice of Readoption process is typically used by State agencies and authorities to seek additional time to review or modify existing rules, or to ensure that underlying rules do not expire while the agency pursues substantive amendments through the normal proposal, publication, public comment and adoption process. While the Notice of Readoption process effects readoption of the rules, and therefore automatically extends the rules for the normal seven-year rule duration, it is the intention of Management to act in short order to continue the review of the Rules to determine whether the Rules remain appropriate, effective and sufficient to effect the purposes for which they were originally adopted, to develop any proposed amendments needed to correct or improve the Rules, and to submit any proposed amendments to external entities for review and validation, before seeking approval from the Board for a proposed readoption with amendments to the Rules.

Background

As noted above, the proposed Notice of Readoption process will involve no amendments or modification to the Rules, and upon readoption the Rules will remain in their current form. The Rules establish requirements, standards and procedures for the Authority's delegation of school facilities projects to SDA School districts. The Rules implement Section 13.e of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, as amended by section 24 of P.L. 2007, c. 137 (collectively, the "Act"). Section 13.e of the Act provides that the Development Authority shall promulgate rules by which it shall determine the capacity of an SDA school district ("school district" or "SDA district") to manage a school facilities project or projects after the school district has been found by the Commissioner of Education to be eligible for Authority consideration. A full copy of the Rules is provided with this memorandum.

Overview of Existing Delegation Rules

In keeping with the legislative intent that SDA school districts be afforded the opportunity to manage their school facilities projects consistent with their respective abilities to do so, the Rules seek to balance the Authority's interests in 1) providing a local school district with the opportunity to manage a school facilities project after it has demonstrated its capacity to do so; 2) ensuring that costs, project efficiencies and project controls are maintained; and 3) working with school districts to develop capacity when required. The SDA will still play a role in those phases of a project that are delegated to a school district to manage. Similarly, school districts will have significant input into those phases of a school facilities project that are not delegable.

DOE Determination of Eligibility: In accordance with section 13(e) of the Act, before the Authority can assess a school district's capacity to manage a school facilities project or projects, that school district must first have been determined by the DOE Commissioner to be eligible for Authority capacity consideration. The DOE has adopted its own regulations to govern its role in the delegation process, which were published in the April 4, 2011 edition of the New Jersey Register at 43 N.J.R. 830.

School District Capacity Determination: The Rules outline the conditions, process and criteria that will govern the Authority's determination of a school district's capacity and consist of a two-phase evaluation process, as follows:

- 1) The first phase of the SDA's evaluation process focuses on whether a school district has the overall capacity to manage fundamental district responsibilities relevant to capital facilities from an administrative, financial and facility oversight perspective based on a review of its key management personnel, its past project experience and performance under DOE's performance evaluations of district facilities operations.
- 2) The second phase of the SDA's evaluation focuses on the capacity of the school district to manage the delegable portions of a particular school facilities project based on a review of its key project management personnel, their qualifications and their experience with projects of similar size, scope and complexity.

Delegable Activities: When a school district has been determined by the Authority to have the capacity to manage a school facilities project, those aspects of the project that may be delegated to the school district are the project's construction administration, construction and/or demolition activities. The districts to which construction and demolition activities have been delegated will enter into agreements with contractors to carry out the delegated activities. The SDA will ensure that the districts comply with additional SDA requirements through the inclusion of provisions in a grant agreement between the school district and the Authority.

Grant Agreement: If the Authority determines to delegate a portion or portions of a school facilities project to a school district, the Authority, the Commissioner of Education and the school district will enter into a grant agreement to effectuate the delegation. The Rules detail the requirements for grant disbursements; detail how grant adjustments and a school district's local share (if applicable) factor into this process; and address grant oversight. The process spans the initiation of delegation to the final completion and closeout of a school facilities project.

SDA Determination Not to Delegate: If the Authority determines that a school district lacks the capacity to manage the delegable portions of a school facilities project, either from a district capacity or project specific standpoint, the Rules provide that, as appropriate, the district will be offered a training program in order to receive technical assistance designed to assist in the development of such capacity.

Requested Board Action

The Members of the Authority are requested to ratify the use of the Notice of Readoption process to effect the readoption and extension of the Rules, utilizing the attached Notice of Readoption filed with the Office of Administrative Law, which, upon ratification, will be processed for publication in the New Jersey Register. This readoption and extension will permit further review of the existing rules, consideration of any needed amendments, and opportunity to secure required external reviews of any proposed modifications before proceeding with a full proposal and adoption of any such amendments.

/s/Jane F. Kelly

Jane F. Kelly, Vice President
Corporate Governance & Legal Affairs

Prepared by Cecelia Haney, Deputy Chief Counsel and Administrative Practice Officer

JFK/ceh

OTHER AGENCIES**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY****Notice of Readoption****Delegation of School Facilities Projects****Readoption: N.J.A.C. 19:34B**

Authority: N.J.S.A. 18A:7G-13(e); N.J.S.A. 52:18A-238k

Authorized By: Lizette Delgado Polanco, Chief Executive Officer, New Jersey Schools Development Authority.

Effective Date: April __, 2019.

New Expiration Date: April _ 2025.

Take notice that, in accordance with N.J.S.A. 52:14B-1, the rules at N.J.A.C. 19:34B were to expire on May 21, 2019. Chapter 34B establishes the requirements, standards, and procedures for delegation of school facilities projects to SDA districts.

The rules address the administration and performance of grant agreements; provisions regarding noncompliance and default and remedies therefor; termination of delegation grant agreements; determination of school district capacity and eligibility for delegation; requests for reconsideration and appeal of capacity and eligibility determinations; execution of grant agreements and conditions for delegation; conditions for assignment of delegation grant agreements; provisions regarding the grant amount and adjustments of the grant amount; disbursements and closeout procedures; general requirements for district procurements; prohibition of award to debarred and suspended contractors and consultants; district procurement of a construction manager; remediation services as part of construction or demolition contracts; general requirements for timely and efficient performance of the work under a grant agreement; provisions regarding required certifications to

document project progress or tax exempt status; avoidance of fraud and corrupt practices; performance evaluations; and provisions regarding disclosure, publicity and retention of and access to records for delegated projects.

The New Jersey Schools Development Authority is in the process of reviewing the existing rules to determine the extent of needed revisions or amendments, and anticipates that a Notice of Proposal for Readoption with Amendments will be issued in the near future. However, in the interim, the New Jersey Schools Development authority has reviewed the rules at N.J.S.C. 19:34B and has determined them to be necessary, reasonable and responsive to the purposes for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1c(1) and N.J.A.C. 1:30-6.4(h), N.J.A.C. 19:34B is readopted and shall continue in effect for a seven year period.

Approved: /s/ Lizette Delgado Polanco
Lizette Delgado Polanco
Chief Executive Officer, NJSDA

Date: April 16, 2019

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*** This file includes all Regulations adopted and published through the ***
*** New Jersey Register, Vol. 46 No. 13, July 7, 2014 ***

TITLE 19. OTHER AGENCIES
NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
CHAPTER 34B. SECTION 13.e DELEGATION OF SCHOOL FACILITIES PROJECTS

N.J.A.C. 19:34B (2014)

Title 19, Chapter 34B -- Chapter Notes

CHAPTER AUTHORITY:

P.L. 2007, c.137, § 4k (*N.J.S.A. 52:18A-238.k*) (rulemaking authority).

CHAPTER SOURCE AND EFFECTIVE DATE:

R.2012 d.106, effective May 21, 2012.

See: *42 N.J.R. 2380(a)*, *43 N.J.R. 2288(a)*, *44 N.J.R. 1644(b)*.

CHAPTER EXPIRATION DATE:

Chapter 34B, Section 13.e Delegation of School Facilities Projects, expires on May 21, 2019.

CHAPTER HISTORICAL NOTE:

Chapter 34B, Section 13.e Delegation of School Facilities Projects, was adopted as new rules by R.2012 d.106, effective May 21, 2012. See: Source and Effective Date.

§ 19:34B-1.1 Purpose and applicability of rules

(a) These rules are proposed by the New Jersey Schools Development Authority (the "Development Authority," "Authority" or "SDA") to implement Section 13.e of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, as amended by section 24 of P.L. 2007, c. 137 (collectively, the "Act"). Section 13.e of the Act provides that the Development Authority shall promulgate rules by which the Authority shall determine the capacity of SDA school districts to manage a school facilities project or projects identified by the Authority. These rules outline the process and criteria for making such capacity determinations, providing for a two-step decision-making process: the first step for the purpose of evaluating a school district's abilities to manage the administrative, financial and other areas of responsibility relevant to capital facilities; and the second, for the purpose of assessing the capacity of the school district to manage the delegable portion of a particular school facilities project.

(b) When the Authority determines that a school district has the capacity to manage the delegable portions of a particular school facilities project, these rules provide for the Authority, the Commissioner and the school district to enter into a grant agreement to effectuate the delegation. Upon the execution of the grant agreement by the Authority, the rules provide that the Authority shall take the necessary steps to enter into an agreement with the school district for the assignment and assumption of any contracts (or portions thereof) that have been previously procured by the Authority to the extent that such assignment is necessary for the school district to manage the delegated portions of the school facilities project.

(c) If a school district is determined by the Authority not to have the capacity to manage a project or projects, these rules further provide that the Authority shall provide the school district with a proposed training program and technical assistance in an effort to improve the school district's management capacity so as to increase the likelihood that the school district will achieve the capacity to manage the delegable portions of school facilities projects.

(d) These rules shall apply to SDA school districts that have been deemed by the Commissioner to be eligible to be considered by the Authority to manage a school facilities project or projects, in accordance with section 13.e of the Act.

§ 19:34B-1.2 Definitions

(a) The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"Act" 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.

"Amendment" means a written modification to a contract executed between a consultant and either the Authority or the SDA school district.

"Approved costs" means costs of the school facilities project as indicated in the final eligible cost determination made by the Department in the final project report, inclusive of the cost of construction as informed by the receipt of bids for the construction contract, as well as any other costs that are reflected in the project charter and approved by the Authority in the grant agreement.

"Authorization-to-proceed" means a written notice to the school district from the Authority directing the school district to commence performance of its responsibilities pursuant to the grant agreement, or permitting the district to proceed with a particular action, if written authorization from the SDA is required before commencement of such action.

"Authorized officer" means with respect to the school district, any person or persons authorized pursuant to a resolution of the governing body of the school district to perform any act or execute any document relating to the grant and the grant agreement including the school business administrator; and with respect to the Development Authority, any person or persons authorized to perform any act or execute any document relating to the grant and the grant agreement.

"Board" means the members of the Authority as outlined in *N.J.S.A. 52:18A-237*.

"Capital plan" means the Authority's Board-approved distribution of statutorily-allocated funding among specific, identified, current and future school facilities projects, and adequate reserves to address unforeseen conditions and emergent conditions. The school facilities projects included in the capital plan are selected and sequenced based on an assessment of the educational priority needs and long-term capital project requirements of SDA districts, and other compelling state interests, in an effort to address such needs and requirements in a timely and cost-effective fashion within the limitations of the Authority's finite funding allocation.

"Change(s) in the work" means a change in the work or the construction contract, including, but not limited to, an increase or decrease in the scope of work, or an acceleration of time for the performance of the work, or a change in the sequence in which the work is to be performed.

"Checklist" means a form to be provided by the Authority and to be completed by the school district at a milestone or milestones during the district's management of the delegated portions of a school facilities project to be submitted to the Authority for review and approval prior to receiving an authorization-to-proceed and/or certain disbursements of the grant.

"Commencement date" means the date on which the grant agreement has been fully executed by all the parties thereto and the school district has delivered, to the satisfaction of the Authority, the documentation required by the grant agreement.

"Completion date" means the date specified in the construction contract for completion of the school facilities project which may be changed by the Authority, upon the written request of the school district to the Authority and upon the Authority's written approval in its sole discretion.

"Construction contract" means the agreement between the contractor and either the Authority or the SDA school district, together with the general conditions, supplementary conditions, plans, specifications, scope of work, the request for qualifications and/or the request for proposals, instructions to bidders and addenda, change orders, other amendments and all exhibits, appendices and documents attached to or referenced in any of the foregoing materials, which governs the construction, including the procurement of goods and services, of all or any portion of the school facilities project, and any documents attached thereto and amendments thereof contract. There may be one or more construction contracts for the school facilities project.

"Construction manager" or "CM" means the person or firm engaged by the Authority or the SDA school district to provide construction management services, including oversight and reporting services in connection with the construction of a school facilities project.

"Construction phase" means that phase of the school facilities project in which the school facilities project is undertaken by a contractor or contractors.

"Consultant" means a consultant, including a design consultant, engaged for the school facilities project providing professional services associated with research, development, design and construction administration, alteration, or renovation of real property, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform. A consultant 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. There may be one or more consultants engaged for the school facilities project.

"Contract" means any contract relating to the school facilities project between a contracted party on the one hand, and the SDA school district or the Authority on the other hand.

"Contract price" means the amount stated in the construction contract, as it may be adjusted in accordance with terms of the construction contract, representing the total amount payable by the Authority or the SDA school district to the contractor for the performance of the work.

"Contracted party" means the consultants, contractors, and their subconsultants and subcontractors and any other party providing material or services to the Authority or the SDA school district in connection with the school facilities project.

"Contractor" means those persons or firms engaged by the Authority or the SDA school district for construction of the school facilities project in accordance with the construction contract.

"Current working estimate" or "CWE" means the estimated cost to complete the delegated portion of the schools facility project, as calculated by the Authority. The Authority shall utilize the CWE to determine the grant amount when offering the grant agreement to the district. The CWE shall be updated, as needed, and upon receipt of bids for the delegated portion of the school facilities project.

"DCA" means the New Jersey Department of Community Affairs.

"Delegable portions of a school facilities project" means the portions of a school facilities project that are eligible for delegation to an SDA school district, which are limited to some or all of the following:

1. Construction administration;
2. Construction; and/or
3. Demolition services.

"Demolition services" means the removal of asbestos and hazardous building materials, such as lighting fixtures, and thermostats containing mercury, air conditioning units containing chlorofluorocarbons (CFCs) and light ballasts containing PCBs, followed by the razing of existing structures and removal of building foundations not beneficial to the construction of the proposed school facilities project, disposal of demolition debris and the backfill of the demolition area with fill suitable for unrestricted residential use, and the removal of underground storage tanks and associated remediation of any soil impacted by a discharge from the tank.

"Department" means the New Jersey Department of Education.

"Department rules" means rules issued by the Commissioner and/or the State Board of Education that govern the financing, construction and maintenance of the school facilities project, as may be in effect as of the date of the grant agreement and thereafter.

"Development Authority," "Authority" or "SDA" means the New Jersey Schools Development Authority, an entity which undertakes and funds school facilities projects under the Act and which is the entity formed pursuant to P.L. 2007, c. 137, as successor to the New Jersey Schools Construction Corporation.

"Disbursement" means a release of a portion of the grant to the SDA school district to pay for approved costs.

"District assessment committee" means a committee comprised of Authority staff, including, but not limited to, personnel with expertise in the areas of strategic planning, facilities project planning, budgeting, real estate services and procurement activities, with responsibility for evaluating and assessing an SDA school district's ability to manage school facilities projects.

"Event of default" means any event specified in *N.J.A.C. 19:34B-1.4*.

"Excess costs" means the additional costs of the school facilities project, if any, which shall be borne by the SDA school district.

"Final completion" means that point in time on the school facilities project when the project is 100 percent complete and:

1. All requirements of the construction contract have been completed;
2. All items on the punch list have been performed; and
3. A certificate of occupancy, or a certificate of acceptance, as applicable, has been issued by DCA.

"Final eligible costs" means the calculation of costs as determined pursuant to *N.J.S.A. 18A:7G-5.h(2)* and *N.J.A.C. 6A:26-3.5*, and for purposes of the grant agreement, shall be set forth in the final project report.

"Final grant amount" means the final amount of the grant as determined by the Authority, in accordance with *N.J.A.C. 19:34B-5.1*.

"Final project report" means the report prepared by the Department pursuant to *N.J.A.C. 6A:26-3.5(i)* which contains all of the information included in the preliminary project report and, in addition, includes: the final eligible costs, the excess costs, if any, the State share and the local share.

"Grant" means the funds to be provided to the SDA school district by the Authority to pay for the approved costs subject to the terms and conditions of the grant agreement.

"Grant agreement" means the agreement (and all attachments thereto) by and among the Authority, the Commissioner of Education and an SDA school district setting forth the contractual terms and conditions under which the Authority funds the State share in connection with the portion of a school facilities project delegated by the Authority to an SDA school district pursuant to this chapter.

"Key district personnel" means those individuals identified by the SDA school district with overall district management responsibility for functions including, but not limited to, administrative, financial and facilities oversight, who shall serve as the principal contacts for the Authority's district assessment committee.

"Key project management personnel" means those individuals identified by the SDA school district, including school district staff and professional consultants, with management responsibility for administration of maintenance and school facilities, who shall serve as the principal contacts for the Authority's project assessment committee.

"Licensed site remediation professional" means an individual who is licensed pursuant to section 7 of P.L. 2009, c. 60 (*N.J.S.A. 58:10C-7*), by the Site Remediation Professional Licensing Board established pursuant to section 3 of P.L. 2009, c. 60 (*N.J.S.A. 58:10C-3*), or by the Department of Environmental Protection pursuant to section 12 of P.L. 2009, c. 60 (*N.J.S.A. 58:10C-12*).

"Local share" means the total costs of the school facilities project less the State share as determined pursuant to section 5 of the Act.

"Long range facility plan" or "LRFP" means the plan required to be submitted to the Commissioner by a district pursuant to *N.J.S.A. 18A:7G-4* and *N.J.A.C. 6A:26-2*.

"Lot and block designation" means the identification of the boundaries and location of a parcel of land by reference to the parcel's unique lot and block numbers as that parcel is represented on the currently applicable municipal tax assessment map.

"NJEDA" means the New Jersey Economic Development Authority established pursuant to P.L. 1974, c. 80 (*N.J.S.A. 34:1B-1* et seq.).

"Other capital projects" means all projects or portions thereof that are not eligible for State support under the Act, as defined in *N.J.A.C. 6A:26*.

"Project assessment committee" means the committee, comprised of staff of the Authority, with expertise in the area of project management and project controls, including budgeting and scheduling and grants administration, which evaluates the ability of a school district to manage the delegable portions of a particular school facilities project.

"Project charter" means the document that sets forth the scope, budget and schedule of a school facilities project, which is approved by the Board of the Authority and updated from time to time during the course of the school facilities project with Board approval.

"PSCL" means the Public School Contracts Law, *N.J.S.A. 18A:18A-1* et seq., together with all applicable rules and guidance issued by DCA and the Department in connection with *N.J.S.A. 18A:18A-1*.

"Punch list" means the contract document used to organize the completion of a school facilities project. The punch list is created by the design consultant for a project and includes a list of the incomplete or defective work to be performed or remedied by the contractor in order to complete the school facilities project.

"Remedial Action Work Plan" or "RAWP" means the written documentation prepared and certified by licensed site remediation professionals to satisfy New Jersey Technical Requirements for Site Remediation (*N.J.A.C. 7:26E-6.2*). The RAWP will include, among other things, a summary of findings and recommendations generated by any Remedial Investigation Report, an identification of areas of concern, and a detailed description of the remedial action to be conducted and the remedial technology to be employed on the project site.

"Required maintenance" means the specific maintenance activities required for system warranty purposes which are approved for repairs and replacements for the purpose of keeping a school facility open and safe for use or in its original condition, including repairs and replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep the facility or fixtures in effective working condition, as more particularly set forth in *N.J.A.C. 6A:26-1.2*.

"Routine maintenance" means contracted custodial or janitorial services, expenditures for the cleaning of a school facility or its fixtures, the care and upkeep of grounds or parking lots, and the cleaning of, or repairs and replacements to, movable furnishings or equipment, as set forth in *N.J.A.C. 6A:26-1.2*.

"School district" or "SDA school district" means a school district that received education opportunity aid or pre-school expansion aid in the 2007-2008 school year, as defined at P.L. 2007, c. 260 § 39.

"School facilities project" means the planning, acquisition, demolition, construction, improvement, alteration, modernization, renovation, reconstruction, or capital maintenance of all or any part of a school facility or of any other personal property necessary for, or ancillary to, any school facility, and shall include fixtures, furnishings, and equipment, and shall include, but is not limited to, site acquisition, site development, the services of design professionals, such as engineers and architects, construction management, legal services, financing costs and administrative costs and expenses incurred in connection with the project.

"School facility" means and includes any structure, building or facility used wholly or in part for educational purposes by a school district and facilities that physically support such structures, buildings and facilities such as district wastewater treatment facilities, power generating facilities, steam generating facilities, but shall exclude other facilities.

"Section 13D Maintenance Agreement" means the Educational Facilities Construction and Financing Act Section 13D Maintenance Agreement between the school district and the Authority which provides for the maintenance of school facilities projects by the district commencing upon substantial completion of a project.

"State Comptroller" means the Office of State Comptroller, created pursuant to P.L. 2007, c. 52, in, but not of, the State Department of Treasury, which is responsible for financial auditing; performance and management reviews; and contract procurement reviews, of the Executive Branch of State government, independent State authorities, public institutions of higher education, units of local government and boards of education.

"State share" means the State's proportionate share of the final eligible costs of a school facilities project as determined pursuant to section 5 of the Act (*N.J.S.A. 18A:7G-5*). For the SDA districts, the "State share" equals 100 percent of the final eligible costs of a school facilities project.

"Substantial completion" means that point in time on the school facilities project when all of the following have occurred:

1. All essential requirements of the construction contract have been performed so that the purpose of the construction contract is accomplished;
2. A Temporary Certificate of Occupancy has been issued by the DCA;
3. The punch list has been created;
4. There are no material omissions or technical defects or deficiencies, as identified by the Authority; and
5. The school facilities project is 100 percent ready for occupancy in accordance with its intended use.

"Tax lot" means a particular parcel of land, the location and boundaries of which are identified by reference to the parcel's unique lot and block numbers as that parcel is represented on the currently applicable municipal tax assessment map.

"Termination" means the cancellation of the grant agreement by the Authority as a result of:

1. An event of default or other noncompliance;
2. The failure by the school district to obtain the local share (if applicable) within one year of the Department determination of final eligible costs;
3. Mutual consent of the parties; or
4. Upon the Authority's determination that termination is in the best interests of the school facilities project.

"Total costs" means the actual total amount spent on the school facilities project.

"Work" means all work performed by the contractor and its subcontractors and suppliers, including providing all material, equipment, tools and labor, necessary to complete the construction of the school facilities project, as described in and reasonably inferred from the construction contract.

(b) Words and terms implementing the Act but not defined in this section shall have the meanings defined in *N.J.A.C. 19:34* and 19:34A.

§ 19:34B-1.3 Administration and performance of grant agreements

The school district is responsible for the administration and success of the delegated portion of the school facilities project. The provision of a grant by the Authority shall not in any way be deemed to imply that the Authority shall have any responsibility for the administration or success of that portion of the school facilities project that has been delegated. Although school districts are encouraged to seek the advice and opinion of the Authority on problems that may arise regarding the delegated portion of the school facilities project, the giving of such advice by the Authority shall not shift the responsibility for final decisions from the school district to the Authority, nor render the Authority responsible for such advice. Moneys awarded pursuant to this chapter shall be used in conformance with the Act, this chapter and the provisions of the grant agreement to achieve the grant objectives and to insure that the purposes set forth in the Act are fully executed.

§ 19:34B-1.4 Noncompliance and default

(a) Any of the following events shall constitute an event of default under the grant agreement and noncompliance with this chapter:

1. Failure by the school district to observe and perform any duty, covenant, condition or agreement on its part to be observed or performed under the grant agreement, which failure shall continue for a period of 30 days after receipt of written notice specifying such failure and requesting that it be remedied is given to the district by the Authority, unless the Authority shall agree in writing to any extension of such time prior to its expiration, provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period, the Authority may not unreasonably withhold its consent to an extension of such time up to 120 days from delivery of the written notice referred to above or if corrective action is instituted by the district within the applicable period and diligently pursued until the event of default is corrected;

2. Any representation made by or on behalf of the school district contained in the agreement, or in any instruction furnished in compliance with or with reference to the grant agreement or the grant, is false or misleading in any material respect;

3. A determination made by the Authority that:

i. The grant was obtained by fraud; or

ii. Gross abuse or corrupt practices have occurred in the administration and/or management of the delegated portions of the school facilities project by the district;

4. A failure to commence construction of the school facilities project within 18 months after the commencement date, subject to unavoidable delays (for example, delays due to wars, floods, hurricanes, tornadoes, acts of terrorism, earthquakes, and other acts of God);

5. A failure to reach final completion of the school facilities project on or before the completion date, subject to unavoidable delays (for example, delays due to wars, floods, hurricanes, tornadoes, acts of terrorism, earthquakes, and other acts of God);

6. The district's use of grant moneys for costs that are not approved costs;

7. The suspension or cessation of work on the delegated portion of the school facilities project without good cause as agreed to by the Authority. The term "good cause" shall include, but not be limited to, circumstances beyond the control of the district or any of the contracted parties such as wars, floods, hurricanes, tornadoes, acts of terrorism, earthquakes, and other acts of God;

8. The district's award or issuance of a contract, or payment of an invoice for work performed by a contractor, sub-contractor, consultant or subconsultant who has not been prequalified by the Authority, if such prequalification would be required for the performance of similar work on an Authority-managed school facilities project;

9. The disbursement of grant moneys by the district to a firm which is debarred, suspended or disqualified from State or Authority contracting or to a firm which has not been prequalified;

10. The district's failure to permit the Authority, DCA, the Department or the State Comptroller immediate entry to or inspection of, the school facilities project, the project site, or project files or related files located at the site or at district offices, or at another location within the control of the district; or

11. The district's utilization of grant funds to pay for additional work, increased scope or changes to the work without appropriate approval or authorization by the Authority, and/or the Department.

(b) In addition to (a) above, other non-compliance events may include any failure on the part of the school district to comply with any provision of the Act, this chapter, or any law, regulation, or rule applicable to the grant agreement.

§ 19:34B-1.5 Remedies for events of default and noncompliance

(a) In addition to any other remedies as may be provided by law or by the grant agreement, in the event of noncompliance with any provisions of the Act, any condition of the grant agreement, or any requirement of this chapter, or upon the occurrence of an event of default, the Authority, after taking the action in (a)1 below, may take any of the actions or combinations thereof set forth in (a)2 through 5 below. The notice provided to the school district under (a)2 through 5

below shall notify the school district of the Authority's determination to exercise its right to take such action, and shall provide the reasons for such action, together with the date on which the selected action shall take effect.

1. Issue a notice of noncompliance in writing to the school district stating the nature of the noncompliance or default, and further stating that if corrective action is not taken within 30 days, or such longer time period as may be specified in the notice; or if the corrective action is inadequate or ineffective to correct the noncompliance issue as determined by the Authority, the Authority may take one or more of the actions contained in (a)2 through 5 below. A district may request in writing additional time for corrective action beyond the period specified in the notice, and the Authority, in its discretion, may consent to such extension of time;

2. Withhold grant disbursements or any portion thereof, upon 15 days written notice to the school district providing the reason(s) for the withholding;

3. Suspend the grant agreement and withhold further payments thereunder and prohibit the school district from incurring additional obligations of grant funds pending corrective action by the school district upon 30 days written notice to the school district;

4. Terminate the grant agreement and/or rescind the grant monies upon 30 days written notice to the Department and the SDA school district.

Upon termination of the grant agreement, the Authority may demand that an amount equal to the grant received by the school district be immediately returned to the Authority and the school district shall waive payment by the Authority of the undistributed balance, and upon notice to the school district, the amount of the grant disbursed by the Authority shall be immediately due and payable by the school district together with any costs to the Authority resulting from an event of default by the district; and/or

5. In addition to any withholding, suspension or termination action, the Authority retains the right to pursue any and all other remedies as may be available under State law as warranted.

(b) At the option of the Authority, in its sole discretion, the Authority may, without prejudice to any other rights or remedies, take an assignment from the district of any of the contracts with contracted parties, in order to complete the delegated portion of the school facilities project, and the school district shall take whatever actions are necessary in order to ensure the proper assignment to the Authority of such contracts.

(c) In the event of termination of the grant agreement, the Authority shall determine the method and direction for proceeding with the project, in the best interests of the project and the public interest.

(d) The school district shall, on demand, pay to the Authority the reasonable fees and expenses of attorneys and other reasonable expenses (including without limitation the reasonable costs of in-house counsel and legal staff) incurred by the Authority in the collection of the repayment of the grant or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements, of the district upon an event of default or non-compliance with this chapter.

§ 19:34B-1.6 Termination by mutual agreement

The Authority, the Department or the SDA school district may terminate the grant agreement when the parties agree that the continued delegation to the district under the grant agreement would not produce beneficial results commensurate with the further expenditure of funds. The Authority and the district shall agree upon the conditions for termination including the date on which the termination shall take effect. The closeout provisions specified in *N.J.A.C. 19:34B-5.4* shall apply in the event of a termination by mutual agreement. In the event of termination of the grant agreement, the Authority shall determine the method and direction for proceeding with the project, in the best interests of the project and the public interest.

§ 19:34B-1.7 Termination in the best interest of the school facilities project

(a) If the Authority determines that it is in the best interests of the school facilities project to terminate the grant agreement, the following shall apply:

1. The Authority shall promptly notify the Department and the school district, in writing, of its determination to terminate the grant agreement and the reasons for the termination, together with the date on which the termination shall take effect; and

2. At the option of the Authority, in its sole discretion, the Authority may, without prejudice to any other rights or remedies, take an assignment of any of the contracts in order to complete the school facilities project, and the school district shall take whatever actions are necessary in order to ensure the proper assignment to the Authority of such contracts.

(b) In the event of termination of the grant agreement, the Authority shall determine the method and direction for proceeding with the project, in the best interests of the project and the public interest.

§ 19:34B-1.8 Waiver

Any school district desiring a waiver or release from the express provisions of any of the rules in this chapter may submit a written request to the Authority. Waivers may be granted by the Authority, only when the Authority determines that such a waiver would not contravene the provisions of the Act and upon a finding that, in granting the waiver, the Authority will be promoting the statutory purposes expressed in the Act.

§ 19:34B-2.1 Applicability

This subchapter establishes the Authority's procedures and criteria for evaluating the project management, administrative and financial expertise of an SDA school district to successfully manage school facilities projects; and for assessing the ability of such districts to manage the delegable portion(s) of a particular school facilities project, pursuant to *N.J.S.A. 18A:7G-13.e*.

§ 19:34B-2.2 Request for SDA determination of school district capacity

(a) A school district that wishes to manage construction and/or demolition services associated with a school facilities project or projects contained in its LRFP shall apply, on a form provided by the Authority, for the Authority's determination of the school district's ability to manage delegable portions of a school facilities project or projects. The Authority will not make a determination regarding a school district's capacity until the Authority receives from the school district a transmittal from the Department determining that the school district is eligible to be considered by the Authority to manage its school facilities projects, or portions thereof.

(b) The application for the determination of district capacity shall be accompanied by a resolution adopted by the board of education of the school district requesting the district capacity determination.

(c) The application shall require the school district to provide information about the experience and qualifications of its key district personnel, and about the district's experience with the management of capital improvement projects, routine and required maintenance tasks or projects, and/or school facilities projects. The application shall include, in addition to any specific information requested:

1. Identification of the management personnel of the school district, and provision of an organizational chart which sets forth the position(s) within the school district of such management personnel;

2. Identification of key district personnel and the experience and qualifications of same;

3. A description of the routine and required maintenance at the school and district level, and, if applicable, maintenance required in accordance with any Section 13D Maintenance Agreement;

4. A description of the experience of the school district over the previous five years, in managing the planning, procurement activities, contract management, budgeting and scheduling necessary for required maintenance, school facilities projects, any previous or ongoing grant projects funded by the Authority, and other capital projects; and

5. Any other criteria deemed relevant by the Authority to an assessment of the school district's capacity.

§ 19:34B-2.3 Evaluation of district capacity

(a) The Authority's district assessment committee shall evaluate the school district's application to determine whether the school district possesses the ability to manage school facilities projects.

1. With respect to the committee's evaluation of whether the school district possesses the requisite capacity, such determinations shall be based upon the following factors:

- i. The current capacity of the school district to administer fundamental district responsibilities relevant to capital facilities, including, but not limited to, maintenance, planning, procurement, construction, budgeting, accounting, scheduling, and any other similar essential responsibilities;
- ii. The qualifications of key district personnel to administer the fundamental district responsibilities as outlined above, as determined by the Authority in its sole discretion;
- iii. The school district's performance of routine maintenance and required maintenance on school facilities projects in accordance with operations and maintenance manuals, warranties and guarantees so as to fully achieve the useful life of all components of school facilities projects, including the district's demonstrated compliance with the maintenance obligations of any Section 13D Maintenance Agreement;
- iv. The school district's performance with respect to the administration or management of any Authority-funded grant projects, if applicable;
- v. The Department's rating with respect to the school district's performance on the operations management component of the Department's Quality Single Accountability Continuum District Performance Review for Facilities Operations specific to school facilities; and
- vi. Any other factor deemed relevant by the Authority to an assessment of the school district's capacity.

2. Each member of the district assessment committee shall review the application for determination of district capacity based on the applicable evaluation criteria. The committee may require a meeting with the school district to obtain additional technical and/or organizational information.

3. If the district assessment committee determines that the school district does not have the necessary capacity to manage the delegable portions of school facilities projects, the application shall be denied, and the school district will be promptly notified in writing of the reasons for the denial. The Authority shall thereafter, in conjunction with the Commissioner, devise and offer a proposed training program if the reason for the denial is of the type that can be remedied with training. Such training program shall be designed to provide the district with technical assistance intended to address any identified deficiencies and/or increase the district's capacity to manage school facilities projects. The proposed training program may include, but is not limited to, training in the following areas:

- i. Financial, accounting, and budgeting;
- ii. Planning;
- iii. Procurement and/or prequalification;
- iv. Evaluation of architectural plans;
- v. Construction management;
- vi. Documentation of best practices; and/or
- vii. Governance and compliance.

4. If the school district is determined by the district assessment committee to possess the requisite capacity, the district will be so notified in writing and the Authority will transmit a project delegation application to the school district to complete and submit to the Authority.

(b) The Authority shall review applications for school district capacity assessments from interested school districts in the order in which completed applications are received by the Authority, unless the Authority determines that scheduling concerns or project needs require expedited review of a district's application.

(c) In making the determination that a school district possesses the necessary capacity to manage school facilities projects, the SDA may, in its sole discretion, determine that the scope of responsibilities delegable to the school district may include the procurement and/or management of the following:

1. Construction management and administration;
2. Construction; and/or
3. Demolition services.

(d) In the event that the Authority determines that a particular school facilities project shall be procured and managed as a design-build project, such determination shall preclude delegation of the project, with the exception of procurement or management of demolition services.

(e) In the event that the Authority determines that a school district has the necessary district capacity to manage school facilities projects, such determination shall remain effective for a period of three years from date of notification by the Authority unless the Authority, in its sole discretion, determines that a reassessment is warranted. The school district shall provide written notice to the Authority of any key district personnel changes within seven days of their effective date which may result in a determination by the Authority that a reassessment is required.

§ 19:34B-2.4 Evaluation of district eligibility for project delegation

(a) In the event a school district is determined to have the capacity to manage school facilities projects, it may apply to the Authority for the Authority's delegation of the delegable portions of a particular school facilities project that is within the Authority's current capital plan.

(b) The following conditions shall be satisfied before the Authority will consider whether to delegate portions of a particular school facilities project:

1. The district, as determined by the Authority, possesses the requisite capacity to manage delegable portions of school facilities projects, as determined pursuant to *N.J.A.C. 19:34B-2.3(c)*.
2. The Department has approved the educational specifications for the school facilities project.
3. The SDA school district has submitted an application to the Authority, on a form provided by the Authority, for the delegation of portions of a particular school facilities project, which shall be accompanied by a resolution adopted by the board of education of the school district requesting the delegation.

(c) The project delegation application shall require the school district to provide information about the experience and qualifications of the key project management personnel for the proposed project, and about the district's experience with the management of similar capital projects or school facilities projects, as well as information regarding the current resources and capacity of the district as affected by any current or ongoing school facilities projects. The application shall set forth, in addition to the specific information requested:

1. Any change(s) in key district personnel effective since the Authority's determination of district capacity pursuant to *N.J.A.C. 19:34B-2.3(a)4*;
2. The school district's key project management personnel and their experience and qualifications;
3. The experience of the school district and its key project management personnel on school facilities projects and/or other capital projects similar in scope, size and complexity;
4. The existing school facilities projects currently under management by the school district for which a certificate of final completion has not been issued, the personnel staffing each such project, and any other information concerning those projects and whether the school district can accommodate and effectively manage the project activities proposed for delegation in addition to the existing projects being managed; and
5. Any other criteria deemed relevant by the Authority to an assessment of the school district's capacity to manage the proposed delegation.

(d) The Authority's project assessment committee shall evaluate a school district's application to determine whether the school district possesses the ability to manage the delegable portions of a particular school facilities project.

1. With respect to the committee's evaluation of whether the school district possesses the ability to manage the delegable portions of a particular school facilities project, its determination shall be based upon the following factors:
 - i. The project's size, scope and complexity, including, but not limited to, environmental remediation, scheduling, project phasing, construction management and any other project-related responsibilities that the Authority determines in its sole discretion to be relevant to its capacity determination;
 - ii. The current ability of the school district to manage the delegable portions of the particular school facilities project, considering the district's commitment of staff or resources to existing school facilities projects then under district management;
 - iii. The experience and qualifications of key project management personnel to manage the delegable portions of a particular school facilities project;
 - iv. The delegation, as determined by the Authority in its sole discretion, is in the best interests of the school facilities project; and
 - v. Any other factor deemed relevant by the Authority to an assessment of the school district's capacity to manage the proposed delegation.
2. Each member of the project assessment committee shall review and evaluate the application submitted pursuant to this section and in accordance with the evaluation criteria in (d)1 above. The committee may require a meeting with an applicant SDA school district to review additional clarifying technical and/or organizational information.
3. If the project assessment committee determines that an SDA school district lacks the capacity to manage the delegable portions of a particular school facilities project, the district's application shall be denied, and the Authority will promptly notify the school district in writing of the reasons for its denial. The Authority will thereafter, in conjunction with the Commissioner, devise and offer the SDA school district a proposed training program, if the reason for the denial is of the type that can be remedied with training. Such training program shall be designed to provide the district with technical assistance intended to address any identified deficiencies and/or increase the district's capacity to manage facilities projects of the type for which it sought delegation, but was denied. The proposed training program may include, but is not limited to, training in the following areas:
 - i. Financial, accounting, and budgeting;
 - ii. Planning;
 - iii. Procurement and/or prequalification;
 - iv. Evaluation of architectural plans;
 - v. Construction management;
 - vi. Documentation of best practices; and/or
 - vii. Governance and compliance.
4. If the Authority's project assessment committee determines that a school district has the capacity to manage the delegable portions of a particular facilities project, the school district shall be notified of such in writing and detail the portions of the school facilities project that have been approved for delegation.

§ 19:34B-2.5 Requests for reconsideration and appeal

(a) Requests for reconsideration arising from decisions of the Authority pursuant to *N.J.A.C. 19:34B-2.3* and *2.4* and any other determination of the Authority under this chapter, shall be made in writing within 30 days of the receipt of the Authority's decision, and an opportunity shall be given for an informal hearing on the papers, in person or via telephone with an Authority hearing officer or panel designated to review the matter. The determination of the Authority, based on the recommendation of the hearing officer or panel, shall be presented in a written decision within 30 calendar days of the conclusion of the hearing unless, due to the circumstances of the hearing, a longer time is required.

1. Informal hearings will be held, where feasible, within 14 business days of the receipt of the request.

2. Hearings will be heard, where practicable, by a hearing officer designated by the Chief Executive Officer, or his or her designee.

3. In an informal hearing, the Authority may, in instances where public exigency exists, modify or amend the time frames or any other requirements provided in this section. In these instances, the Authority shall document, for the record, the rationale for such amendment and give adequate notice to the parties involved.

(b) In the event of an adverse decision after an informal hearing under (a) above, or if a district determines not to seek an informal hearing, and providing further, that the dispute or controversy is a contested case, as defined in *N.J.S.A. 52:14B-2(b)*, a district may request a formal hearing, within 60 days of the written decision resulting from the informal hearing or within 90 days of the determination of the Authority if an informal hearing is not sought.

(c) Upon filing of the initial pleading in a contested case, the Board of the Authority may by resolution either retain the matter for hearing directly or transmit the matter for hearing before the Office of Administrative Law. Such hearings shall be governed by the provisions of the Administrative Procedure Act, *N.J.S.A. 52:14B-1* et seq. and *52:14F-1* et seq., and the Uniform Administrative Procedure Rules, *N.J.A.C. 1:1*.

(d) Every determination by the Authority of a dispute or controversy arising from this chapter, constituting final agency action by the Board, shall be embodied in a written decision which shall set forth findings of fact and conclusions of law.

§ 19:34B-3.1 Applicability

This subchapter establishes the eligibility requirements and procedures and requirements of the Authority governing the execution of grant agreements pursuant to section 13.e of the Act. Any school district applying for a grant shall at a minimum conform with the requirements of this subchapter, as applicable.

§ 19:34B-3.2 District execution of grant agreement and other conditions for delegation

(a) After the Authority has determined that a school district has the capacity to manage the delegated portions of a school facilities project, the Authority shall offer the grant agreement to the school district. The grant amount at the time of the offering of the grant agreement shall be based upon the CWE, pursuant to *N.J.A.C. 19:34B-5.1*.

(b) The school district shall execute the grant agreement within such period of time and pursuant to such terms and conditions as the Authority may determine in its sole discretion and return the grant agreement together with all applicable attachments to the Authority for execution by the Authority. Such terms and conditions shall include:

1. Delivery by the school district to the Authority of a certified copy of a resolution of the district board authorizing the execution and delivery of the agreement and proof of the district board's delegation of authority to the school business administrator or other authorized officer for supervision of the delegated portions of the school facilities project;

2. Delivery by the school district to the Authority of confirmation that the district has obtained approval of its long-range facilities plan pursuant to *N.J.A.C. 6A:26-2.3*; and

3. Delivery by the school district to the Authority of a certificate executed by the school business administrator or other authorized officer as to the following:

i. All adoptions and approvals required to be given by the school district or by any other governmental entity with respect to the agreement have been obtained;

ii. The school district has full legal right, power and authority to enter into the agreement to consummate the transactions contemplated thereby; and

iii. The grant agreement has been duly authorized, executed and delivered by the school district, and constitutes a valid and binding agreement of the district enforceable in accordance with its terms.

(c) The school district shall not assign the grant agreement or its rights to disbursements of the grant. The Authority may, at any time and in its sole option, assign the grant agreement to another instrumentality of the State.

§ 19:34B-3.3 Authority execution of grant agreement for delegated demolition activities

(a) Upon the Authority's written approval of the bid specifications for demolition services for the school facilities project, which shall be drafted for procurement as a single overall contract (not multi-prime) under paragraph 2 of *N.J.S.A. 18A:18A-18(b)* of the PSCL, and upon the Authority's approval of the CWE for such demolition services, the Authority shall give the school district written authorization to seek bid proposals for demolition services in accordance with the PSCL. The school district shall include in its bid documents the statement that its ability to enter into a contract shall be contingent upon the receipt of an executed grant agreement from the Authority, and a statement that an extension of the time period for consideration of bids under *N.J.S.A. 18A:18A-36* may be required, and shall include in the demolition services contract all of the requirements of *N.J.A.C. 19:34B-6.3*, as indicated. Once the bid proposals for the demolition services contract are received, the school district shall, within two business days of the receipt of bids, forward the bid proposals to the Authority for review.

(b) Upon the district's receipt of bids for the demolition services portion of the school facilities projects, and the subsequent forwarding of such bids to the Authority, the Authority shall use the bids received to revise its CWE for the delegated demolition services portion of the school facilities project, if warranted, and shall modify the grant amount accordingly if the CWE has been modified. The Authority shall prepare a proposed charter for the school facilities project if one has not already been approved by the Board of the Authority.

(c) After the Authority revises the CWE for demolition services based on the bids, Authority staff shall submit any proposed or revised charter for the project to the Authority Board for approval, if there is no approved charter, or if the existing charter must be modified as a result of a CWE revision. Following approval of the project charter by the Board of the Authority, the Authority shall execute the grant agreement and issue a written authorization to the district to proceed with the engagement of a contractor for the demolition services portion of the school facilities project, in accordance with *N.J.A.C. 19:34B-6*. The Authority shall endeavor to complete all reviews and approvals under this section, and to issue to the district an authorization to proceed, if approved, within 60 days of the district's receipt of bids. If the Authority determines that additional time is needed to secure the necessary reviews and approvals, the Authority shall notify the district before expiration of the 60-day period, so that the district may request that bidders agree to extend the time for consideration of bids for an additional period.

§ 19:34B-3.4 Authority execution of grant agreement for delegated construction activities

(a) Upon the Authority's written approval of the bid specifications for construction of the school facilities project, which shall be drafted for procurement as a single overall contract (not multi-prime) under paragraph 2 of *N.J.S.A. 18A:18A-18(b)* of the PSCL, and upon the Authority's approval of the CWE, the Authority shall give the school district written authorization to seek bid proposals for construction in accordance with the PSCL. The school district shall include in its bid documents the statement that its ability to enter into a contract shall be contingent upon the receipt of an executed grant agreement from the Authority, and a statement that an extension of the time period for consideration of bids under *N.J.S.A. 18A:18A-36* may be required, and shall include in construction contract all of the requirements of *N.J.A.C. 19:34B-6.3*, as indicated. Once the bid proposals for the construction contract are received, the school district shall, within two business days of the receipt of bids, forward the bid proposals to the Authority for review.

(b) Upon the district's receipt of bids for the construction phase of the school facilities projects, and the subsequent forwarding of such bids to the Authority, the Authority shall use the bids received to formulate its recommendation of final eligible costs of the school facilities project, which recommendation shall be submitted to the Department for determination of final eligible costs, pursuant to *N.J.A.C. 6A:26-3.5*.

(c) For school facilities projects without a local share, after the Authority receives a final project report evidencing final eligible costs, and following approval of the project charter by the Board of the Authority, the Authority shall execute the grant agreement and issue a written authorization to the district to proceed with the engagement of a contractor for the construction of the school facilities project, in accordance with *N.J.A.C. 19:34B-6*.

(d) In the event that a school facilities project subject to delegation includes excess costs or other costs that must be borne by the district as a local share, the Authority shall not execute the grant agreement until the district provides the following evidence that the local share has been approved in accordance with the provisions for the approval of capital

projects pursuant to *N.J.S.A. 18A:22-1* et seq., *18A:24-1* et seq., and *18A:7A-46.1* et seq., as applicable to the district pursuant to *N.J.S.A. 18A:7G-11* and *N.J.A.C. 6A:26-3.7*.

1. If the local share is funded all or in part through the issuance of school bonds, a certified copy of the referendum that the school district submitted to the voters for approval of the local share evidencing proof of voter approval of the local share; or

2. If the local share is funded through sources other than school bonds, such as the capital reserve account or lease purchase, the school district shall obtain approval of local share in accordance with *N.J.A.C. 6A:26-3.7* and any statutory and regulatory authorities specifically governing that source of local share, such as *N.J.S.A. 18A:20-4.2(f)* and *18A:7G-31*, and *N.J.A.C. 6A:26-8.1* and 10.

3. Upon receipt by the Authority of evidence of approval of the local share, the Authority shall execute the grant agreement and the Authority and the school district shall proceed in accordance with (c) above.

4. If the school district fails to submit evidence that the local share has been approved, the Authority shall not issue an authorization-to-proceed with engagement of a contractor and the school district shall not proceed with the engagement of a contractor or the commencement of construction. The Authority's approval to delegate portions of the school facilities project shall be rescinded if a district fails to obtain approval of the local share while the winning construction bid upon which the final eligible costs are based is still valid.

5. In the event a district fails to obtain approval of the local share and the Authority's approval is rescinded, and, further, in the event that the district fails to evidence diligent and good faith efforts to obtain the local share, the district shall be obligated to refund to the Authority any moneys disbursed to the district under the agreement.

(e) The Authority shall endeavor to complete all reviews and approvals under this section, and to issue to the district an authorization to proceed, if approved, within 60 days of the district's receipt of bids. If the Authority determines that additional time is needed to secure the necessary reviews and approvals, the Authority shall notify the district before expiration of the 60-day period, so that the district may request that bidders agree to extend the time for consideration of bids for an additional period.

§ 19:34B-4.1 Conditions for assignment

(a) Upon the offer of the grant agreement, the Authority shall take all necessary steps to assign the contracts or portions of contracts relating to those aspects of the school facilities project that the Authority has determined to delegate to the school district. In furtherance of such assignments, the Authority shall provide the school district with the following:

1. An assignment and assumption agreement for the contracts or portions thereof pertaining to the delegated aspects of the school facilities project;

2. A copy of all other contractual documents, between the Authority and the design consultant, construction contractor(s), the construction manager and any other contracted party;

3. All design documents for the school facilities project; and

4. Any other documentation determined by the Authority to be necessary for the assignment.

(b) The school district shall execute the agreement(s) for assignment and assumption within such period of time and pursuant to such terms and conditions as the Authority may determine in its sole discretion, and return the agreement together with all applicable attachments to the Authority for execution by the Authority. Such terms and conditions shall include:

1. Delivery by the district to the Authority of a certified copy of a resolution of the district board authorizing the execution and delivery of the agreement for assignment and assumption; and

2. Delivery by the district to the Authority of a certificate executed by the school business administrator or other authorized officer as to the following:

i. All adoptions and approvals required to be given by the district or by any other governmental entity with respect to the agreement for assignment and assumption have been obtained;

ii. The district has full legal right, power and authority to enter into the agreement for assignment and assumption to consummate the transactions contemplated thereby; and

iii. The agreement for assignment and assumption has been duly authorized, executed and delivered by the district, and constitutes a valid and binding agreement upon the district enforceable in accordance with its terms.

§ 19:34B-4.2 Assignment of specific contracts and Authority execution

(a) Upon the offer of the grant agreement, the Authority shall take all necessary steps to assign the construction administration and project close out portion of the design consultant contract to the SDA school district, in accordance with the grant agreement and *N.J.A.C. 19:34B-4.1*, upon the Authority's approval of the completed bid specifications.

(b) If the Authority has engaged a construction manager for the project, the Authority shall, at the time of offer of the grant agreement, take all necessary steps to assign the construction manager contract to the SDA school district, in accordance with the grant agreement and *N.J.A.C. 19:34B-4.1*.

(c) Upon receipt of the executed agreement(s) for assignment and assumption from the school district in accordance with *N.J.A.C. 19:34B-4.1(b)*, the Authority shall execute the agreement for assignment and assumption, thereby granting and assigning to the school district all liabilities, duties and obligations of the Authority arising out of or relating to the assigned contract or portion thereof, from the date of the agreement for assignment and assumption forward.

§ 19:34B-5.1 Grant amount

(a) At the time the grant agreement is offered to the school district and the Authority, the grant for the delegated portions of the school facilities project shall become effective and shall constitute an obligation of moneys in the amount and for the purposes set forth in the grant agreement.

(b) At the time of execution of the grant agreement by the district, the grant amount shall equal the State share of the costs of the delegated portions of the school facilities project, as informed by the CWE calculated by the Authority. The grant amount shall thereafter be adjusted:

1. In accordance with, and upon approval of the final eligible costs, if the grant agreement is for delegation of construction; or

2. Upon the revision of the CWE in accordance with the award of a contract for demolition and/or construction management.

(c) The grant may be further adjusted in accordance with *N.J.A.C. 19:34B-5.2*.

(d) The grant shall be used only to pay for approved costs as specified in the grant agreement and this chapter.

§ 19:34B-5.2 Adjustments to the grant

(a) During the term of the grant agreement, the grant may be adjusted to reflect any changes in, or increased costs of, the school facilities project that have been approved by the Authority, and the final grant amount shall equal the grant amount determined in accordance with *N.J.S.A. 19:34B-5.1(b)*, plus the costs of any additional amounts approved by the Authority pursuant to this section.

(b) If, during demolition services or the construction of the school facilities project, a school district determines that a change in the work or an increase in costs is required, or additional services are required, the following shall apply:

1. Any proposed or contemplated change in the work or increase in services, regardless of the cost, shall be submitted to the Authority for review and prior approval before commencement or execution of any work constituting a change in the work, or commencement of any additional services.

2. Any proposed or contemplated change in the work, regardless of the cost, which affects the number, configuration, size, location or use of the educational spaces, or the square footage of the project, shall be submitted to the Department for approval in accordance with Department rules with simultaneous notification to the Authority.

(c) Only upon receipt of a written authorization from the Authority to proceed with a change in the work or with additional services, may the school district authorize the contracted party to proceed with additional services pursuant to an amendment (if the contracted party is a consultant) or to proceed with a change order for a change in the work (if the contracted party is a contractor). Disbursement of grant funds for any additional services or change in the work performed by a consultant or contractor prior to Authority approval of such additional services or change in the work shall be at the risk of the district and the contracting party.

(d) After receipt by the Authority of the final project report, and the calculation of final eligible costs, the school district shall be responsible for:

1. The local share, if applicable;
2. The costs associated with any changes to the scope of the school facilities project, unless the school district provides evidence satisfactory to the Authority that the scope change or the amendment and/or change in the work underlying such scope change was the result of factors that were beyond the control of the school district; and
3. The costs associated with any unauthorized changes in the work, any unauthorized additional services, and any changes in the scope of the project that are not approved by both the Department and the Authority.

§ 19:34B-5.3 Disbursements

(a) Disbursement of grant funds shall be made as set forth in (d) below. Total disbursements shall not exceed the grant amount.

(b) Prior to the Authority's initial disbursement of grant funds, the school district shall establish an account with the State of New Jersey Cash Management Fund, created pursuant to *N.J.S.A. 52:18A-90.4*, for the deposit of grant disbursements made by the Authority pursuant to (d) below. The school district shall be prohibited from withdrawing, encumbering or otherwise spending the interest earnings on this account, and shall transmit all interest earned on the account to the Authority on an annual basis and upon final completion of the school facilities project.

(c) No disbursement of grant funds shall be made until the Authority receives the following documentation in support of the disbursement request, which shall include:

1. Invoices with a complete description of the costs incurred;
2. Payment vouchers signed by an authorized officer of the district relating to payment of funds from the prior disbursement;
3. Submission of acceptable documentation of required insurance coverages; and
4. Completion to the satisfaction of the Authority of certifications or checklists as required by the grant agreement.

(d) The following is the disbursement schedule as may be amended from time to time by the Authority:

1. The first disbursement of the grant in the amount of 15 percent of the grant shall be made simultaneous with the execution of the grant agreement.
2. Following the first disbursement, the Authority shall make disbursements to the school district on a monthly basis, upon submission to the satisfaction of the Authority of a request for disbursement, accompanied by documentation satisfactory to the Authority, as set forth in (c) above.

(e) Upon final completion, the school district shall prepare and submit to the Authority, for review and approval, a request for disbursement together with the final completion checklist in the form attached to the grant agreement. Upon approval, the Authority shall disburse the balance of the funds due and owing under the grant agreement.

(f) The Authority shall not be under any obligation to make disbursements of the grant unless:

1. The grant agreement has been duly executed and delivered by the parties thereto;

2. No event of default or noncompliance, nor any event which with the passage of time or service of notice would constitute an event of default or noncompliance, shall have occurred and shall be continuing at the time of the request for disbursement; and

3. All of the conditions precedent to the request for disbursement, as required by the grant agreement, have been discharged completely and to the full satisfaction of the Authority.

§ 19:34B-5.4 Closeout procedures

(a) Closeout shall occur when all applicable administrative actions and all required work have been completed by the school district. This process shall include the steps enumerated below:

1. In the event there are grant proceeds which have not been expended on approved costs, such unexpended grant proceeds shall be released to the Authority and the amount of the grant shall be reduced by the amount of the unexpended proceeds.

2. Any proceeds of school bonds issued by the district for the purposes of funding the local share of the school facilities project which remain unspent upon completion of the school facilities project shall be used by the district to reduce the outstanding principal amount of the school bonds either through redeeming bonds at the earliest call date or applying such proceeds to payment of principal as principal becomes due. In no event shall such proceeds be utilized to pay the interest expense on the school bonds issued for any school facilities project.

3. The district shall refund to the Authority any grant funds spent on any costs which were disallowed by the Authority as not being approved costs. Such refund shall be made within 30 days of the request by the Authority.

4. The district shall remit to the Authority any remaining interest earned pursuant to *N.J.A.C. 19:34B-5.3(b)* upon final completion of the school facilities project.

5. If a final audit has not been performed on behalf of the district prior to closeout of the school facilities project, the Authority retains the right to recover any appropriate amount after full consideration of any recommendation on disallowed costs resulting from the final audit.

6. The Authority may require additional information from the district or its consultants and contractors and/or retain any grant amount not disbursed until closeout is completed.

§ 19:34B-6.1 General requirements for district procurements

(a) Upon the Authority's issuance to the school district of an authorization to proceed with the engagement of a contractor or consultant, the district shall proceed to engage the contractor or consultant to undertake work or services for the school facilities project. Payment by the district for any work or services performed by a contractor or consultant prior to the Authority's written approval for the engagement of the contractor or consultant shall be at the risk of the district and the contractor or consultant.

(b) The district shall procure and award all contracts for the school facilities project in accordance with *N.J.S.A. 52:15C-10* and the PSCL and the rules issued pursuant thereto. The district shall utilize the bid specifications prepared by the Authority in the procurement of contracts for the school facilities project, as well as any contract documents or contract provisions required by the Authority as indicated in these regulations or the grant agreement.

(c) The district shall provide notices to the State Comptroller pursuant to the requirements of *N.J.S.A. 52:15C-10* concerning the timing of the procurement process relative to the award of contracts.

(d) When procuring contracts pursuant to a delegable portion of a school facilities project, the district shall designate a portion of the contract amount to be set aside for award to subcontractors who qualify as small business enterprises, in accordance with the PSCL, *N.J.S.A. 18A:18-52(c)* and *18A:18-53*, and the Set Aside Act, *N.J.S.A. 52:32-17* et seq. This set-aside goal shall be attained by including language in the contract requiring the contracted party to award a 25 percent portion of the contract amount to subcontractors or subconsultants constituting "small businesses" or "small business enterprises" as defined by *N.J.S.A. 18A:18-51(d)*, *N.J.S.A. 52:32-19* and *N.J.A.C. 17:14-1.2*. The 25 percent portion of the contract shall be allocated among several subcontractors of various levels in accordance with the require-

ments of *N.J.A.C. 17:14-4.1(a)*. The district shall require the contracted party to make a good faith effort to comply with the set-aside requirement, and the contracted party's compliance with this set-aside requirement shall be monitored by the Authority for good faith compliance.

§ 19:34B-6.2 Prohibition of award to debarred or suspended contractors and consultants

(a) The district and its consultants or contractors shall not enter into a contract for work with any person or firm that has been debarred, suspended or disqualified from State, Authority or Federal government contracting.

(b) The district shall insert in all contracts with all contracted parties, and all contractors and consultants shall insert into all of their contracts with all subcontractors and subconsultants, a clause stating that the contracted party, its subcontractors or subconsultants may be debarred, suspended or disqualified from contracting and/or working on the approved school facilities project if the contracted party commits any of the acts listed in N.J.A.C. 17:19-3 or any applicable regulation issued by the Authority.

(c) The district's bid specification for any work or services on an approved school facilities project shall require all bidders to submit a sworn statement by the bidder, or an officer or partner of the bidder, indicating whether or not the bidder is, at the time of the bid, included on the State Treasurer's, the Authority's or the Federal government's list of debarred, suspended or disqualified bidders as a result of action taken by any State or Federal agency, as the case may be. Bid specifications for the approved school facilities project shall state that the district shall immediately notify the Authority in writing whenever it appears that a bidder is on the Treasurer's, the Authority's or the Federal government's list. The Authority reserves the right in such circumstances to immediately suspend such bidder from contracting and/or engaging in work or services on the approved school facilities project and to take such other action as it deems appropriate pursuant to N.J.A.C. 17:19-3 or any applicable regulation issued by the Authority.

§ 19:34B-6.3 General requirements for district contracts

(a) All contractors and consultants with whom the district contracts, and their subcontractors and subconsultants, must be prequalified by the Authority if such prequalification would be required for the performance of similar work on an Authority-managed school facilities project.

(b) The district shall submit proof to the Authority that it and any contracted party shall comply with all insurance requirements of the grant agreement and, when appropriate, shall certify that the insurance is in full force and effect and that the premiums have been paid.

(c) The district shall require the provision of performance bonds or other security pursuant to *N.J.S.A. 18A:18A-25*.

(d) The district shall not take any action or omit to take any action that would result in the loss of the exclusion of the interest on any NJEDA bonds from Federal gross income for Federal income tax purposes under *Section 103 of the Internal Revenue Code of 1986*, as amended.

(e) The following requirements shall apply to contracts awarded by the district in connection with the school facilities project:

1. The district shall include the following statements in each contract awarded by the district in connection with the school facilities project: "This contract or subcontract is or may be funded in part with funds from the New Jersey Schools Development Authority. Neither the State, the New Jersey Schools Development Authority, the New Jersey Economic Development Authority, nor any of their departments, agencies, board members or employees is or will be a party to this contract or subcontract or any lower tier contract or subcontract, with the exception of the New Jersey Schools Development Authority, which shall only become a party to this contract upon a legally executed assignment of the contract to the SDA. This contract or subcontract is subject to the requirements contained in *N.J.A.C. 19:34B* and the contractor (subcontractor) (consultant) (subconsultant) agrees to comply with those requirements."

2. The district shall include a provision in each contract awarded by the district in connection with the school facilities project which states that the contract is assignable by the district to the Authority.

3. The district shall include a provision in each contract awarded by the district in connection with the school facilities project which states that the contract is terminable for convenience as well as for cause.

4. The district shall include a provision in each contract awarded by the district in connection with the school facilities project which requires the contracted party to comply with the anti-discrimination provisions of *N.J.S.A. 10:2-1* et seq., the New Jersey Law Against Discrimination, *N.J.S.A. 10:5-1* et seq., *N.J.A.C. 17:27* and *N.J.A.C. 6:4-1.6*. The district and its contracted parties shall in addition agree by contract and guarantee to afford equal opportunity in the performance of the contracts in accordance with an affirmative action program approved by the State Treasurer. The district shall require its contracted parties to submit affirmative action workforce documentation to the Authority, in the form and manner specified by the grant agreement, for monitoring of the contracted party's compliance with state affirmative action workforce compliance goals under *N.J.A.C. 17:27-7.3*. The district shall further permit, and require its contracted parties to permit, the Authority's representatives to have access to the project site in order to allow Authority to inspect and monitor the contracted party's compliance with the affirmative action workforce compliance goals. The NJSDA's authority to monitor workforce compliance is in accordance with the NJSDA's independent monitoring and enforcement authority for school facility projects in SDA Districts under *N.J.S.A. 52:18A-240* and the Act, as recognized by the Division of Contract Compliance and Equal Employment Opportunity in the Department of Treasury.

5. The district shall include a provision in each contract awarded by the district in connection with the school facilities project which requires the contracted party to enter into certifications at the times and in the manner specified by the Authority in the grant agreement. Such certifications may include a certification by a consultant or a contractor upon award of contract, or certifications upon substantial or final completion of the work or services under a given contract.

6. The district shall include in all contracts for construction or demolition services provisions requiring that the contractor and its subcontractors, as applicable, shall comply with the New Jersey Prevailing Wage Act, *N.J.S.A. 34:11-56.25* et seq. The district shall not hire any contractor, and shall not permit a contractor to hire a subcontractor, to perform any construction work or demolition services if such contractor or subcontractor is listed or is on record in the Office of the Commissioner, Department of Labor and Workforce Development, as having failed to pay prevailing wages in accordance with the provisions of the New Jersey Prevailing Wage Act.

7. Any construction contract or demolition services contract funded in whole or in part by a Federal grant or appropriation requiring compliance with the Davis-Bacon Act, *40 U.S.C. §§ 3141* through 3148, and the regulations promulgated thereunder (the "Davis-Bacon Act"), including construction or demolition contracts funded through the issuance of Qualified School Construction Bonds under the American Recovery and Reinvestment Act of 2009 (see *26 U.S.C. § 54F*), shall require compliance with and shall include provisions as required by the Davis-Bacon Act. The district shall be responsible to monitor and assure compliance with applicable Davis-Bacon Act requirements.

(f) The Authority may impose such other conditions as may be necessary and appropriate to implement the laws of the State and effectuate the purpose and intent of the Act.

§ 19:34B-6.4 District procurement of construction manager

(a) In the event that the Authority has not engaged a construction manager for the project prior to the execution of the grant agreement, and upon the Authority's issuance to the school district of an authorization to proceed with the procurement of a construction manager, the district shall seek to procure a construction manager pursuant to the terms of the PSCL.

(b) The construction manager with whom the district contracts, and its subconsultants, must be prequalified by the Authority if such prequalification would be required for the performance of similar services on an Authority-managed school facilities project.

(c) The school district shall include in its bid documents the statement that its ability to enter into a contract shall be contingent upon the receipt of an executed grant agreement from the Authority.

(d) The district shall procure and engage the construction manager utilizing the form of construction manager agreement prepared by the Authority. The district shall forward to the Authority all proposals received from prospective construction manager firms for review and approval. Upon approval by the Authority of the district's selection of a construction manager, and upon the Authority's approval of the proposed fee for the construction manager as an approved cost, the grant shall be adjusted to include the amount of the construction manager's fee.

§ 19:34B-6.5 Remediation services as part of construction contract

(a) The Authority shall perform any necessary remediation to prepare a site for construction. The Authority may also delegate to the district, in accordance with *N.J.A.C. 19:34B-2.3*, certain remediation services or activities that are necessary to be undertaken during the construction of the school facilities project. All such remediation services or activities delegated to the district and occurring during the construction of the school facilities project shall be performed under the supervision of a Licensed Site Remediation Professional retained by the Authority, and shall be consistent with the Remedial Action Work Plan for the property. Remediation activities that are necessary as part of long-term stewardship obligations of the district as owner of the project site, and which occur after the completion of construction and either the Authority's transfer of occupancy to the district or after the transfer of the project site property to the district, shall be performed under the supervision of a Licensed Site Remediation Professional retained by the district.

(b) If the Authority determines to delegate remediation services to the district as part of the construction contract, the district shall comply with any and all local, State, and Federal standards or requirements for the performance of such activities, and shall be responsible for obtaining all reports and any required governmental approvals and/or permits.

(c) The district shall be responsible for, and shall require its contractors to be responsible for, documenting and tracking the nature and costs of any remediation services performed by contractors or consultants engaged or managed by the district. Such remediation services shall be documented and tracked separately from other construction activities and costs, and shall be tracked with reference to the lot and block designation of the parcels on which such remediation activities occur. Where remediation activities extend beyond the boundaries of a single tax lot, the costs of such activities shall be apportioned between the affected tax lots, and documented and tracked accordingly.

§ 19:34B-6.6 Remediation services as part of demolition services contract

(a) Upon the Authority's determination, in accordance with *N.J.A.C. 19:34B-2.3*, to delegate demolition services, if the services delegated include the removal of an underground storage tank, the Authority may either undertake or delegate to the district the associated remediation of soil impacted by a discharge from the tank. All such remediation services or activities delegated to the district and occurring during demolition activities in advance of construction of the school facilities project shall be performed under the supervision of a Licensed Site Remediation Professional retained by the Authority, and shall be consistent with the Remedial Action Work Plan for the property. Remediation activities that are necessary as part of long-term stewardship obligations of the district as owner of the project site, and which occur after the completion of construction and either the Authority's transfer of occupancy to the district or after the transfer of the project site property to the district, shall be performed under the supervision of a Licensed Site Remediation Professional retained by the district.

(b) If the Authority determines to delegate remediation services to the district as part of the demolition services contract, the district shall comply with any and all local, State, and Federal standards or requirements for the performance of such activities, and shall be responsible for obtaining all reports and any required governmental approvals and/or permits.

(c) The district shall be responsible for, and shall require its contractors to be responsible for, documenting and tracking the nature and costs of any remediation services performed by contractors or consultants engaged or managed by the district. Such remediation services shall be documented and tracked separately from other construction activities and costs, and shall be tracked with reference to the lot and block designation of the parcels on which such remediation activities occur. Where remediation activities extend beyond the boundaries of a single tax lot, the costs of such activities shall be apportioned between the affected tax lots and documented and tracked accordingly.

§ 19:34B-7.1 General requirements

(a) The district shall, with all due diligence, proceed to manage the delegated portion of the school facilities project in accordance with the plans and specifications, as applicable. The school facilities project shall be constructed in conformity with the New Jersey Uniform Construction Code, *N.J.A.C. 5:23*, and the Department's rules governing educational facility planning standards at *N.J.A.C. 6A:26-6.2*.

(b) The district shall continually monitor the performance of the delegated portion of the school facilities project to ensure that time schedules and the grant budget are being met and that the completion of the delegated portion of the school facilities project will occur in a timely, efficient and cost-effective manner.

(c) The district shall supply to the Authority certain certifications in the form and at the times specified in and required by the grant agreement. Such certifications may include, without limitation: certifications by the school business administrator upon either award of a contract or substantial or final completion of the construction contract or both; tax certifications by the district as may be required by the Authority or the NJEDA to ensure the tax-exempt status of NJEDA bonds; and such other certifications as may be specified in the grant agreement.

(d) In the event that a contracted party defaults under any contract, or in the event of a breach of warranty with respect to any contract, the district shall reasonably exhaust the remedies against the defaulted contracted party and against each such surety for the performance of such contracts.

§ 19:34B-7.2 Avoidance and redress of fraud and other unlawful or corrupt practices

(a) The district shall administer monies pursuant to this chapter, the grant agreement and any contracts entered into in connection with a school facilities project free from bribery, graft and corrupt practices. The district has the primary responsibility for the prevention, detection and cooperation in the prosecution of any such conduct. The Authority shall have the right to pursue administrative or other legally available remedies in the event it suspects the occurrence of such conduct.

(b) The district shall diligently pursue judicial and administrative remedies and take any other appropriate remedial action with respect to any allegations or evidence of such illegality or corrupt practices. The district shall immediately notify the Authority and the State Comptroller in writing when any such allegation or evidence comes to its attention and shall periodically advise the Authority and the State Comptroller in writing of the status and ultimate disposition of any related matter.

§ 19:34B-7.3 Performance evaluation policy and procedure

The Authority may establish and maintain a consultant and contractor performance evaluation policy and procedure. The performance of any consultants and contractors engaged by the school district for the delegated portion of the school facilities project shall be evaluated by the district at the times and in the form and manner specified by the Authority. This evaluation shall consider, among other things, the consultant's and contractor's ability to deliver and complete the school facilities project within the specified time frame established by the construction contract, within the final eligible costs and local share, if any, as determined by the Department, and consistent with the requirements of the contracts.

§ 19:34B-7.4 Disclosure and publicity

(a) Submissions received by the Authority under this chapter which are government records as defined in the Open Public Records Act, P.L. 2001, c. 404, shall be made available to persons who request their release as provided by State law.

(b) Press releases and other public dissemination of information by the school district concerning the school facilities project shall acknowledge Department approval and Authority financial assistance when such assistance is provided.

§ 19:34B-7.5 Access and record retention

(a) The Authority and the district shall make available records and accounts pertaining to school facilities projects undertaken by the school district to the State Comptroller and the State Auditor in their investigations, examinations and inspections of the activities related to the financing and undertaking of school facilities projects. The Authority shall also cooperate, upon request, in sharing information with other entities.

(c) The Authority shall keep those records and accounts and shall require all contracted parties to keep those records and accounts for the school facilities project as necessary in order to evidence compliance with the Act and all applicable regulations and requirements. Such records shall be retained for 10 years following completion of the school facilities project and any additional period required for the resolution of litigation, claims or audit findings.

Resolution—7g.

Extension of Existing Regulations: Notice of Re-adoption (without Amendments) --
Delegation of School Facilities Projects N.J.A.C. 19:34B

Resolution

WHEREAS, P.L. 2007, 137 (N.J.S.A. 52:18A-238(k)) requires that the Members of the New Jersey Schools Development Authority (SDA or the Authority) adopt, amend and repeal rules and regulations to carry out the provisions of P.L. 2000, c. 72 (C. 18A:7G-13e) and P.L. 2007, c. 137 (C. 52:18A-238k) and

WHEREAS, on April 4, 2012 the Members of the SDA Board approved for final adoption regulations for the Delegation of School Facilities, N.J.A.C. 19:34B (the Rules); and

WHEREAS, the Rules were formally published in the New Jersey Register on May 21, 2012 and were due to expire on May 21, 2019; and

WHEREAS, the Rules provide the framework for SDA school districts to manage their school facilities projects, as fully described in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, State agencies and authorities may utilize a Notice of Re-adoption (NOR) process to seek additional time to review or modify existing rules, or to ensure that underlying rules do not expire while the agency pursues substantive amendments through the normal proposal, publication, public comment and adoption process; and

WHEREAS, due to the expiration of the Rules on May 21, 2019, a NOR has been sent to the Office of Administrative Law to meet the statutory 30-day filing requirement, but processing of the re-adoption and extension is suspended pending the Board's ratification of the Notice; and

WHEREAS, management is seeking Board ratification of the filing of the NOR to extend the expiration of the Rules, an expedited process that permits regulations to be re-adopted without amendments, and without prior publication or public comment; and

WHEREAS, while the NOR process effectuates the re-adoption of rules and, therefore, automatically extends the rules for the normal seven-year rule duration, it is the intention of management to act expeditiously to develop any amendments needed to correct or improve the Rules, and to submit any proposed amendments to external entities for review and validation, before seeking approval from the Board for a proposed re-adoption with amendments to the Rules; and

WHEREAS, SDA management recommends that the Members ratify the Authority's use of the NOR process to effectuate the re-adoption and extension of the Rules consistent with the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby ratify SDA management's use of the Notice of Re-adoption process to effectuate the re-adoption and extension of the N.J.A.C. 19:34B Delegation of School Facilities Projects Rules, through the filing of a Notice of Re-adoption with the Office of Administrative Law, which, upon ratification, will be processed for publication in the New Jersey Register.

BE IT FURTHER RESOLVED, that this re-adoption and extension will permit further review of the existing rules, consideration of any needed amendments, and an opportunity to secure required external reviews of any proposed modifications before proceeding with a full proposal and adoption of any such amendments.

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, Extension of Existing Regulations, Notice of Re-adoption (without Amendments), N.J.A.C. 19:34B, Delegation of School Facilities Projects, dated June 5, 2019
Dated: June 5, 2019

**REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE
(CHAIRMAN'S REPORT)**

**APPROVAL OF AWARD - EXTENSION OF STATE-WIDE PROPERTY
MANAGEMENT AND MAINTENANCE SERVICES - GP-0218-R01**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

To: Members of the Authority

From: Sean Murphy, Director-Procurement

Date: June 5, 2019

Subject: Extension of State-Wide Property Management and Maintenance Services Agreement, Contract No. GP-0218-R01

At the May 6, 2015 NJSDA Board Meeting, the Members approved the award of a contract for State-Wide Property Management and Maintenance Services (Contract No. GP-0218-R01) to Bluegrass Hydro-Seeding, L.L.C., d/b/a Bluegrass Services for an initial contract term of three (3) years with an option by the NJSDA to extend the agreement for one additional year. On March 7, 2018, the Members approved the one-year extension, thus extending the term of the agreement through May 31, 2019. Additionally, the Members established a not-to-exceed value of \$700,000.00 for the requisite Property Management and Maintenance Services during the extended term. The total estimated payments for the extended term are currently anticipated to total approximately \$380,000.00, therefore leaving an unused balance of approximately \$320,000.00.

It was initially anticipated that a new agreement for State-Wide Property Management and Maintenance Services would be in place upon expiration of the current agreement on May 31, 2019; however, NJSDA Executive Management canceled the procurement process on May 2, 2019 in order to make necessary modifications to the Request for Proposals ("RFP"). The modified RFP was advertised beginning on May 3, 2019. NJSDA Procurement Staff currently anticipate completing the re-advertised procurement process and making an award for a new agreement, subject to NJSDA Board approval, with an effective date of September 1, 2019. Accordingly, NJSDA Executive Management has determined that an extension of the term of the current agreement is now warranted. Therefore, after consulting with NJSDA Chairman Robert Nixon, the current agreement was amended on May 6, 2019, as follows, in order to avoid a gap in State-Wide Property Management and Maintenance Services:

- (a) The term of the Agreement was extended for a period of three (3) months from June 1, 2019 through August 31, 2019 (the "Extended Term"). The provisions of Section C of the Scope of Services annexed to the Agreement as Appendix B shall remain in full force during the Extended Term;
- (b) During the Extended Term Bluegrass Services shall be compensated for "Property Management and Maintenance Services" in the monthly lump sum amount of \$23,904.00. Furthermore, the NJSDA may continue to draw down upon the unused portion of the not-to-exceed amount for property management services and property maintenance services, including pass-through costs for maintenance services provided by third parties, during the Extended Term;
- (c) Additionally, during the Extended Term the NJSDA may continue to draw down upon the unused portion of the not-to-exceed contingency amount for occasional maintenance services in connection with NJSDA Capital Projects. Any such maintenance services shall be performed by an Approved Vendor pursuant to a Work Order within the meaning of such terms under said Scope of Services; and

Members of the Authority

June 5, 2019

Extension of State-Wide Property Management and Maintenance Services Agreement

Page 2

- (d) The NJSDA shall have the right to terminate the Agreement at any time during the Extended Term by giving Bluegrass Services a Notice of Termination in accordance with the provisions of Section 6.1 of the Agreement.

The NJSDA has determined not to increase the not-to-exceed amounts with this extension of duration. Thus, this extension of the contractual term had no effect upon the contractual not-to-exceed value, and by itself does not represent an additional commitment of funds by the NJSDA.

Recommendation:

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Board approval is required of contract extensions for Board approved term contracts, regardless of the dollar amount. Accordingly, Executive Management is requesting that the Members ratify the contract amendment dated May 6, 2019 that extended the term of the State-Wide Property Management and Maintenance Services agreement through August 31, 2019. As discussed above, the extension of the contractual term had no effect upon the contractual not-to-exceed value, and by itself does not represent an additional commitment of funds by the NJSDA.

Resolution—8a.

Extension of State-Wide Property Management and Maintenance Services
Contract GP-0218-R01

Resolution**8**

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that the Members of the Authority approve extensions of the term of Board-approved contracts; and

WHEREAS, in May 2015, the Members of the Authority approved the award of a contract for State-Wide Property Management and Maintenance Services (the services) to Bluegrass Hydro-Seeding LLC (Bluegrass); and

WHEREAS, the services provided by Bluegrass to SDA are described in detail in the memorandum presented to the Board on this date; and

WHEREAS, the initial term of the contract with Bluegrass was for a period of three (3) years expiring on May 31, 2018; and

WHEREAS, the contract provided for a one-year extension of the initial term for the provision of the services, with such option to be exercised at the sole discretion of the SDA; and

WHEREAS, in March 2018, the Members of the Authority approved the exercise of the one-year extension with a term expiring May 31, 2019 and authorized the expenditure of a maximum of \$700,000 over the one-year extension period; and

WHEREAS, the total estimated payments for the extended term are currently anticipated to equal \$380,000, leaving a current unused balance of approximately \$320,000; and

WHEREAS, in 2019 management initiated a procurement for a new engagement for the services but, as described in the memorandum presented to the Board, that procurement was canceled and has been re-advertised; and

WHEREAS, on May 6, 2019, to avoid a gap in the availability of the services, management negotiated an extension of its current contract for a three month term expiring August 31, 2019; and

WHEREAS, management recommends that the Members of the Authority ratify the May 6, 2019 contract amendment through August 31, 2019; and

WHEREAS, the extension of the contract, by itself, does not represent an additional commitment of SDA funds.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby ratify the contract amendment dated May 6, 2019 that extended the term of the State-wide Property Management and Maintenance contract (GP-0218-R01) with Bluegrass Hydro-Seeding LLC, consistent with the provisions of the memorandum presented to the Board on this date.

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, Extension of State-Wide Property Management and Maintenance Services, Contract GP-0218-R01, dated June 5, 2019

Dated: June 5, 2019

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: June 5, 2019

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 Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.



2011 & 2012 Portfolio Projects Activities Summary

as of 5/20/19

2011 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	645	\$23.3	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Bock)	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	795	\$39.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Bock)	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Existing Design	School occupied Sep. 2016. (Patock)	12/8/11 7/11/12
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	\$54.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	Dr. Maya Angelou PS #20	K-5	628	698	\$49.3	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Existing Design	School occupied Sep. 2014. (Terminal Construction)	12/20/11
New Brunswick	Redshaw ES	PK-5	906	990	\$51.2	Kit of Parts/ Design-Build	School occupied Jan. 2015. (Hall Construction)	5/29/12
Newark	Oliver St. ES	PK-8	848	932	\$73.6	Kit of Parts/ Design-Build	School occupied May 2016. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	6/13/12 2/12/13
Paterson	PS 16	PK-8	641	705	\$62.4	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	814	\$16.8	Design-Bid-Build	School occupied Sep. 2017. (Paul Otto)	2/27/12 12/29/15

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



2011 & 2012 Portfolio Projects Activities Summary

as of 5/20/19

2012 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	763	\$65.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Terminal)	3/4/14
Keansburg	Caruso ES	K-4	758	842	\$50.9	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	318	\$25.8	Design-Bid-Build	Revised Planning Charter approved Aug. 2017 Board.	2 QTR 19
New Brunswick	Robeson ES	PK-5	823	893	\$48.5	Kit of Parts/ Design-Build	School occupied Sep. 2018 (Hall Construction)	4/22/15
Newark	Elliot Street ES	PK-8	848	932	\$46.7	Kit of Parts/ Design-Build	School occupied Jan. 2016. (Hall Construction)	12/27/12
Newark	South Street ES	PK-8	597	657	\$69.9	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock)	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	\$240.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2017 Board. (Terminal)	6/13/17
Phillipsburg	High School	9-12	1,846	2,172	\$127.5	Existing Design	School occupied Sep. 2016. (Epic Management)	9/27/12
West New York	Memorial HS	9-12	1,859	2,194	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work delegated to District via Grant.	n/a

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



2011 & 2012 Portfolio Projects Activities Summary

as of 5/20/19

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

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
East Orange	Sheila Y. Oliver Academy (GW Carver ES)	PK-5	470	512	\$41.2	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2017 Board. (Dobco)	4/26/16 1/20/17
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$55.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Torcon)	6/9/14
Garfield	James Madison ES	K-5	275	305	\$29.7	Existing Design	School occupied Sep. 2018. (Brockwell & Carrington)	2/19/14 6/30/15
Harrison	New ES	PK - 1	392	432	\$36.1	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2016 Board. (Brockwell and Carrington)	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	504	\$38.6	Kit of Parts/ Design-Build	Award for D-B approved Dec. 2016 Board. (Bock)	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	\$137.5	Design-Build	Award for D-B approved Apr. 2017 Board. (Hall Construction)	9/30/16
Passaic	New ES @ Leonard Place	K-5	628	698	\$55.9	Kit of Parts/ Design-Build	Award for D-B approved Dec. 2015 Board. (Dobco, Inc.)	8/13/15
Paterson	New MS @ Union Ave.	6-8	996	1107	\$113.9	Design-Build	Award for D-B approved Sep. 2018 Board. (Epic Management)	3/2/17 4/26/18
Pemberton	Denbo-Crichton ES	PK-5	846	930	\$58.7	Design-Build	Award for D-B approved Jan. 2018 Board. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,304	\$234.4	Design-Build	Advertisement for D-B 3/26/19. Proposals Due July 2019.	3/26/19
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Kit of Parts/ Design-Build	Award for D-B approved Jul. 2016 Board. (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	839	\$62.0	Kit of Parts/ Design-Build	ESP ROA approved Aug. 2018 Board.	5/23/18 2 QTR 19
Union City	New Grade 7 to 9 School	7-9	756	840	\$64.2	Kit of Parts/ Design-Build	Preliminary Charter approved Mar. 2017 Board.	TBD
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock).	9/24/15

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



2011 & 2012 Portfolio Projects Activities Summary

as of 5/20/19

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	1,468	\$132.6	Design-Build	Award for D-B approved Aug. 2018 Board. (Bock)	6/9/17 3/23/18
Hoboken	Demarest ES	ES	TBD	TBD	TBD	Design-Bid-Build	Pre-Design Services ongoing.	TBD
Orange	Cleveland St. ES	PK-6	316	348	\$33.2	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Brockwell & Carrington)	9/10/18 11/14/18
Orange	High School	9-12	1,440	1,694	\$51.9	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Terminal)	10/12/18
Trenton	Central HS	10-12	1,850	2,176	\$155.4	Design-Build	Award for D-B approved Mar. 2016 Board. (Terminal)	12/19/14 9/29/15

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



Active Project Status Report Status as of 5/1/2019

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Camden	New Camden High School	New Construction	Construction	3Q 2021	On-target	Sep-21	On-target	\$ 132,569,255
2	City of Orange	Cleveland Street ES	Addition/Renovation	Constructability Review	2Q 2021	On-target	Sep-21	On-target	\$ 33,243,608
3	City of Orange	Orange High School	Addition/Renovation	Constructability Review	1Q 2022	On-target	Phased	On-target	\$ 51,931,218
4	East Orange	New GW Carver ES	New Construction	Construction	4Q 2019	On-target	Sep-20	On-target	\$ 41,179,670
5	Harrison	New Elementary School	New Construction	Construction	1Q 2020	On-target	Sep-20	On-target	\$ 36,115,640
6	Irvington	New Madison Ave ES	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 38,589,795
7	Millville	Millville Senior High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 137,503,832
8	Passaic City	New ES at Leonard Place	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 55,884,039
9	Passaic City	New Dayton Avenue Educational Campus	New Construction	Construction	2Q 2022	On-target	Sep-22	On-target	\$ 240,923,270
10	Paterson	New Union Ave MS	New Construction	Design-Build Design Phase	2Q 2021	On-target	Sep-21	On-target	\$ 113,902,274
11	Perth Amboy	New Seaman Ave ES	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 56,435,971
12	Pemberton	New Denbo ES	New Construction	Construction	1Q 2021	On-target	Sep-20	On-target	\$ 58,703,414
13	Trenton	New Central HS	New Construction	Construction	2Q 2019	On-target	Sep-19	On-target	\$ 155,404,000



**Active Project Status Report
Status as of 5/1/2019**

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Newark	Marin School	HVAC Repairs	GC TO w/ Design	2Q 2019	On-Target	1Q 2019	On-Target	\$ 204,000
2	Newark	Hawkins School	Chimney Repairs	GC TO w/ Design	3Q 2019	On-Target	3Q 2019	On-Target	\$ 637,888
3	Newark	Wilson School Annex	Chimney Repairs	GC TO w/ Design	3Q 2019	On-Target	3Q 2019	On-Target	\$ 211,386
4	Paterson	New Roberto Clemente	HVAC & Corrective Work	GC TO w/ Design	2Q 2019	Achieved	2Q 2019	On-Target	\$ 2,528,884
5	Plainfield	Plainfield High School	Structural Repairs - Stairs	GC TO w/ Design	3Q 2019	On-Target	4Q 2019	On-Target	\$ 1,202,774

PROJECT CLOSEOUT STATUS REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

To: Members of the Authority
From: /s/ Ayisha Cooper, Vendor Services Analyst
Date: June 5, 2019
Subject: Project Close-Out Status Report

The attached report provides a status of the following:

- All SDA managed Capital Plan projects which have achieved school occupancy but have not yet been contractually and administratively closed
- All SDA managed Emergent projects which are either (1) currently active, or (2) complete yet have not been contractually and administratively closed
- Projects which have achieved project transfer to the district yet have outstanding open contracts
- A running total of all school facilities projects, health and safety contracts, and suspended design contracts which have been closed

Projects closed since the last report will appear highlighted.



SPECIAL PROJECTS DIVISION					
PROJECT STATUS REPORT - As of May 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Bridgeton					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
2017	0540-100-13-0ACO	Quarter Mile Lane Elementary School			
Burlington City					
2007	0600-020-01-0957	New High School	Project Transferred	12/29/11	Open contract(s) - Legal matter pending
Camden					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Project Transferred	01/09/12	Open contract(s) - Pending audit completion
2009	0680-350-01-0938	HB Wilson Elementary School	Project Transferred	04/14/10	Open contract(s)
2009	0680-190-01-0927	Dudley Elementary School	Project Transferred	02/06/12	Open contract(s)
Cumberland					
2009	0997-030-02-0926	Cumberland Regional High School	Project Transferred	06/25/10	Open contract(s) - Legal matter pending
Egg Harbor City					
2010	1300-X01-04-0ADY	New Middle School	Project Transferred	01/01/12	Open contract(s)
Egg Harbor Township					
2011	1310-005-04-0AEB	Egg Harbor Township High School			
Elizabeth					
Legacy	1320-X06-01-0866	#30 Ronald Reagan Academy	Project Transferred	07/09/12	Open contract(s) - Legal matter pending
2013	1320-240-03-0339	Victor Mravlag Elementary School # 21			
2016	1320-x07-01-0867	Frank J. Cicarell Academy (New Academic HS)			
2017	1320-N20-13-0AEG	Halloran Elementary School	Project Transferred	06/12/18	Open contract(s)
Garfield					
2007	1700-N01-02-0114	Garfield Middle School	Closed		
2018	1700-205-03-0315	James Madison Elementary School #10			
Gloucester City					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Project Transferred	06/05/09	Open contract(s)
2017	1770-N01-03-0188	Gloucester City Middle School	Project Transferred	04/17/18	Open contract(s)
Harrison					
2007	2060-X01-01-0832	New Harrison High School	Closed		
Jersey City					
Legacy	2390-N01-99-0227	New Elementary School #3 (Frank R. Conwell ES #3)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
Legacy	2390-N02-99-0228	Jersey City Middle School # 4 (Frank R. Conwell MS #4)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
2016	2390-190-01-0581	New Public School #20	Project Transferred	08/11/17	Open contract(s) - Legal matter pending
2017	2390-X03-01-0587	Patricia M. Noonan ES (New PS #3)	Project Transferred	12/14/17	Open contract(s) - Legal matter pending
2007	2390-N03-99-0147	Heights Middle School #7			
Keansburg					
2016	2400-E01-02-0116	New Caruso Elementary School	Project Transferred	08/13/18	Open contract(s)

SPECIAL PROJECTS DIVISION					
PROJECT STATUS REPORT - As of May 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Long Branch					
2008	2770-X03-01-0635	Long Branch High School & Athletic Fields	Project Transferred	12/07/12	Open contract(s) - Legal matter pending
New Brunswick					
2018	3530-123-03-1034	Paul Robeson Community Elementary School	Project Transferred	10/23/18	Open contract(s)
Newark					
Legacy	3570-X01-01-0617	Science Park	Project Transferred	05/03/13	Open contract(s) - Legal matter pending
2008	3570-X03-01-0665	Central High School	Project Transferred	03/28/12	Open contract(s)
2010	3570-X07-01-0693	Speedway Elementary School	Project Transferred	10/21/15	Open contract(s)
2016	3570-590-02-0315	Oliver Street Elementary School	Project Transferred	05/18/17	Open contract(s)
2018	3570-640-02-0311	South Street ES			
Passaic					
2015	3970-X01-01-X760	New Henry Street Elementary School			
Paterson					
Legacy	4010-N02-02-0393	Roberto Clemente Elementary School	Project Transferred	04/12/13	Needed repairs being addressed
2016	4010-N09-04-00HP	New Public School #16	Project Transferred	07/31/17	Open Contract(s)
2016	4010-N01-02-0169	Dr. Hami Awadallah School (New Marshall Street ES)	Project Transferred	03/15/18	Open Contract(s)
2008	4010-S01-02-0101	International High School			
2008	4010-270-02-0608	#24 Elementary School			
Pemberton					
2011	4050-E01-02-0082	Pemberton Early Childhood Education Center	Project Transferred	02/01/13	Open contract(s)
Phillipsburg					
2016	4100-X01-99-0464	New High School	Project Transferred	06/07/18	Open contract(s)
Union City					
2012	5240-N03-02-0397	Columbus Elementary School	Closed		
Vineland					
2018	5390-N02-02-0245	Lincoln Avenue Middle School			
West New York					
2009	5670-065-01-0559	Elementary School #2	Project Transferred	05/14/13	Open contract(s) - Legal matter pending
2012	5670-070-01-0556	West New York #3	Project Transferred	01/29/14	
2017	5670-100-12-0AEE	Harry L. Bain E.S.			
Capital and Demonstration Projects Totals					
Total Capital and Demonstration			151		
Closed Capital and Demonstration Projects			110		
Capital and Demonstration Projects Not Closed			41		
Capital and Demonstration Projects Not Closed, Project Transferred			26		
			Legal Matter	10	
			Pending Audit	1	
			Miscellaneous	15	

SPECIAL PROJECTS DIVISION					
PROJECT STATUS REPORT - As of May 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Emergent Projects					
Camden					
	0680-170-12-0ACF	Cramer Elementary School			
Irvington					
	2330-090-12-0ACT	Chancellor Avenue Elementary School	Project Transferred	3/20/2018	Open contract(s)
Paterson					
	4010-N02-12-0ABX	Roberto Clemente ES			
Salem					
	4630-090-17-0AEQ	Salem Middle School	Project Transferred	10/18/18	Open contract(s)
Trenton					
	5210-080-12-0ABZ	Hedgepeth-Williams School	Project Transferred	03/01/18	Open contract(s)
Vineland					
	5390-050-12-0ACK	Vineland High School South			
Emergent Project Totals					
Total Emergent Projects			73		
Emergent Projects Closed			67		
Emergent Projects Not Closed			6		
Emergent Projects Not Closed but Transferred			2		
Health and Safety Contract Totals					
Total Contracts			399		
# of Contracts Closed			394		
# of Open Contracts			5		
Open Design Contracts					
Total Contracts			109		
# of Contracts Closed			98		
# of Open Contracts			11		

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: June 5, 2019

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

Projects that have Expended 75% or More of Board Approved Contingency:

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to April 30, 2019

District	Project	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ¹	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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In Construction

NO DATA TO REPORT

Substantially Complete & Building Occupied

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

Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
New Brunswick	Paul Robeson Community ES	\$1,599,650	\$2,180,000	\$0	100.0%	99%	Unforeseen structural repairs. On Oct. 4, 2017 Change Order No. 1 for the value of \$2,180,000 was approved by the Member to address unforeseen structural repairs to the existing Robeson ES which served to fully exhaust the project contingency.	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,313,389	\$302,731	93.4%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

¹ 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: April 2019

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



Revisions to Project Charters

Reporting Period: April 2019

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
No Activity During the Reporting Period							

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: June 5, 2019

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 April 1 through April 30, 2019.

Noteworthy Items during the reporting period:

- Execution of 1 General Construction contract for the Orange HS Addition & Renovation project to Terminal Construction – \$37,000,000.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period April 1 through April 30, 2019.

Noteworthy Items during the reporting period:

- Execution of 6 Professional Services Amendment totaling a credit of \$84k, of the 6 executed amendments none required board approval.
- Execution of 8 Construction Services Change Orders totaling \$41k, of the 8 executed change orders none required board approval.

Report of change orders less than \$10,000 yet requiring Board Approval

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report



Contracts Executed Report

Reporting Period: 4/1/2019 through: 4/30/2019

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										
City Of Orange Township	Orange H.S.	RenoAdd	Construction	ES-0042-C01	Terminal Construction Corp.		\$37,000,000	4/29/2019		\$35,597,000
Contractor										
Part 2. Construction Services							\$37,000,000			\$35,597,000



Contracts Executed Report

Reporting Period: 4/1/2019 through: 4/30/2019

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										
Others										
Irvington Township	Madison Avenue E.S.	New	FFE	ES-0027-F05	Diversified Storage Solutions, Inc.		\$17,917	04/10/2019	-	
Irvington Township	Madison Avenue E.S.	New	FFE	ES-0027-F06	Diversified Storage Solutions, Inc.		\$209,759	04/10/2019	-	
Irvington Township	Madison Avenue E.S.	New	FFE	ES-0027-Q08	Brodart Co		\$97,210	04/30/2019	-	
Passaic City	New ES at Leonard Place	New	FFE	NT-0050-F07	Diversified Woodcrafts, Inc.		\$15,705	04/02/2019	-	
Passaic City	New ES at Leonard Place	New	FFE	NT-0050-F08	Hann Manufacturing, Inc.		\$15,705	04/03/2019	-	
Passaic City	New ES at Leonard Place	New	FFE	NT-0050-K23	Keyboard Consultants		\$19,884	04/18/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-F01	Diversified Storage Solutions, Inc.		\$14,571	04/11/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-F02	Diversified Storage Solutions, Inc.		\$85,106	04/15/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-F03	Diversified Storage Solutions, Inc.		\$192,537	04/30/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-F04	Diversified Storage Solutions, Inc.		\$180,230	04/30/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-F05	Diversified Storage Solutions, Inc.		\$183,896	04/30/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-K03	Washington Computer Services		\$243,214	04/08/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-K05	Data Industries, Ltd.		\$388,675	04/26/2019	-	
Perth Amboy	Seaman Avenue School	New	FFE	ET-0031-Q01	Indiana Furniture Industries, Inc.		\$15,118	04/12/2019	-	
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F15	Diversified Storage Solutions, Inc.		\$142,460	04/01/2019	-	
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F16	Diversified Storage Solutions, Inc.		\$159,729	04/02/2019	-	
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F17	Diversified Storage Solutions, Inc.		\$132,309	04/02/2019	-	
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F18	Diversified Storage Solutions, Inc.		\$259,633	04/02/2019	-	
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F19	Diversified Storage Solutions, Inc.		\$188,009	04/04/2019	-	



Contracts Executed Report

Reporting Period: 4/1/2019 through: 4/30/2019

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	
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F20	Diversified Storage Solutions, Inc.		\$257,076	04/22/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F21	Diversified Storage Solutions, Inc.		\$233,265	04/24/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-F22	Diversified Storage Solutions, Inc.		\$73,769	04/26/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K26	Washington Computer Services		\$481,622	04/09/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K27	Washington Computer Services		\$340,010	04/09/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K28	Washington Computer Services		\$80,006	04/09/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K29	Washington Computer Services		\$414,900	04/10/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K30	Washington Computer Services		\$450,218	04/10/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K31	Washington Computer Services		\$449,202	04/10/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K32	Washington Computer Services		\$302,338	04/10/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K33	Apple Inc.		\$377,067	04/12/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K34	Datamation Systems Inc		\$94,050	04/12/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K35	DynTek Services, Inc.		\$131,027	04/18/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K36	MRA International, Inc.		\$53,681	04/18/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K38	DynTek Services, Inc.		\$819,063	04/22/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K39	Washington Computer Services		\$35,683	04/22/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-Q19	Indiana Furniture Industries, Inc.		\$21,868	04/18/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-Q21	Community Products LLC dba Community Playthings		\$20,316	04/26/2019	-		
Others											
Part 4. Other Contracts & Services								\$7,196,826			
								Total Contract Award			Total Contracts Awarded
Grand Totals - Professional and Construction Services Combined								\$44,196,826			38



Contracts Executed Report

Reporting Period: 4/1/2019 through: 4/30/2019

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
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**** 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

Aquisition 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



Amendments & Change Orders Report

Reporting Period: 4/1/2019 through: 4/30/2019

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	
Professional Services														
Design Consultant														
City Of Orange Township	Cleveland Street E.S.	ES-0043-A01	9/3/2015	7	Lan Associates	4/11/2019	\$1,820,017	\$158,835	\$19,440			\$1,998,292	9.80%	
City Of Orange Township	Cleveland Street E.S.	ES-0043-A01	9/3/2015	8	Lan Associates	4/11/2019	\$1,820,017	\$178,275	\$3,865			\$2,002,157	10.01%	
City Of Orange Township	Cleveland Street E.S.	ES-0043-A01	9/3/2015	9	Lan Associates	4/22/2019	\$1,820,017	\$182,140	\$17,985			\$2,020,142	11.00%	
Garfield	New Middle School	NT-0001-A01	5/30/2003	18	MRM Architecture	4/9/2019	\$2,222,500	\$1,055,923	(\$53,752)			\$3,224,672	45.09%	
Long Branch	New H.S.	ET-0010-A01	3/4/2002	18	DLR Group	4/17/2019	\$2,839,000	\$1,915,448	(\$65,060)			\$4,689,388	65.17%	
West New York	Harry L. Bain E.S.	HU-0026-A01	10/21/2013	4	USA Architects	4/17/2019	\$1,315,988	(\$41,521)	(\$6,450)			\$1,268,017	-3.64%	
Design Consultant														
Professional Services														
									(\$83,972)					
Construction Services														
Contractor														
Camden City	Camden H.S.	CA-0022-C01	8/13/2018	2	Palmer West Associates, Inc. t/a A&J Construction	4/26/2019	\$155,192	\$12,360	(\$30,000)			\$137,552	-11.36%	
Garfield	James Madison Elementary School #10	NT-0014-C03	12/3/2015	23	Brockwell & Carrington Contractors, Inc.	4/15/2019	\$16,725,000	\$445,783	\$1,529			\$17,172,312	2.67%	
Irvington Township	Madison Avenue E.S.	ES-0027-B01	1/19/2017	4	Ernest Bock & Sons, Inc.	4/12/2019	\$26,800,000	(\$18,714)	\$3,059			\$26,784,344	-0.05%	
Newark	Luiz Munoz Marin ES/MS	EP-0102-C01	2/21/2018	2	Epic Management, Inc.	4/12/2019	\$143,847	\$0	\$13,750			\$157,597	9.55%	
Newark	South Street E.S.	NE-0003-B01	11/20/2015	5	Ernest Bock & Sons, Inc.	4/17/2019	\$36,885,000	(\$123,562)	\$41,751			\$36,803,189	-0.22%	
Passaic City	New ES at Leonard Place	NT-0050-B01	1/14/2016	5	Dobco, Inc.	4/29/2019	\$32,750,000	(\$472,865)	\$5,091			\$32,282,226	-1.42%	
Pemberton Township	Alexander Denbo E.S.	WT-0023-B01	2/14/2018	8	Ernest Bock & Sons, Inc.	4/15/2019	\$43,185,000	\$338,615	(\$7,500)			\$43,516,115	0.76%	
Perth Amboy	Seaman Avenue School	ET-0031-B01	8/15/2016	6	Epic Management, Inc.	4/17/2019	\$43,570,000	\$138,071	\$13,105			\$43,721,176	0.34%	
Contractor														
Construction Services														
									\$40,785					
										Total Change Order Summary		Total Change Orders		
Grand Totals										(\$43,187)		14		

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

CONTRACT TERMINATIONS REPORT *(no activity)*

SETTLEMENT CLAIMS *(no activity)*

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Aaron Goss /s/ Aaron Goss
Director, Business & Workforce Diversity
Office of the Chief of Staff

DATE: June 5, 2019

SUBJECT: Contractor and Workforce Compliance Monthly Update for March 2019

The Business & Diversity Management staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA's SBE goals, policies and procedures, including:

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

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

SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE MONITORING

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through March 31, 2019 was \$5,335,221. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$1,504,858 (including minorities, women and veterans). This represents 28.21% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ -0-	0.00%
Small/ Minority Business Enterprises	\$ -0-	0.00%
Small/Women Business Enterprises	\$ 1,504,858	28.21%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 1,504,858	28.21%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 June 5, 2019
 Page 2 of 3

WORKFORCE COMPLIANCE MONITORING

For the month of March 2019, there was a contractor workforce of 828 on SDA projects. This represents a total of 67,573 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	71	7,467	11.05%
Hispanic	130	11,308	16.73%
American Indian	1	32	0.05%
Asian	6	212	0.31%
Total Minority Participation	208	19,019	28.15%
Total Non-Minority Participation	620	48,554	71.85%

There was a contractor workforce of 192,022 total workforce hours and 2,635 total female workforce hours on SDA projects for the period of January 1, 2019 through March 31, 2019. The following table highlights the *Local County Contractor Workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	192,022	100.00%
*Total Local County Workforce Hours	22,101	11.51%
Total Local County Non-Minority Workforce Hours	10,428	5.43%
Total Local County Female Workforce Hours	533	0.28%
Total Local County Minority Workforce Hours	11,673	6.08%
**Local County Workforce Hours by Ethnicity:		
Black	7,533	3.92%
Hispanic	4,140	2.16%
American Indian	0	0.00%
Asian	0	0.00%

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

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

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 June 5, 2019
 Page 3 of 3

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, 2019 through March 31, 2019.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Camden, HS	886	282	32.00%	0	0.00%
East Orange, George W Carver ES	30,644	13,536	44.17%	5,649	18.43%
Harrison, New ES	11,748	2,870	24.43%	0	0.00%
Irvington, Madison Avenue ES	15,798	5,107	32.33%	5,462	34.57%
Millville, HS	12,554	3,253	25.91%	1,488	11.85%
Passaic, Leonard Place ES	12,096	1,496	12.37%	1,522	12.58%
Passaic, Dayton Ave ES	24,275	7,016	28.90%	1,884	7.76%
Pemberton, Denbo-Crichton ES	12,602	2,429	19.27%	374	2.97%
Perth Amboy, Seaman Avenue ES	24,074	3,585	14.89%	2,105	8.74%
Trenton, Central HS	41,906	10,857	25.91%	4,150	9.90%
Emergent Projects	5,423	2,899	53.46%	0	0.00%

Prepared by: Charlotte Brooks

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: June 5, 2019

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 April 2019. 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.
- 8 grants impacting 5 districts were closed out during the reporting period representing \$5.8M in total project costs and state share of \$2.0M.
- Since inception, over \$2.8B has been disbursed to 524 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.


STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY
 Monthly Regular Operating District Grant Report - Summary
 March 2019

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	3	524	514	140
Number of Grant Projects	5	5,410	4,874	536
Total Project Cost Estimate	\$ 5,024,267	\$ 8,957,238,593	\$ 8,393,287,270	\$ 563,951,322
Grant Amount	\$ 2,009,708	\$ 3,012,041,501	\$ 2,763,502,701	\$ 248,538,800
Amount Disbursed	N/A	\$ 2,879,701,840	\$ 2,763,502,701	\$ 116,199,139

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
---	------------------

Total ROD Grant Funding remaining for new Grant Projects	\$ 79,781,569
--	---------------

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

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	-	5
Number of Grant Projects	-	8
Total Project Cost Estimate	\$ -	\$ 5,764,369
Grant Amount	\$ -	\$ 2,033,579
Amount Disbursed	NA	\$ 2,033,579

* 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.

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

COMMUNICATIONS MONTHLY REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

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

MEMORANDUM

TO: Members of the Authority
FROM: /s/ Tony Bianchini, Director of Communications
DATE: May 22, 2019
SUBJECT: Monthly Communications Report

Annual and Bi-Annual Reports

The Communications Department is in the process of finalizing the 2018 Annual Report and Bi-Annual Report (Oct. 2018 to March 2019 reporting period). We delivered a near final draft to the Board in late May and plan to submit to State Legislature on May 31st. Once all annual report financials are finalized and audited, we plan to deliver a draft of the Annual Report to the Board of Directors for approval at the July board meeting.

Press Releases/Media

Since the last monthly communications report, the Communications Department developed and pitched the following press releases to the local/trade news media:

- April 18, 2019 - New Jersey Schools Development Authority Issues Advertisement of General Construction Services Task Order for Chancellor Avenue Elementary School in Newark
- May 10, 2019 - New Jersey Schools Development Authority Awards Construction Services Contract To Brockwell & Carrington Contractors Inc. for Cleveland Street Elementary School in Orange
- May 13, 2019 - New Jersey Schools Development Authority Awards Terminal Construction Corp. with Construction Services Contract for Orange High School
- May 15, 2019 - New Jersey Schools Development Authority Announces Request for Proposals for Property Management and Maintenance Services

The Communications Department is in the process of developing the following press releases and plans to release them publicly in late May/June.

- SDA Receives Temporary Certificate of Occupancy for Sonia Sotomayor School in Passaic
- Newark community gardens on SDA property
- Hawthorne School Field Day on SDA property
- Paul Robeson Community School for Arts Receives LEED Gold Certification
- North Main Street School emergent project in Pleasantville
- Emergent projects in Newark School District
- Forest Hill School emergent project in Camden

Communications Report

May 22, 2019

Page 2 of 3

SDA Project News Articles

1. April 15, 2019 – Camden Courier Post – Forum Thursday to Discuss New Camden High School – <https://www.courierpostonline.com/story/news/local/south-jersey/2019/04/15/forum-thursday-discuss-new-camden-high-school-sda-education-the-high/3476496002/>
2. May 3, 2019 – Nuestra Digital – sda-presenta-licitacion-para-diseno-y-construccion-de-high-school-en-perth-amboy – <https://nuestragente2010.wordpress.com/2019/05/03/sda-presenta-licitacion-para-diseno-y-construccion-de-high-school-en-perth-amboy/>
3. May 10, 2019 – Amboy Guardian – [New Jersey Schools Development Authority Advances New Perth Amboy High School with Advertisement for Design-Build Contract](https://www.amboyguardian.com/2019/05/10/new-jersey-schools-development-authority-advances-new-perth-amboy-high-school-with-advertisement-for-design-build-contract/) – <https://www.amboyguardian.com/2019/05/10/new-jersey-schools-development-authority-advances-new-perth-amboy-high-school-with-advertisement-for-design-build-contract/>

Website

The communications department continues to make improvements to the SDA website including:

- Updates to management bios
- Updates to all forecast and capital/emergent project webpages
- Implementation of Flickr on our webpage
- Ongoing updates to active project summary pages
- Updated mailing addresses on all SDA District webpages under Visit Your Project section.

Over the summer, we will be continuing to develop new and improve existing webpages.

Social Media

SDA continues to grow its social media followers since we launched these accounts in September. We now have more than 3,800 followers. You can read about SDA news, events, projects and contractors on a variety of Social Media platforms. Please follow us on: Facebook, Twitter, Instagram and Snapchat: @NewJerseySDA; and on LinkedIN: Search New Jersey Schools Development Authority.

Current Statistics (as of May 22)

- Facebook = 1,918 followers up from 1,560 followers reported at last month's meeting
- Twitter = 500 up from 443
- Instagram = 936 up from 871
- LinkedIN = 503 up from 499

Communications Report
 May 22, 2019
 Page 3 of 3

One notable social media post that received a significant amount of attention on Facebook is our recent project update photos on the Trenton Central High School project. See statistics below.

Post Details
✕

New Jersey Schools Development Authority

Published by NJ Schools Development Authority · April 17 · 🌐

Construction of the new Trenton Central High School continues. Take a look at some recent pictures of the progress including the mosaics installed in the front entryway, bleachers installed in the gym, chairs being installed in the auditorium and canopies at the entrances to the school.

✔ **Get More Likes, Comments and Shares**

Boost this post for \$100 to reach up to 23,000 people.

Boost Post

95,811

People Reached

53,456

Engagements

472

100 Comments, 1,379 Shares

Like

Comment

Share

Performance for Your Post

95,811 People Reached

6,065 Reactions, Comments & Shares

2,497 Like	288 On Post	2,209 On Shares
803 Love	159 On Post	644 On Shares
146 Haha	1 On Post	145 On Shares
186 Wow	33 On Post	153 On Shares
13 Sad	0 On Post	13 On Shares
2 Angry	0 On Post	2 On Shares
1,053 Comments	154 On Post	899 On Shares
1,382 Shares	1,379 On Post	3 On Shares

47,391 Post Clicks

22,848 Photo Views	0 Link Clicks	24,543 Other Clicks
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NEGATIVE FEEDBACK

12 Hide Post	3 Hide All Posts
0 Report as Spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: Members of the Authority

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

DATE: June 5, 2019

SUBJECT: Monthly Financial Report – April 2019

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, 3-1 and 4 of the report is a summary of the Authority’s operating expenditures. Page 5 contains a breakdown of the Authority’s headcount information by department. The basic financial statements follow on pages 6 and 7.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)

For April 2019 year to date, Authority operating expenses, **\$7.6 million**, are **\$655K** lower than budget for the *corresponding period*. The variance is directly related to lower year to date personnel costs, **\$375K** - the Authority is currently 14 FTEs under budget, primarily in the Design Studio (currently utilizing several contract employees to supplement existing staff) and Construction Operations. Additionally, lower than anticipated spending is related to facilities & general office expenses, **\$96K**, resulting in part to lower office rents due to the Newark space not being available for occupancy during the month of January (SDA paid no rent), and professional & contracted services **\$62K**.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Prior Year Actual)

For April 2019 year to date, Authority operating expenses, **\$7.6 million**, are **\$689K** higher when compared to the *corresponding prior year*. This variance is mainly due to the increase in personnel costs **\$496K**, primarily due to the 2018 restructuring. Additionally, increases related to the fit-out of the Newark space (removal and replacement of HVAC unit, security system, information systems wiring and cabling) **\$43K**, internet service provider costs **\$27K**, network maintenance expenses **\$88K**, and professional & contracted services **\$48K**, contributed to the variance.

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

For April 2019 year to date, project expenditures, **\$87.1 million**, are **\$12.6 million** lower than the capital spending forecast for the *corresponding period*. This variance is primarily a result of a **\$2.5M** cost recovery settlement as well as lower than forecasted expenditures for grant activity **\$11.7M** and school furniture purchases **\$4.8M**. These reductions are partially offset by an increase in construction activity **\$8.9M**.

Members of the Authority
June 5, 2019
Page 2

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

For April 2019 year to date, project expenditures, **\$87.1 million**, are lower by **\$10.1 million** when compared to the *corresponding prior year*. The variance is attributable to a **\$2.5M** cost recovery settlement as well as a spending decrease for grant activity **\$16.2M**, offset by an increase in construction work **\$9.5M**.

Other

Since program inception, 83.7% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception, 96% of all SDA disbursements relate to school facility projects and 4% relate to operating expense.

The *estimated value* of active school facilities projects is approximately \$1B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
April 2019
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

April 30, 2019

To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, April 30, 2019.

► Overall **Cash and Cash Equivalents** have decreased by \$91.8 million to \$448 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$	-
■ Investment earnings		3,865,889
■ Miscellaneous revenue		7,629
■ Project costs		(87,147,706)
■ SDA operating expenses		(8,535,795)
■ SDA capital expenditures		(225,720)
■ Deposits (primarily district local shares)		200,929
Net Change in Cash	\$	(91,834,774)

► **Prepaid Expenses** total \$521,791 as follows:

- Prepaid insurance of \$304,841.
- Prepaid rents of \$125,218 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$62,207.
- Other prepaids of \$29,525.

► **Capital Assets** total \$704,933 (net of accumulated depreciation of \$6,591,651), consisting of leasehold improvements (SDA offices), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$ 130,428 and **Depreciation Expense** is \$60,477.

► **Accrued Liabilities** total \$118.9 million, as follows:

- Accrued project costs of \$24.5 million consisting of unpaid invoices (\$7.3 million) and retainage (\$17.2 million).
- Accrued net pension liability of \$60.1 million (excludes 2018 GASB 68 entries).
- Post-employment benefits obligation of \$28.2 million (excludes 2018 GASB 75 OPEB entries).
- Pollution remediation obligations (PRO) under GASB 49 net to \$1.3 million (PRO liability \$3.0 million, offset by expected cost recoveries of \$1.7 million).
- Estimated liability for loss contingencies totaling \$3.1 million.
- Payroll related liabilities of \$1.6 million.
- Other accrued liabilities of \$0.3 million.

► **Deposits** total \$3.8 million, as follows:

- \$3.7 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$327.5 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation April 30, 2019

► School Facilities Construction Bond / Note Proceeds & Project Expenditures

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$11.148 billion.
- Project expenditures for the month and year-to-date periods total \$20.0 million and \$87.1 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 16,122,189	59,761,815	\$ 4,918,178,272
Design Services	(2,476,745)	(2,125,988)	411,545,320
PMF/CM Services	364,066	1,739,445	458,180,232
SDA Project Management	1,216,738	4,593,442	89,819,398
Property Acquisition, Relocation & Enviro	132,106	662,820	578,990,340
School Furniture, Fixtures & Equipment	1,086,190	1,225,616	167,456,524
Project Insurance	1,493,735	1,603,166	107,817,570
NJ State Inter-Agency Transfers	-	170,686	50,136,679
SDA District Grant & Funding Agreements	95,432	1,136,498	873,037,642
Regular Operating District Grant Agreements	1,967,687	17,214,307	2,888,634,391
Real-Time Project Audits	-	-	628,000
Property Management, Maintenance & Utils	19,062	615,123	17,989,423
Outside Legal & Claims Resolution Services	52,190	387,689	9,969,162
Temporary Staffing	-	237,211	9,970,135
Other Project Costs	135,453	142,935	60,105,134
Project Credits	-	-	(54,902,944)
Total Project Expenditures	20,208,103	87,364,765	10,587,555,278
Less: Local Share Contributions	(217,059)	(217,059)	(183,733,196)
Project Expenditures (State Share)	\$ 19,991,044	\$ 87,147,706	\$ 10,403,822,082
 2019 Capital Spending Forecast	 \$ 25,679,911	 \$99,750,233	

Allocations Since Program Inception

► Program Funding & Expenditures

- SDA Districts
- Regular Operating Districts
- Vocational Schools
- Total - State Share

	<u>Bonding Caps</u> ¹	<u>Total Funding</u> ²	<u>Paid to Date</u> ³
SDA Districts	\$ 8,900,000,000	\$ 9,021,110,579	\$ 7,549,226,293
Regular Operating Districts	3,450,000,000	3,497,846,855	3,207,774,264
Vocational Schools	150,000,000	151,912,012	117,428,821
Total - State Share	\$ 12,500,000,000	\$ 12,670,869,446	\$ 10,874,429,378

► Percentage of Total Funding Paid to Date

- SDA Districts 83.7%
- Regular Operating Districts 91.7%
- Vocational Schools 77.3%
- Total - State Share 85.8%

1 Of the \$12.5 billion authorized for the school construction program, \$11,147,702,648 principal amount of bond and note proceeds have been received to date.

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

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$470,607,296.

New Jersey Schools Development Authority Fund Reporting Operating Expenses vs Budget April 30, 2019

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>Over/ (Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 6,472,000	\$ 6,855,992	\$ (383,992)
Employee Benefits	4,119,180	4,490,612	(371,432)
Direct Hire Temporary Employee Costs	14,450	53,824	(39,374)
Total Employee Salaries & Benefits Costs	10,605,630	11,400,428	(794,798)
<u>Less:</u> Employee Salaries & Benefits Costs Charged to Projects			
Salaries & Benefits Charged to Operating Expense	6,012,188	6,292,798	(280,610)
Temporary Staffing Services	2,003	50,000	(47,997)
Travel & Expense Reimbursements	5,807	15,000	(9,193)
Training & Professional Development	12,397	49,658	(37,261)
Total Personnel Expenses	6,032,395	6,407,456	(375,061)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	816,820	912,892	(96,072)
Information Systems	459,131	487,332	(28,201)
Professional & Other Contracted Services	138,136	200,100	(61,964)
Property & Casualty Insurance	117,786	115,664	2,122
SDA-Owned Automobiles	46,084	98,332	(52,248)
Communications & Outreach	6,033	33,336	(27,303)
Reserve for Unforeseen Events & New Initiatives	-	16,668	(16,668)
Total Authority Operating Expenses	<u>7,616,385</u>	<u>8,271,780</u>	<u>(655,395)</u>

2019 Annual Operating Budget

\$ 19,224,222

**New Jersey Schools Development Authority
Capital Expenditures
April 30, 2019**

	Budget Year	Budget Amount	Capital Expenditures		
			2019	Pre-2019	Total
Description of Capital Item:					
Leasehold Improvements		\$	\$	\$	\$ -
Office Furniture & Equipment			20,670		20,670
Computer Software:					
CM Software System - Estimated SDA Staff Time	2019	450,000	-	-	-
CM Software System - Purchase & Development	2019	1,000,000	-	-	-
CM Software System - Purchase & Development	2018	1,500,000	109,758	162,544	272,302
Total		\$ 2,950,000	\$ 130,428	\$ 162,544	\$ 292,972

New Jersey Schools Development Authority
Fund Reporting Operating Expenses vs Prior Year
April 30, 2019

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2018</u> <u>Year-To-Date</u>	<u>Increase/</u> <u>(Decrease)</u>
Personnel Expenses:			
Employee Salaries	\$ 6,472,000	\$ 5,842,740	\$ 629,260
Employee Benefits	4,119,180	4,000,617	118,563
Direct Hire Temporary Employee Costs	14,450	31,466	(17,016)
Total Employee Salaries & Benefits Costs	10,605,630	9,874,823	730,807
Less: Employee Salaries & Benefits Costs			
Charged to Projects	4,593,442	4,374,846	218,596
Salaries & Benefits Charged to Operating Expense	6,012,188	5,499,977	512,211
Temporary Staffing Services	2,003	19,569	(17,566)
Travel & Expense Reimbursements	5,807	3,916	1,891
Training & Professional Development	12,397	12,540	(143)
Total Personnel Expenses	6,032,395	5,536,002	496,393
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	816,820	825,626	(8,806)
Information Systems	459,131	342,010	117,121
Professional & Other Contracted Services	138,136	89,965	48,171
Property & Casualty Insurance	117,786	112,527	5,259
SDA-Owned Automobiles	46,084	21,032	25,052
Communications & Outreach	6,033	75	5,958
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	7,616,385	6,927,237	689,148

New Jersey Schools Development Authority

Employee Headcount

April 30, 2019

	<u>Current Month End</u>
Office of Chief Executive Officer	2
Office of Chief of Staff	7
Human Resources	5
Communications	5
Legislative Affairs	3
Community Engagement	3
Business Compliance & Capacity Building	3
Business and Workforce Diversity	9
Office of Corporate Governance & Legal Affairs	5
Policy	2
Chief Counsel	12
Internal Audits	4
Office of Construction Operations	0
Project Teams	34
Office of Chief Operating Officer	3
Predevelopment & Real Estate	8
Design Studio	15
Safety	6
Planning & Program Operations	8
Office of Administrative Operations	2
Grants Administration	11
Property Management	5
Central Records Management	4
Facilities	7
Information Systems	15
Office of Chief Financial Officer	1
Financial Operations	11
Financial Accounting & Disbursements	13
Procurement	9
Risk Management	9
 Total Full-Time Employees at Month End	 <u>221</u>
2019 Year-To-Date Operating Budget	<u>235</u>

New Jersey Schools Development Authority

Statement of Net Position

April 30, 2019

Excludes GASB 75 and GASB 68 entries

	<u>Current Month End</u>	<u>2018 Year End</u>	<u>Increase/ (Decrease)</u>
ASSETS			
Cash and Cash Equivalents	\$ 447,959,781	\$ 539,794,555	\$ (91,834,774)
Receivables	30,160	29,828	332
Prepaid Expenses	521,791	87,623	434,168
Capital Assets (Net of Accumulated Depr.)	704,933	634,982	69,951
Total Assets	<u>449,216,665</u>	<u>540,546,988</u>	<u>(91,330,323)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>16,815,652</u>	<u>19,330,393</u>	<u>(2,514,741)</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 466,032,317</u>	<u>\$ 559,877,381</u>	<u>\$ (93,845,064)</u>
LIABILITIES			
Accrued Project Costs	\$ 28,943,261	\$ 55,843,835	\$ (26,900,574)
Net Pension Liability	60,083,669	60,083,669	-
Accrued Other Post-Employment Benefits	28,222,844	27,458,691	764,153
Other Accrued Liabilities	1,681,561	4,776,503	(3,094,942)
Deposits	3,817,065	3,616,136	200,929
Total Liabilities	<u>122,748,400</u>	<u>151,778,834</u>	<u>(29,030,434)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>15,795,457</u>	<u>15,795,457</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets	704,933	634,982	69,951
Restricted for Schools Construction:			
Special Revenue Fund	<u>326,783,527</u>	<u>391,668,108</u>	<u>(64,884,581)</u>
Net Position	<u>327,488,460</u>	<u>392,303,090</u>	<u>(64,814,630)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	<u>\$ 466,032,317</u>	<u>\$ 559,877,381</u>	<u>\$ (93,845,064)</u>

New Jersey Schools Development Authority
Statement of Activities
April 30, 2019

Excludes GASB 75 and GASB 68 entries

9

	<u>Current Year-To Date</u>	<u>2018 Year-To Date</u>	<u>Increase/ (Decrease)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ -	\$ -
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	3,865,889	2,348,253	1,517,636
Rental Income	7,629	-	7,629
Other Revenue-OPRA	-	30	(30)
Total Revenues	<u>3,873,518</u>	<u>2,348,283</u>	<u>1,525,235</u>
EXPENSES			
Administrative & General Expenses	8,380,538	7,654,659	725,879
Capital Depreciation	60,477	68,931	(8,454)
School Facilities Project Costs	60,247,133	72,309,965	(12,062,832)
Total Expenses	<u>68,688,148</u>	<u>80,033,555</u>	<u>(11,345,407)</u>
CHANGE IN NET POSITION	(64,814,630)	(77,685,272)	12,870,642
Beginning of Period Net Position	<u>392,303,090</u>	<u>392,740,734</u>	<u>(437,644)</u>
NET POSITION END OF PERIOD	<u>\$ 327,488,460</u>	<u>\$ 315,055,462</u>	<u>\$ 12,432,998</u>

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

PUBLIC COMMENT STATEMENT

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

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

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